Letter of Offer
Dated [●]
For Eligible Equity Shareholders only

WOCKHARDT LIMITED

Our Company was originally incorporated as 'Wockhardt Pharmaceuticals Limited' in Mumbai on July 8, 1999 as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation 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, the name of our Company was changed to 'Wockhardt Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on December 28, 1999. For details of changes in our name and the address of our registered office, please see the section entitled "*General Information*" on page 47.

Registered Office: Wockhardt Research Centre, D-4, MIDC, Chikalthana, Aurangabad 431 006, Maharashtra, India; **Tel**: +91 240 6694 444
Corporate Office Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India; **Tel**: +91 22 2653 4444
Contact Person: Debashis Dey, Company Secretary and Compliance Officer
E-mail: investorrelations@wockhardt.com; **Website**: www.wockhardt.com
Corporate Identity Number: L24230MH1999PLC120720

PROMOTERS OF THE COMPANY: HABIL FAKHRUDDIN KHORAKIWALA AND HUMUZA CONSULTANTS

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF WOCKHARDT LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹5.00 EACH OF THE COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹750* CRORE ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE SEE THE SECTION ENTITLED "*TERMS OF THE ISSUE*" ON PAGE 237.

**Assuming full subscription*

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 16.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of the Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**). The Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through their letters dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is [●].

LEAD MANAGER	REGISTRAR TO THE ISSUE
Ambit Private Limited Ambit House, 449, Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharashtra, India **Tel:** +91 22 6623 3000 **E-mail:** wockhardt.rights@ambit.co **Investor Grievance e-mail:** customerservicemb@ambit.co **Contact person:** Nikhil Bhiwapurkar/Jitendra Adwani **Website:** www.ambit.co **SEBI Registration No.:** INM000010585	**Link Intime India Private Limited** C-101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** 022 4918 6200 **E-mail:** wockhardt.rights@linkintime.co.in **Investor Grievance e-mail:** wockhardt.rights@linkintime.co.in **Contact person:** Shanti Gopalkrishnan **Website**: www.linkintime.co.in **SEBI Registration No.**: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or the Capital Raising Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Provided that terms used in the sections entitled "Summary of this Letter of Offer", "Financial Statements", "Statement of Special Tax Benefits", "Outstanding Litigations and Defaults", "Terms of the Issue" on pages 14, 107, 60, 222 and 237 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer" or "Wockhardt"	Wockhardt Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Aurangabad 431 006, Maharashtra, India
"We", "Our", or "Us"	Our Company along with our Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
Articles of Association or Articles	Articles of Association of the Company, as amended from time to time
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company for the year ended March 31, 2021, which comprises the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Board of Directors or Board or our Board	The board of directors of our Company or any duly constituted committee thereof
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
Directors	The directors on our Board, as may be appointed from time to time
ESOS-2011	Wockhardt Employee Stock Option Scheme - 2011
Equity Shares	Equity shares of face value of ₹5 each of our Company
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Independent Director	A non-executive, independent Director appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of the Independent Directors, see "*Our Management*" beginning on page 102
Key Management Personnel	Key management personnel of our Company as disclosed in "*Our Management*" on page 102
Material Subsidiaries	A subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth, respectively, of our Company and our Subsidiaries in the immediately preceding accounting year, Material Subsidiaries of our Company, being: 1. Wockhardt Bio AG; 2. CP Pharmaceuticals Limited; 3. Pinewood Laboratories Limited; 4. Wockpharma Ireland Limited;

Term	Description
	5. Wockhardt UK Limited; 6. Morton Grove Pharmaceuticals Inc; and 7. Wockhardt USA LLC
Memorandum of Association or Memorandum	Memorandum of Association of the Company, as amended from time to time
Promoters	The promoters of our Company, being Habil Fakhruddin Khorakiwala and Humuza Consultants. For further details, please see *"Capital Structure"* on page 52
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	Registered office of our Company situated at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Aurangabad 431 006, Maharashtra, India
Subsidiaries	Subsidiaries of our Company, being: 1. CP Pharma (Schweiz) AG; 2. CP Pharmaceuticals Limited; 3. Laboratoires Negma S.A.S.; 4. Laboratoires Pharma 2000 S.A.S.; 5. MGP Inc; 6. Morton Grove Pharmaceuticals Inc.; 7. Negma Beneulex S.A; 8. Niverpharma S.A.S.; 9. Phytex S.A.S.; 10. Pinewood Healthcare Limited; 11. Pinewood Laboratories Limited; 12. The Wallis Laboratory Limited; 13. Wallis Group Limited; 14. Wallis Licensing Limited; 15. Wockhardt Bio (R) LLC; 16. Wockhardt Bio AG; 17. Wockhardt Bio Limited; 18. Wockhardt Bio Pty Ltd; 19. Wockhardt Biologics Ltd.; 20. Wockhardt Europe Limited; 21. Wockhardt Farmaceutica Do Brazil Ltd; 22. Wockhardt Farmaceutica SA DE CV; 23. Wockhardt France (Holdings) S.A.S.; 24. Wockhardt Holding Corp; 25. Wockhardt Infrastructure Development Limited; 26. Wockhardt Medicines Limited; 27. Wockhardt Nigeria Limited; 28. Wockhardt Services SA DE CV; 29. Wockhardt UK Holdings Limited; 30. Wockhardt UK Limited; 31. Wockhardt USA LLC; 32. Wockpharma Ireland Limited; and 33. Z&Z Services GmbH
Unaudited Consolidated December Financial Results	The limited review consolidated financial results of our Company as at and for the nine months period ended December 31, 2021, which comprises the consolidated statement of profit and loss and other comprehensive income
Unaudited Consolidated September Financial Results	The limited review consolidated financial results of our Company as at and for the six months period ended September 30, 2021, which comprises the consolidated balance sheet as at September 30, 2021, the consolidated statement of profit and loss and other comprehensive income and the consolidated cash flow statement for the period ended September 30, 2021

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment or Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Ambit	Ambit Private Limited
Applicant(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application though R-WAP facility or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application i.e., [●] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant/ ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker to the Issue/ Escrow Collection Bank	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being Axis Bank Limited
Banker to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in the section entitled "*Terms of the Issue*" on page 237.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time

Term	Description
Designated Stock Exchange	[●]
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see the section entitled "*Notice to Investors*" on page 9
Equity Shareholder(s) or Shareholders	Holder(s) of the Equity Shares of the Company
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, Axis Bank Limited
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
Investor(s)	Eligible Equity Shareholder(s) of the Company on the Record Date, i.e. [●] and the Renouncee(s)
Issue	This issue of up to [●] Rights Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹750* crore on a rights basis to the Eligible Equity Shareholders of the Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date **Assuming full subscription*
Issue Agreement	Issue agreement dated [●] between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[●]
Issue Materials	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹[●] per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares aggregating up to ₹750* crore **Assuming full subscription*
Lead Manager	Ambit Private Limited
Letter of Offer	This letter of offer dated [●] filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between the Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Monitoring Agency	CARE Rating Limited
Monitoring Agency Agreement	Agreement dated [●] between our Company and the Monitoring Agency in relation to monitoring of Net Proceeds
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please see the section entitled "*Objects of the Issue*" on page 54
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations

Term	Description
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being [●]
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being Axis Bank Limited
Registrar Agreement	Agreement dated **[●]** between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company
R-WAP	Registrar's web based application platform accessible at www.linkintime.co.in, instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021 for accessing/ submitting online Application Forms by resident Investors in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed *i.e.* BSE and NSE
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
₹ or Rs. or Rupees or INR	Indian Rupee
Adjusted EBITDA	Adjusted earnings before interest, taxes, depreciation, and amortization
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited

Term/Abbreviation	Description/ Full Form
Central Government	Central Government of India
CHF	Confoederatio Helvetica Franc
CIS	Commonwealth of Independent States
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
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 thereunder
CRISIL	CRISIL Limited
DCA	Drugs and Cosmetics Act, 1940
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository Participant Identity
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DPCO	Drugs (Price Control) Order, 2013
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EPS	Earnings Per Share
EUR	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / FY	Period of 12 months ending March 31 of that particular year
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020
FVCI	Foreign Venture Capital Investors registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles in India
GBP	Great Britain Pound
GIR	General Index Register
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
Income-tax Act	Income Tax Act, 1961
ISIN	International Securities Identification Number
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
Net Worth	The aggregate value of the equity share capital, other equity and non-controlling interests
NGT	National Green Tribunal
NPPA	National Pharmaceutical Pricing Authority, Government of India
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited

Term/Abbreviation	Description/ Full Form
NSE	National Stock Exchange of India Limited
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies, Maharashtra at Mumbai
RoW	Rest of the World
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circulars bearing reference number SEBI/HO/CFD/DIL2/CIR/2020/78 dated May 6, 2020, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
Securities Act	U.S. Securities Act of 1933, as amended
State Government	Government of a State of India
UPI	Unified Payment Interface
USD	United States Dollar
U.S./USA/United States	United States of America, its territories or possessions, any state of the United States, and the District of Columbia

Industry Related Terms

Term/Abbreviation	Description/ Full Form
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/EMA	European Medicines Agency
GMP	Good Manufacturing Practice
MHRA	Medicines and Healthcare Products Regulatory Agency
MRSA	Methicillin-Resistant Staphylococcus Aureus

Term/Abbreviation	Description/ Full Form
NCE	New Chemical Entity
NDDS	Novel/New Drug Delivery System
QIDP	Qualified Infectious Disease Product
USFDA	United States Food and Drug Administration

NOTICE TO INVESTORS

In accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the "**Issue Materials**") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders, who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to e-mail or send a physical copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials, shall not be sent this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter the Application Form and other applicable Issue materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager, the Stock Exchanges and on R-WAP.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. In particular, the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**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 in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are being offered and sold only to persons outside the United States in offshore transactions as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**"). Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" on page 263.

Rights Entitlements may not be transferred or sold to any person outside India.

Any person who makes an application to acquire Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the section entitled "*Restrictions on Purchases and Resales*" on page 263.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such

information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager or its affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (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.

Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Consolidated Financial Statements, Unaudited Consolidated September Financial Results and Unaudited Consolidated December Financial Results. The Company's Financial Year commences on April 1 of each calendar year and ends on March 31 of the following calendar year. For details of the financial statements, please see the section entitled "*Financial Statements*" on page 107. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31.

The Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. The Company publishes its financial statements in Indian Rupees including figures in US Dollars for convince purposes. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees, in crores.

Non-GAAP Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, Adjusted EBITDA, Net Worth, Return on Net Worth and Net Asset Value per share and total expenses have been included in this Letter of Offer. 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.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Further, the information has also been derived from report entitled "*Industry Report – Assessment of the global and Indian pharmaceuticals industry*" dated February 2022 (the "**CRISIL Report**") prepared by CRISIL. The CRISIL Report has been commissioned and paid for by the Company, for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue.

The CRISIL Report is subject to the following disclaimer:

"CRISIL Research, 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 Research operates independently of and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

This information 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. 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, and thus we have relied on internally developed estimates.

Currency of Presentation

All references to

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India;
- 'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America;
- 'EUR', '€' and 'Euro' are to the legal currency of the European Union;
- 'GBP', '£', 'Pound', 'Pound Sterling' and 'Great Britain Pound' are to the legal currency of the United Kingdom; and
- 'CHF', 'Fr.', 'Swiss Franc' and 'Confoederatio Helvetica Franc' are to the legal currency of Switzerland.

Please note:

- One million is equal to 1,000,000 or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency	As of December 31, 2021 (in ₹)	As of March 31, 2021 (in ₹)	As of March 31, 2020 (in ₹)	As of March 31, 2019 (in ₹)*
1.	1 USD	74.30	73.18	75.31	69.18
2.	1 EUR	84.27	86.10	83.05	77.70
3.	1 GBP	100.39	100.88	93.24	89.94
4.	1 CHF	81.39	77.63	77.62	69.64

(Source: www.reuters.com, www.fbil.org and www.oanda.com. Note: Rounded off to two decimals)
Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Sunday and a Saturday, respectively.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer 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', 'expected to' 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Company's expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the 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 Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by the Company 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 the 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 the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- Failure to comply fully with government regulations or to maintain continuing regulatory oversight applicable to our research and development activities;

- Significant portion of our revenue is derived from our vaccine business, generic business and our international operations, which makes us over-reliant on such operations and businesses and the termination of any key manufacturing and supply agreements can adversely affect our operations and financial performance;

- Increasing scrutiny and changing expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices;

- Ability to successfully develop and commercialize new pharmaceutical products and achieving expected results in our research and development efforts invested in our complex generics, differentiated formulations and biologics products; and

- Failure to obtain or maintain the necessary licences for the production and sale of our products.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "*Risk Factors*" and "*Our Business*" on pages 16 and 90, respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Whilst the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it 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 of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and the Company undertakes 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 materialise, or if any of the Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, the sections entitled "*Objects of the Issue*", "*Our Business*", "*Outstanding Litigation and Defaults*" and "*Risk Factors*" beginning on pages 54, 90, 222 and 16, respectively.

For updates in relation to financial and operational performance as of and for the period ended December 31, 2021, please see the section entitled "*Material Developments*" on page 229.

Primary Business of the Issuer

We are among the key research-based global pharmaceutical companies based in India (*CRISIL Report*). We are engaged in the research and development, manufacture and distribution of pure and branded generics, vaccines, biosimilars, APIs, as well as NCE antibiotics targeting antimicrobial resistance. We also 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.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(in ₹ crore)

Particulars	Estimated amount (up to)
Repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by our Company	[●]
General corporate purposes*	[●]
Total Net Proceeds**	[●]

* *Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

For further details, please see the section entitled *"Objects of the Issue"* on page 54.

Intention and extent of participation by our Promoters/ Promoter Group with respect to (i) their rights entitlement; and (ii) their intention to subscribe over and above their right entitlement

Our Promoters and Promoter Group have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoters or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group, each as may be applicable.

The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of outstanding litigation and defaults

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved* (₹ in crores)
Litigations involving our Company		
Proceedings involving issues of moral turpitude or criminal liability	8	-
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	67.56
Proceedings before regulatory authorities involving material violation of statutory regulations	16	67.59
Matters involving economic offences where proceedings have been initiated against our Company	-	-
Other proceedings involving our Company which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	1**	-
Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	3	268.21

Nature of Cases	Number of Cases	Amount Involved* (₹ in crores)
Litigations involving our Subsidiaries		
Proceedings involving issues of moral turpitude or criminal liability	-	-
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	-	-
Proceedings before regulatory authorities involving a material violation of statutory regulations	-	-
Matters involving economic offences where proceedings have been initiated against our Subsidiaries	-	-
Other proceedings 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	5**	-
Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	-	-

**To the extent quantifiable*

***Includes one proceeding involving our Company and two of our Subsidiaries, which if it results in an adverse outcome could materially and adversely affect the operations or financial position of our company. For further details, please see section entitled "Outstanding Litigation and Defaults" on page 222.*

For further details, please see section entitled "*Outstanding Litigation and Defaults*" on page 222.

Risk Factors

For details, please see the section entitled "*Risk Factors*" on page 16. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent liabilities

For details regarding our contingent liabilities as per Ind AS 37 for the Financial Year 2021 and Financial Year 2020, please see the section entitled "*Financial Statements*" on page 107.

Related party transactions

For details regarding our related party transactions as per Ind AS 24 entered into by our Company for Financial Year 2021 and Financial Year 2020 please see the section entitled "*Financial Statements*" on page 107.

Issue of Equity Shares for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing this Letter of Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment decision. The risks described below are not the only ones relevant to us, the Equity Shares, the industry or regions in which we operate or the investments in securities of Indian issuers. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. 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 the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the section entitled "Our Business" and "Financial Statements" on pages 90 and 107, respectively.

This Letter of Offer 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 the section entitled "Forward Looking Statements" on page 13.

All financial information used in this section is derived from the Financial Statements. For additional details, please refer to the section titled "Financial Statements" beginning on page 107.

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.

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, including among others 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, as well as our manufacturing facility in USA operated by our Subsidiary, Morton Grove Pharmaceuticals Inc., 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 March 31, 2021, 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.

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 vaccine business and generic business and our international operations. Our business, results of operations and financial condition may be adversely effected if our vaccine business or the generic business 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 international operations or if we are unable to maintain our relations with key customers in such international locations, in particular in UK and USA.***

As on December 31, 2021 our generic business and vaccine business contributed to 67.2% and 19.3% of our total income.

We have entered into a services agreement dated July 31, 2020 with the Secretary of State for Business, Energy and Industrial Strategy in the United Kingdom government to fill-finish COVID-19 vaccines in the United Kingdom through our subsidiary, CP Pharmaceuticals Limited. Pursuant to this agreement, we have reserved manufacturing capacity for the supply of COVID-19 vaccines to the United Kingdom government, including the AZD1222 vaccine, until July 31, 2022. For the nine months ended December 31, 2021, we generated significant revenue amounting to ₹496 crores from the supply of COVID-19 vaccines in the United Kingdom. Any breach of the terms or a termination of this agreement or our inability to obtain an extension to the agreement as its term expires may adversely impact our vaccine business in United Kingdom and in turn our revenues and financial condition.

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.

Further, as of December 31, 2021, our operations outside India accounted for 81% of our total income, and our revenue from United Kingdom accounted for 44% of our total income. We cannot assure you that there will not be any 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, in particular in United Kingdom. Further, the loss of our key customers in these jurisdictions may adversely impact our business, cash flows, results of operations and financial condition.

3. 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.

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.

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.

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. For Financial Year 2020 and Financial Year 2021 and for the nine months ended December 31, 2021, our research and development costs were equal to 11%, 10% and 9% of our total revenue for the respective period.

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

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. For instance, in April 2021, our Subsidiary, Wockhardt Bio AG entered into a development, license and supply agreement with the Jiangxi Jemincare Group Co. Ltd. ("**Licensee**"), pursuant to which the Licensee was granted license to develop the WCK 4873 NCE for registration in the People's Republic of China, Macau, Hong Kong and Taiwan ("**Territory**"). Upon receiving such registration, the Licensee shall manufacture the NCE at its manufacturing facility for distribution, sale and marketing in the Territory. 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. Research and development efforts invested in our complex generics, differentiated formulations and biologics products may not achieve expected results.

Our business model focuses on building a pipeline in various therapies targeted at both emerging markets and more regulated markets. We invest increasingly significant resources to develop complex generics, differentiated products and biosimilars. The development of complex generics differentiated products and biosimilars involves processes and expertise significantly more complex, which increases the risks of failure. During each stage, we may encounter obstacles that delay the development process and increase expenses, leading to significant risks that we will not achieve our goals and may be forced to abandon a potential product in which we have invested substantial amounts of time and money.

We have six anti-bacterial NCEs, which are in various stages of clinical trials and all of which have been granted QIDP status by the US FDA. 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.

Because of the amount of capital required to be invested in augmenting our differentiated products and biosimilar pipeline, in the future we may become dependent on collaboration with various parties, and consequently face the risk that such parties may fail to perform their obligations or fail to reach the levels of success that we are relying on to meet our revenue and profit goals.

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.

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 other countries 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, 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, 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 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.

Our pharmaceutical 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 *"Outstanding Litigation and Defaults"* on page 222.

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.

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 Waluj, all our operational manufacturing facilities in India have less than 50% of its capacity is being utilised as of December 31, 2021 due to several reasons including regulatory alert by US FDA. For details of the production capacity and capacity utilisation of our operational manufacturing facilities in India, please see *"Our Business - Manufacturing"* on page 99. For instance, our manufacturing facilities at Ankleshwar, Waluj and Chikalthana, having a net book value of ₹ 186.47 crore and capital work-in-progress amounting to ₹ 285.81 crore, are temporarily placed on 'import alert' by the US FDA which have resulted in reduction in capacity utilisation. 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 that the US FDA will remove the regulatory alert on the facilities or 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 manufacturing of vaccines. 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. There are certain outstanding legal proceedings involving our Company and our Subsidiaries which may adversely affect our business, financial condition and results of operations.

There are certain outstanding legal proceedings involving our Company and our Subsidiaries that are incidental to our business and operations. These include, *inter alia* criminal proceedings, material civil proceedings, proceedings before regulatory authorities and material tax proceedings. These are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. Additionally, some properties on which we are developing projects are subject to litigation. For details in relation to certain material litigation, please see the section entitled "*Outstanding Litigation and Defaults*" on page 222.

A summary of the outstanding legal proceedings against our Company and our Subsidiaries as disclosed in this Letter of Offer along with the amount involved, to the extent quantifiable, has been set out below:

Nature of Cases	Number of Cases	Amount Involved* (₹ in crores)
Litigations involving our Company		
Proceedings involving issues of moral turpitude or criminal liability	8	-
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	67.56
Proceedings before regulatory authorities involving material violation of statutory regulations	16	67.59
Matters involving economic offences where proceedings have been initiated against our Company	-	-
Other proceedings involving our Company which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	1**	-
Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	3	268.21
Litigations involving our Subsidiaries		
Proceedings involving issues of moral turpitude or criminal liability	-	-
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	-	-
Proceedings before regulatory authorities involving a material violation of statutory regulations	-	-
Matters involving economic offences where proceedings have been initiated against our Subsidiaries	-	-
Other proceedings 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	5**	-
Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	-	-

* *To the extent quantifiable*

** *Includes one proceeding involving our Company and two of our Subsidiaries, which if it results in an adverse outcome could materially and adversely affect the operations or financial position of our company. For further details, please see section entitled "Outstanding Litigation and Defaults" on page 222.*

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. The actual amount of our future capital requirements may differ from estimates 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.

Our sources of additional financing, where required to meet our working capital needs, may include the incurrence of 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. The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could have an impact on our operations.

The outbreak and subsequent waves of the COVID-19 pandemic, as well as the measures of the respective governments of the countries in which we operate to reduce the spread of COVID-19, have had an impact on our operations across India and overseas since March 2020, and the timing of how long the COVID-19 pandemic and the related government measures will last is still uncertain. While all of our plants and offices continue to operate within the given constraints and directions provided by governments and agencies and ceased operations in India only during the first lockdown in India in March 2020, any significant infection, disease spread or contamination within our operating network could potentially result in temporary closure of impacted plants or operations. Further, any significant disruption of freight delivery and fulfilment operations, port closures or similar obstacles resulting from a global pandemic like COVID-19 could interfere with our ability to obtain the raw materials and intermediates necessary to support our manufacturing operations or those of our contract manufacturers, or our ability to deliver materials or finished products to our customers.

The ultimate impact of the COVID-19 global pandemic or a similar health pandemic, epidemic, infectious disease outbreak or public health emergency along with any escalation in geo-political conflicts and related political interventions, could have a material impact on our operations, results of operations and financial condition. We will continue to monitor the COVID-19 situation closely; however, the continued outbreak of COVID-19 or an aggressive outbreak of its variants may lead to the implementation of lockdowns on our offices and facilities, government-imposed quarantines or stay-at-home orders, and other public health safety measures, which may have several adverse effects on our business, results of operations and financial condition.

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

As on March 31, 2021, our contingent liabilities were as set forth below:

Particulars	**Amount (as of March 31, 2021) (₹ in crores unless specifically mentioned otherwise)**
Demands by Central Excise authorities in respect of Classification/Valuation/Cenvat Credit related disputes;	44.64
Demand by Income tax authorities disputed by our Company	310.37
Demand by Sales Tax authorities disputed by our Company	89.90
Demand by service tax authorities in respect of non-payment of service tax on import of certain services disputed by our Company	0.88
Demand by Municipal Corporation, Local body Tax on inputs used for manufacture of exported goods	2.00
Differential custom duty for misclassification/penalty disputed by our Company	0.65
Claims against Company not acknowledged as Debt in respect of:	
- Electricity expense	7.56
- Remediation against pollution of ground water	0.85

Particulars	Amount (as of March 31, 2021) (₹ in crores unless specifically mentioned otherwise)
- Environmental compensation against non-compliance of water/air pollution measures	2.00
Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by our Company	80.51
Settlement demand raised by Texas Attorney General's office after review of documents submitted in response to Civil Investigative Demand ('CID') with respect to submission of price information and updates to Texas Medicaid	USD 90 million*
Estimated amount of contracts remaining to be executed on capital account and not provided for after deducting advance on capital account of ₹8.22 crore.	97.64
Claim against group not acknowledged as debt: - Service level penalties imposed on us by customers on account of significant delays which have been disputed by us	12.97

* *Our Company and our Subsidiaries Wockhardt USA LLC and Morton Grove Pharmaceuticals Inc. (collectively, "**Wockhardt Companies**") have entered into a term sheet indicating the terms of settlement arrived at with the State of Texas on February 8, 2022 and the Wockhardt Companies have agreed to pay USD 36 million and interest over nine instalments between 2022 and 2025. Wockhardt Companies have also undertaken to provide an unconditional guaranty by our Executive Director, Huzaifa Khorakiwala and have also agreed to provide the State of Texas with irrevocable letters of credit totalling USD 40 million. Wockhardt Companies have made provision of USD 16 million as of December 31, 2021 based on management's best estimate of expected payout. The remaining amount will be accounted for its present value as exceptional items in quarter and year ended March 31, 2022*

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 Statements*" on page 107.

15. A significant portion of the Net Proceeds are proposed to be paid to the Promoter Group of our Company for repayment of an unsecured loan, which can be recalled at any time.

Our Company entered into loan agreements each dated January 25, 2022, pursuant to which our Company availed unsecured loan facilities amounting to ₹230 crore, ₹282 crore, ₹270 crore and ₹260 crore from our Promoter Group entities, Themisto Trustee Company Private Limited, Ananke Trustee Company Private Limited, Callirhoe Trustee Company Private Limited and Khorakiwala Holdings and Investments Private Limited, respectively, out of which ₹ 215.45 crore, ₹ 257.44 crore, ₹ 107.22 crore and ₹254.63 crore, respectively remains outstanding and payable by our Company. As part of the objects of this Issue, our Company proposes to utilise a significant portion of the Net Proceeds towards repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by our Company, including the amount owed to the aforementioned Promoter Group entities under their respective loan facilities. For details in relation to these facilities, see *"Objects of the Issue"* on page 54.

Further, since the loan facility is unsecured, it is recallable on demand by our Promoter Group entities at any time and they are empowered to require repayment of the entire facility at any point in time during the tenor. Upon receipt of such repayment demand, our Company may be required to repay the entirety of the unsecured loan, together with accrued interest and other outstanding amounts and charges. Our Company may not be able to generate sufficient funds to repay the loan facility within the stipulated time period and may resort to other financing arrangements on commercial terms not favourable to our Company. Failure to repay the unsecured facility in a timely manner would constitute an event of default under the loan agreement and may have a material impact on our cash flows and financial condition.

16. 3,52,07,000 Equity Shares held by our Promoter aggregating to 31.77% 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 December 31, 2021, Themisto Trustee Company Private Limited as a trustee of one of the partners of our Promoter, Humuza Consultants, has pledged 3,52,07,000 Equity Shares in our Company aggregating to 31.77% 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.

17. 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
- our Share price may decline.

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.

18. 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 Aurangabad, 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 New Jersey, United States and Dubai, United Arab Emirates, respectively, are also each 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, 2022.

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.

19. If we suffer substantial disruption to any of our production facilities, our business could be adversely affected.

As of December 31, 2021, we have 12 manufacturing facilities, which are located in India, the United Kingdom, the United States, 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.

20. 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.

21. 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.

22. 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. 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.

23. 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. 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.

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. 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.

As of December 31, 2021, we had filed 3,214 patents and held 793 patents worldwide. In addition, as on December 31, 2021, six of our anti-biotic products indicated for treatment of bacterial infection had been granted patent protection. 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. 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. If we are unable to maintain the confidentiality of our trade secrets, our business and future prospectus 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.

28. 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. As of March 31, 2021, our total inventory amounted to ₹798.88 crores. 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.

29. 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.

We propose to utilise the Net Proceeds for repayment, in full or part, of sub-ordinated debt and for general corporate purposes. For details in relation to the objects of the Issue, see *"Objects of the Issue"* on page 54. Our funding requirements are based on internal management estimates 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. Further, any variation in the planned use of the Net Proceeds would 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.

30. 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.

31. 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.

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

As of September 30, 2021, our Company had a total outstanding borrowing amounting to ₹ 2,408.39 crores on a consolidated basis. We have breached certain covenants in some of our loan agreements, such as debt service coverage ratio and Adjusted EBITDA to debt ratio which have been waived 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. Further, our Company has entered into a deed of pledge with Catalyst Trusteeship Limited, which requires the cumulative pledge of our Promoter and members of the Promoter Group not to exceed 40% of their shareholding in our Company. However, as on February 15, 2022, the Pledgor, Promoter and members of the Promoter Group had cumulatively pledged 47.32% of their shareholding in our Company and are in breach of the terms of such deed of pledge. 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. While we have received all relevant consents required for the purpose of this Issue, 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.

33. We have reported losses in Financial Year 2019 and Financial Year 2020 and may incur losses in the future.

We reported losses after taxes amounting to ₹ 216.66 crores and ₹ 43.39 crores for the financial years ended March 31, 2019 and March 31, 2020. 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. It may also adversely impact our ability to utilise the Minimum Alternate Tax ("**MAT**") credit entitlement of ₹ 236.95 crores as of March 31, 2021 that our Company has accumulated over the previous years under the Income Tax Act, 1961.

34. We had a negative cash flow in Financial Year 2021 and may continue to have negative cash flows in the future.

We had a cash outflow from operating activities of ₹ 287.32 crores for the financial year ended March 31, 2021. We cannot assure you that our operating cash flows or net cash flows will be positive in the future and if we continue to experience any such cash outflow in the future, it could adversely affect our business prospects, financial condition and results of operations. For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 107 and 195, respectively.

35. 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.

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.

36. 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 February 15, 2022, our Company has availed an unsecured loan facility amounting to ₹ 965.59 crores from certain members of our Promoter Group, at an interest rate of 11.75% 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 Statements*" on page 107, 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.

37. We have, in the past, entered into related party transactions and may continue to do so in the future. There can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

We have entered into transactions with certain related parties. For details in relation to our related party transactions in Financial Year 2020 and Financial Year 2021, see "*Financial Statements*" on page 107. Whilst we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations. Further, any future transactions with our related parties may potentially involve conflicts of interest. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

38. Results of earlier clinical trials may not be predictive of results of later-stage clinical trials, which create uncertainties for the clinical trial results of late-stage drug candidates.

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, we have four anti-bacterial NCEs (WCK 4873, WCK 4282, WCK 5222 and WCK 6777) which are in various development stages and all of which have been granted QIDP status by the US FDA. While we believe that one of our novel antibiotics, WCK 5222, which basis our internal estimates is expected to complete phase III clinical trials by the end of 2023, there can be no assurance that the clinical trials will be completed within such time period 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. 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. In the case of clinical trials we conduct, results may differ from earlier trials due to the larger number of clinical trial sites and additional countries and languages involved in such trials. There is no assurance that late-stage clinical trial results for our drug candidates will produce favourable results.

39. If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

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.

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. Our drug candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval and materially harm our business and reputation.

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;
- reputational damage;
- potential product liability claims and legal proceedings;
- substantial monetary awards to trial participants; and
- inability to commercialize any drug candidates that we may develop.

Any of these occurrences would materially harm our business and reputation. Furthermore, combination therapies involve unique adverse events that could be exacerbated compared to adverse events from monotherapies. As we are seeking to develop combination therapies leveraging synergies within our own pipeline of drug candidates or through external collaborations, these types of adverse events subject us to additional risks.

42. 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.

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.

43. 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.

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.

44. 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.

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 re-appoint 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.

45. 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.

46. 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.

47. 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.

48. 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.

49. 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. 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.

50. We are subject to environmental regulations; 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. For instance, the Maharashtra Pollution Control Board ("**MPCB**") has filed an application before the National Green Tribunal ("**NGT**") against our Company and others, seeking an individual contribution from our Company for installation of a plant for remediation of contamination of ground water. For details, see *"Outstanding Litigation and Defaults – Proceedings before regulatory authorities involving our Company involving material violations of statutory regulations"* on page 223. If these costs become prohibitively expensive, we may be forced to curtail or cease certain of our pharmaceutical manufacturing business. In addition, if we become subject to any significant environmental-related liabilities, it could adversely affect our financial condition and results of operations.

51. We have and may enter into business transactions with government or government-funded entities and any change in government policies, practices or focus may adversely affect our business, cash flow and results of operations.

Certain of our business is dependent on contracts with governmental authorities, government hospitals and other entities funded by governments or governmental authorities in the domestic and international market. For instance, as on December 31, 2021, we generated revenue amounting to ₹496 crores from the fill-finish of COVID-19 vaccines in the United Kingdom, pursuant to a services agreement with the UK government to fill-finish COVID-19 vaccines. If there is any change in the government or in governmental policies, practices or focus that results in a delay in obtaining government contracts, our business, cash flows and results of operations may be adversely affected.

52. Our employees at our manufacturing facilities in India 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.

Eight of our manufacturing facilities are located in numerous locations across India, 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.

Some of our employees are members of registered labour unions. 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.

53. We rely extensively on our operational support systems, including quality assurance systems, quality control systems, product processing systems and information technology systems. If we suffer failures in any of these systems, it could adversely affect our ability to effectively manage our business operations.

We depend extensively on the capacity and reliability of the quality assurance, quality control, product development and information technology systems supporting our operations. Our systems are subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism, cyber-attacks, threats to cyber security and similar events or the loss of support services from third parties. Any system failure or disruption in the operation of these systems may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, maintain relevant data, manage product lifecycle, payables and inventory or otherwise conduct our normal business operations, which may increase our costs and materially adversely affect our business, cash flows and results of operations. There can be no assurance that we will not encounter disruptions in the future. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition, cash flows and results of operations.

54. 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.

55. 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.

EXTERNAL RISKS

56. Economic, political or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by political conditions, economic developments 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 Financial Year 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 and the price of the Equity Shares.

In addition, the ongoing COVID-19 pandemic has caused an economic downturn in several major economies and generated volatility in, and general adverse impact on, the global securities markets, including in India. The Indian economy's growth pace slowed significantly in Financial Year 2019 and has been significantly impacted by the COVID-19 pandemic as compared to previous years. This slower rate of economic growth was primarily driven by the COVID-19 pandemic and a slowdown in consumer demand. For further discussion on the impact of COVID-19, please see *"--The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could have an impact on our operations*".

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatile inflation rates in India in recent years, which could cause a rise in the costs of rent, wages and raw materials; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, Financial Year or monetary policies; occurrence of natural or man-made disasters; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

Our performance and the growth of our business are dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the Indian government towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. While our Company is one of 55 pharmaceutical companies in India to receive production-linked incentives from the Indian government under the Production Linked Incentive Scheme announced in November 2021, any of the abovementioned factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

Further, any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. Any negative changes to diplomatic relationships between India and other geographies in which we operate may adversely affect our ability to conduct or business, obtain the requisite authorisations and permits and enforce contracts with third parties.

57. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the Indian government may not implement new regulations and policies which will require us to obtain approvals and licences from the Indian government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

Any change in Indian tax laws could have an effect on our operations. For instance, as per the amended Income Tax Act, 1961 ("**IT Act**"), domestic companies may voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable to such a company. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions

may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of tax with effect from July 1, 2017.

The Government of India has announced the union budget for the Financial Year 2023, pursuant to which the Finance Bill, 2022, which proposes various amendments, has been introduced before the Parliament. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

58. We are exposed to risks associated with foreign exchange rate fluctuations.

Our global export footprint exposes us to foreign exchange rate risks, arising primarily from our receivables, import of raw materials and capital goods for our operations and export of goods. Our exposure to exchange rate fluctuations is in part naturally hedged by the fact that we export formulations and import raw materials and equipment. However, there can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally, particularly in emerging markets where the risk of currency volatility is higher. Our Company has been receiving advance for supply of goods from one of our foreign subsidiary, Wockhardt Bio AG aggregating to USD 88.06 million as on March 31, 2021. The advance amount received by our Company is accounted for only at the historical transaction exchange rate in accordance with the Ind AS 21. Therefore, the advance amount received towards sale of goods does not take into account the foreign exchange rate fluctuations over the years. Our Company as part of normal business has also provided service including but not limited to research and development services and assignment of rights over our new chemical entity to Wockhardt Bio AG and these amounts have been outstanding receivable for more than the prescribed period as per the master directions issued by the RBI. Our Company has approached the RBI to offset these receivables and advances and the decision of the RBI on this matter is still pending. On receipt of the RBI approval, our Company may need to recognise foreign exchange translation loss on the advance of USD 88.06 million depending on the then prevailing exchange rate.

59. Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to scientists and engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, we may also have additional employees as a result of acquisitions or organic growth of our business. Although improving efficiency and profitability is and will continue to be an important aspect of our overall business strategy and specifically, we intend to increase the level of manufacturing automation and improve productivity of our current and future staff, we may fail to successfully implement such strategy and our ability of offset staff costs increase would be impaired, which could negatively affect our ability to operate efficiently and adversely affect our revenues and profitability.

60. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

India's sovereign rating could be downgraded due to various factors, including changes in tax or Financial Year policy or a decline in India's foreign exchange reserves, which are outside of our control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

61. Differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our audited financial statements contained in this Letter of Offer have been prepared and presented in accordance with Ind AS and no attempt has been made to reconcile any of the information given in this Letter of Offer to any other principles or to base it on any other standards. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

62. Changes in trade policies may affect us.

We are continuing to expand our international operations as part of our growth strategy. Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import or export their raw materials or components, or countries to which we export our products, may have an adverse effect on our profitability. Furthermore, 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. Any change in export policies by the countries in which our suppliers are based may have an adverse impact on our business.

63. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002 ("**Competition Act**") regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). The Competition Act and the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended (which set out the mechanism for implementation of the merger control regime in India), aim to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We have received directions to furnish information to the CCI as part of an ongoing investigation in relation to anti-competitive practices allegedly committed by our Company. For details, see *"Outstanding Litigation and Defaults – Proceedings before regulatory authorities involving our Company involving material violations of statutory regulations"* on page 223. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects. Further, our business prospects and results of operations in overseas jurisdictions may also be adversely affected by virtue of any unfavourable changes to the existing competition law regime.

64. It may not be possible for investors to enforce any judgment obtained outside India against us or any of our directors and executive officers in India respectively, except by way of a law suit in India on such judgment.

Our Company is incorporated under the laws of the Republic of India all of its directors reside in India. As a result, it may be difficult for investors to enforce the service of process upon our Company and any of our directors and executive officers India or to enforce judgments obtained against our Company and these persons in courts outside of India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of

Civil Procedure, 1908 ("**Civil Code**"). Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon 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 refusal to recognize the law of India in cases to 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; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be 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 may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

65. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.

Our Articles of Association and Indian law govern our corporate affairs. Indian legal principles related to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a company in another jurisdiction.

66. We have referred to the data derived from the industry report commissioned and paid for by our Company from CRISIL Limited and other publicly available information, which have been used for industry-related data and for management estimates in this Letter of Offer.

Unless otherwise indicated, the industry-related information contained in this Letter of Offer is derived from an executive summary of a report entitled "*Assessment of the global and Indian pharmaceuticals industry*" dated February 2022 ("**CRISIL Report**") prepared by CRISIL Limited ("**CRISIL**"). We commissioned CRISIL for the CRISIL Report on January 18, 2022 and paid for such report an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue. We have no direct or indirect association with CRISIL other than as a consequence of such an engagement. The CRISIL Report is not exhaustive and are based on certain assumptions, parameters and conditions made and identified by CRISIL. They also use certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context. 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. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Additionally, we have derived certain information contained in the *"Our Business"* section of this Letter of Offer, in relation to results of clinical trials of our NCEs, from publicly available medical journals and such information has been compiled and analysed by our management based on certain identified methodologies, parameters and conditions. Investors should read such disclosures in this Letter of Offer in this context. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

RISKS RELATING TO THE EQUITY SHARES AND THIS ISSUE

67. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you

receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

68. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

69. Our Company will not distribute this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other Issue related materials to certain categories of overseas Equity Shareholders.

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address. Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided an Indian address and who have made a request in this regard. In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchange and on R-WAP.

However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

70. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

71. The R-WAP facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with SEBI circulars dated May 6, 2020, July 24, 2020, January 19, 2021, April 22, 2021 and October 1, 2021, a separate R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors (only in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Further, R-WAP is only an additional option and not a replacement of the

ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, please see the section entitled *"Terms of the Issue"* on page 237. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policies effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of the COVID-19 pandemic. We cannot assure you that R-WAP will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or may be rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP.

72. SEBI has, by way of the SEBI Rights Issue Circulars, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has been introduced by SEBI in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Rights Issue Circulars, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall be participating in the Issue only in accordance with the applicable laws in their respective jurisdictions. For details, please see the section entitled "*Terms of the Issue*" beginning on page 237.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned, reversed or failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

73. Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

74. Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues.

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company is not offering the rights (including their credit) in this offering to the holders of Equity Shares who have a registered address in the United States. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a

registered address in the United States may be unable to participate in this offering or in future rights offerings and may experience a dilution in their holdings as a result.

75. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares and Equity Shares Rights Entitlements.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("**STT**") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, 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 our Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares Rights Entitlements.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of 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 securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019, however these amendments will come into effect from July 1, 2020. The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

The Government of India has announced the union budget for the Financial Year 2023, pursuant to which the Finance Bill, 2022, which proposes various amendments, has been introduced before the Parliament. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business. 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.

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

Under the Companies Act, any company 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 prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in, does not permit the exercise of such pre-emptive rights, without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

77. Fluctuations in the exchange rate between the Rupee and the U.S. Dollar could have an adverse effect on the value of our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Rupees on the Stock Exchanges. Dividends, if any, in respect of our Equity Shares will be paid in Rupees and subsequently converted into U.S. Dollars for repatriation, as required. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors in terms of domicile currency of the investor. In addition, any adverse movement in 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 net proceeds received by shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two

decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares, independent of our operating results.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. 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.

79. Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

80. The Equity Shares to be allotted may not be credited to your demat account in a timely manner and cannot be traded unless the listing and trading approval is received or at all.

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on January 6, 2022, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Capital Raising Committee at its meeting held on [●], 2022.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled "*Terms of the Issue*" on page 237.

Rights Equity Shares being offered by the Company	Up to [●] Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Share for every [●] fully paid-up Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹5 each
Issue Price	₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share)
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law
Issue Size	Up to ₹750* crore *#Assuming full subscription*
Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue	110,815,503 Equity Shares. For details, please see the section entitled "*Capital Structure*" on page 52 (1)
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]# Equity Shares *#Assuming full subscription*
Security Codes for the Equity Shares	ISIN: INE049B01025 BSE: 532300 NSE: WOCKPHARMA
ISIN for Rights Entitlements	[●]
Terms of the Issue	For further information, please see the section entitled "*Terms of the Issue*" on page 237
Use of Issue Proceeds	For further information, please see the section entitled "*Objects of the Issue*" on page 54

(1) Pursuant to provisions of Section 126 of the Companies Act, 6,700 Equity Shares issued by the Company are kept in abeyance.

For details in relation fractional entitlements, please see the section entitled "*Terms of the Issue – Basis for this Issue and Terms of this Issue – Fractional Entitlements*" on page 253.

Terms of Payment

Due Date	Amount payable per Rights Equity Shares (including premium)
On the Issue application (i.e. along with the Application Form)	₹[●]

GENERAL INFORMATION

Our Company was originally incorporated as 'Wockhardt Pharmaceuticals Limited' in Mumbai on July 8, 1999, as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation 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, the name of our Company was changed to 'Wockhardt Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on December 28, 1999.

Registered Office of the Company

D-4, MIDC
Chikalthana, Aurangabad 431 006
Maharashtra, India.
Tel: +91 240 6694 444
Website: www.wockhardt.com
Corporate Identity Number: L24230MH1999PLC120720
Registration Number: 120720
E-mail: **i**nvestorrelations@wockhardt.com

Corporate Office of the Company

Wockhardt Towers
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India

Address of the RoC

The Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Company Secretary and Compliance Officer

Debashis Dey is the Company Secretary and Compliance Officer of the Company. His details are as follows:

Debashis Dey
Wockhardt Towers
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 2659 4444
E-mail: Ddey@wockhardt.com

Lead Manager to the Issue

Ambit Private Limited
Ambit House
449, Senapati Bapat Marg
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Mumbai 400 013
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Tel: +91 22 6623 3000
E-mail: wockhardt.rights@ambit.co
Investor Grievance e-mail: customerservicemb@ambit.co
Contact person: Nikhil Bhiwapurkar/Jitendra Adwani
Website: www.ambit.co
SEBI Registration No.: INM000010585

Legal Advisor to the Company as to Indian law

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Special International Legal Counsel to the Lead Manager

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318
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Statutory Auditors of the Company

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14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway, Goregaon (East)
Mumbai 400 063
Tel: +91 22 6257 1000
Fax: +91 22 6257 1010
E-mail: klehery@bsraffiliates.com
Firm Registration Number: 101248W/W-100022
Peer Review Certificate Number: 011748

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Tel: 022 4918 6200
E-mail: wockhardt.rights@linkintime.co.in
Investor Grievance e-mail: wockhardt.rights@linkintime.co.in
Contact person: Shanti Gopalkrishnan
URL of SEBI website:
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or R-WAP may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, please see the section entitled "*Terms of the Issue*" on page 237.

Experts

The Company has received consent from its Statutory Auditors, B S R & Co. LLP, Chartered Accountants through its letter dated February 25, 2022 to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the Audited Consolidated Financial Statements of the Statutory Auditors, the audit reports in respect of the Audited Consolidated Financial Statements, Unaudited Consolidated December Financial Results, Unaudited Consolidated September Financial Results and the reports issued by them, and the Statement of Possible Special Tax Benefits and Such consent has not been withdrawn as of the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated February 25, 2022 from Independent Chartered Accountants, namely, M/S Harshil Patel & Co. to include its name in this Letter of Offer, as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has received written consent dated February 22, 2022 from Independent Chartered Engineer, namely, Satish Raipure, structural & consulting engineer, chartered engineer, to include its name in this Letter of Offer, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as independent chartered engineer certifying our Company's aggregate installed production capacities, and the capacity utilization of our Company's production facilities for Financial Year 2021 and for nine months ended December 31, 2021 and such consent has not been withdrawn as on the date of this Letter of Offer.

Banker to the Issue

Axis Bank Limited
Ground Floor, Neptune Uptown Building
N S Road, Mulund West, Mumbai 400 080
Tel: 91670 01081
Contact person: G Shankar
E-mail: mulund.branchhead@axisbank.com
Website: www.axisbank.com

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Last Date for credit of Rights Entitlements	**[●]**
Issue Opening Date	**[●]**
Last date for On Market Renunciation of Rights Entitlements #	**[●]**
Issue Closing Date*	**[●]**
Finalization of Basis of Allotment (on or about)	**[●]**
Date of Allotment (on or about)	**[●]**
Date of credit (on or about)	**[●]**
Date of listing (on or about)	**[●]**

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* *Our Board or the Capital Raising Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, please see the section entitled "*Terms of the Issue - Process of making an Application in the Issue*" on page 238.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.linkintime.co.in. after keying in their respective details along with other security control measures implemented thereat. For further details, please see the section entitled "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 250.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

Inter se allocation of responsibilities

Since only one Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

The Company has appointed CARE Ratings Limited to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

CARE Ratings Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road, off Eastern Express Highway
Sion (East), Mumbai 400 022
Tel: 22 6754 3456
Contact person: Chirag Ganguly
E-mail: chirag.ganguly@careedge.in
Website: https://www.careratings.com

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

The objects of the Issue involve (i) repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by the Company; and (ii) general corporate purposes. Further, our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Underwriting

This Issue is not underwritten.

Filing

This Letter of Offer is being filed with Stock Exchanges and submitted with SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

CAPITAL STRUCTURE

The equity share capital of the Company as at the date of this Letter of Offer is as set forth below:

(In ₹ crores, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	250,000,000 Equity Shares (of face value of ₹5 each)	125.00	NA
	2,000,000,000 Preference Shares (of face value of ₹5 each)	1,000.00	NA
	Total	**1,125.00**	**NA**
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	110,815,503 Equity Shares (of face value of ₹5 each)[(1)]	55.41	NA
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**		
	Up to [●] Rights Equity Shares of ₹ 5 each[(1)(2)]	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE [(2)(4)]**		
	Up to [●] Equity Shares of ₹ 5 each	[●]	NA
SECURITIES PREMIUM ACCOUNT			*(in ₹ crores)*
Before the Issue [(2)]			70.53
After the Issue [(3)]			[●]

[(1)] *The Issue has been authorised by the Board pursuant to a resolution dated January 6, 2022.*
[(2)] *As on February 25, 2022.*
[(3)] *Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.*
[(4)] *Pursuant to provisions of Section 126 of the Companies Act, 6,700 Equity Shares issued by the Company are kept in abeyance.*

Notes to the Capital Structure

1. **Shareholding Pattern of the Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations**

   a) The shareholding pattern of our Company as on December 31, 2021, can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/wockhardt-ltd/wockpharma/532300/shareholding-pattern/; and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern;

   b) The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on December 31, 2021, can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532300&qtrid=112.00&QtrName=December%202021 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern;

   c) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532300&qtrid=112.00&QtrName=December%202021 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

   d) The Board of Directors of our Company *vide* resolution dated January 27, 2022, took note of the recategorization within the Promoter and Promoter Group, in line with the definition of Promoter and Promoter Group under SEBI ICDR Regulations.

2. No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges and submission to SEBI.

3. Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

Employee Stock Option Scheme

Our Company has formulated an ESOP Scheme, namely, Wockhardt Employee Stock Option Scheme- 2011 ("**ESOS-2011**") pursuant to a Board resolution dated August 9, 2011, and a shareholders' resolution dated September 12, 2011.

The following table sets forth details in respect of ESOS-2011 as on December 31, 2021:

Particulars	ESOS-2011
Total number of options	2,500,000
Options granted	2,473,750
Options vested	1,920,850
Options exercised	1,379,600
Options cancelled	541,250
Total options outstanding	552,900

4. **Subscription to the Issue by the Promoters and the Promoter Group**

Our Promoters and Promoter Group have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoters or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group, each as may be applicable.

The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

5. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹[●].

6. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

7. At any given time, there shall be only one denomination of the Equity Shares of the Company.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "*Terms of the Issue*" on page 237.

OBJECTS OF THE ISSUE

The Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by our Company; and

2. General corporate purposes.

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake (i) its existing activities; (ii) the activities for which the borrowings were availed and which are proposed to be repaid from the Net Proceeds; and (iii) activities for which funds earmarked towards general corporate purposes shall be used. Further, our objects as stated in the Memorandum of Association do not restrict us from undertaking the activities for which the funds are being raised by our Company through this Issue.

The details of the Net Proceeds are summarized in the table below:

(In ₹ crore)

Particulars	Amount
Gross Proceeds*	750
Less: Estimated Issue related expenses**	[●]
Net Proceeds**	**[●]**

* *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

** *Estimated and subject to change for factors. See "- Estimated Issue Related Expenses" on page 58.*

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(in ₹ crore)

Particulars	Estimated amount (up to)
Repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by the Company	[●]
General corporate purposes*	[●]
Total Net Proceeds**	[●]

* *Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio. In the event the Issue is not fully subscribed, the Company shall first utilise the Net Proceeds towards repayments of certain sub ordinated debt as well as repayment of instalments (monthly or otherwise) of the borrowings up to the estimated amount mentioned above, and use the remaining Net Proceeds, if any, towards general corporate purposes, provided that the total amount utilised towards general corporate purposes shall not exceed 25% of the Net Proceeds.*

Means of Finance

The funding requirements mentioned above are based on the internal management estimates of the Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our arrangements with the lenders. The Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of the management. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

The Company proposes to meet the entire funding requirements for the proposed Object of the Issue from the Net Proceeds and identifiable internal accruals, if required. Therefore, the Company is not required 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.

Proposed Schedule of Implementation or Deployment of Net Proceeds

The following table provides the schedule of utilisation of the Net Proceeds:

(in ₹ crore)

Particulars	Amount to be funded from the Net Proceeds (up to)	Estimated deployment of the Net Proceeds^	
		Financial Year 2022	Financial Year 2023
Repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by the Company	[●]	[●]	[●]
General corporate purposes*	[●]	[●]	[●]
Total Net Proceeds**	[●]	[●]	[●]

* *Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio. In the event the Issue is not fully subscribed, the Company shall first utilise the Net Proceeds towards repayments of certain sub ordinated debt as well as repayment of instalments (monthly or otherwise) of the borrowings up to the estimated amount mentioned above, and use the remaining Net Proceeds, if any, towards general corporate purposes, provided that the total amount utilised towards general corporate purposes shall not exceed 25% of the Net Proceeds.*

In the event that the Net Proceeds are not completely utilized for the purposes stated above as per the estimated schedule of utilisation specified above, the same would be utilized in subsequent Financial Years for achieving the objects of the Issue.

Details of the activities to be financed from the Net Proceeds

The details in relation to objects of the Issue are set forth herein below.

I. Repayment, in full or part, of certain outstanding borrowings of the Company

Our Company has, in the ordinary course of business, entered into financing arrangements with various banks, financial institutions, and other entities. The borrowing arrangements entered into by the Company comprise, among others, working capital facilities, term loans and non-convertible debentures. Further, our Company has also availed certain subordinated unsecured borrowings from members of our Promoter Group. As of September 30, 2021 the Company had a total borrowing amounting to ₹2,408.39 crore on a consolidated basis. For details, see "*Financial Statements*" on page 107.

Our Company proposes to utilize an amount of ₹[●] crore from the Net Proceeds towards repayment of certain subordinated debt from certain Promoter Group entities as well as repayment of instalments (monthly or otherwise) of the borrowings availed by our Company from various banks, financial institutions and other entities, as elaborated in the table below.

The following table provides the details of the borrowings availed by the Company, which are currently proposed to be fully or partly repaid from the Net Proceeds:

Sr. No.	Name of the lender	Tenure of the borrowing	Nature of the borrowing	Sanctioned amount (in ₹ crores)	Total outstanding amount with interest accrued as on February 15, 2022 (in ₹ crores)	Interest rate as on February 15, 2022	Repayment schedule	Purpose
1.	Themisto Trustee Company Private Limited	Payable on demand	Unsecured	230	215.45	11.75%	Repayable on demand	Working capital and general corporate purposes
2.	Ananke Trustee Company Private Limited	Payable on demand	Unsecured	282	257.44	11.75%	Repayable on demand	Working capital and general corporate purposes
3.	Callirhoe Trustee Company Private Limited	Payable on demand	Unsecured	270	107.22	11.75%	Repayable on demand	Working capital and general corporate purposes
4.	Khorakiwala Holdings and Investments Private Limited	Payable on demand	Unsecured	260	254.63	11.75%	Repayable on demand	Working capital and general corporate purposes
5.	Bank of Maharashtra	7 years	Secured	250	57.86	10.60% p.a. (1-year MCLR + 1.75% + 0.10%)	Quarterly	Re-imbursement of the R&D expenses and capital expenditure
6.	Bank of Baroda	5 years	Secured	200	98.87	9.50% p.a. (1-year MCLR + 0.85% + 0.25%)	Quarterly	Re-imbursement of the R&D expenses and capital expenditure
7.	Export-Import Bank of India	7 years from the date of disbursement	Secured	629.65*	75.13	3.4109% p.a. (LIBOR {6 months (Advance) plus 325 bps p.a}	Quarterly	Re-imbursement of the R&D expenses and capital expenditure
8.	Arka Fincap Limited	3 years from the date of first utilisation	Secured	50	50	11.75%	Annually	Working capital requirements, refinancing of existing term loans, capital expenditure requirements and general corporate purposes.
9.	IDBI Bank	7 years	Secured	250	50.21	10.40% p.a. (Base Rate +75 bps p.a)	Half-yearly	Re-imbursement of the R&D expenses and capital expenditure
Total				**2,421.65**	**1,166.81**			

Note: As certified by Harshil Patel & Co, Chartered Accountants, vide their certificate dated February 26, 2022. Further, Harshil Patel & Co, Chartered Accountants, have confirmed that the above borrowings have been utilized for the purposes for which they were availed.

**The value of the sanctioned loan was USD 10 crores and the same has been converted at an exchange rate of 1 USD = 62.965 INR, which was prevailing at the time of disbursement of the loan.*

The amounts outstanding against the loans and the interest rates as disclosed above may vary from time to time, in accordance with the amounts drawn down, instalments repaid and the prevailing interest rates.

The selection of borrowings proposed to be repaid by us shall be based on various factors including: (i) any conditions attached to the borrowings restricting our ability to repay the borrowings and time taken to fulfil such requirements, (ii) provisions of any laws, rules and regulations governing such borrowings; and (iv) other commercial considerations including, among others, the quantum of monthly/quarterly instalments, the interest/ coupon rate on the borrowings, the amount of the borrowings outstanding, terms and conditions of consents and waivers, presence of onerous terms and conditions and the remaining tenor of the borrowings. Further, we may utilise the Net Proceeds for part or full repayment of any such additional borrowings obtained to refinance any of our existing borrowings. We will either repay the due instalments of the borrowings or make a bullet repayment of the borrowings identified in the table below, depending upon the repayment schedule of such borrowings. Given the nature of these borrowings and the terms of repayment, the aggregate outstanding borrowing amounts may vary from time to time.

We believe that the repayment of subordinated debt from certain Promoter Group entities as well as repayment of instalments (monthly or otherwise) of the borrowings availed by our Company from various banks, financial institutions and other entities from the Net Proceeds shall inter alia benefit our Company in the following manner:

a) reduce the outstanding indebtedness of our Company and enable utilization of the internal accruals for further investment in business growth and expansions;
b) improve our debt-equity ratio, which will further enable us to reduce our borrowing costs and increase the availability of non-funded limits from banks/financial institutions; and
c) improve our ability to raise further resources in the future to fund potential business development opportunities.

The Net Proceeds proposed to be utilised for such repayments, will not exceed ₹ [●] crores. In the event Net Proceeds are insufficient for the said repayment, such repayment shall be made from the internal accruals of the Company. For details, please see the section entitled "*Risk Factors*" on page 16.

II. General corporate purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹[●] crore towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Net Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, brand building and other marketing expenses, acquiring assets, such as furniture and fixtures, and vehicles, meeting any expenses incurred in the ordinary course of business by the Company, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, repair, maintenance, renovation and upgradation of our existing facilities, strategic initiatives, leasehold improvements, meeting of exigencies which our Company may face in the course of any business and any other purpose as permitted by applicable laws, subject to meeting regulatory requirements and obtaining necessary approvals / consents, as applicable and other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof for funding growth opportunities.

Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the subsequent Financial Years.

Estimated Issue Related Expenses

The estimated Issue related expenses is as follows:

(unless otherwise specified, in ₹ crore)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fees to the Lead Manager	[●]	[●]	[●]
2.	Fee to the legal advisors, other professional service providers	[●]	[●]	[●]
3.	Fee of Registrar to the Issue	[●]	[●]	[●]
4.	Advertising, marketing and shareholder outreach expenses	[●]	[●]	[●]
5.	Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	[●]	[●]	[●]
6.	Printing and stationery, distribution, postage etc.	[●]	[●]	[●]
7.	Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated Issue related expenses*		[●]	[●]	[●]

* *Includes applicable taxes. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*

Bridge Financing Facilities

The Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

The Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

The Company has appointed CARE Ratings Limited as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency shall monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 82 of the SEBI ICDR Regulations. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI LODR Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to our Board for further action, if appropriate.

Further, in terms of the SEBI LODR Regulations, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above and details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above.

The Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other confirmations

Except in the ordinary course of business and for the utilisation of a portion of the Net Proceeds towards repayment of loans from members of the Promoter Group, our Promoters, Promoter Group and our Directors do not have any interest in the objects of the Issue.

Other than the repayment of borrowings to be made to the members of the Promoter Group from the Net Proceeds, there are no material existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, Directors or key managerial personnel or associate companies (as defined under the Companies Act, 2013).

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 - 400 063, India

Telephone: +91 22 6257 1000
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STATEMENT OF SPECIAL TAX BENEFITS

Report on Statement of Possible Special Tax benefits

The Board of Directors
Wockhardt Limited
Wockhardt Towers, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai-400051

24 February 2022

Dear Sirs,

Subject: Report on statement of possible special tax benefits ("the Statement") available to Wockhardt Limited ("Company"), its material subsidiaries and its shareholders, prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated 1 February 2022.

We refer to the proposed rights issue of equity shares of Rs. 5 each by Wockhardt Limited in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. (the "Issue").

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company, its material subsidiaries listed in Annexure I (material subsidiaries) and to its shareholders under the direct tax and indirect tax laws in India and respective direct tax and indirect tax laws in jurisdictions of material subsidiaries (together referred to as " Tax Laws") applicable for the Financial Year 2021-22, presently in force in India and respective jurisdictions of material subsidiaries as on the signing date. These possible special tax benefits are dependent on the Company, its material subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its material subsidiaries and/or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company, its shareholders and its material subsidiaries may face in the future and accordingly, the Company, its shareholders and its material subsidiaries may or may not choose to fulfill. Material subsidiary identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2021) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its material subsidiaries and its shareholders and do not cover any general tax benefits available to the Company, its shareholders and its material subsidiaries. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company. We were 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 individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue and particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

For the purposes of this certificate, we read the certificate dated 23 February 2022 of the other auditor/ accountant (listed in Annexure I) in respect of material subsidiaries and our procedures which in so far in respect of material subsidiaries is concerned, consisted solely of reading of the certificate. We have not independently evaluated the possible special tax benefits available to the material subsidiaries under the respective direct tax and indirect tax laws in jurisdictions of material subsidiaries.

We have conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ('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.

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.

We do not express any opinion or provide any assurance as to whether:

a) the Company, its material subsidiaries and its shareholders will continue to obtain these possible special tax benefits in future; or

b) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of enclosed Annexure II are based on the information, explanation and representations obtained from the Company, its material subsidiaries and its shareholders, and on the basis of our understanding of the business activities and operations of the Company and its material subsidiaries.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of Tax 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. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement.

This report is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent. We, however, hereby, consent to this report being used in connection with the proposed Issue and being included in the letter of offer and submission of this report to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are listed, in connection with the Issue, as the case may be.

***For* B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W /W-100022

Koosai Lehery
Partner
Membership number: 112399
ICAI UDIN: 22112399ADNARF1600

Mumbai
24 February 2022

Annexure I – List of material subsidiaries

Sr no.	Name of material subsidiary	Date of Statement of Tax Benefits	Name of auditor / accountant
1	Wockhardt Bio AG	23 February 2022	BDO AG, Zurich
2	C P Pharmaceuticals Limited	23 February 2022	Menzies LLP
3	Pinewood Laboratories Limited	23 February 2022	BDO, Ireland
4	Wockpharma Ireland Limited	23 February 2022	BDO, Ireland
5	Wockhardt UK Limited	23 February 2022	Menzies LLP
6	Morton Grove Pharmaceuticals Inc	23 February 2022	Harshil Patel & Co.
7	Wockhardt USA LLC	23 February 2022	Harshil Patel & Co.

ANNEXURE II - ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIALTAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS

Outlined below are the possible special tax benefits available to the Company, its material subsidiaries and its shareholders under the direct tax and indirect tax laws in India and respective direct tax and indirect tax laws in jurisdictions of material subsidiaries (together referred to as "Tax Law") applicable for the Financial Year 2021-22, presently in force in India and respective jurisdictions of material subsidiaries as on the signing date. These possible special tax benefits 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 possible special tax benefits 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.

UNDER THE TAX LAWS

A. Special tax benefits available to the Company

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Act, 1962 and the Customs Tariff Act, 1975, 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 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the Foreign Trade Policy 2015-2020.

The Company has Special Economic Zone (SEZ) unit at Unit 1, E -1, Shendra Five Star Industrial Area, Shendra, Aurangabad, Maharashtra and is in the 11th year of operations for the purpose of section 10AA of the IT Act. Section 10AA provides for deduction to a SEZ unit which begins to manufacture or produce articles or things or provide any services during the previous year commencing on or after April 1, 2005, but before April 1, 2020. The deduction under this section shall be allowed for a total period of 15 assessment years as under, subject to fulfillment of specified conditions and provisions of section 10AA:

For the first 5 consecutive years beginning with the previous year in which the unit begins to manufacture such articles or things or provide services	:	100% of the profits and gains derived from the export of such articles or things or from service
Next 5 consecutive assessment year	:	50% of such profits or gain
Next 5 consecutive assessment year	:	So much of the amount not exceeding 50% of the profits as is debited to profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to SEZ Reinvestment Reserve Account to be created and utilised for the purpose of the business of the assessee.

A. Special tax benefits available to the Company (Continued)

The Company has duly approved Research and Development Center ('said unit') located at D-4, MIDC Area, Chikalthana, Aurangabad, Maharashtra. The present approval is valid till 31.03.2022 and the company has made application for renewal of the approval to DSIR authorities. The said unit is eligible to claim weighted deduction under section 35(2AB) of the Act. Presently, no weighted deduction of revenue expenditure is available under the said provision. However, the Company has availed a deduction at the rate of 100% of capital expenditure during the financial year ended 31 March 2021 under Section 35(2AB) of the Act.

The Company has set up a Unit in a SEZ located at Shendra, Aurangabad, Maharashtra and is availing the exemption of Customs Duties and Integrated Goods and Services Tax on procurement of goods and services which are used for authorized operations under Special Economic Zones Act 2005 read with Customs Act 1962 and GST Acts, Rules, relevant Notifications and Circulars issued thereunder. The Company is also entitled to zero rated benefit on the goods and services exported by this unit under Indian Customs and GST legislations subject to fulfillment of the prescribed conditions and limitations.

The Company has also set up a Bio-tech unit at Aurangabad which is operating as an Export Oriented Unit ('EOU'). The Letter of Permission is currently valid till financial year 2023-2024 and is eligible for extension as per the terms and conditions stated in the Foreign Trade Policy and Procedures/circular/instructions as the case may be. The Company is availing the benefit of exemption from Customs Duties and Integrated GST on import of goods for use in the authorized operations in the said EOU.

The Company is also entitled to zero rated benefit on the goods and services exported by this unit i.e., export of goods and services without payment of IGST and claiming the benefit of refund of Input Tax Credit of the inputs and input services which are used or intended to be used in the course or furtherance of business.

B. Special tax benefits available to its material subsidiaries

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, 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.

B. Special tax benefits available to its material subsidiaries (Continued)

a) Wockhardt Bio AG -Switzerland

- *Swiss VAT regulation*

  There are no special tax benefits availed/ to be availed under the Swiss VAT regulations.

b) C P Pharmaceuticals Limited- United Kingdom

- Research and Development (R&D) expenditure credit (RDEC) is claimed which is calculated at 13% of the company's qualifying R&D expenditure (this rate applies to expenditure incurred on or after 1 April 2020). 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.

- There are no special indirect tax benefits.

c) Pinewood Laboratories Limited - Ireland

There are no tax benefits available under Taxes Consolidation Act, 1997 (Irish tax law) for Pinewood Laboratories Limited.

There are no special tax benefits availed/ to be availed under the Value-Added Tax Consolidation Act 2010 (VATCA 2010).

d) Wockpharma Ireland Limited - Ireland

There are no tax benefits available under Taxes Consolidation Act, 1997 (Irish tax law) for Wockpharma Ireland Limited.

There are no special tax benefits availed/ to be availed under the Value-Added Tax Consolidation Act 2010 (VATCA 2010).

e) Wockhardt UK Limited- United Kingdom

There are no special direct or indirect tax benefits available to Wockhardt UK Limited.

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).

Special tax benefits available to Shareholders

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes

1. *This Annexure sets out only the possible special tax benefits available 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*
2.

Name of Entity	Tax laws considered
Wockhardt Limited	— Income-tax Act, 1961 and Income-tax Rules, 1962 — Central Goods and Services Tax Act, 2017 — Integrated Goods and Services Tax Act, 2017 — Goods and Services Tax legislations as promulgated by various states — Customs Act, 1962 — Customs Tariff Act, 1975
Pinewood Limited Wockpharma Ireland Limited	— Taxes Consolidation Act, 1997 — Value-Added Tax Consolidation Act 2010
Wockhardt UK Limited CP Pharma Limited	— Income Tax Act, 1952 — The Value Added Tax Act 1983
Wockhardt Bio AG	— Swiss Cantonal and Communal Taxes and Direct Federal Tax Act — Swiss Value Added Tax Act
Morton Grove Pharmaceuticals Inc 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 of possible special tax benefits 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 possible income tax consequences that apply to them.*

***For* Wockhardt Limited**

Authorized Signatory

Mumbai
24 February 2022

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from a report "Assessment of the global and Indian pharmaceuticals Industry" dated February 2022 prepared by CRISIL Research, which has been commissioned and paid for by the Company for an agreed fee, only for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Macroeconomic overview of the Global GDP

Global GDP is expected to grow at 5.9% in 2021 as a result of favourable government policies and increased pace of vaccinations vis-à-vis a decline of 3.2% in 2020 due to outbreak of COVID-19 (*Source: International Monetary Fund*). Such growth is further expected to be augmented by fiscal support announced in some countries including in the United States and Japan in 2021 and unlocking of NextGenerationEU fund (a Covid-19 relief package for the countries in the European Union) with an aim to lift economic activity in advanced economies, and a resultant impact on their trading partners. As per the IMF, policy choices may become more difficult, with limited room to manoeuvre amid which, the global economy is projected to grow 4.4% in 2022.

Per capita GDP

As compared to the global GDP per capita which has grown at a CAGR of 1% between CY 2013 and CY 2020 (*Source: World Bank*), the Indian GDP per capita clocked a CAGR of 3.5%. The details of Indian GDP growth as compared to other economies have been reflected below:

At constant 2015 $	2013	2014	2015	2016	2017	2018	2019	2020	CAGR
Per capita GDP – **Global** (constant 2015 US$)	9,836	10,025	10,223	10,389	10,619	10,843	11,004	10,520	1.0%
On-year growth (%)		1.9%	2.0%	1.6%	2.2%	2.1%	1.5%	-4.4%	
Per capita GDP – **India** (constant 2015 US$)	1,416	1,503	1,606	1,719	1,817	1,915	1,973	1,798	3.5%
On-year growth (%)		6.1%	6.9%	7.0%	5.7%	5.4%	3.0%	-8.9%	
Per capita GDP – **US** (constant 2015 US$)	54,604	55,574	56,863	57,419	58,388	59,822	60,837	58,510	1.0%
On-year growth (%)		1.8%	2.3%	1.0%	1.7%	2.5%	1.7%	-3.8%	
Per capita GDP – **UK** (constant 2015 US$)	43,434	44,350	45,039	45,469	45,947	46,242	46,612	41,811	-0.5%
On-year growth (%)		2.1%	1.6%	1.0%	1.1%	0.6%	0.8%	-10.3%	
Per capita GDP – **Europe** (constant 2015 US$)	29,449	29,842	30,466	31,013	31,839	32,446	32,997	30,997	0.7%
On-year growth (%)		1.3%	2.1%	1.8%	2.7%	1.9%	1.7%	6.1%	

Source: World Bank, CRISIL Report

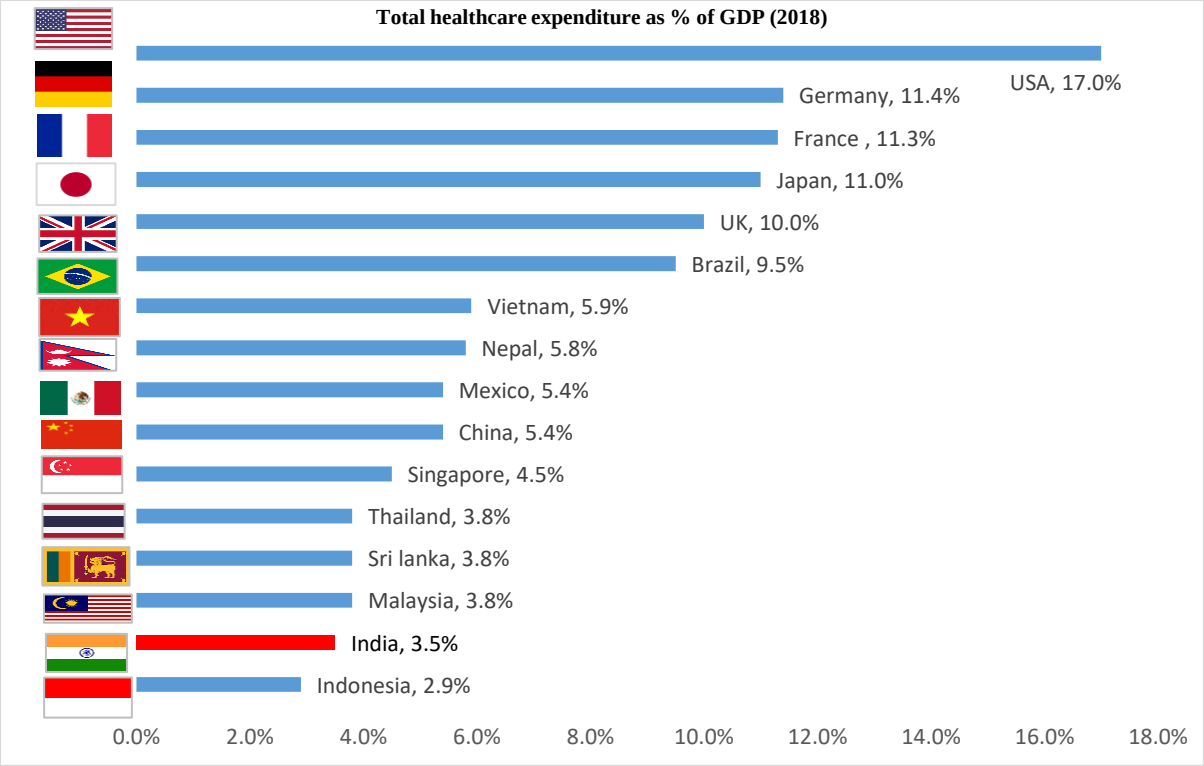
The purchasing power parity across the world has grown at a CAGR of around 2% in comparison to the purchasing power in India which has increased at a CAGR of 5.7% from the CY 2013 to the CY 2020 as reflected below:

At Constant 2017 $	2013	2014	2015	2016	2017	2018	2019	2020	CAGR (2013-2019)
World	14,822	15,147	15,478	15,801	16,208	16,604	16,894	16,178	2.2%
India	4,819	5,117	5,464	5,851	6,183	6,519	6,714	6,166	5.7%
US	56,214	57,213	58,540	59,112	60,110	61,586	62,631	60,138	1.8%
Europe	39,343	39,889	40,752	41,516	42,677	43,556	44,389	41,684	2.0%
UK	43,272	44,239	45,041	45,713	46,372	46,853	47,369	42,536	1.5%

Source: World Bank CRISIL Research

Healthcare Expenditure

With the increase in the growth of worldwide economy, the public and private spending on global healthcare is rising fast. Further, such expenditure is also increasing due to increase in sedentary work is resulting in rise of chronic diseases. The growing economies are increasingly spending on the healthcare and the percentage of healthcare expenditure to the GDP in 2018 is as follows:

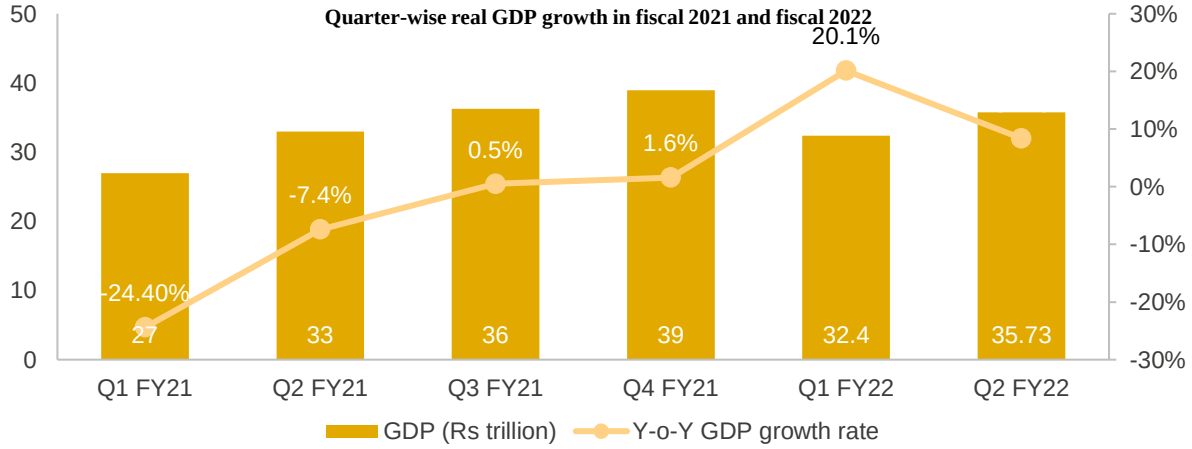


Source: Global Health Expenditure Database, World Health Organization

The Indian economy – An overview

In 2015, the Ministry of Statistics and Programme Implementation ("**MoSPI**") changed the base year for calculation of the Indian GDP from the year 2005 to the year 2012 which led to growth of the Indian GDP at a CAGR of 6.6% from ₹ 87 trillion in the Fiscal 2012 to ₹ 146 trillion in the Fiscal 2020. India was one of the fastest growing economies in 2018 and 2019, however, due to COVID-19 outbreak, similar to other major economies, Indian GDP declined at the rate of 7.3% In the Fiscal 2021 (*Source: Provisional national income estimates released by the National Statistical Office*). However, as per the CRISIL Report and the estimates of the IMF, all the major economies are expected to rebound in 2021 with the Indian GDP's growth expectation at a rate of around 9.2% in Fiscal 2022, which is expected to be the fastest growing among major economies of the world.

The Indian economy has expanded at the rate of 20.1% YoY in the first quarter of Fiscal 2022, and at the rate of 8.4% YoY in the second quarter of Fiscal 2022, which was an increase of 0.2% in the absolute terms of the GDP as reported in the first quarter of the Fiscal 2020 (pre-COVID-19).



AE: Advanced estimates; P: Projections by CRISIL

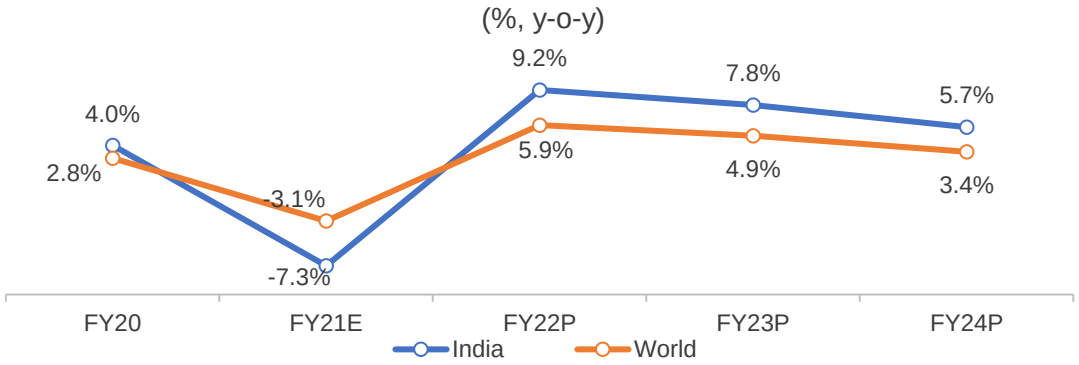
Source: Provisional estimates of national income 2020-21, CSO, MoSPI, CRISIL Research

Forecast for Indian GDP

In the current Fiscal, it is expected that the Government will aim at normalising some of the extraordinary or unconventional policy moves taken in the last Fiscal, with continuously focusing on revival of the economic growth. The sectors which may be in the focus include contact-based travel, tourism and entertainment. Further, stronger global economic growth is also expected

to provide a support to India's exports. The second half of the Fiscal 2022 is expected to experience a more broad-based growth, as vaccine rollout and lesser nationwide restrictions support sectors that have been lagging due to fierce second wave of COVID-19 leading to lockdowns in various states of India. India's GDP growth is expected to rebound to 9.2% in fiscal 2022 on the basis of following factors:

- **Weak base**: The contraction of the Indian GDP by 7.3% in fiscal 2021 will provide a statistical push to growth in the next Fiscal.
- **Global upturns**: As the economic growth is expected to rise by around 5% globally with advanced economies rising by around 4.3% and the emerging economies rising by around 6.3%, the exports from India are expected to rise to cater the increasing demands across the globe.
- **Fiscal push**: Stretch in the fiscal glide path and focus of the Union Budget 2021-22 on capital expenditure are expected to have a multiplier effect on economic growth of India.

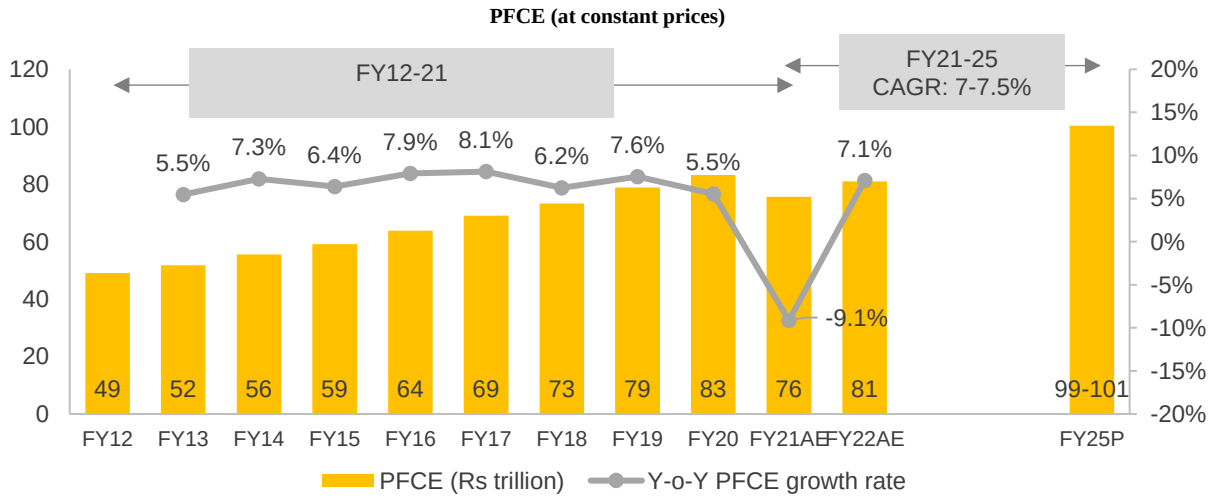


Note: Forecasts for World are for calendar year; FY20 corresponds to 2019 and so on; P: Projected; updated as of June 2021; India numbers for FY20 and FY21 are based on MoSPI's latest GDP estimates and FY22 onwards are CRISIL Research's forecast. World GDP growth rates are from IMF world economic outlook update as of April 2021.
Source: S&P Global Ratings, CRISIL

*Growth in Private Final Consumption Expenditure ("**PFCE**")*

From the Fiscal 2012, the PFCE at constant prices in India grew at a CAGR of 4.9% until the Fiscal 2021, which constituted 56% of the GDP which is around ₹ 75.6 trillion in the Fiscal 2021, which experienced a decline on account of the COVID-19 pandemic and the resultant decline in demand for the consumption due to strict lockdowns, employment loss, limited disposable spending, and disruption in demand-supply dynamics.

As per the CRISIL Report, PFCE is expected to grow at a CAGR of 7 to 7.5% between the Fiscal 2021 and the Fiscal 2025 due to factors including good monsoons, wage revisions due to the implementation recommendations of the Pay Commission of India, favourable interest rates and low inflation.



AE: Advanced estimates; P: Projections by CRISIL

Source: Provisional estimates of national income 2020-21, CSO, MoSPI, CRISIL Research

The health care PFCE grew at a CAGR of 16% from the Fiscal 2012 to the Fiscal 2019 as compared to the total PFCE which grew at a CAGR of 12% from the Fiscal 2012 to the Fiscal 2019, as given below:

Particulars (at current prices)	FY12	FY17	FY18	FY19	FY20	CAGR FY12-FY20
Total PFCE (₹ billion)	49,359	91,761	100,974	112,740	123,706	12%
Health PFCE	1,813	4,109	4,473	5,168	6,015	16%

Source: MoSPI, CRISIL Report

Per capita pharmaceutical expenditure

Pharmaceutical industry in India is evolving constantly, with the advent of novel drugs in the market. Such drugs have to the extent possible, have replaced the methods for treatment which were previously considered incurable. Significant amount of expenditure on retail pharmaceuticals is for prescription medicines (75%), with the remainder spent on over the counter ("**OTC**") medicines (19%) and medical non-durables (5%). While the current healthcare expenditure only forms 3.5% of the Indian GDP, pharmaceutical expenditure formed 15-20% of the current healthcare expenditure. (*Source: NHA estimates 2017*).

As per the National Health Policy, the Government of India is aiming to increase expenditure on the healthcare to 2.5-3.0% by the year 2025, however, due to the COVID-19 pandemic the expenditure on the healthcare by the Government is estimated to have reached 2.5-3.0% of the GDP in the Fiscal 2022. Pharmaceutical expenditure forms 15-20% of healthcare expenditure, however, per capita pharmaceutical expenditure is significantly lower than the global average on pharmaceutical expenditure.

Country Name	CHE as % of GDP	Pharmaceutical Spending as % ofHealth spending
United States	16.89	11.55
Canada	10.79	16.22
UK	10.00	12.26
Germany	11.43	14.19
Spain	8.98	15.31
Italy	8.67	17.95
France	11.26	13.02
Russia	5.32	18.17
Brazil	9.51	N.A.
Kenya	5.17	N.A.
Myanmar	4.79	N.A.
Australia	9.28	13.8
Mexico	5.37	22.14
Korea	7.56	20.03
Peru	5.24	N.A.
Sri Lanka	3.76	N.A.
India	3.54	37.9*

Source: Global Health Expenditure Database- World Health Organisation, World Bank database, OECD, CRISIL Report.
** Pharmaceutical spending as per the NHA estimates 2017 calculated as % of CHE.*

***Notes**:*
1. *CHE: Current Healthcare Expenditure*
2. *Pharmaceutical spending as % of health spending as per OECD data*
3. *N.A.: Not Available*

Key fiscal measures introduced by the Government of India to tackle COVID-19

In view of the impact of COVID-19 pandemic on the Indian economy, the Government announced various key measures, as a part of its stimulus to the economy, under the AatmaNirbhar Bharat 3.0 package.

In the wake of COVID-19 pandemic, the Government released a response and health-system preparedness package of ₹ 150 billion which is to be implemented in three phases (for the medium term of 1-4 years) until March 2024. Further, a separate life insurance cover of ₹ 5 million for the health-workers was announced under Pradhan Mantri Garib Kalyan Yojana to offer support to families of frontline health workers in India. In addition to the emergency funding to tackle the COVID-19 pandemic, the package includes long-term measures to improve healthcare infrastructure in India. The emphasis of the Government on healthcare is expected to offer opportunities for private investment to create affordable-healthcare facilities and services. Further, the Government has announced an outlay of ₹ 81 billion with viability-gap funding ("**VGF**") limits to boost private investment in social infrastructure, for both the Central and state governments.

VGF support is aimed at the development of hospitals and healthcare centres under public-private partnership models as well which is expected to create an investment opportunity of ₹ 150-200 billion under the social-infrastructure space. With the enhanced VGF, the private investments in the healthcare industry is expected to grow the current health infrastructure by 4-5%. This will be further advanced by the public health expenditure by the Government which is aimed to rise at around 2.5% to 3% of the GDP up to Fiscal 2025 in India**.**

Key budget proposals for FY2022-23

An estimated ₹ 862 billion has been allocated to the Ministry of Health and Family Welfare for the fiscal year 2023 which is 16% higher than the budget allocation in fiscal year 2022. An open platform for National Digital Health Ecosystem, National Tele Mental Health Programme' for quality mental health counselling and care services is also proposed to be rolled out

pursuant to the Budget 2022-2023. Further, a network of 23 tele mental health centres of excellence are also proposed to be set up.

Overview of the Global Pharmaceutical Market

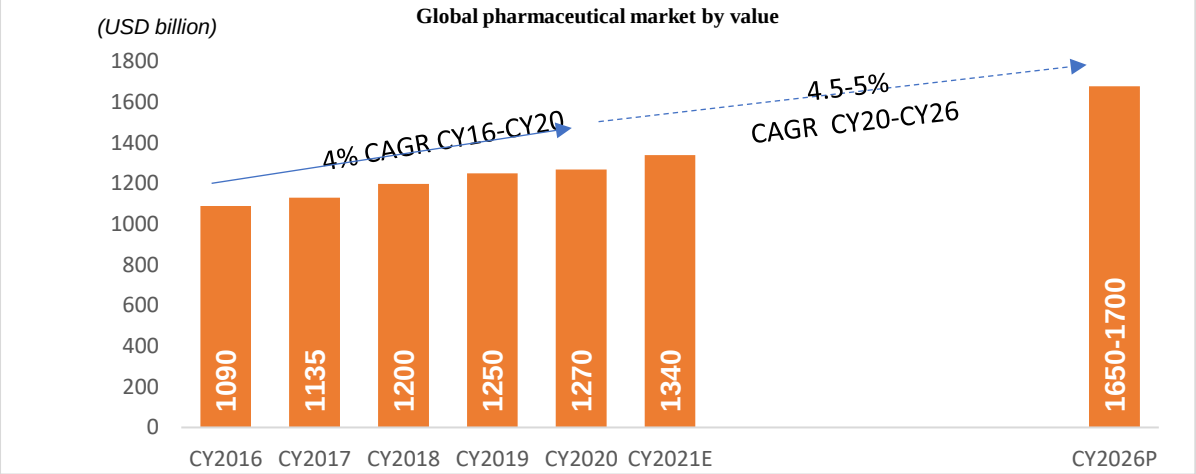
The global pharmaceutical industry is characterized by the concentration of consumption, production and innovation in a relatively small number of high-income countries which constitute a significant portion of this market in value terms on account of higher priced drugs and newer products. However, over the recent few years, production as well as consumption has begun to shift to middle-income countries, such as India and China; which are known as "pharmerging" markets accounting for a higher share in volume terms and have outpaced growth in high-income markets. Even for pharmaceutical research and development (R&D), high-income countries continue to dominate expenditure in both the public and private sectors, the pharmerging countries are becoming the strategic focus points for many multinational pharmaceutical companies.

Global market to see healthy growth as pandemic eases in the year 2021

The global market saw a relatively slower growth in the CY18 and the CY19 on account of pricing pressure, however, the price stabilized in the CY20. In 2021, the YoY growth is expected to be higher than observed in the previous year on account of reopening of global economies which enabled more in-patient treatments in clinics and healthcare centers. Although the unfavorable drug price control policies across various markets and high manufacturing costs are expected to be some of the factors which may limit growth of the pharmaceuticals industry The global pharmaceutical industry is expected to be expand driven by key factors including rising drug R&D activities for drug manufacturing, increasing prevalence of chronic diseases, rising importance of generics and the increasing uptake of biopharmaceuticals. Additionally, strategic initiatives like new drug launches and biological products, acquisitions, collaborations, and regional expansion are likely to fuel the market growth in the future.

Growth forecast of global pharmaceutical market

Global pharmaceutical market has grown by around CAGR of 4.5-5% from US$ 1090 billion in the CY16 to US$ 1,270 billion in the CY20. This growth is expected to sustain over the next five years and is expected to reach US$ 1650-1700 billion in the CY26. The pharmaceuticals industry is expected to similarly grow based on the factors such as new product launches, widespread population aging and sedentary lifestyles leading to increased chronic disease prevalence, technological advances, new methods for drug discovery and an increase in pharmaceutical drug usage. Globally, the pharmaceutical companies offer drugs for customized individual treatment for better treatment against different diseases, and precision medicine which aim to provide medical care according to the patient's individual characteristics, needs, preferences, and genetic makeup.



E:Estimated,P: Projected
Source: Mordor Intelligence, Pharma Company reports, CRISIL Research

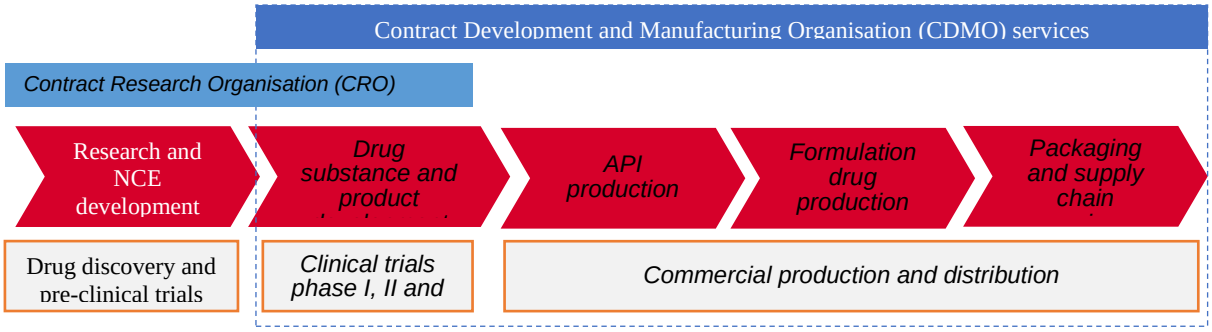
Outsourcing in the global pharmaceutical market

Contract Development and Manufacturing Organisation ("**CDMO**") has emerged as a viable model for the global pharmaceutical industry. With increasing globalisation and focus of large players on cutting costs and optimising operations, CDMOs have observed significant acceptance in the industry worldwide over the past few years. Since there is a growing demand for generic medicines and biologics, focus on reducing time to market ("**TTM**"), the capital-intensive nature of the business, and the complex manufacturing requirements, certain pharmaceutical companies have identified the potential profitability in contracting with contract manufacturing and outsourcing for formulation manufacturing. Pharmaceutical companies are gradually outsourcing R&D activities to academic and private Contract Research Organizations ("**CROs**") to reduce drug-development timelines and costs.

Pharmaceutical companies are partnering with manufacturing facilities in the emerging countries, due to the availability of skilled, low-cost manpower and quality data. The significant factors such as cost-cutting, chasing innovation, gaining access to specialised knowledge and technology, and increasing speed and agility are encouraging the pharmaceutical companies to

expand the level of formulation development outsourcing. Moreover, while the pharmaceutical industry has been growing strongly, many CDMO companies are facing challenges, such as fierce competition, cost pressure, keeping up with constant innovation and increasing consolidation in the pharmaceutical industry, diversion of focus of the companies from building manufacturing capabilities, with increasing outsourcing activities, the contract manufacturing companies are likely to gain advantages compared to in-house manufacturing facilities.

CROs typically support pharmaceutical companies for drug and new chemical entity ("**NCE**") development and clinical research and trials. CROs carry out patient recruitment for clinical trials, clinical monitoring, analytics of the data collected, biostatistics and regulatory consultations. CDMOs take over the formulation drug development and manufacturing activities. An overview of DMO services has been provided below:



Source: CRSIL Report

Global CDMO market grew at a ~6% CAGR from 2016 to 2020, vaccine development supported growth in 2021

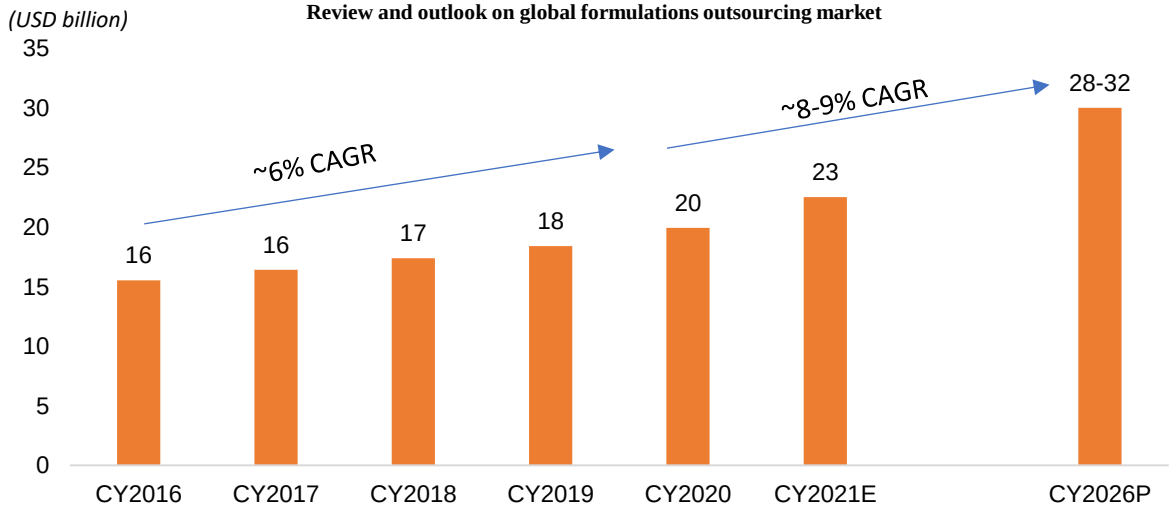
The global CDMO (formulations) market is estimated at around US$ 20 billion in 2020 and the pharmaceuticals industry witnessed a growth of a CAGR of 6.4% from around US$16 billion in 2016. As the outsourcing formulations industry grew faster than the pharmaceutical industry, it indicates that the willingness for outsourcing has increased among the pharmaceuticals industry. Further, manufacturing of vaccines has supported the growth of CDMOs in 2021 with various leading pharmaceutical companies partnering with CDMOs for manufacturing, developing, fill-finish activities etc. For example, leading CDMO from Lonza entered into a contract for producing Moderna's vaccine and Thermo fisher is fill-finish partner for both Moderna and Pfizer vaccines.

Thus, growth of the CDMO market not only attributed to increase in overall pharmaceutical industry, due to an increase in diseases incidence rate, increased healthcare expenditure, increase in penetration of health insurance coverage, ageing demographics, but also on account of increase in shift towards to outsourcing to decrease time to upscale capacities to meet demand, save costs, reallocate internal resource towards drug development, diversification of production sites and reduce complexity of business activities.

Global CDMO market to grow at an 8.0-9.0% CAGR from 2020 to 2026

The global formulations outsourcing market is expected to reach US$28-32 billion by 2026, due to robust growth in the outsourcing space, aided by many large pharma players outsourcing their research and manufacturing to specialised contract manufacturing players. Further, in the formulations segment, companies are increasingly outsourcing their research and development activities to contract development and manufacturing organizations, with some estimates indicating that globally more than one-third of the R&D is outsourced. An estimated 75% to 80% of R&D expenditure in the biopharmaceutical industry can be outsourced, which can aid the growth of overall global formulations outsourcing market.

Review and outlook on global formulations outsourcing market



E: Estimate, Note: P-Projected

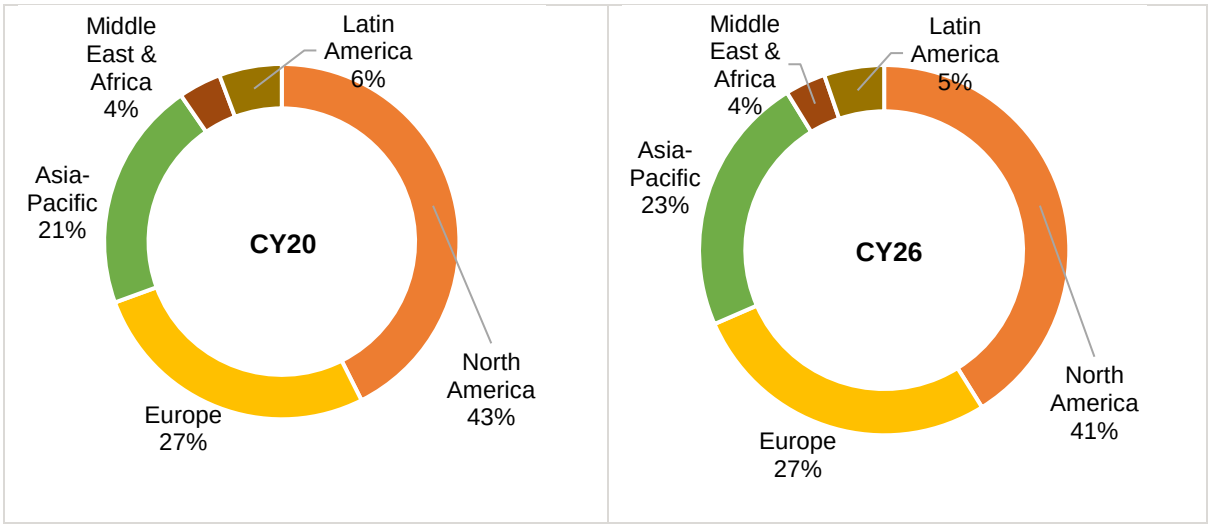
Source: Mordor Intelligence, CRISIL Research

North America leads the formulation outsourcing market

Accounting for about 43% of overall revenue, North America had the highest revenue share of the global formulations outsourcing market in 2020. It was followed by Europe with 27% of total global formulations outsourcing revenue, while the growing Asia-Pacific market's revenue share stood at 21%. The smaller markets of South America, and Middle East & Africa accounted for around 6% and 4%, respectively.

In addition to being one of the leading generics markets in the world, North America's formulation outsourcing market was estimated at ~$8.5 billion in 2020, followed by Europe and Asia-Pacific at ~$6 billion and ~$5 billion, respectively. Growth in the North American market, particularly in the US, is mainly due to higher expenditure on research and development and big pharmaceuticals companies partnering with specialised contract manufacturers.

Region-wise segmentation of global formulations outsourcing market

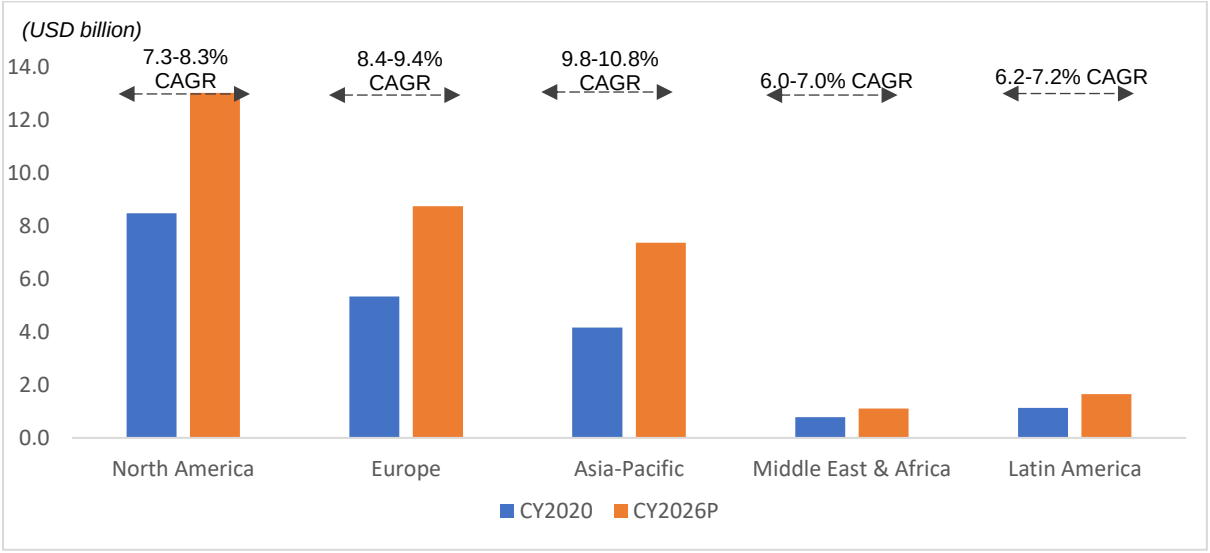


P: Projected

Source: Mordor Intelligence, CRISIL Research

Asia Pacific is the highest growing market for formulation outsourcing

The Asia-Pacific region, especially China and India, leads market growth in the CDMO industry due to considerably lower manufacturing costs than North America and Europe. While China and India have established themselves as leading suppliers of API and hubs for generics drug manufacturing, the US and Europe remain key geographies for pharmaceutical development outsourcing.

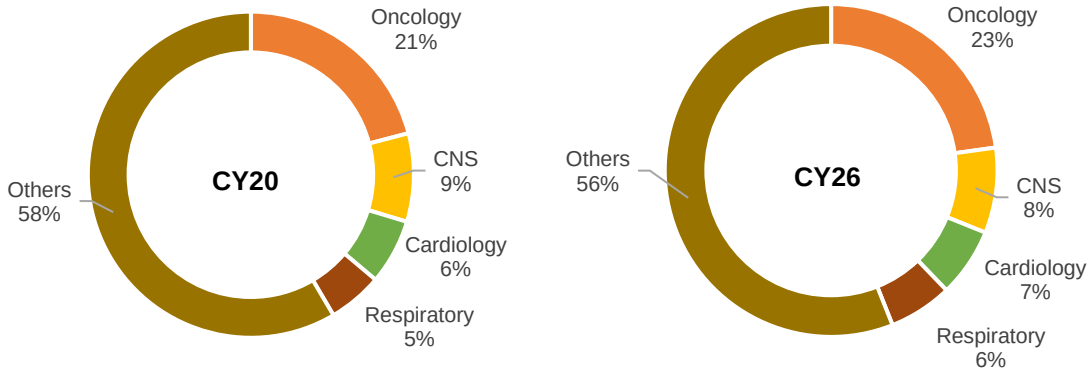


P: Projected
Source: Mordor Intelligence, CRISIL Research

Oncology is the largest therapy segment

Oncology is the largest therapy under the global formulation outsourcing segment. With the increased prevalence of cancer across the globe, the share of oncology has grown to ~$4 billion in 2020 from ~$3 billion in 2016. Oncology is followed by central nervous system (CNS) related therapy and cardiology at ~$2 billion and $~1 billion, respectively. In 2020, oncology had a share of 21% of the overall revenue of the global formulations outsourcing market, followed by CNS-related therapies and cardiology at 9% and 6%, respectively.

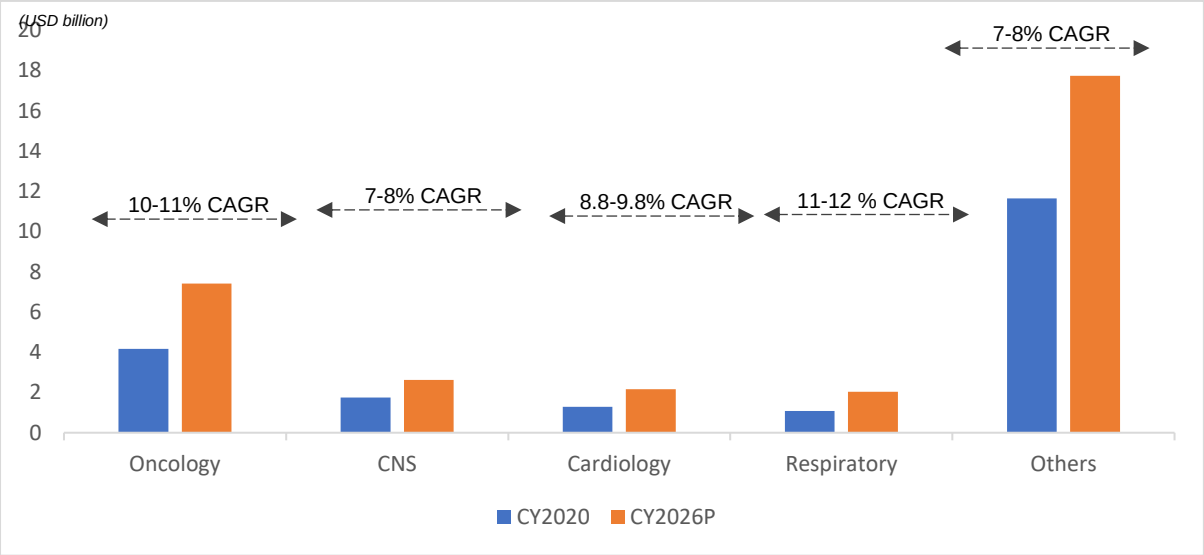
Therapy-wise segmentation of global formulations outsourcing market



P: Projected

Source: Mordor Intelligence, CRISIL Research

In the future, the oncology and respiratory segments are expected to record stronger growth from 2021 to 2026, as compared with other therapeutic segments. Thus, by 2026, oncology is expected to continue to remain the largest therapeutic segment in the global formulations outsourcing market. The cardiology and respiratory segments are also expected to see their share of the pie grow in this period. In terms of dosages, from 2021 to 2026, the outsourcing of development and manufacturing of solid dosages and liquids is estimated to have a major share, although injectables are expected to grow at a faster rate as compared with the past few years.



P: Projected

Source: Mordor Intelligence, CRISIL Research

Key growth drivers and trends in the global formulation outsourcing industry

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 some significant factors encouraging pharma companies to expand their level of formulation development outsourcing.

Rise in number of drug approvals: The patent protection expiration of effective drugs aids the growth of the formulation development outsourcing market, while an increase in drug approvals by regulatory bodies is expected to fuel pharmaceutical

formulation manufacturing procedures. For instance, the USFDA approved 59 drugs in 2018, 48 in 2019, 53 in 2020 and 50 in 2021. This will accelerate formulation development outsourcing market demand as outsourcing allows the pharmaceutical clients to expand their technical resources without increased overhead.

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 (NCT) Registry, as of January 2022, there were more than 401,548 ongoing clinical trials worldwide across different phases of development for the treatment of several disorders.

End-to-end service and technical specialties of contract manufacturers: Contract research and manufacturing companies 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 anticipated to drive formulation development outsourcing demand.

Increase in off-patent products to aid outsourcing segment: The patent protection expiration of effective drugs is one of the factors driving the formulation development outsourcing market's growth. The patent cliff will result in cheaper generic versions in the market, which will increase the demand for outsourcing.

Growth in global pharmaceuticals market: The global pharmaceuticals market clocked ~4% CAGR between 2016 and 2020. The industry is expected to sustain this growth over the next five years to reach $1,650-1,700 billion in 2026, clocking 4-5% CAGR between 2020 and 2026. With the growing pressure to develop and supply drugs in the competitive, high-investment cost pharmaceuticals market and fulfill ever-increasing global pharmaceutical demand, pharmaceutical companies are increasingly opting for outsourcing opportunities. This helps the companies manage complexity while reducing time to market, costs and risk.

The global API and formulation drug market accounts for the largest share of the CDMO market and is expected to grow in future, owing to higher penetration and growing number of molecules, both generics and patented, across multiple therapies.

Growing demand for generics and biologics: Biopharmaceuticals now account for more than 30% of the pharmaceuticals industry, with the global biopharmaceuticals market estimated to grow at higher rate than traditional pharmaceuticals with CAGR of 8-10% between 2020 and 2026.

With the growing demand for generic medicines and biologics, the capital-intensive nature of the business, and the complex manufacturing requirements, many pharmaceutical companies have identified the potential profitability in contracting with contract manufacturing outsourcing organisations for formulation manufacturing. Pharmaceutical companies are outsourcing R&D activities to academic and private contract research organisations (CROs) to reduce drug development timelines and costs.

Additionally, it generally takes more than two years for pharmaceutical companies to prepare for the production of commercial bio-pharmaceuticals through CMOs after technology transfer, test production, diverse national pharmaceutical regulatory GMP, and others. Hence, CMO contracts with bio-pharmaceutical companies are usually based on 5-10-year long-term contracts.

The COVID-19 pandemic impact: The pandemic brought in operational challenges for the pharmaceuticals industry and its ability to continue to supply essential medicines across the globe. At the same time, it offered opportunities for the pharmaceuticals industry in terms of providing Covid-19 treatment and vaccines. Many companies signed Covid-19 vaccine manufacturing agreements with vaccine development companies to scale up the manufacturing process and fast- track global vaccine delivery. The vaccine market is expected to grow significantly in 2021 over the year 2020 on account of the Covid-19 vaccination drive.

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. The USFDA 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 CMOs to run multiple manufacturers for a single drug.

Consolidation in the CMO market: Industry experts point out that CDMO market is expected to have a significant degree of consolidation in the future as pharmaceutical companies would prefer to work with fewer suppliers. Currently, large pharmaceutical companies have hundreds of suppliers, and companies would want to have a lower number of suppliers for better accountability and quality assurance. The top five players in the industry accounted for 15% of the market in fiscal 2018, as per industry estimates.

India is emerging as a key player in the CDMO segment

India is becoming a preferred destination for outsourcing of pharmaceutical activities across the pharmaceuticals value chain. As big pharmaceutical companies continue to focus on reducing their costs, particularly fixed costs associated with the development and manufacturing of the drugs, CDMOs are being viewed as capable and value-adding service providers with essential technical expertise. There are some key reasons driving this shift, some of which are discussed below.

Lower costs

The biggest advantage of outsourcing to India is the significant cost saving. Indian CDMO players can provide development and manufacturing quality at par with their peers in other parts of the world. The capital costs associated with the setting up of a manufacturing plant are lower in India. Further, India has specific clusters of pharmaceutical manufacturing facilities that help lowering capital costs further as the supply chains are well- connected. The human resources costs for both skilled and unskilled professionals are also lower in India, as compared with western counterparts in the pharmaceuticals industry.

Infrastructure and technical expertise for manufacturing

Indian CDMO players have built infrastructure that caters to the requirements of global pharmaceutical companies, mainly manufacturing plants. Various manufacturing plants established in Indian are GMP-compliant, as required for the manufacturing of pharmaceutical products.

India has one of the largest talent pools in terms of population pursuing higher education. According to the All India Survey for Higher Education, India has 993 universities, 39931 colleges and 10725 standalone institutions listed. India has witnessed a rise in the number of educational institutions that cater to pharmaceutical and biopharmaceutical sciences and industries, leading to greater availability of local talent in the scientific fields.

India's ability provide local talent with expertise in scientific fields like healthcare and pharmaceuticals makes it an attractive destination for pharmaceutical development and manufacturing activities.

A proven track record in outsourcing

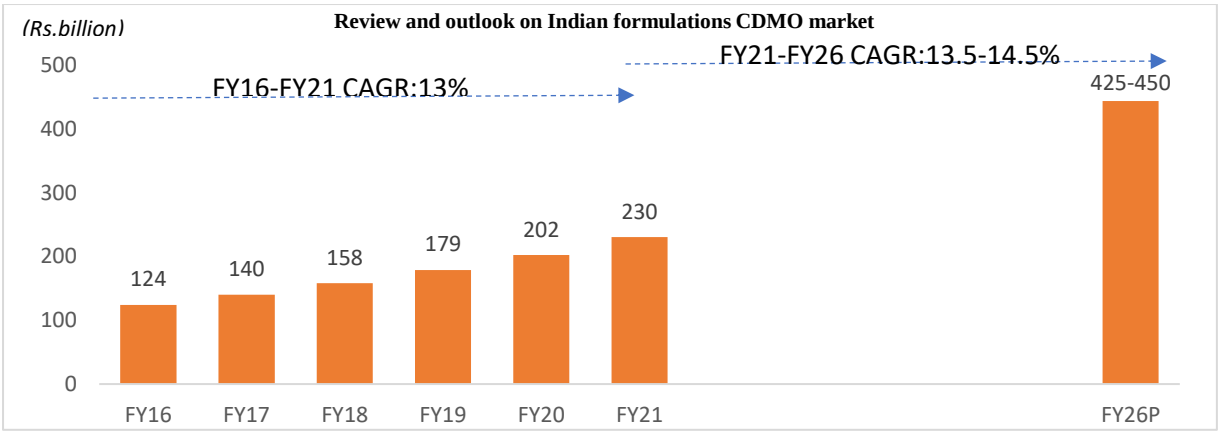
Indian has a proved track record in outsourcing in services like information technology, knowledge process outsourcing, etc., apart from its strong foothold in pharmaceuticals exports. In the pharmaceuticals industry, India is one of the largest exporters of over-the-counter and prescription drugs to the US. India has the largest manufacturing base outside of the US for products sold in the US market, and accounted for 12% of all drug manufacturing sites for the US market for fiscal 2019 (US fiscal year is September-October). Indian CDMO players have significant experience in developing and manufacturing pharmaceutical products, enabling them to build good business practices and quality manufacturing processes. This experience has aided India's position as one of the leading manufacturers of pharmaceutical products.

Global pharmaceutical players continually face cost pressures and look for ways to shorten the product time to market. Thus, the industry is looking for established CDMO partners, particularly in Asian markets such as India and China. China will not be the most preferred partner for CDMO outsourcing on account of regulatory headwinds in the country, incidences such as the COVID-19 pandemic, closure of certain API and chemical industries on account of environment pollution, and political confrontations with the developed economies of the world. On the other hand, Indian CDMO companies have, over the last decade, demonstrated their capabilities on the global platform and are best positioned to benefit from increased R&D outsourcing in the pharmaceuticals industry.

Indian formulations CDMO segment to sustain its strong growth trajectory

Pharmaceutical companies are increasingly outsourcing development and manufacturing of drug formulations, and as a result, the Indian domestic formulations CDMO market has grown at a higher rate of ~13%, compared with the growth rate of the domestic formulations market (in terms of consumption) between Fiscals 2016 and 2021. It is expected to continue this trend from Fiscal 2020 to Fiscal 2026 as well. Domestic formulations CDMO is projected to grow at ~13.5-14.5% CAGR, while the domestic formulations segment is expected to grow at ~11% during the corresponding period. CDMO segment growth is expected to be driven by strong demand from outsourcing by big pharma companies, both Indian as well as multinational companies. The growth in the market is expected to be driven by strong demand in the generic formulations segment.

Domestic formulations CDMO value stood at ~₹ 230 billion in Fiscal 2021. The Indian formulation CDMO industry is expected to reach ₹ 425-450 billion by 2026. The key drivers for growth in the CDMO industry include growth of asset light pharmaceutical companies, increasing cost awareness and manufacturing efficiency, growing focus on product/ packaging innovation, CDMOs enabling customer end-market aspirations through combination products and new dosages, increasing generics and institutionalisation of the pharmaceutical industry, end-to-end services, time to market, maintaining margins, regulatory changes and increasing economies of scale shifting CDMO identity from 'supplier' to 'partner' status.



Note: The above market includes CDMO focused towards domestic formulation market
Source: CRISIL Research

Chronic therapies account for a higher share of the domestic formulations CDMO market

Anti-diabetic and cardiac therapies account for a major share of the domestic formulations CDMO industry. As the prevalence of chronic diseases has grown in the country, chronic diseases such as diabetes and cardiac disorders are more prevalent in the Indian population. 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 are expected to continue to drive growth in the pharmaceutical industry in India. Anti-diabetics are estimated to have constituted largest share of the domestic formulations CDMO market in the Fiscal 2021 and are expected to account for majority of the share by the Fiscal 2026. Similarly, cardiac, which is estimated to have constituted significant amount of market share in fiscal 2021, and its share is expected to grow by fiscal 2026.

Oral solids account for largest share in the Indian formulations CDMO market

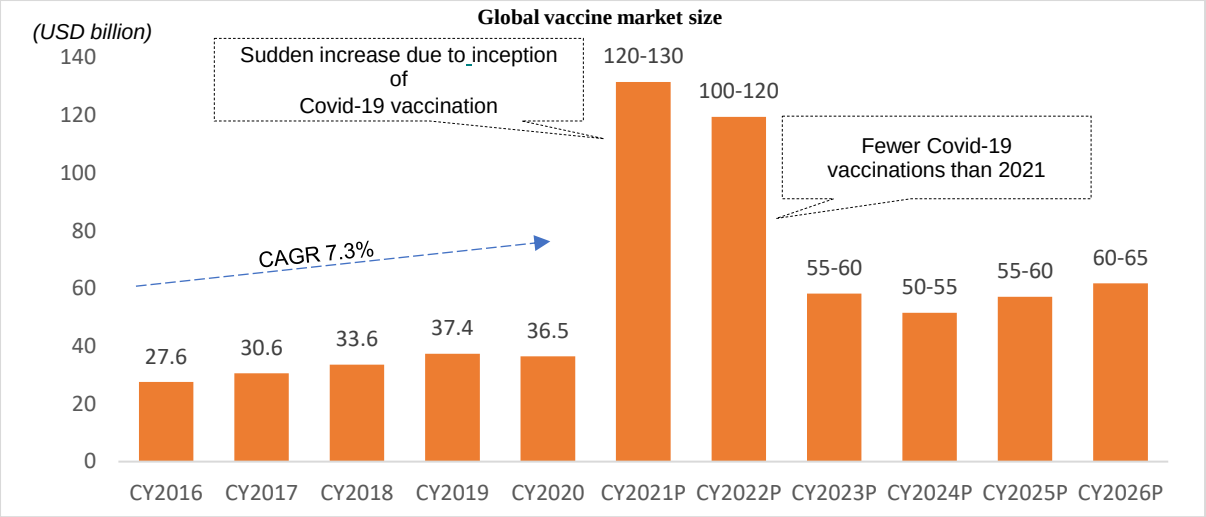
In dosage terms, oral solids have dominated the domestic formulations CDMO industry and constituted ~70% share in Indian domestic formulations; it is expected to maintain this share over the next five years leading up to Fiscal 2026. The injectables segment, which constituted second largest share in the domestic formulations market, is also expected to maintain strong growth over the next five years and maintain its share during the corresponding period

COVID-19 vaccines to chart new growth story for the pharmaceutical industry over the medium term

COVID-19 vaccines are expected to disrupt the global vaccine market. When the pandemic broke out, the healthcare sector did not have any dedicated medicine for COVID-19, and vaccines became the ultimate solution to control the surging cases in the countries. Vaccine developers across the world were able to come up with vaccines for COVID-19 within a year. Global Covid-19 vaccine developers such as Pfizer-BioNTech, Oxford-AstraZeneca, Moderna, Johnson & Johnson, Novavax, CureVac, and Gamaleya are some of the key players in vaccine development. Their vaccines were approved in various countries between the end of 2020 and the first quarter of 2021. Mass vaccination to develop herd immunity will increase the size of the global vaccine market in the next few years.

Vaccine market to grow ~2x in the calendar year 2021 on account of COVID-19 vaccine development

The first dose of COVID-19 vaccine was administered in the UK in December 2020. Since then, the global vaccination effort has fast expanded, with most countries beginning their vaccination programmes. The vaccine market stood at US$ 36.5 billion in CY20, which includes a small portion of COVID-19 vaccines administered towards the end of the year. The market logged a CAGR of 7.3% from CY16 to CY20, and is expected to expand at a 9.1% CAGR from CY20 to CY26, with a sudden rate change in CY21.

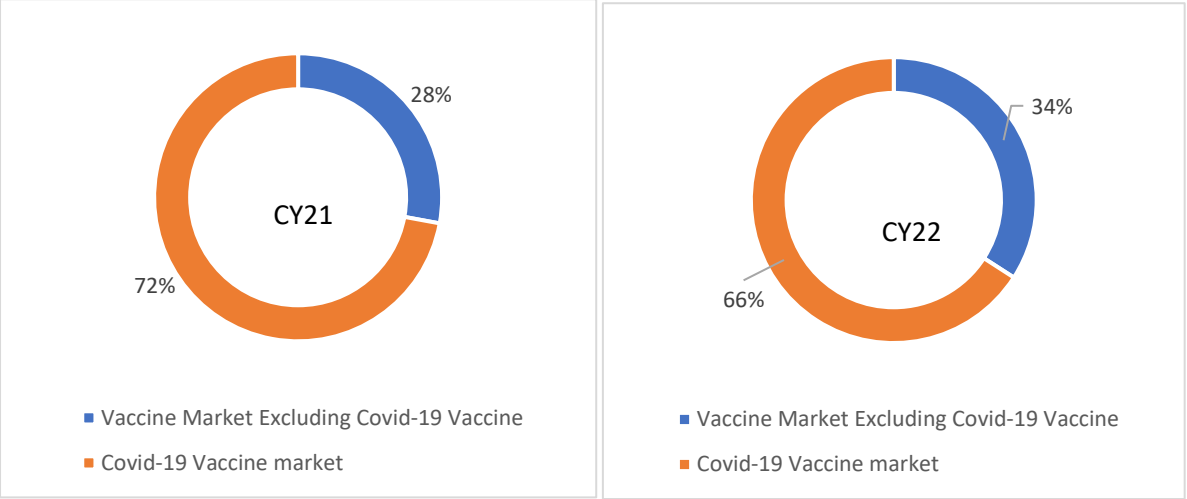


Source: CRISIL Research

Covid-19 vaccine distribution remains key for mass vaccination

As of January 2022, a total of 33 Covid-19 vaccines have been authorised to be administered by various regulatory authorities across the globe. However, the vaccine inequality is observed when it comes to effective distribution of vaccines across the regions. Regions like Africa are still lagging in term of number of vaccinations for its population whereas high income countries like US and EU have been able to vaccinate majority of the adult population.

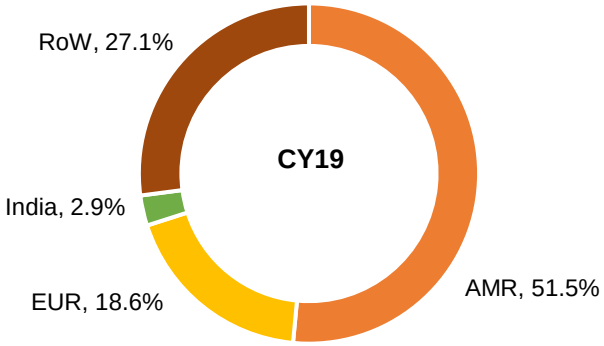
Share of Covid-19 vaccines in overall vaccine market



Source: CRISIL Research

Americas ("**AMR**"), as classified by the WHO, includes countries in North and South America. It dominates the global vaccine market. The major markets in AMR include the US, Canada, Mexico, and Brazil. AMR accounted for 51.5% of the global vaccine market in the CY19. Increased expenditure on healthcare infrastructure, 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 AMR. Substantial development has been made in the production of vaccine technology in AMR, especially for HPV vaccines. Extensive research by pharmaceutical and biotechnology companies is further expected to propel growth of the vaccine market in AMR.

Vaccine market by geography



Source: CRISIL Research

The European vaccine market has been growing since its inception. Europe accounted for 18.6% of the global vaccine market in CY19. Several European countries, including France, Germany, the UK, Spain, and Italy, are working persistently to enhance the adoption of immunisation across Europe. Europe holds the second-largest share (in terms of revenue) of the global vaccine market, driven by increasing healthcare expenditure and growing focus on immunisation and eradication of infectious diseases. Currently, Europe contributes significantly to vaccine development globally through five main vaccine manufacturers: GlaxoSmithKline plc, Pfizer Inc., Novartis AG, Sanofi Pasteur, and Merck & Co. Increasing healthcare awareness among people and vaccination programmes are the major factors propelling the growth of the European vaccine market.

Indian market has potential to grow with a large pool of domestic players

India accounted for 2.9% of the global vaccine market in the CY19. A major factor driving growth of the market in India is the presence of a large pool of domestic 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. 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. Some of the major players in the Indian market are Serum Institute of India, GlaxoSmithKline Pharmaceuticals Ltd, Pfizer Ltd, Sanofi India Ltd, Wockhardt Limited, Panacea Biotech Ltd, Venkateshwara Hatcheries Ltd, and Indian Immunologicals Ltd

Key players in the vaccination market

Name	GlaxoSmithKline PLC (GSK)	Pfizer Inc	Merck & Co. Inc	Sanofi SA	Serum Institute ofIndia 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	99,000	88,300	71,000	100,000	2400	5,106
Consolidated revenue (USD billion)	2020: 43.6 2019: 43.2 2018: 39.5	2020: 41.9 2019: 41.2 2018: 40.8	2020: 20.2 2019: 18.6 2018: 17.1	2020: 41.4 2019: 41.5 2018: 39.6	Financials are not available	2021:0.37 2020: 0.37^ 2019: 0.5
Approximate share in global vaccine market	32%	15%	15%	15%	3%	NA
Business segments	Pharmaceuticals, Vaccines, Consumer Healthcare	Biopharma, Upjohn, Consumer Healthcare	Pharmaceutical, Animal Health, Others	Pharmaceuticals, Vaccines, Infusion Devices	Vaccine	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, Majorsupplier to WHO	EU, US, India, emerging markets
Remark	Announced collaboration with Sanofi to	Announced collaboration with BNTECH to manufacture	Announced a new collaboration with IAVI to	Announced collaboration with GSK to	Manufacturing Covid-19 vaccines for Oxford-	Succeeded in developing and commercialising a recombinant

Name	GlaxoSmithKline PLC (GSK)	Pfizer Inc	Merck & Co. Inc	Sanofi SA	Serum Institute ofIndia Pvt Ltd	Wockhardt Ltd
	manufacture Covid-19 vaccine	Covid-19 vaccine	develop investigational COVID-19 vaccine	manufacture Covid-19 vaccine	AstraZeneca; announced to manufacture COVID-19 vaccines for Novavax	hepatitis-B vaccine (BiovacB)

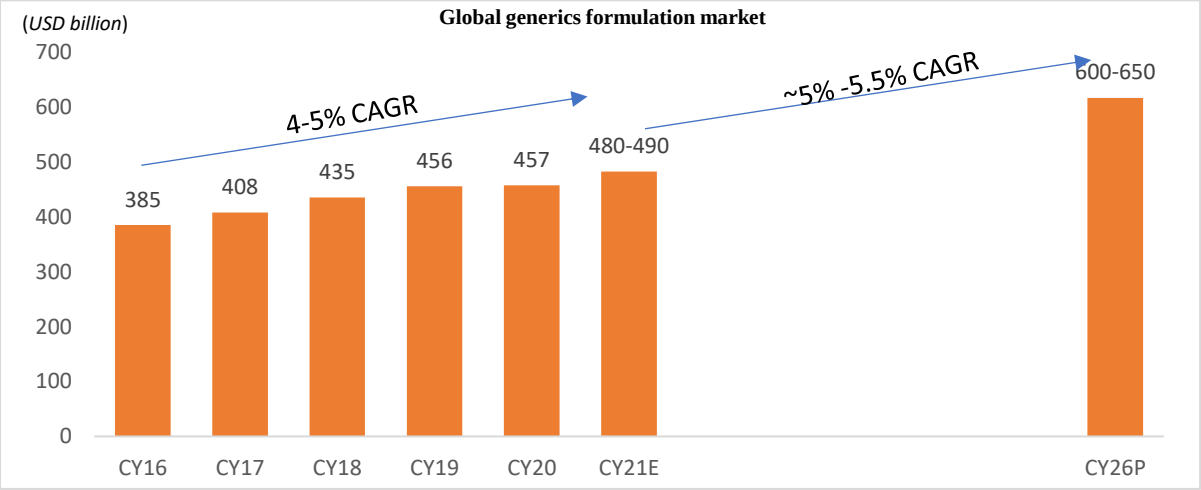
^Divested a part of domestic branded business to Dr. Reddy's Laboratories (DRL), comprising 62 products in Q4 FY20 Exchange rates: GBP to USD: 1.28; EUR to USD: 1.15

Source: CRISIL Report

Overview of global generics formulation industry

Generic formulations industry has been the significant part of the global formulations industry. Generics have allowed people to access medicine at affordable prices. North America has been one of the key markets for generic formulation industry as generic players across world try to tap into opportunity created by patent cliffs. Patent cliffs are one of the significant factors for generic formulations industry as it provides opportunity to develop generic products for generic formulations players after patent for original drug expires. Generic formulations industry has also penetrated in the emerging and underdeveloped markets on account of cost effectiveness of generic formulation products.

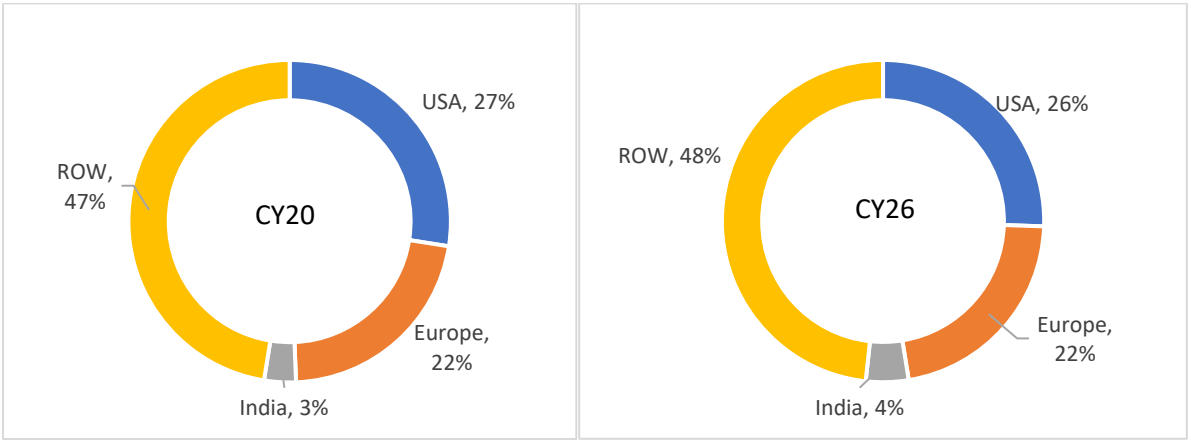
The global generic formulations market has grown at 4.5-5% CAGR from year 2016 to 2020 and is expected to grow at ~5-5.5% CAGR in the years 2021-2026. The growth in generic formulations market is supported by patent cliffs in regulated market as well as generic penetration in underdeveloped markets. The share of generic formulations market in overall pharmaceutical market has also raised over the years. The share of generic formulations market was around ~35-36% in the year 2020 which is expected to touch ~37-38% by the year 2026.The global generic formulations market is expected to reach around 600-650 USD billion by the year 2026 owing to strong growth prospects for generic formulations market.



Note: E: Estimated, P: Projected
Source: Industry, CRISIL Research

Regulated markets like United States of America and Europe dominate the generic formulations market. The United States of America was the largest market for generic formulations as of year 2020 with share of around 27% strong regulated market as well as generic centric laws in the United States of America has resulted in good growth for generic formulations in the US market. The United States of America was followed by Europe with share of around 21%. India's share in generic formulations market remains moderate at 3% as of year 2020. The growth in these regulated markets is supported by investments in research and development by the generic formulations players. Growth in these regulated markets particularly in the USA can be attributed to generic players registering for ANDA approvals which allows companies to manufacture generic version of the drugs in the US market.

Region wise segmentation of global generic formulations market

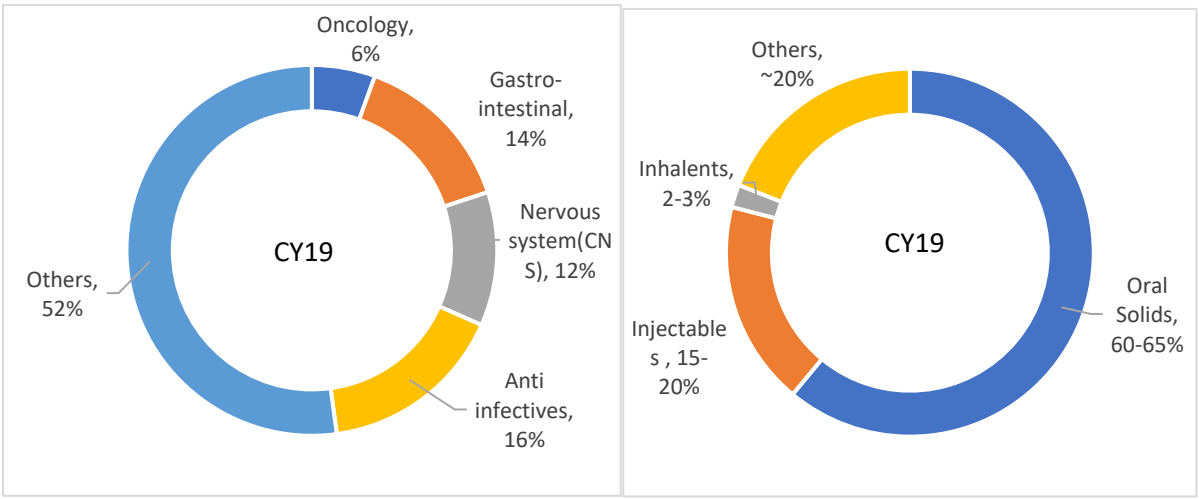


Source: Industry, CRISIL Research

Gastro-intestinal and anti-infective are the leading therapy areas catered by generic formulations market

Nervous system, Gastro-intestinal and anti-infective are some of the key therapies catered by generic formulations market whereas oral solids dominate the dosage form in the generic formulations market in terms of dosage forms as of year 2020. Gastro-intestinal products which fall largely under sub-chronic and chronic segment have been one of the largest contributors to generic formulations across globe. Therapy areas such as anti-infective which has traditionally seen lower new drug inventions is also one of the leading segments in generic formulations market. Dosage wise oral solids has been the largest dosage form catered by the generic formulation players. This could be attributed to many players employing CDMO for manufacturing of generic formulations. CDMO have been traditionally known for manufacturing of oral dosage forms which requires lesser compliance and complexity of manufacturing. Although injectable are also one the key dosage form catered by generic formulations players in recent times owing to attractive profitability of the injectables businesses.

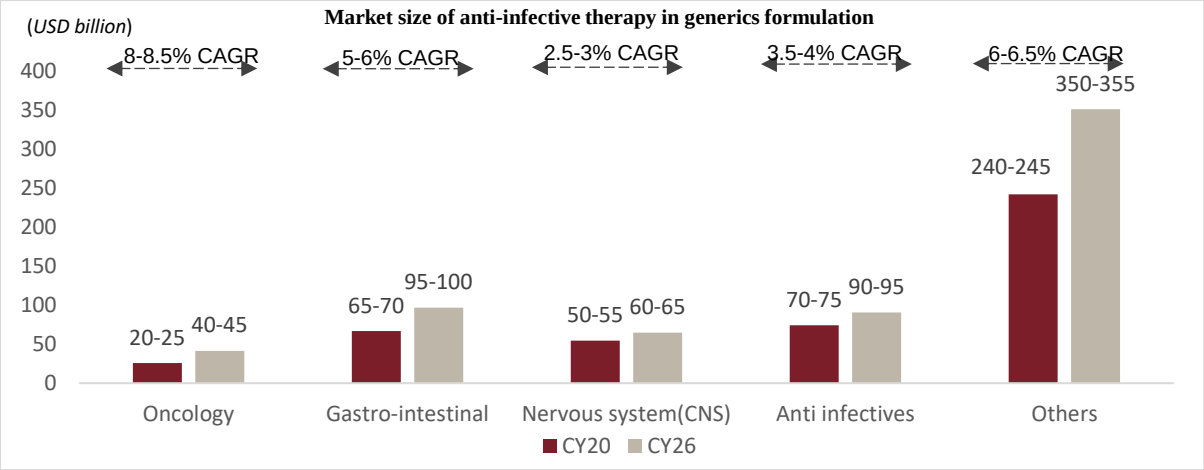
Therapy and dosage wise segmentation of global generic formulations market



Therapy and dosage wise segmentation of global generic formulations market

Note: Market size considered for calculating therapy and dosage shareCY19: USD 456 billion
Source: Industry, CRISIL Research

Globally, oncology therapy area has been growing over the years. There have been large investments in the oncology for research and development, as a result of which there has been fewer opportunities for generic players in the oncology space as compared to other therapy areas. Gastro-intestinal and anti-infective are two of the largest therapy under the global generic formulation segment. Gastro-intestinal was valued at ~65-70 US$ billion as of 2020 while anti-infectives were valued at ~70-75 US$ billion as of 2020. Gastro-intestinal and Anti-infectives are expected to grow by 5-6% to 3.5-4% in the years 2021-2026, respectively. Although oncology is expected to grow at the highest rate in the period 2020 to 2026 as the prevalence of cancer has increased across the globe. Other therapies which includes cardiology and respiratory as some of the therapy areas are also expected to grow at ~6% CAGR in period 2021 to 2026.



Source: Industry, CRISIL Research
Note: Others include therapy areas like Cardio vascular, Respiratory, Dermatology etc.

Diabetes is also one of the key therapeutic area in formulation industry. CNS, another important therapy area, grew at a CAGR of ~3.5% from 2016 to 2020 and is expected to grow at a CAGR of 2.5-3% from 2020 to 2026. Diabetes is also one of the key therapeutic area in Indian formulation industry, which is valued at ~₹150 billion as of fiscal 2021 growing at a CAGR of 11% from fiscal 2017 to fiscal 2021 and is expected to grow at a CAGR of 15-16% from fiscal 2021 to fiscal 2026. According to International Diabetes Federation ("**IDF**") in 2000, the global estimate of adults aged 20-79 years living with diabetes was 151 million. By 2009, it grew to 285 million. In 2019, that number stands at 463 million people or 9.3% of adults aged 20–79 years are living with diabetes. IDF highlights additional 1.1 million children and adolescents under the age of 20, live with type 1 diabetes. The prevalence of diabetes is increasing globally. In India, the number of persons with diabetes has increased from 72.9 million in 2017 to 74.2 million in 2021.

Number of products going off patent with USFDA

The patent protection expiration of effective drugs aids generics formulation market's growth. Pharmaceuticals players across globe track the patent exclusivity of the key drugs as research and development activities for these drugs start well in advance. The TTM of new products is an important source of pharmaceutical player's competitive advantage. Generic pharmaceutical companies, in particular, tend to improve their market position by being first in the market when a patent on an original product expires as research on the patents to be expired happen months before even it gets expired. Following table shows number of products going off patent in United States of America.

Sr. No.	Year	Number of products going off patent
1	2021	149
2	2022	129
3	2023	102

Source: USFDA orange book files, CRISIL Report

Key growth drivers for global generics formulation industry

Cost effectiveness and quality to boost generics pharmaceuticals market: Generics are characterised by their low costs compared to their branded counterparts which are priced higher than the generics drugs. Generics drugs are of similar quality to branded drugs and are sold at relatively lower prices. With increasing population, generics presents an excellent opportunity to provide for the healthcare need of the population. Further, generics is the great option for people who are less privileged to access the healthcare facilities.

There are certain developing and underdeveloped counties where healthcare services have lesser penetration. These markets are characterised by lower penetration of healthcare facilities, low per capita consumption of medicines, a wide base of patients with acute and chronic diseases. In terms of medicine consumption, these markets are mainly driven by low-cost generics. The demand for the treatment of chronic diseases will boost generics off-take due to limited budgets and high out-of-pocket expenditure.

Strong development of generics markets: Developed economies spend a major portion of their gross domestic product (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. However, austerity measures adopted in Europe will continue to drive demand for generic drugs and pricing realizations may not be as favorable as in the past.

On the other hand, healthcare reforms in the US are driving 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 has grown tremendously over the years. The 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 Patient Protection and Affordable Care Act, growth in the market is expected to continue.

The Act, first enacted on March 23, 2010, was 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 decline in uninsured population in the US will continue to drive demand for generic drugs and aiding the growth of generics segment in US.

Increasing healthcare cost drives preference for generic drugs in regulated markets: Developed Nations 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. CRISIL Research expects that austerity measures adopted in Europe will continue to drive demand for generic drugs, though pricing realizations may not be as favorable as in the past. On the other hand, healthcare reforms in the US are driving higher insurance coverage and greater usage of generic medicines.

European markets present opportunity for growth of generics: The European generic drugs market (primarily Germany, the UK, France, Italy and Spain) is the second-largest regulated market for generic drugs. Healthcare expenditure, as a percentage of GDP, in Germany and France, respectively, is among the top ten globally. Increasing penetration of generic drugs will continue to drive volume growth in these regions .Further, lower generic penetration in nations such as Belgium (16.6%), the UK (27%), France (19%) and Germany (31.2%) indicates tremendous untapped potential for growth of generics. Thus, the pro-generic stance of governments in Europe will boost demand for these drugs.

Key players in the Global generic formulations market

Name	VIartis Inc*	Teva Pharmaceutical Industries Limited	Novartis AG	Sun Pharmaceutical Industries Limited**	Aurobindo Pharma Limited**	Wockhardt Limited
Headquarters	The U.S.	Israel.	Switzerland	India	India	India
Year of establishment	2020	1944	1891	1993	1986	1999
Workforce	45,000	40,000	N.A.	36,000	23,000	5,106
Consolidated revenues (in USD billion)	2020: 11.9 2019: 11.5 2018: 11.4	2020: 16.6 2019: 16.8 2018: 18.2	2020: 48.6 2019: 47.4 2018: 44.8	2021:4.6 2020: 4.7 2019: 4.3	2021:3.3 2020: 3.2 2019: 2.8	2021:0.3 2020: 0.37^ 2019: 0.5
Business segments	Branded, complex generics and biosimilar, and generic products	generics, specialty and over-the-counter ("OTC") products	Branded, generics, biosimilar, biopharmaceutical products	Complex products, specialtyproducts, generic products, and APItechnologies	Generic formulationsand APIs	APIs, Formulations (generics and NCE), Bio-similars and Vaccines
Geographical presence	North America, Europe, Asia, the Middle East, South and Central America, Africa and Eastern Europe, Japan, Australia and New Zealand	North America, Europe and International Markets(Japan, Russia and Israel. In Japan)	United States, Europe Asia, Africa, Australasia Canada and Latin America	United States, India, Western Europe, Canada, Japan, Australia, New Zealand	USA, Europe, Brazil, Canada, Columbia and South Africa, Canada	EU, US, Indiaand Emerging Markets

Viatris is a global healthcare company formed in November 2020 through the combination of Mylan and Upjohn. Upjohn was generic business of Pfizer Inc and 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.

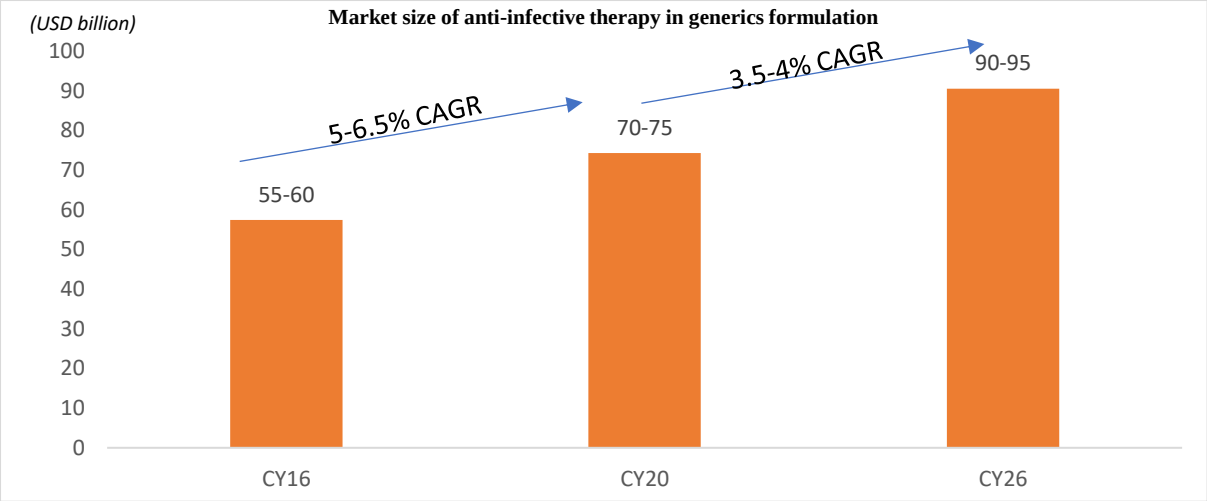
***-Financials are as per the Indian Financials Year April to March*

^ - divest a part of domestic branded business to Dr. Reddy's Laboratories (DRL), comprising of 62 products in Q4 FY2020 Exchange rates: Pound to USD: 1.28; Euro to USD: 1.15, USD: INR (FY18:64.5,FY19:69.8,FY20:70.8,FY21:74)

Source: Company annual reports, CRISIL Report

Overview of Anti-infective segment in generics formulation industry

Anti-infectives is a general term used to describe any medicine that is capable of inhibiting the spread of an infectious organisms. Anti-infectives are medicines that work to prevent or treat infections, they 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 like oncology. But as was evident from COVID-19, there is a need to invest in research and development activities in the anti-infective segment. Anti-infectives segment has grown steadily over the years 2016 to 2020 at around ~5-6.5% CAGR. Anti-infectives were valued at ~USD 70-75 billion as of year 2021 and are expected to grow at 4.5-5% CAGR in the period 2020 to 2026. The growth will be supported by increased generics drugs penetration, increased R&D for multi-drug resistant micro-organism, but low cost to benefit ratio will keep value growth limited. Anti-infective therapy value in generic formulations is expected to reach 90-95 USD billion by the year 2026. In India which is one of the leading generics drug market in the world, anti-infective therapy area is valued at ₹ 180 billion as of fiscal 2021 in the Indian domestic formulation market and grew at a CAGR of 3.1% from fiscal 2017 to fiscal 2021 and is expected to grow at a CAGR of 10-11% from fiscal 2021 to fiscal 2026.



Growth drivers for the Anti-Infective Therapy Area

New drug discovery / clinical trials for anti-infective: In recent times there has been very few new innovative product developments in the anti-infective segment. But recent developments in the global healthcare scenario especially after covid-19 has shifted the focus back to infectious diseases. It is expected that pharmaceutical industry and governments will undertake more research and development projects in anti-infective segment going ahead. This presents opportunity for players who have focused on the segment in their research and development. This change in perspective and increased thrust on research and development in anti- infective segment is expected to aid the growth of anti-infective segment.

Rise in patients and treatments: In recent times**,** technology trends are driving a shift towards patient-centric healthcare systems, such as biometric devices and use of telemedicine. This trend is resulting in more informed patients who are likely to take a more active role in any treatment plan. Moreover, escalating health-consciousness, about the availability of diagnostics for infectious diseases and avoidable risks associated with the early diagnosis are some of the factors projected to boost the growth.

Increasing prevalence of infectious diseases: There has been prevalence of infectious diseases in recent history. There has been large pandemics such as plague, smallpox, cholera, and influenza; Covid-19 being the recent example. Apart from these pandemics there has also been prevalence of chronic infectious diseases such as tuberculosis and syphilis. Degree of damage done by infectious diseases call for more advanced and evolving medications to treat these diseases. It is expected that there will be more investments in anti-infective segment to prevent and treat infectious diseases which will drive the growth in the segment

R&D – Antibiotics resistance ("AMR")

Antibiotic resistance (AMR) is one of the biggest threats to global health, food security, and development today. WHO's Global Antimicrobial Surveillance System (GLASS) indicates widespread occurrence of antibiotic resistance among 500 000 people with suspected bacterial infections across 22 countries. WHO has declared that AMR is among the top 10 global public health threats facing humanity. According to 2019 report 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 million 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), United States of America, nearly 2 million people in the United States acquire an infection while in a hospital, resulting in 90,000 deaths each year. More than 70 percent of the bacteria that cause these infections are resistant to at least one of the antibiotics commonly used to treat them.

Antibiotics are medicines that are used to prevent and treat bacterial infections. Antibiotic resistance occurs when bacteria do not respond positively to the use of these medicines thus, they become antibiotic-resistant. These bacteria when infect humans and animals, the infections they cause get harder to treat than those caused by non-resistant bacteria. Antibiotic resistance leads to higher healthcare costs, elongated 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 gonorrhea, tuberculosis, pneumonia, and salmonellosis are becoming difficult to treat as the antibiotics, which are used to treat these infections, are becoming less effective.

The emergence and spread of drug-resistant pathogens continues to threaten our ability to treat common infections. the rapid global spread of multi-resistant bacteria (known as "superbugs") that cause infections that are not treatable with the existing antimicrobial medicines such as antibiotics is especially alarming.

According to WHO, the clinical pipeline of new antimicrobials is limited. In 2019, WHO identified 32 antibiotics in clinical development stages that address the WHO list of priority pathogens, of which only six were classified as innovative. On an annual basis, WHO reviews the pre-clinical and clinical antibacterial pipelines to see how the pipeline is progressing. A critical

gap remains in research and development, in particular for antibacterial targeting of the gram-negative carbapenem resistant bacteria. Any type of pharmaceutical development is an expensive process, but for antibiotics it is especially hard. One key issue is the low cost–benefit ratio for antibiotics drugs. The AMR is one of the key issues that needs to be addressed with development of newer and effective antibiotic drugs although the pace of discovery and development of new antibiotic classes has slowed in the recent years, while the antibiotics, which are used to treat infections, are becoming less effective

Large multinational corporations such as GSK, Merck & Co, Johnson and Johnson, Pfizer, Sanofi, Novartis and medium sized companies such as Wockhardt, Entasis, Summit, Nabriva are investing in developing new treatments to tackle resistant to common antibiotics. According to antimicrobial resistance benchmark 2020 data analysis a total of 138 R&D projects are being developed by 21 companies, and 54% of it are in clinical development or beyond.

Sr. no	Causes of death / Diseases / infection	Deaths in million	Rank ofcauses 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	-

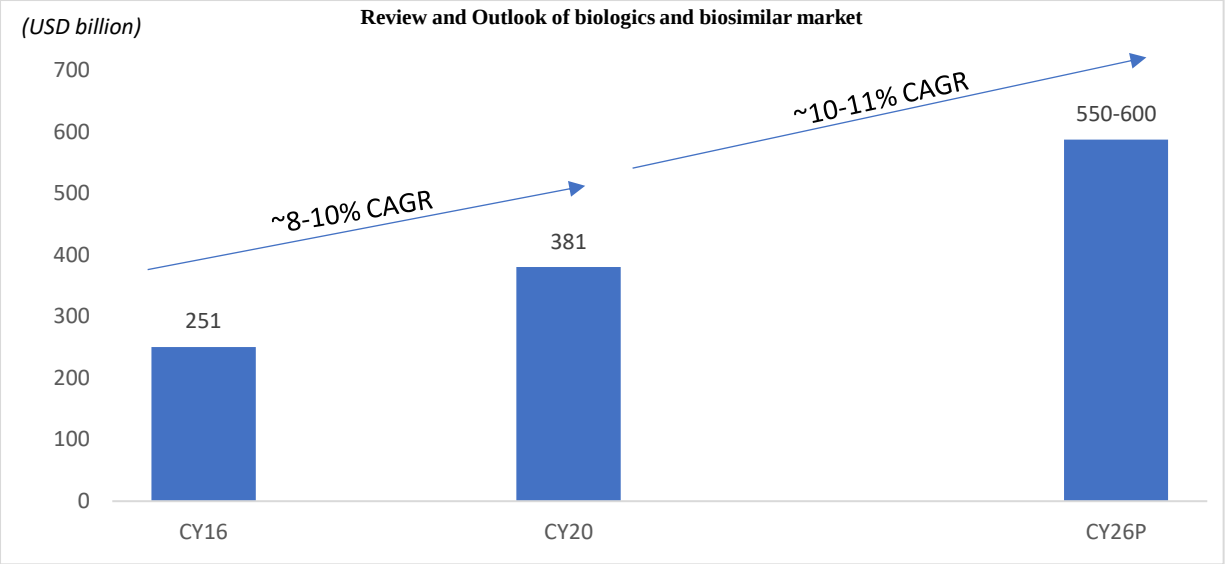
Source: Global Health Estimates 2019, Ad hoc Inter-agency coordination group (IACG) on Antimicrobial resistance, CRISIL Report

Overview of Global Biologics and biosimilar 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.

Global biopharmaceuticals segment will see increase in share in pharmaceutical market

Biologics and biosimilar market is expected to outgrow the global formulation market and expected to reach around ~USD 550-600 billion by the year 2026 growing at approximately 8-10% CAGR in the same period. global biopharmaceuticals segment is expected to grow at 10-11% CAGR over the next five-six years, driven by the launch of new biologics. Higher effectiveness of biologics over conventional drugs has prompted global players to undertake more research and development in the segment. Therefore, by 2026, as per the CRISIL Report, it is expected that the share of biopharmaceuticals segment to increase to ~35% from ~30% in 2020.



Note :P:Projected
Source: Industry, CRISIL Research

USA and Europe are one of the largest Biologics and biosimilar market

Regulated markets such as the USA and Europe have been key markets for the Biologics. But recently these regulated markets have also seen traction in biosimilar with speedier and more approvals; this has aided the growth of biologics and biosimilar market in these markets. No biosimilar was approved by the US FDA until March 2015. However, post March 2015, 30 biosimilars have been approved so far in 2020. The faster approval is on account of streamlining of regulations by the US FDA.

Indian biopharmaceutical players to see strong growth

A growth in the biosimilar segment of biopharmaceuticals for Indian industry will be aided by the expiring patents of existing innovator biopharmaceutical products thus giving rise to huge opportunities in regulated markets such as Europe, USA, Japan etc.

Indian biopharmaceutical companies have increasingly started focusing on therapeutic biosimilars in both domestic and semi-regulated export markets. Companies are also moving towards complex recombinant vaccines apart from the traditional preventive vaccines. The Indian biotechnology industry can be roughly categorised under traditional vaccine makers and manufacturers focused more on therapeutic biologicals. Most players such as Serum Institute of India, Panacea Biotech, Bharat Serum and Vaccines etc. operate mainly in areas of preventive vaccines (meant for polio, tetanus, diphtheria etc.) and therapeutics to treat chronic diseases. Indian players have presence in biosimilars as well with many players launching biosimilars in various therapeutic areas.

The industry grew at a CAGR of 15-17% between fiscals 2016 and 2021, aided by demand for vaccines by the UNESCO and Pan American Health Organization, and export growth in the therapeutic segments. Growth during fiscals 2014 to 2017 slowed due to increasing competition from other players in the global market. Further, currency depreciation in semi-regulated markets also impacted revenue in fiscals 2014 and 2015. On the domestic front, pricing regulations introduced by the Drug Pricing Control Policy (DPCO) affected revenue of players in fiscal 2014.

Product portfolio of Indian companies focused on biosimilars

Sr. No.	Name of the company	Markets Catered	Revenue (FY21) Rs. million	Presence in patented biologics and/or biosimilars	Other Business areas	Key commercialised products
1	Biocon	India, USA, Europe, Restof the world	73,603	Biosimilars	Generics, NovelMolecules	Trastuzumab (U.S., EU, Canada, Australia), Pegfilgrastim (U.S., Canada, Australia), Bevacizumab(India), Adalimumab(EU), Insulin Glargine 100 IU / ml(EU, Australia, Japan), Recombinant Human Insulin(India, Malaysia, Mexico)
2	Dr. Reddy's	India, North America, Europe, Russia,China	189,722	Biosimilars	Generics,APIs	6 biosimilars across oncology and autoimmune diseases marketed in India and emerging markets
3	Intas	India, Europe, USA	NA	Biosimilars	Generics, APIs	Bevacizumab, Trastuzumab, Filgrastim, peg Filgrastim,

Sr. No.	Name of the company	Markets Catered	Revenue (FY21) Rs. million	Presence in patented biologics and/or biosimilars	Other Business areas	Key commercialised products
						ranbizumab, Denozumab 60mg/mL PFS, Denozumab solution inj, Rituximab, Romiplastin
4	Emcure*	India, Europe, Canada, Emerging markets	N.A	Biosimilars	Generics, CRAMS, APIs	Tenctaplase for AMI, Erythroprotien, Tenctaplase forAIS, Filgraastim, Peg-GCSF, Sargamostim, Pegasparginase
5	Lupin	India, North America, Europe, Australia, South Africa, Brazil, Mexico	149,720	Biosimilars	Generics,APIs	Etanercept (EU, Japan, India), Filgrastim (India), peg Filgrastim (India)
6	Cadila Healthcare	India, USA, Europe, Asia, Africa, Latin America	151,394	Novel biologics and Biosimilars	Generics, Animalhealth	PEG-IFN(Interferon), IFNα-2b, PTH (parathyroid hormone), G-CSF(Granulocyte colony

Source: Company reports, CRISIL Report

Biologics and biosimilar have seen increased penetration in global pharmaceutical market

Biologics have gain traction in recent years in the global pharmaceutical market. The global biopharma industry has significantly outperformed the conventional generics segment over the last five years. Higher effectiveness of biologics over conventional drugs had prompted global players to undertake more R&D in the segment. An increase in the share of biopharmaceuticals in the global pharmaceutical markets, coupled with many biologics going off- patent, present a huge opportunity for biopharma players. Further, recent approvals in the US and Europe have opened a pathway for further growth in the regulated markets for biopharma players.

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 it is expected to support growth for biosimilars in these therapeutic categories. With global biological molecules worth ~USD 80-100 billion going off patent in next 5-10 years, this presents great opportunity for players to launch biosimilars in the regulated markets.

Biosimilars have grown in popularity particularly in the regulated market after it was pushed 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.

Demand for combination vaccines to increase

Demand for recombinant vaccines and combination vaccines is expected to continue from the global markets (regulated and semi-regulated) through organisations like United Nations Children's Fund (UNICEF) and Pan American Health Organisation (PAHO).

Covid-19 pandemic offers opportunity for Biopharma players

Biopharma companies across the world are racing to deliver the required supplies and vaccines in wake of the global Covid-19 pandemic. Hundreds of vaccines are in the pipeline to be delivered to various countries across the global for vaccination and it is estimated that a majority of the vaccines will be administrated by mid-2022.

Key growth drivers and challenges

Patent cliff presents opportunity in regulated markets: Many patented biopharmaceuticals are set to expire over the next 5-10 years in the US and Europe. Further, even among the drugs where patents have already expired, the penetration of biosimilar 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 biologics 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. Moreover, there are relatively fewer players per product on account of the higher cost of development and the drugs can be more effective

Traction in the US market for biosimilar provides growth opportunity for bio pharma players: Biosimilar penetration has been traditionally very low in the US, 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. Further, biologics are used primarily to treat chronic diseases such as cancer, rheumatoid arthritis, kidney-related diseases, etc. Hence, the US FDA has been more cautious in giving approvals in the past.

No biosimilar was approved by the US FDA until March 2015. However, post March 2015, 30 biosimilar have been approved so far in 2020. 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 biosimilar

Biologics and biosimilars to continue healthy growth in the next five years

The growth in the biosimilars space is expected to continue from CY2020 to CY2026 with biologics segment growing at a much higher CAGR of 10-11% compared to traditional molecules in the period CY2020 to CY2026. 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. With global biological molecules worth ~USD 80-100 billion going off patent between 2020-2024, this presents great opportunity for players to launch biosimilars in the regulated markets.

Biosimilars have grown in popularity particularly in the regulated market after it was pushed from regulatory authorities in US and Europe. The rate of approvals for biosimilars in these regulated markets have increased in the recent years. 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. 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 year 2021-2026.

Speeding up of approvals provides boost for biosimilar: The regulated markets have been more cautious in allowing biosimilar, primarily due to quality concerns. Therefore, many players have largely concentrated on the semi-regulated markets for biosimilar 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 biosimilar 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 biosimilar were launched. However, post 2012, over 40 biosimilar have been launched in various markets, thereby providing an opportunity to global generic players

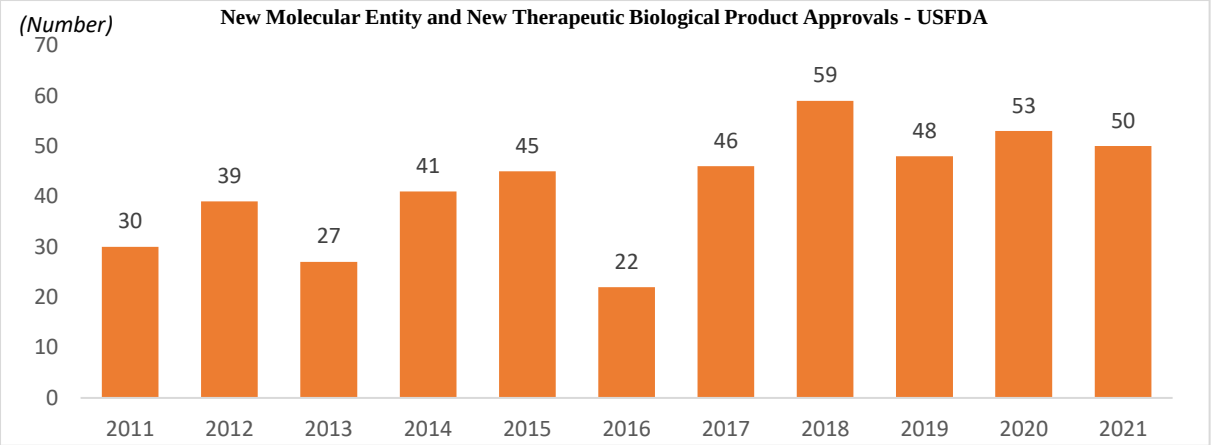
Complexity in manufacturing and regulatory approvals present key challenges for biologics and biosimilar market: The complexity and difficulty in manufacturing biosimilar has limited its quicker review and approval process. Since it is difficult to prove therapeutic 'interchangeability' with the reference product, the adoption of biosimilar has been slow. However, regulators around the world have been bolstering efforts to increase the uptake of biosimilar. Biologics and biosimilar players face the challenge of longer gestation periods as well, due to extended payback periods and uncertainties in marketing the products. It takes 7-8 years for a biopharmaceuticals company to commercialise a biosimilar drug. Thus, realisation of cash flows takes longer, giving rise to liquidity risks.

Overview of Research and Development activities by the pharmaceutical companies

Pharmaceutical companies across the world invest in research and development (R&D) activities in order to discoverand develop new molecules. Increasing R&D expenditure by pharmaceutical leads to development of innovative medicines in the treatment of various diseases. Globally, the number of clinical trials has been increasing with the increasing prevalence of chronic diseases, and the growing demand for clinical trials in developing countries is alsofuelling the market's growth.

The global market is also driven by a rising number of biologics and biosimilar. The need for orphan drugs and the demand for advanced technologies, globalization of clinical trials, and technological evolution to conduct clinical trials are further projected to drive the pharmaceutical market growth. Large formulation players employ PhDs for research and development (R&D) activities, in order to explore new opportunities in the generic space. Further, pharmaceutical players are also looking at opportunities in the biopharma segment. In India, major formulation players are into development of generics which constitutes speciality as well as complex generics portfolio. Majority of spend in R&D by Indian companies is done to support development of these molecules particularly for marketing in the regulated market.

Novel drugs are often innovative products in the market which are helpful in advance treatment by providing therapies which are marketed in for the first time. During the year 2020, Center for Drug Evaluation and Research (CDER) has approved 53 drugs out of which it has approved first medication in U.S for treating COVID-19 patients(hospitalized adults and adolescents). Additionally, out of 53 drugs approved in 2020, 31 drugs are used to treat rare or "orphan" diseases. In 2021, CDER has approved 50 novel drugs.



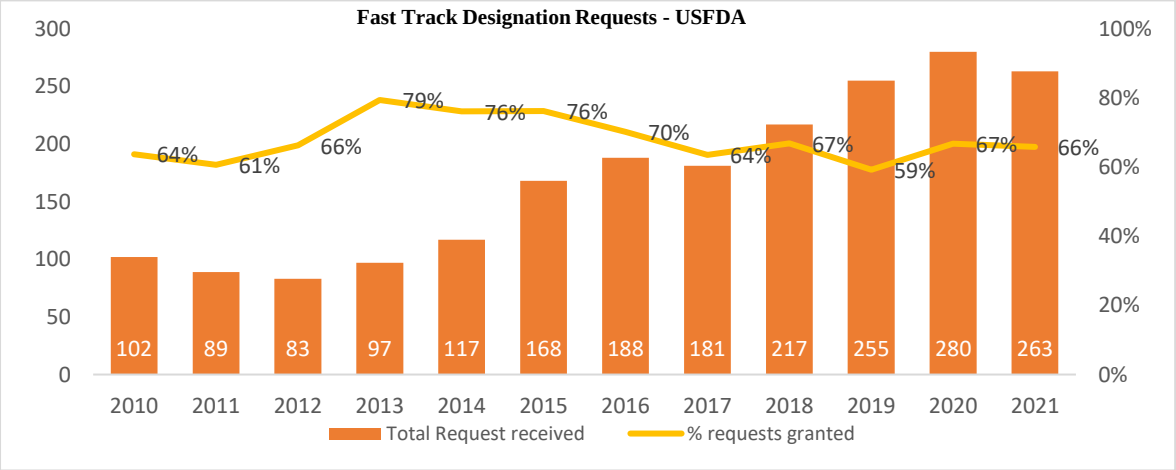
Source: USFDA, CRISIL Research

Antibiotic incentives

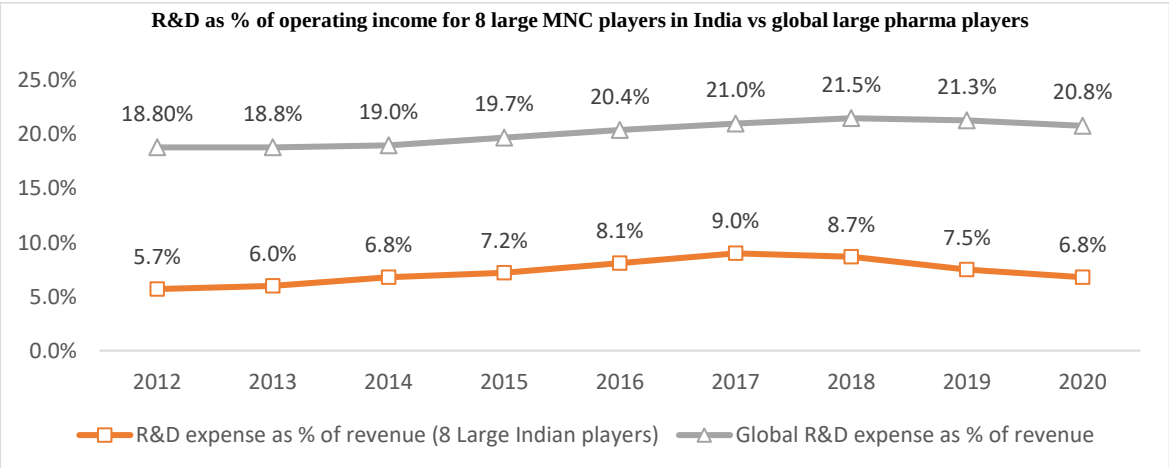
Generating Antibiotic Incentives Now (GAIN) incentives developing the drugs which are intended for human use and are antibacterial and anti-fungal in nature for the treat of life threating diseases. Once the drug meets all the pre-requisites under GAIN it receives qualified infectious disease product (QIDP) status. Drugs that acquire QIDP status are eligible for Fast development process and priority review. In general, The Fast Track development process is requested during the Investigational New Drug (IND) phase of drug development phase

The fast track programme majorly aids development and review stages of new drugs and biologics which are focused towards

- Treatment of serious or life-threatening conditions
- Addressing the unmet medical needs



Source: USFDA, CRISIL Research



Note: R&D numbers are set of eight large players
Source: Company filings, CRISIL Research

R&D investments for pharmaceutical companies in India

Company Name	FY2019					FY2020					FY2021				
	Revenue R&D	Capex R&D	Total R&D	Revenue R&D as % of revenue	Total R&D as % of O.I.	Revenue R&D	Capex R&D	Total R&D	Revenue R&D as % of revenue	Total R&D as % of O.I.	Revenue R&D	Capex R&D	Total R&D	Revenue R&D as % of revenue	Total R&D as % of O.I.
Abbott India	8	0.1	8	0.02%	0.02%	7	1	8	0.02%	0.02%	8	2	11	0.02%	0.03%
Alembic Pharma	5,040	450	5,490	12.8%	14.0%	6,450	480	6,930	14.0%	15.0%	6,700	630	7,330	12.4%	13.6%
Aurobindo Pharma Ltd.	8,682	1,126	9,808	4.4%	5.0%	9,580	316	9,896	4.1%	4.3%	15,096	898	15,994	6.1%	6.5%
Biocon Ltd	2,899	NA	NA	4.4%	NA	4,394	NA	NA	6.8%	NA	5,531	NA	NA	7.8%	NA
Cipla Ltd	11,478	NA	NA	7.0%	NA	11,185	NA	NA	6.5%	NA	8,667	NA	NA	4.5%	NA
Dr.Reddy's Laboratories Ltd.	15,607	NA	NA	10.1%	NA	15,410	161	15,571	8.8%	8.9%	16,541	792	17,333	8.7%	9.1%
GlaxoSmithKline	23	NA	NA	0.1%	NA	22	NA	NA	0.1%	NA	18	NA	NA	0.1%	NA
Glenmark Pharmaceuticals Ltd.	14,480	NA	NA	13.7%	NA	13,205	NA	NA	12.4%	NA	13,187	NA	NA	12.0%	NA
Ipca Labs	829	65	894	2.2%	2.4%	965	46	1,010	2.1%	2.2%	1,214	53	1,267	2.2%	2.3%
Lupin Ltd#	15,013	NA	NA	9.0%	NA	15,538	NA	NA	9.2%	NA	14,324	NA	NA	9.4%	NA
Panacea Biotech Ltd.	663	40	702	14.5%	15.4%	424	2	426	7.8%	7.8%	212	36	248	3.4%	4.0%
Sun Pharmaceuticals Industries Ltd.	19,057	718	19,775	6.6%	6.8%	19,206	484	19,690	5.8%	6.0%	20,972	471	21,443	6.3%	6.4%
Torrent Pharmaceuticals Ltd	5,380	NA	NA	7.0%	NA	4,940	NA	NA	6.2%	NA	4,870	NA	NA	6.1%	NA
Wockhardt Ltd.	2,909	1,564	4,473	7.0%	10.8%	2,081	1,460	3,541	6.3%	10.6%	1,725	930	2,655	6.2%	9.6%

Note:

(1) 1) Figures are in Rs. million

(2) 2).We have calculated R&D as % of revenue using formula=R&D Expenditure/(Revenue from operations+ Revenue from discontinued operations)

(3) 3) NA: Not Available (We have not given out total R&D spend as % wherever clear bifurcation between Revenue R&D and capex R&D is not available)

Source: Company annual reports, CRISIL Research.

OUR BUSINESS

In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiaries, and references to "our Company" are to Wockhardt Limited only.

Unless otherwise stated, the financial information used in this section is derived from the Audited Consolidated Financial Statements as at and for the year ended March 31, 2021 and the Unaudited Consolidated Financial Statements of our Company as at and for the nine-month period ended December 31, 2021. References to "Financial Year" in this section is as at and for the year ended March 31.

We are among the key research-based global pharmaceutical companies based in India (*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 four key revenue streams, namely generics, biotech, vaccines and NCEs, that accounted for 67.2%, 12.5%, 19.3% and 0.9%, respectively of our total income for the nine-month period ended December 31, 2021. For the nine-month period ended December 31, 2021, our operations in the United Kingdom, India, Rest of the World ("**RoW**") markets, the United States and Europe accounted for 44%, 19%, 16%, 11% and 10%, respectively, of our total income.

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. One of our business strategies is to deepen our market share in chronic therapeutic areas, which accounted for 41% and 46% of our total income in Financial Year 2020 and Financial Year 2021, respectively, as compared to acute therapeutic areas, which accounted for 53% and 49%, respectively, of our total income during the same periods. The revenue generated from chronic therapeutic areas and acute therapeutic areas stood at 38% and 53%, respectively, of our consolidated revenue for the nine-month period ended December 31, 2021, with the increase in revenue generated from acute therapeutic areas being primarily due to significant revenue amounting to ₹496 crores generated from the supply of COVID-19 vaccines in the United Kingdom.

Chronic therapies typically involve medicines being prescribed over an extended period of time as opposed to once or for a limited period of time. Diabetes is a key chronic target market for us due to the increasing prevalence of diabetes globally. In India, the number of persons with diabetes has increased from 72.9 million in 2017 to 74.2 million in 2021 (*CRISIL Report*). Further, the growth in the biosimilars space is expected to continue over six years from 2020 to 2026, with the biologics segment growing at a much higher CAGR of 10% to 11%, compared to traditional molecules during this period (*CRISIL Report*). We believe that we are well positioned to take advantage of this growing medical need due to our portfolio of diabetic products, which includes oral anti-diabetics, pen devices, blood glucose monitoring systems and insulin and its analogs such as insulin glargine, insulin aspart, insulin lispro and liraglutide. For the nine-month period ended December 31, 2021, biotech contributed 12.5% to our total income. 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. Our divested business comprised of 62 products and related business, assets and liabilities, including our manufacturing facility at Baddi, Himachal Pradesh along with *inter alia* its employees, purchase orders, contracts, records, assets and liabilities.

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 3,214 patents filed and 793 patents held worldwide as of December 31 , 2021. We have over 520 scientists including over 80 PhDs and more than 150 in the drug discovery team across our three research and development centres and other locations as of January 31, 2022.

The anti-infective therapy area is valued at ₹180 billion as of Financial Year 2021 in the Indian domestic formulation market and grew at a CAGR of 3.1% from Financial Year 2017 to Financial Year 2021; and is expected to grow at a CAGR of 10% to 11% from Financial Year 2021 to Financial Year 2026 (*CRISIL Report*). 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 programme 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; including methicillin-resistant staphylococcus aureus ("**MRSA**") infections, which are a leading cause of AMR. We are among the few Indian pharmaceutical companies to launch NCEs in recent years (*CRISIL Report*). Further, we also have four more anti-bacterial NCEs (WCK 4873, WCK 4282, WCK 5222 and WCK 6777) which are in various development stages and all of which have been granted Qualified Infectious Disease Product ("**QIDP**") status by the US FDA, which fast tracks the clinical development process and grants a five-year extension to market exclusivity in the United States (*CRISIL Report*). We have also received US FDA approvals for 90 abbreviated new drug applications ("**ANDAs**") as of December 31, 2021. In Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, we invested 11%, 10% and 9%, respectively, of our total income towards 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 of December 31, 2021, we have 12 manufacturing facilities, eight of which are located in India and one each in the United Kingdom, the United States, Ireland and the United Arab Emirates. Our

Wockhardt Biotech Park in Aurangabad, India has dedicated units for manufacturing APIs, biosimilars, recombinant formulations and our diabetes portfolio. Our fully automated lyophilisation unit in Aurangabad is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance. Our manufacturing facility in Wrexham, Wales has been contracted by the United Kingdom government to fill-finish COVID-19 vaccines for distribution in the United Kingdom.

For Financial Year 2020, Financial Year 2021 and for the nine-month period ended December 31, 2021, our total revenue from continuing operations was ₹2,844 crores, ₹2,708 crores and ₹2,575 crores, respectively. Our Adjusted EBITDA for Financial Year 2020, Financial Year 2021 and for the nine-month period ended December 31, 2021 was ₹245 crores, ₹(47) crores and ₹331 crores, respectively. Our profit after tax for Financial Year 2020, Financial Year 2021 and for the nine-month period ended December 31, 2021 was ₹ (43) crores, ₹689 crores and ₹32 crores, respectively.

Our Key Competitive Strengths

We believe the following competitive strengths contribute to our success and position us well for continued growth:

Products in therapeutic areas that are growing quickly in India and globally.

The global pharmaceutical market has grown at a CAGR of approximately 4.5% to 5% from USD 1,090 billion in 2016 to USD 1,270 billion in 2020; and is expected to sustain this growth over the next five years to reach approximately USD 1,650 billion to USD 1,700 billion in 2026 (*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 and anti-infectives accounted for 46% and 12.7%, respectively, of our total income in Financial Year 2021.

Diabetes is a key chronic target market for us due to the increasing prevalence of diabetes globally. In India, the number of persons with diabetes has increased from 72.9 million in 2017 to 74.2 million in 2021 (*CRISIL Report*). Sedentary lifestyles, new product launches and widespread population aging have resulted in the growing incidence of chronic diseases and is expected to push the growth of the pharmaceuticals industry (*CRISIL Report*). Diabetes is one of the key therapeutic areas in the Indian formulation industry and is valued at approximately ₹150 billion as of Financial Year 2021, growing at a CAGR of 11% from Financial Year 2017 to Financial Year 2021 and is expected to grow at a CAGR of 15% to 16% from Financial Year 2021 to Financial Year 2026 (*CRISIL Report*). Further, the growth in the biosimilars space is expected to continue over six years from 2020 to 2026, with the biologics segment growing at a much higher CAGR of 10% to 11%, compared to traditional molecules during this period (*CRISIL Report*). Anti-diabetics such as insulin glargine and insulin lispro are some of the notable and first biosimilars to be launched in the global market (*CRISIL Report*). Global biological molecules worth approximately USD 80 billion to USD 100 billion are going off patent in the next five to 10 years, which presents a great opportunity to launch biosimilars in regulated markets (*CRISIL Report*). We were the first company in Asia to indigenously develop recombinant DNA insulin (under the brand name 'Vosulin') in 2003 after the originator (*CRISIL Report*). Further, as on December 31, 2021, we have over 25 registered biosimilars in emerging markets, as well as biosimilars under registration in many countries. Our biosimilars portfolio of insulin and its analogs includes our developed products which are currently under testing, namely insulin aspart and insulin lispro; and products currently under development and in clinical stages, namely liraglutide and insulin glargine, respectively.

Anti-infectives were valued at USD 70 billion to USD 75 billion as of the year 2021 and are expected to grow at a CAGR of 4.5% to 5% in the period from 2020 to 2026 *(CRISIL Report*). The value of anti-infective therapy in generic formulations is expected to reach USD 90 billion to USD 95 billion by the year 2026 (*CRISIL Report*). In India, which is one of the leading generic drug markets in the world, anti-infective therapy is valued at ₹180 billion as of Financial Year 2021 in the Indian domestic formulation market and grew at a CAGR of 3.1% from Financial Year 2017 to Financial Year 2021; and is expected to grow at a CAGR of 10% to 11% from Financial Year 2021 to Financial Year 2026 (*CRISIL Report*). Such growth will be supported by increased penetration of generic drugs in the market and increased research and development for multi-drug resistant micro-organisms (*CRISIL Report*). However, the pace of discovery and development of new antibiotic classes has slowed in recent years and the effectiveness of antibiotics used to treat infections has declined (*CRISIL Report*). AMR is one of the key issues that needs to be addressed with the development of newer and more effective antibiotic drugs (*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 which is a leading cause of AMR. We are among the few Indian pharmaceutical companies to launch NCEs in recent years (*CRISIL Report*). Further, we also have four more anti-bacterial NCEs (WCK 4873, WCK 4282, WCK 5222 and WCK 6777) which are in various development stages and all of which have been granted QIDP status by the US FDA, which fast tracks the clinical development process and grants a five-year extension to market exclusivity in the United States (*CRISIL Report*).

At the same time, the contract development and manufacturing organization ("**CDMO**") formulations market is estimated at USD 20 billion in 2020 and has grown at a CAGR of approximately 6.4% from approximately USD 16 billion in 2016 (*CRISIL Report*), with many leading pharmaceutical companies contributing to this growth in 2021 through vaccine manufacturing (*CRISIL Report*). We entered into a services agreement dated July 31, 2020 with the Secretary of State for Business, Energy and Industrial Strategy in the United Kingdom government to fill-finish COVID-19 vaccines in the United Kingdom through our subsidiary, CP Pharmaceuticals Limited. Pursuant to this agreement, we have reserved manufacturing capacity for the

supply of COVID-19 vaccines to the United Kingdom government, including the AZD1222 vaccine, until July 31, 2022. For the nine-month period ended December 31, 2021, we generated significant revenue amounting to ₹496 crores from the supply of COVID-19 vaccines in the United Kingdom. We have also entered into a manufacturing agreement dated August 12, 2021 with Enso Healthcare DMCC for the manufacture and supply of Sputnik V and Sputnik Light vaccines until June 30, 2022, pursuant to the transfer of technology developed by the Gamaleya National Research Institute of Epidemiology and Microbiology. We have now received permission from the CDSCO to export up to 80 million doses and up to 20 million doses of the Sputnik Light and Sputnik V vaccines, respectively.

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*). We are also targeting the areas of neuroscience, nephrology and chronic dermatology by expanding the number of chronic products we offer in these therapy areas.

Diversified product portfolio across multiple therapeutic segments and geographies.

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. No single product accounted for more than 5% of our total income for the nine-month period ended December 31, 2021 and our revenues were diversified across over more than 50 countries, primarily in European and RoW regions.

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. 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 450 on roll employees. Further, we also entered into a services agreement dated July 31, 2020 with the Secretary of State for Business, Energy and Industrial Strategy in the United Kingdom government to fill-finish COVID-19 vaccines in the United Kingdom through our subsidiary, CP Pharmaceuticals Limited. Pursuant to this agreement, we have reserved manufacturing capacity for the supply of COVID-19 vaccines to the United Kingdom government, including the AZD1222 vaccine, until July 31, 2022. In 2021, we supplied more than 100 million doses of the AZD1222 vaccine.

In the United States, we have a broad portfolio of ANDAs for our international generics business and have received US FDA approvals for 90 ANDAs with 10 ANDAs pending; and over 530 marketing authorizations worldwide as of December 31, 2021. Our filings in the United States focus on injectables and value-added generics, such as novel drug delivery systems. Our Subsidiary, Morton Grove Pharmaceuticals Inc., is a manufacturer and marketer of oral liquid and topical pharmaceuticals in the United States (*CRISIL Report*).

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, biotechnology and genomics research, as well as novel drug delivery systems and new drug discovery. Our research and development efforts have resulted in 3,214 patents filed and 793 patents held worldwide as of December 31, 2021. In Financial Year 2021, we had filed for 22 patents. Our sales of EMROK and EMROK O, which are patent-protected products, accounted for 0.5% and 0.9% of our total income for Financial Year 2021 and for the nine-month period ended December 31, 2021.

We have three research and development centres in Aurangabad (Maharashtra, India), Morton Grove (Illinois, United States) and Wrexham (Wales, United Kingdom). We have over 520 scientists including over 80 PhDs and more than 150 in the drug discovery team across our three research and development centres and other locations as of January 31, 2022. 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 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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, we invested 11%, 10% and 9%, respectively, of our total income towards research and development.

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 of December 31, 2021, we have 12 manufacturing facilities, eight of which are located in India and one each in the United

Kingdom, the United States, Ireland and the United Arab Emirates, all of which have been built to comply with US FDA, UK MHRA and EMEA standards, as applicable. Our Wockhardt Biotech Park in Aurangabad, India has dedicated manufacturing units for APIs, biosimilars, our diabetes portfolio as well as recombinant formulations. Our fully automated lyophilisation unit in Aurangabad is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance. Our manufacturing facility at Wrexham, Wales has been contracted by the United Kingdom government to fill-finish COVID-19 vaccines for distribution in the United Kingdom.

We have invested in the technology at our manufacturing facilitates with the aim of ensuring compliance with regulatory requirements in India, the United States, United Kingdom, Pharmaceutical and Medical Devices Agency ("**PMDA**") and Europe; and intend to continue to invest and upgrade our facilities as our business grows and technologies evolve. Our 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. Further, our manufacturing facility in Morton Grove, Illinois is registered as a manufacturer, exporter and importer for controlled substances with the Drug Enforcement Administration ("**DEA**") in the United States.

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 become a key research-based global pharmaceutical companies based in India (*CRISIL Report*). 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 Executive 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, Davinder Singh Brar has served as director of the Reserve Bank of India and is currently the chairman of Aragen Life Sciences Private Limited. 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.

Our Key Strategies

Our key business strategies include the following:

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 41%, 46% and 38% of our total income in Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, 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. 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. The global need for chronic therapies continues to grow due to demographic and macroeconomic factors such as changes in lifestyles, which have led to more chronic diseases (*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. In India, the number of persons with diabetes has increased from 72.9 million in 2017 to 74.2 million in 2021 (*CRISIL Report*). Additionally, we intend to expand into new chronic therapeutic areas such as oncology, cardiology, hypertension, central nervous system ("**CNS**") and urology. The CNS therapy area grew at a CAGR of 3.5% from 2016 to 2020 and is expected to grow at a CAGR of 2.5% to 3% from 2020 to 2026 (*CRISIL Report*). Certain other therapy areas, including cardiology and respiratory therapies are expected to grow at a CAGR of approximately 6% from 2021 to 2026 (*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. AMR is one of the key issues that needs to be addressed with the development of newer and more effective antibiotic drugs (*CRISIL Report*). As per the Centre for Disease

Control ("**CDC**") in the United States, nearly 2 million people in the United States acquire an infection while in a hospital every year, resulting in 90,000 deaths (*CRISIL Report*). More than 70% of the bacteria that cause these infections are resistant to at least one of the antibiotics commonly used to treat them (*CRISIL Report*). The Ad-hoc Interagency Coordination Group on Antimicrobial Resistance, in association with the United Nations has reported that globally, at least 0.7 million deaths were caused due to drug-resistant diseases between 2016 to 2019 and if no action is taken, this could increase to 10 million deaths globally per year by 2050 *(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. Further, we have also entered into agreements with notable partners similarly engaged in the research and development of novel antibiotics against resistant infections. Our Subsidiary, Wockhardt Bio AG has entered into a development, license and supply agreement with the Jiangxi Jemincare Group Co. Ltd., pursuant to which Jiangxi Jemincare Group Co. Ltd. was granted license to develop WCK 4873, currently in phase III, for registration in the People's Republic of China, Macau, Hong Kong and Taiwan. Wockhardt Bio AG has also entered into a development, license and supply agreement with LLC GPHC, a Russian pharmaceutical company, pursuant to which LLC GPHC would develop and market EMROK and EMROK O in dosage forms in the Russian Federation.

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

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. We will continue to invest in innovative technologies to enhance and grow our manufacturing capabilities. 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 January 31, 2022, we had approximately 5,400 employees, including approximately 3,900 employees on the payroll of our Company globally and approximately 1,500 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, 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, 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 diabetes biosimilars portfolio in the United States, 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 we are able to leverage our product portfolio for markets in India, the United States, 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 41% and 46% of our total income in Financial Year 2020 and Financial Year 2021, respectively, compared to acute therapeutic areas, which accounted for 53% and 49%, respectively, of our total income during the same periods. The revenue generated from chronic therapeutic areas and acute therapeutic areas for the nine-month period ended December 31, 2021 stood at 38% and 53% respectively of our consolidated revenue for the nine-month period ended December 31, 2021, primarily due to significant revenue amounting to ₹496 crores generated from the supply of COVID-19 vaccines in the United Kingdom.

The following table sets forth a breakdown of our revenue from continuing operations, by amount and as a percentage of our total income, from the sale of products in each of our main therapeutic areas for the periods indicated:

	For the year ended March 31,				For the nine-month period ended December 31, 2021	
	2020		2021			
	₹ in crores	%	₹ in crores	%	₹ in crores	%
Therapeutic Areas						
Pain/Analgesic	478	16.8	430	15.9	357	13.9
Anti-infective	428	15.1	343	12.7	238	9.2
Anti-diabetic	276	9.7	361	13.3	347	13.5
Respiratory	380	13.3	187	6.9	125	4.9
Cardiology	393	13.8	331	12.2	244	9.5
Vaccines	-	-	125	4.6	496	19.3
CNS/Neurology	152	5.3	181	6.7	140	5.4
Gastroenterology	132	4.7	176	6.5	126	4.9
Vitamins & nutrients	77	2.7	70	2.6	66	2.6
Dermatology	61	2.1	50	1.8	34	1.3
Oncology	70	2.5	35	1.3	12	0.5
Others (excluding discontinued operations)	397	14.0	417	15.5	391	15.0
Total Reported	**2,844**	**100**	**2,708**	**100**	**2,575**	**100**

The following table sets forth a breakdown of our revenue from continuing operations, by amount and as a percentage of our total income, from the sale of our acute and chronic products in different geographies for the periods indicated:

	For the year ended March 31,				For the nine-month period ended December 31, 2021	
	2020		2021			
	₹ in crores	%	₹ in crores	%	₹ in crores	%
USA						
Acute therapeutic business	576	77	324	72	187	62
Chronic therapeutic business	175	23	128	28	116	38
Sub total	751	100	452	100	303	100
United Kingdom						
Acute therapeutic business	457	46	595	56	794	72
Chronic therapeutic business	504	51	470	44	312	28
Others	33	3	(3)	0	(2)	0
Sub total	994	100	1,062	100	1,104	100
India & Generics						
Acute therapeutic business (India branded)	121	37	113	31	157	38
Chronic therapeutic business (India branded)	145	44	175	48	163	40
Generics	58	18	62	17	62	15
Domestic APIs	7	1	13	4	26	7
Sub total	331	100	363	100	408	100
Ireland						
Acute therapeutic business	266	57	224	47	168	46
Chronic therapeutic business	186	40	237	50	188	51
Others	13	3	17	3	10	3
Sub total	465	100	478	100	366	100
Emerging markets						
Acute therapeutic business	77	26	80	21	60	19
Chronic therapeutic business	157	53	224	59	209	67
Export APIs	62	21	79	20	42	14
Sub total	296	100	383	100	311	100
Total (excluding discontinued operations)						
Acute therapeutic business	1,497	53	1,336	49	1,366	53
Chronic therapeutic business	1,168	41	1,234	46	988	38
Export APIs	62	2	79	3	42	2
Domestic APIs	7	0	13	0	26	1
Generics	58	2	62	2	62	2
Others	52	2	(16)	1	91	4
Total Reported	**2,844**	**100**	**2,708**	**100**	**2,575**	**100**

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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of pain/analgesic products accounted for 16.8%, 15.9% and 13.9% respectively, of our total revenue from continuing operations. Our key products in this therapy area include Spasmo Proxyvon, Paracetamol, Spasgan, Codamol, Ibuprofen, Methadone, Diamorphine Hydrochloride, Morphine, 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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of anti-diabetic products accounted for 9.7%, 13.3% and 13.5% respectively, of our total revenue from continuing operations. Our key products in this therapy area include Human Insulin & Recombinant Glargine, Wosulin, Glaritus, Hypurin, Metformin and Valvey.

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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of respiratory products accounted for 13.3%, 6.9% and 4.9% respectively, of our total revenue from continuing 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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of cardiology products accounted for 13.8%, 12.2% and 9.5%, respectively, of our total revenue from continuing operations. Our key products in this therapy area include Heparin, Hyalase, Enalapril, Atorvastatin, Multiparin, Monoparin, Ephedrine, Metoprolol and Adenosine.

Vitamins & Nutrients

In Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of vitamins and nutrients accounted for 2.7%, 2.6% and 2.6% respectively, of our total revenue from continuing 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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of anti-infective products accounted for 15.1%, 12.7% and 9.2%, respectively, of our total revenue from continuing operations. Our key products in this therapy area include Piptaz, EMROK, Trimethoprim, Flucloxacillin, Amoxiclav, Gentamicin, Erythromycin, Oxacillin, Amoxicillin, Ceftriaxone, Flucloxacillin and Magenta.

Oncology

Oncological therapy is used for the treatment of cancer. Our portfolio of products under this category includes targeted therapies, hormonal therapies and supportive therapies. In Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of oncology products accounted for 2.5%, 1.3% and 0.5%, respectively, of our total revenue from continuing operations. Our key products in this therapy area include Tamoxifen, Imatinib, Azacitidine, Abiraterone and Deflawok.

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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 21, 2021, our sales of CNS/neurology products accounted for 5.3%, 6.7% and 5.4%, respectively, of our total revenue from continuing 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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of gastrointestinal products accounted for 4.7%, 6.5% and 4.9%, respectively, of our total revenue from continuing operations. Our key products in this therapy area include Acidex, Esomeprazole, Generlac and Pentowok.

Dermatology

Dermatological therapy is provided to treat ailments of the skin. The therapies under this category include antibiotics and immuno-modulators in a variety of topical, oral and injectable products. In Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, our sales of dermatology products accounted for 2.1%, 1.8% and 1.3%, respectively, of our total revenue from continuing operations. Our key products in this therapy area include Hydrocortisone, Lindane and Nadoxin.

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 800 employees as of January 31, 2022. 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, antibiotic discovery, metabolics, diabetes and nephrology that focus on our various acute and chronic therapy products in India targeted for those specific categories.

Sales and Marketing

We market our products in India and over 50 countries internationally as on December 31, 2021. Our ability to market and sell our products is contingent upon us receiving marketing authorizations, the requirements for which may vary across jurisdictions. In Financial Year 2021 and for the nine-month period ended December 31, 2021, sales from international markets amounted to ₹2,282 crores and ₹2,078 crores, respectively, or 84% and 81%, respectively, of our revenue from continuing operations.

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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021:

	For the year ended March 31,				**For the nine-month period ended December 31, 2021**	
	2020		**2021**			
	₹ in crores	**%**	**₹ in crores**	**%**	**₹ in crores**	**%**
Markets						
United States	734	26	444	16	290	11
Europe	1,161	41	1,281	47	1,385	54
United Kingdom	895	31	1,013	37	1,137	44
Ireland	153	5	145	5	117	5
France	65	2	52	2	18	1
Others	49	2	71	3	114	4
RoW and CIS region	547	19	557	21	403	16
International Business	**2,442**	**86**	**2,282**	**84**	**2,078**	**81**
India	**402**	**14**	**426**	**16**	**497**	**19**
Total	**2,844**	**100**	**2,708**	**100**	**2,575**	**100**

United States

We manufacture and market our products in the United States through our Subsidiaries, Morton Grove Pharmaceuticals Inc. and Wockhardt USA LLC. Morton Grove Pharmaceuticals Inc. is a manufacturer and marketer of oral liquid and topical pharmaceuticals (*CRISIL Report*). As of December 31, 2021, we have 100 product dossiers in the United States of which 90 have been approved and 10 are pending for approval. Our business in the United States accounted for 26%, 16% and 11% of our total revenue from continuing operations in Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, respectively.

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, small volume liquids and nasal sprays. As

of December 31, 2021, we have 247 product dossiers in the United Kingdom of which 247 have been registered. Our business in the United Kingdom accounted for 31%, 37% and 44% of our total revenue from continuing operations in Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, respectively.

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 December 31, 2021, we have 252 product dossiers by Pinewood Laboratories Limited, of which 252 have been registered 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. RoW markets and the CIS region accounted for 19%, 21% and 16% of our total revenue from continuing operations in Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, respectively.

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 three research and development facilities in India, the United Kingdom and the United States. We have over 520 scientists including over 80 PhDs and more than 150 in the drug discovery team across our three research and development centres and other locations as of January 31, 2022. 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 Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, we invested ₹354 crores, ₹265 crores and ₹235 crores, respectively, in research and development, amounting to 11%, 10% and 9%, respectively, of our total income.

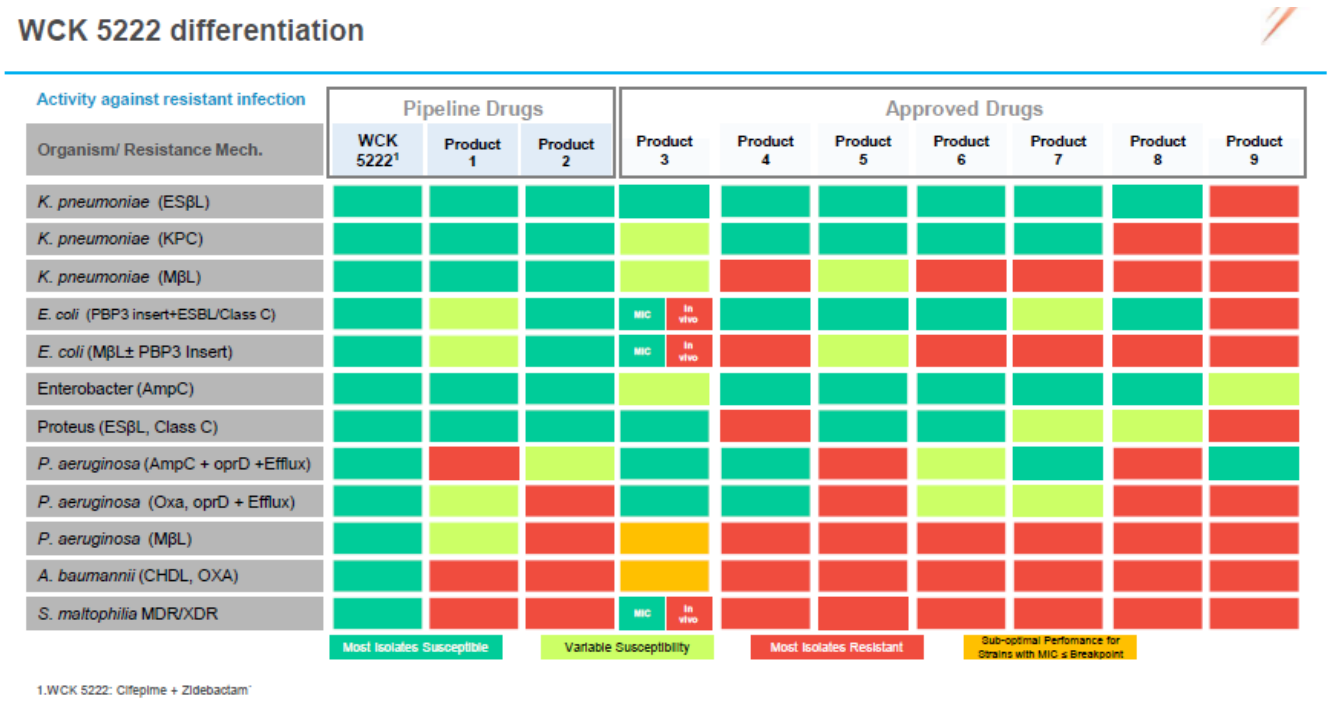
Our research and development programme is primarily focused on the areas of pharmaceutical research, biotechnology and genomics research, as well as novel drug delivery systems and new drug discovery. Research and development activities are key to the development of new molecules and NCEs (*CRISIL Report*) 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. We are among the few Indian pharmaceutical companies to launch NCEs in recent years (*CRISIL Report*). Further, we also have four more anti-bacterial NCEs (WCK 4873, WCK 4282, WCK 5222 and WCK 6777) which are in various development stages and all of which have been granted QIDP status by the US FDA, which fast tracks the clinical development process and grants a five-year extension to market exclusivity in the United States (*CRISIL Report*). For risks associated with clinical trials of our NCEs, see *"Risk Factors – Results of earlier clinical trials may not be predictive of results of later-stage clinical trials, which create uncertainties for the clinical trial results of late-stage drug candidates"* on page 33. We have also received US FDA approvals for 90 ANDAs with 10 ANDAs pending; and 530 marketing authorizations worldwide as of December 31, 2021.

We believe that one of our novel antibiotics, WCK 5222, which basis our internal estimates is expected to complete phase III clinical trials by the end of 2023, has displayed the broadest coverage of MDR/XDR gram negative pathogens. For risks associated with timely completion of our clinical trials, see *"Risk Factors – If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected"* on page 33. The analysis and differentiation of WCK 5222 reproduced below is based on the following:

(i) independent scientific investigations undertaken by international antibiotic researchers, comparing WCK 5222'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 µg 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 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 and United Kingdom; and

(iii) WHO's report analyzing novel antibiotics in global development, which sets out the potential of 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 – We have referred to the data derived from the industry report commissioned and paid for by our Company from CRISIL Limited and other publicly available information, which have been used for industry-related data and for management estimates in this Letter of Offer"* on page 41. 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.

MANUFACTURING

As of December 31, 2021, we have 12 manufacturing facilities, eight of which are located in India and one each in the United Kingdom, the United States, Ireland and the United Arab Emirates, and which have been built to comply with US FDA, UK MHRA and EMEA standards, as applicable. Our Wockhardt Biotech Park in Aurangabad, India, has dedicated manufacturing units for APIs, biosimilars, our diabetes portfolio as well as recombinant formulations. Our fully automated lyophilisation unit in Aurangabad is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance.

Our 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. Our manufacturing facility in Morton Grove, Illinois is registered as a manufacturer, exporter and importer for controlled substances with the DEA in the United States.

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.

The following table sets forth details of our Company's manufacturing facilities, their aggregate installed production capacity and capacity utilization:

S. No.	Location*	Facility	Capacity (Lines)	Unit of Measurement (UoM)	Existing Capacity (Units per annum)	Capacity Utilization (%)	
						Financial Year 2021	Nine months ended December 31, 2021
1.	H-14/2, MIDC Waluj	Tablets/ capsules	NA	Mn	3,000	12.4	8.5
2.	H-14/2, MIDC Waluj	Injectables (F2)	NA	Mn	30	70.1	66.7
3.	E-1/1, MIDC, Shendra	Injectables	NA	Mn	84	3.9	7.3
4.	87-A, Silver Industrial Estate, Bhimpore	Tablets/ capsules	NA	Mn	2,400	14.0	16.1
5.	106-4/5/7, Daman Industrial Estate, Kadaiya	Tablets/ capsules	NA	Mn	625	36.6	44.1
6.	H-14/2, MIDC Waluj	Biotech APIs	NA	Kg	1,116	57.5	94.3

S. No.	Location*	Facility	Capacity (Lines)	Unit of Measurement (UoM)	Existing Capacity (Units per annum)	Capacity Utilization (%)	
						Financial Year 2021	Nine months ended December 31, 2021
7.	138, GIDC Estate, Ankleshwar	Bulk drug APIs	NA	Kg	300,000	30.3	26.6

**Does not include current non-operational plants.*

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 Financial Year 2020 and Financial Year 2021, our expenditures on consumption of raw materials including purchase of stock in trade accounted for 39.18% and 44.44%, respectively, of our total income. In Financial Year 2020 and Financial Year 2021, changes in inventories of finished goods, work-in-progress and stock-in-trade accounted for 2.57% and (4.47)% of our total income, respectively. Further, in Financial Year 2021, we sourced 14.9% and 17.1% of our raw materials and packing materials, respectively, from our top five vendors in each category for our India operations; and we sourced 74.6% and 16.4% of our raw materials and packing materials, respectively, from our top five vendors in each category for our operations in the United Kingdom.

We follow the below procedures prior to approving any vendor:

- We ensure 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;
- This is done by 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;
- Our vendors are periodically re-evaluated to ensure compliance with all our requirements; and
- Depending on the raw material that we require, we either enter into a spot buying contract to purchase it, 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 3,214 patents filed and 793 patents held worldwide as of December 31 , 2021. In addition, six of our anti-biotic products indicated for the treatment of bacterial infection have been granted patent protection as on December 31, 2021. In Financial Year 2021, we had filed for 22 patents. Our sales of EMROK and EMROK O, which are patent-protected products, accounted for 0.5% and 0.9% of our total income for Financial Year 2021 and for the nine-month period ended December 31, 2021.

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 domestic competitors include Serum Institute of India and Sanofi India Limited (in the Indian vaccine market) and Biocon and Lupin (in the Indian biosimilars segment) (*CRISIL Report*). We also compete with domestic and international companies like Sun Pharmaceutical Industries Limited and Novartis AG, respectively, in the global generic formulations market (*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 January 31, 2022, we had approximately 5,400 employees, including approximately 3,900 employees on the payroll of our Company globally and approximately 1,500 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 520 scientists including over 80 PhDs and more than 150 in the drug discovery team across our three research and development centres and other locations as of January 31, 2022. Our sales team in India includes a field force of over 800 employees. We have had no work disruptions to date and we believe that our relations with our employees are good.

PROPERTIES

Our Registered Office is located at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Maharashtra and is being utilized 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 and is also being utilized pursuant to a leave and license agreement between our Company and Carol Info Services Limited for a term of five years until March 31, 2022.

Our properties serve as locations for our manufacturing facilities and research and development centres. Most of our facilities in India as well as our office and facilities in New Jersey, United States and Dubai, United Arab Emirates, respectively, are located on leased premises.

CORPORATE SOCIAL RESPONSIBILITY

The average Net Profit of our Company for the immediately preceding 3 Financial Years calculated as per Section 198 of the Companies Act was negative. Hence, no amount was required to be spent on CSR activities during the Financial Year 2021. However, considering the pandemic situation and as a continuing corporate governance practice, our Company contributed ₹2.12 crores to Wockhardt Foundation, the CSR arm of our Company, for spending on CSR activities in the areas of healthcare, education etc. in Financial Year 2021.

OUR 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 LODR Regulations and the Articles. In accordance with the Articles, unless otherwise determined by the Company in General Meeting, our Company shall not have less than three Directors and not more than 15 Directors.

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 AGM. 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 being eligible for 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 provides details regarding the Board of Directors of the Company as of the date of filing this Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Habil Fakhruddin Khorakiwala ***Address***: 31-E, Vakil Lane, Casa Khorakiwala, Dr. G Deshmukh Marg, Pedder Road, Cumballa Hill, Mumbai – 400 026 ***Designation:*** *Founder and Executive Chairman* ***Occupation****:* Industrialist ***Term****:* For a period of five years with effect from March 1, 2020 and liable to retire by rotation. ***Period of Directorship:*** Since July 8, 1999 ***DIN***: 00045608 ***Date of Birth:*** September 22, 1942	79	• Ananke Trustee Company Private Limited • Callirhoe Trustee Company Private Limited • Dartmour Holdings Private Limited • Dr. Habil Khorakiwala Education and Health Foundation • Genista Trading and Services Private Limited • Impala advisory Services Private Limited • Kendo Advisory Services Private Limited • Khorakiwala Foundation • Khorakiwala Holdings and Investments Private Limited • Megaclite Trading Private Limited • Palanpur Holdings and Investments Private Ltd. • Pasithee Trustee Company Private Limited • Sinope Advisory Services Private Limited • Step Forward Advisory Services Private Limited • Themisto Trustee Company Private Limited • Wockhardt Biologics Limited • Wockhardt Hospitals Limited
Aman Mehta ***Address***: 115A, Second floor, Jor Bagh, Lodhi Road, Central Delhi, Delhi – 110 003 ***Designation:*** Independent Director ***Occupation****:* Professional ***Term****:* For a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Since February 12, 2004 ***DIN***: 00009364 ***Date of Birth:*** September 1, 1946	75	• Max Financial Services Limited
Davinder Singh Brar ***Address***: Greenfields Farm, Gadaipur – Jaunapur Road, Gadaipur, Mehrauli, Hauz Khas, South Delhi, Delhi – 110 030 ***Designation:*** Independent Director ***Occupation****:* Professional ***Term****:* For a period of five years with effect from April 1, 2019	69	• Aragen Life Sciences Private Limited • Davix Management Services Private Limited • Essel Propack Limited • Excelra Knowledge Solutions Private Limited • Green Vally Land and Development Private Limited • GVK Davix Research Private Limited • GVK Davix Technologies Private Limited • Konnect Agro Private Limited • Madhubani Investments Private Limited • Maruti Suzuki India Limited • Mountain Trail Foods Private Limited • Mphasis Limited • Punjab Innovation Mission

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Period of Directorship: Since August 6, 2012 ***DIN***: 00068502 ***Date of Birth:*** August 21, 1952		• Suraj Hotels Private Limited • Suraj Overseas Private Limited
Sanjaya Baru ***Address***: D-44, Panchsheel Enclave, Delhi – 110 017 ***Designation:*** Independent Director ***Occupation****:* Professional ***Term****:* For a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Since August 6, 2012 ***DIN***: 05344208 ***Date of Birth:*** May 28, 1954	67	• Artemis Medicare Services Limited
Tasneem Mehta ***Address***: 401, A Wing, Bakhtavar Shahid Bhagat Singh Road, Opposite Colaba Post Office, Colaba, Mumbai – 400 005 ***Designation:*** Independent Director ***Occupation****:* Professional ***Term****:* For a period of five years with effect from September 30, 2019 ***Period of Directorship:*** Since September 30, 2014 ***DIN***: 05009664 ***Date of Birth:*** November 22, 1953	68	Nil
Vinesh Kumar Jairath ***Address***: 194 B, Kalpataru Horizon, S.K Ahire Marg, Worli, Mumbai – 400 0018 ***Designation:*** Independent Director ***Occupation****:* Advisor and Consultant ***Term****:* For a period of five years with effect from November 10, 2021 ***Period of Directorship:*** Since November 10, 2016 ***DIN***: 00391684 ***Date of Birth:*** December 27, 1958	63	• The Bombay Dyeing and Manufacturing Company Limited • Kirloskar Oil Engines Limited • Kirloskar Industries Limited • Bombay Burmah Trading Corporation Limited • Avante Spaces Limited • Go Airlines (India) Limited
Akhilesh Krishna Gupta ***Address***: South Tower Apartment 4403, The Imperial, B B Nakashe Marg, Tardeo, Mumbai – 400034 ***Designation:*** Independent Director ***Occupation****:* Professional ***Term****:* For a period of five years with effect from August 29, 2020	69	Nil

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Period of Directorship: Since August 29, 2020 ***DIN***: 00359325 ***Date of Birth:*** July 20, 1952		
Rima Nayan Marphatia ***Address***: 1403, Wallace Apartment-1, Sleater Road, Grant Road West, Mumbai – 400 007 ***Designation:*** Nominee Director* ***Occupation****:* Service ***Term****:* Not liable to retire by rotation ***Period of Directorship:*** Since May 6, 2019 ***DIN***: 00444343 ***Date of Birth:*** May 10, 1958	63	Nil
Huzaifa Habil Khorakiwala ***Address***: 31-E, Vakil Lane, Casa Khorakiwala, Dr. G Deshmukh Marg, Near Russian Cultural Centre, Pedder Road, Cumballa Hill, Mumbai – 400 026 ***Designation:*** Executive Director ***Occupation****:* Industrialist ***Term****:* Office of Director liable to retire by rotation. Appointed as an Executive Director for a period of five years with effect from March 31, 2019. ***Period of Directorship:*** Since June 29, 2009 ***DIN***: 02191870 ***Date of Birth:*** November 4, 1970	51	• 7 Peace Values Private Limited • Corival Life Sciences Private Limited • CSR Advisors Private Limited • Dr. Huz Advisors Private Limited • Fitza Private Limited • Guidex Technologies Private Limited • Help Me Serve Private Limited • Merind Limited • Oof Ventures Private Limited • Peace Cafee Welfare Foundation • Prohealth Catalysts Private Limited • The Peace Mission Private Limited • Wockhardt Hospitals Limited • Zappa Jobs & Solutions Private Limited • ZI Spas and Wellness Private Limited
Murtaza Habil Khorakiwala ***Address***: 31-E, Vakil Lane, Casa Khorakiwala, Dr. G Deshmukh Marg, Near Russian Cultural Centre, Pedder Road, Cumballa Hill, Mumbai – 400 026 ***Designation:*** Managing Director ***Occupation****:* Industrialist ***Term****:* Three years with effect from March 31, 2019 and liable to retire by rotation. ***Period of Directorship:*** Since June 29, 2009 ***DIN***: 00102650 ***Date of Birth:*** September 7, 1972	49	• Amadou Estate Development Private Limited • Dartmour Holdings Private Limited • Denarius Estate Development Private Limited • Khorakiwala Foundation • Khorakiwala Holdings and Investments Private Limited • Palanpur Holdings and Investments Private Ltd • Shravan Constructions Private Limited • Wockhardt Biologics Limited • Wockhardt Hospitals Limited • Wockhardt Infrastructure Development Limited
Zahabiya Habil Khorakiwala ***Address***: Flat No. 14-15, Om Ratan Co-op Housing Society, 70/71 Sir Pochkhanwala Road, Worli, Mumbai – 400 025 ***Designation:*** Non- Executive Director	39	• Amadou Estate Development Private Limited • Denarius Estate Development Private Limited • Genista Trading and Services Private Limited • Khorakiwala Foundation • Merind Limited • RPG Life Sciences Limited • Shravan Constructions Private Limited • Wockhardt Biologics Limited

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Occupation**:* Business ***Term**:* Liable to retire by rotation ***Period of Directorship: October 30, 2017 ***DIN***: 00102689 ***Date of Birth:*** September 16, 1982		• Wockhardt Hospitals Limited • Wockhardt Regenerative Private Limited

[*]*Appointed as a Nominee Director of Export-Import Bank of India*

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer.

Details of key management personnel

S. No.	Name of KMP*	Designation
1.	Habil Fakhruddin Khorakiwala	Founder and Executive Chairman
2.	Huzaifa Habil Khorakiwala	Executive Director
3.	Murtaza Habil Khorakiwala	Managing Director
4.	Debashis Dey	Company Secretary and Compliance Officer
5.	Deepak Madnani[*]	Chief Financial Officer

[*]*The Board of Directors has appointed Deepak Madnani as the Chief Financial Officer of our Company with effect from March 1, 2022 on January 27, 2022*

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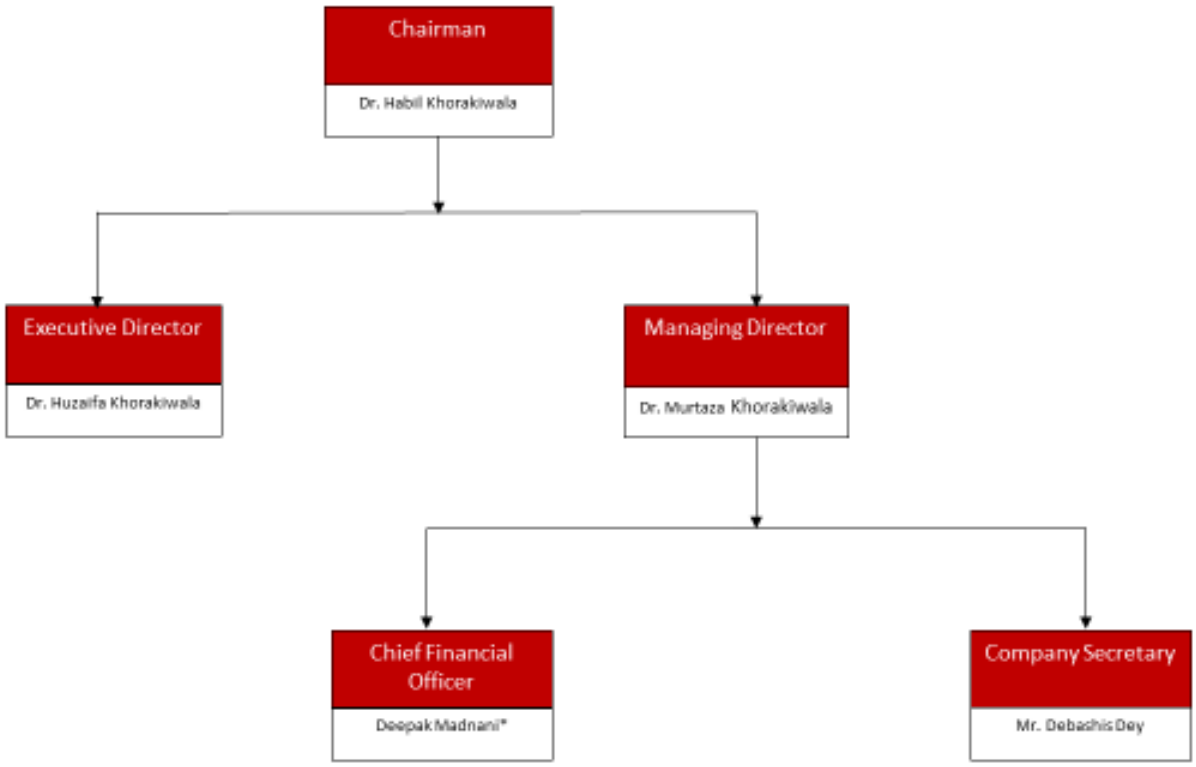
ORGANISATIONAL STRUCTURE



* Appointed w.e.f. 1st March 2022

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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 - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited Review Report on unaudited consolidated financial results of Wockhardt Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 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 ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 ("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.

Limited Review Report on unaudited consolidated financial Results of Wockhardt Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended *(Continued)*

4. The Statement includes the results of the following entities:-

Name of the Entity	Relationship
1) Wockhardt Limited	Parent Company
2) Wockhardt UK Holdings Limited (including its following subsidiaries and its step-down subsidiaries) a) Wallis Group Limited b) The Wallis Laboratory Limited c) Wallis Licensing Limited 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) 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 (including its following subsidiaries and its step-down subsidiaries) a) CP Pharmaceuticals Limited 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. i) Wockhardt France (Holdings) S.A.S. j) Wockhardt Holding Corp. k) Wockhardt USA LLC l) Morton Grove Pharmaceuticals Inc. m) MGP Inc. n) Laboratories Pharma 2000 S.A.S. o) Niverpharma S.A.S. p) Negma Beneulex S.A. q) Phytex S.A.S. r) Wockhardt Farmaceutica SA DE CV s) Wockhardt Services SA DE CV t) Wockhardt Bio (R) LLC u) Wockhardt Bio Pty Limited v) Wockhardt Bio Limited	Subsidiary

Limited Review Report on unaudited consolidated financial results of Wockhardt Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (*Continued*)

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 the other auditors referred to in paragraph 6 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.

6. 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 791.39 crores and Rs 2,371.17 crores, total net profit after tax (before consolidation adjustments) of Rs 86.28 crores and Rs 586.35 crores and total comprehensive income (before consolidation adjustments) of Rs 81.86 crores and Rs 572.76 crores, for the quarter ended 31 December 2021 and for the period from 01 April 2021 to 31 December 2021, respectively 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 on the Statement is not modified in respect of the above matter.

7. The Statement includes the interim financial information of twenty-one subsidiaries which have not been reviewed, whose interim financial information reflect total revenue (before consolidation adjustments) of Rs 13.05 crores and Rs 60.84 crores, total net (loss)/profit after tax (before consolidation adjustments) of Rs (0.80) crores and Rs (0.28) crores and total comprehensive (loss) /profit (before consolidation adjustments) of Rs (0.80) crores and Rs (0.28) crores, for the quarter ended 31 December 2021 and for the period from 01 April 2021 to 31 December 2021, respectively, 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 on the Statement is not modified in respect of the above matter.

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

Koosai Lehery
Partner
Membership No: 112399
ICAI UDIN: 22112399AAAAAC9183

Mumbai
27 January 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 UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

	PARTICULARS	3 MONTHS ENDED 31/12/2021	3 MONTHS ENDED 30/09/2021	3 MONTHS ENDED 31/12/2020	9 MONTHS ENDED 31/12/2021	9 MONTHS ENDED 31/12/2020	YEAR ENDED 31/03/2021
	(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Continuing Operations**						
	(a) Revenue from Continuing operations	853.89	862.00	764.02	2,575.44	2,076.34	2,708.30
	(b) Other income	2.05	5.20	100.54	8.90	124.73	132.27
	Total income	**855.94**	**867.20**	**864.56**	**2,584.34**	**2,201.07**	**2,840.57**
2	**Expenses from Continuing Operations**						
	(a) Cost of materials consumed	152.96	147.48	176.21	450.90	510.52	682.43
	(b) Purchase of stock-in-trade	145.09	164.57	184.27	452.21	470.70	579.90
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34.38	24.12	(45.54)	89.16	(155.00)	(126.84)
	(d) Employee benefits expense	197.80	178.15	201.84	568.21	601.70	762.95
	(e) Finance costs	80.08	69.06	59.85	213.24	194.45	249.08
	(f) Depreciation and amortisation expense	61.98	61.21	67.88	187.53	180.99	246.02
	(g) Exchange fluctuation loss / (gain), net	2.37	13.45	(2.59)	2.57	16.66	2.46
	(h) Other expenses	209.84	238.40	191.45	684.32	628.73	870.43
	Total expenses	**884.50**	**896.44**	**833.37**	**2,648.14**	**2,448.75**	**3,266.43**
3	**Profit/ (Loss) before exceptional items and tax from Continuing Operations (1-2)**	**(28.56)**	**(29.24)**	**31.19**	**(63.80)**	**(247.68)**	**(425.86)**
4	Discontinued Operations						
	Profit before exceptional items and tax from Discontinued Operations	-	**-**	**-**	**-**	**13.87**	**13.87**
5	**Exceptional items- credit/(charge)**						
	a) Continuing Operations	-	-	-	-	(142.48)	(142.48)
	b) Discontinued Operations- (Refer note 3)	-	-	-	-	1,470.32	1,470.32
	Total Exceptional Items	-	**-**	**-**	**-**	**1,327.84**	**1,327.84**
6	**Profit/ (Loss) after exceptional items before tax from Continuing Operations (3 ± 5a)**	**(28.56)**	**(29.24)**	**31.19**	**(63.80)**	**(390.16)**	**(568.34)**
7	Tax expense of continuing operations :						
	Current tax - (credit)/ charge	5.78	22.08	(10.12)	36.89	(88.41)	(120.82)
	Deferred tax - (credit)/ charge (Net)	(36.11)	(88.49)	8.91	(133.05)	(111.86)	(150.79)
8	**Net Profit/ (Loss) from Continuing Operations (6 ± 7)**	**1.77**	**37.17**	**32.40**	**32.36**	**(189.89)**	**(296.73)**
9	**Profit after exceptional items before tax from Discontinued Operations (4 ± 5b)**	**-**	**-**	**-**	**-**	**1,484.19**	**1,484.19**
10	Tax expense of discontinued operations:						
	Current tax - charge	-	-	-	-	311.49	311.49
	Deferred tax - charge (Net)	-	-	-	-	187.37	187.37
11	**Profit from Discontinued Operations (9 ± 10)**	**-**	-	**-**	**-**	**985.33**	**985.33**
12	**Profit / (Loss) for the period (8 ±11)**	**1.77**	**37.17**	**32.40**	**32.36**	**795.44**	**688.60**
	Attributable to :						
	Equity shareholders of the Company	(6.78)	33.53	15.24	14.04	778.85	686.06
	Non - Controlling Interest	8.55	3.64	17.16	18.32	16.59	2.54
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)	(5.56)	(5.61)	1.14	(17.10)	2.77	(23.21)
	(b) Income tax relating to items that will not be reclassified to Profit or Loss - (charge)/ credit	1.07	1.08	(0.46)	3.30	(1.25)	4.47
	(c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations)	(17.53)	(41.48)	41.10	(8.59)	50.40	14.79
	(d) Other Comprehensive Income (Net of tax) from continuing operations (a ± b ± c)	(22.02)	(46.01)	41.78	(22.39)	51.92	(3.95)
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)	(0.04)
	(b) Income tax relating to items that will not be reclassified to Profit or Loss - (charge)/ credit	-	-	-	-	0.01	0.01
	(c) Other Comprehensive Income (Net of tax) from discontinued operations (a ± b)	-	-	-	-	(0.03)	(0.03)
15	**Total Comprehensive Income (12 ± 13 (d) ± 14 (c))**	**(20.25)**	**(8.84)**	**74.18**	**9.97**	**847.33**	**684.62**
	Attributable to :						
	Equity shareholders of the Company	(19.67)	(10.90)	65.03	(6.11)	835.99	686.92
	Non - Controlling Interest	(0.58)	2.06	9.15	16.08	11.34	(2.30)
16	Paid-up equity share capital (face value of Rs. 5/- each)	55.41	55.40	55.39	55.41	55.39	55.39
17	Other Equity excluding Revaluation Reserves as per Balance Sheet						3,321.37
18	Earnings per equity share for continuing operations (face value of Rs. 5/- each) (*not annualised)						
	(a) Basic (Rs.)	(0.61)*	3.03*	1.38*	1.27*	(18.64)*	(27.02)
	(b) Diluted (Rs.)	(0.61)*	3.01*	1.37*	1.26*	(18.64)*	(27.02)
	Earnings per equity share for discontinued operations (face value of Rs. 5/- each) (*not annualised)						
	(a) Basic (Rs.)	-	-	-	-	88.97*	88.97
	(b) Diluted (Rs.)	-	-	-	-	88.60*	88.58
	Earnings per equity share for continuing and discontinued operations (face value of Rs. 5/- each) (*not annualised)						
	(a) Basic (Rs.)	(0.61)*	3.03*	1.38*	1.27*	70.33*	61.95
	(b) Diluted (Rs.)	(0.61)*	3.01*	1.37*	1.26*	70.03*	61.68

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 January 27, 2022. 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) 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. 1,470.32 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 nine months ended December 31, 2021.

4) **Key Financials on Standalone basis:**

(Rs. in Crore)

PARTICULARS	3 MONTHS ENDED 31/12/2021	3 MONTHS ENDED 30/09/2021	3 MONTHS ENDED 31/12/2020	9 MONTHS ENDED 31/12/2021	9 MONTHS ENDED 31/12/2020	YEAR ENDED 31/03/2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income (continuing operation)	311.62	314.63	262.69	908.35	759.93	1,027.99
Loss before tax from continuing operation	(103.99)	(89.49)	(90.26)	(271.05)	(510.53)	(623.77)
Loss after tax from continuing operation	(67.12)	(63.70)	(68.67)	(179.51)	(344.99)	(392.04)
Profit before tax from discontinued operation	-	-	-	-	1,484.19	1,484.19
Profit after tax from discontinued operation	-	-	-	-	985.33	985.33

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.

5) 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.

6) During the quarter ended December 31, 2021 , the Company has allotted 10,750 (Year to date 34,350) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.

7) The Group is exclusively into Pharmaceutical business Segment.

8) For List of Subsidiaries as on December 31, 2021 please refer Annexure.

9) 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

Mumbai
Date : January 27, 2022

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 8 of Consolidated Unaudited Results for the Quarter and Nine Months ended December 31, 2021

List of Subsidiaries as on December 31, 2021

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 - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited Review Report on Unaudited Quarterly and Year-to-date Consolidated Financial Results of Wockhardt Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Wockhardt Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Wockhardt Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended 30 September 2021 and year to date results for the period from 1 April 2021 to 30 September 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (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 SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the financial information of the following entities:

Name of the Entity	Relationship
1) Wockhardt Limited	Parent Company
2) Wockhardt UK Holdings Limited (including its following subsidiaries and its step-down subsidiaries) a) Wallis Group Limited b) The Wallis Laboratory Limited c) Wallis Licensing Limited d) Wockhardt Farmaceutica Do Brasil Ltda	Wholly Owned Subsidiary

Limited Review Report on Unaudited Quarterly and Year-to-date Consolidated Financial Results of Wockhardt Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

Name of the Entity	Relationship
3) Wockhardt Infrastructure Development Limited	Wholly Owned Subsidiary
4) Wockhardt Europe Limited (including its following wholly owned subsidiary) a) Wockhardt Nigeria Limited	Wholly Owned Subsidiary
5) Wockhardt Medicines Limited	Wholly Owned Subsidiary
6) Wockhardt Biologics Limited	Subsidiary
7) Wockhardt Bio AG (including its following subsidiaries and its step-down subsidiaries) a) CP Pharmaceuticals Limited 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. i) Wockhardt France (Holdings) S.A.S. j) Wockhardt Holding Corp. k) Wockhardt USA LLC l) Morton Grove Pharmaceuticals Inc. m) MGP Inc. n) Laboratories Pharma 2000 S.A.S. o) Niverpharma S.A.S. p) Negma Beneulex S.A. q) Phytex S.A.S. r) Wockhardt Farmaceutica SA DE CV s) Wockhardt Services SA DE CV t) Wockhardt Bio (R) LLC u) Wockhardt Bio Pty Limited v) Wockhardt Bio Limited	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 the other auditors referred to in paragraph 6, 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.

Limited Review Report on Unaudited Quarterly and Year-to-date Consolidated Financial Results of Wockhardt Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

6. We did not review the interim financial information of five subsidiaries included in the Statement, whose interim financial information reflect total assets (before consolidation adjustments) of Rs 7,329.79 crores as at 30 September 2021, total revenues (before consolidation adjustments) of Rs 785.47 crores and Rs 1,579.78 crores, total net profit after tax (before consolidation adjustments) of Rs 357.36 crores and Rs 500.06 crores and total comprehensive income (before consolidation adjustments) of Rs 352.91 crores and Rs 490.90 crores, for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, and cash inflows (net) ((before consolidation adjustments) of Rs 6.02 crores for the period from 1 April 2021 to 30 September 2021, as considered in the Statement. 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 reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

7. The Statement includes the interim financial information of twenty-one subsidiaries which have not been reviewed, whose interim financial information reflect total assets (before consolidation adjustments) of Rs 184.07 crores as at 30 September 2021, total revenue (before consolidation adjustments) of Rs 17.53 crores and Rs 47.79 crores, total net (loss)/ profit after tax (before consolidation adjustments) of Rs (0.32) crores and Rs 0.52 crores and total comprehensive (loss) /income (before consolidation adjustments) of Rs (0.32) crores and Rs 0.52 crores, for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, and cash outflows (net) (before consolidation adjustments) of Rs 10.73 crores for the period from 1 April 2021 to 30 September 2021, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

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

Koosai Lehery
Partner
Membership No: 112399
ICAI UDIN: 21112399AAAAEF1693

Mumbai
08 November 2021

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 AND SIX MONTHS ENDED SEPTEMBER 30, 2021

	PARTICULARS	3 MONTHS ENDED 30/09/2021	3 MONTHS ENDED 30/06/2021	3 MONTHS ENDED 30/09/2020	6 MONTHS ENDED 30/09/2021	6 MONTHS ENDED 30/09/2020	YEAR ENDED 31/03/2021
	(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Continuing Operations**						
	(a) Revenue from Continuing operations	862.00	859.55	714.05	1,721.55	1,312.32	2,708.30
	(b) Other income	5.20	1.65	16.24	6.85	24.19	132.27
	Total income	**867.20**	**861.20**	**730.29**	**1,728.40**	**1,336.51**	**2,840.57**
2	**Expenses from Continuing Operations**						
	(a) Cost of materials consumed	147.48	150.46	217.32	297.94	334.31	682.43
	(b) Purchase of stock-in-trade	164.57	142.55	127.36	307.12	286.43	579.90
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.12	30.66	(51.69)	54.78	(109.46)	(126.84)
	(d) Employee benefits expense	178.15	192.26	197.37	370.41	399.86	762.95
	(e) Finance costs	69.06	64.10	60.90	133.16	134.60	249.08
	(f) Depreciation and amortisation expense	61.21	64.34	57.15	125.55	113.11	246.02
	(g) Exchange fluctuation loss / (gain), net	13.45	(13.25)	10.59	0.20	19.25	2.46
	(h) Other expenses	238.40	236.08	196.40	474.48	437.28	870.43
	Total expenses	**896.44**	**867.20**	**815.40**	**1,763.64**	**1,615.38**	**3,266.43**
3	**Loss before exceptional items and tax from Continuing Operations (1-2)**	**(29.24)**	**(6.00)**	**(85.11)**	**(35.24)**	**(278.87)**	**(425.86)**
4	Discontinued Operations						
	Profit before exceptional items and tax from Discontinued Operations	-	**-**	**-**	**-**	**13.87**	**13.87**
5	**Exceptional items- credit/(charge)**						
	a) Continuing Operations	-	-	-	-	(142.48)	(142.48)
	b) Discontinued Operations- (Refer note 3)	-	-	-	-	1,470.32	1,470.32
	Total Exceptional Items	-	**-**	**-**	**-**	**1,327.84**	**1,327.84**
6	**Loss after exceptional items before tax from Continuing Operations (3 ± 5a)**	**(29.24)**	**(6.00)**	**(85.11)**	**(35.24)**	**(421.35)**	**(568.34)**
7	Tax expense of continuing operations :						
	Current tax - (credit)/ charge	22.08	9.03	(12.17)	31.11	(78.29)	(120.82)
	Deferred tax - credit (Net)	(88.49)	(8.45)	(76.23)	(96.94)	(120.77)	(150.79)
8	**Net Profit/ (Loss) from Continuing Operations (6 ± 7)**	**37.17**	**(6.58)**	**3.29**	**30.59**	**(222.29)**	**(296.73)**
9	**Profit after exceptional items before tax from Discontinued Operations (4 ± 5b)**	**-**	**-**	**-**	**-**	**1,484.19**	**1,484.19**
10	Tax expense of discontinued operations:						
	Current tax - charge	-	-	-	-	311.49	311.49
	Deferred tax - charge (Net)	-	-	-	-	187.37	187.37
11	**Profit from Discontinued Operations (9 ± 10)**	-	**-**	**-**	**-**	**985.33**	**985.33**
12	**Profit / (Loss) for the period (8 ±11)**	**37.17**	**(6.58)**	**3.29**	**30.59**	**763.04**	**688.60**
	Attributable to :						
	Equity shareholders of the Company	33.53	(12.71)	3.55	20.82	763.61	686.06
	Non - Controlling Interest	3.64	6.13	(0.26)	9.77	(0.57)	2.54
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)	(5.61)	(5.93)	0.51	(11.54)	1.63	(23.21)
	(b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge)	1.08	1.15	(0.25)	2.23	(0.79)	4.47
	(c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations)	(41.48)	50.42	(4.77)	8.94	9.30	14.79
	(d) Other Comprehensive Income (Net of tax) from continuing operations (a ± b ± c)	(46.01)	45.64	(4.51)	(0.37)	10.14	(3.95)
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)	(0.04)
	(b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge)	-	-	-	-	0.01	0.01
	(c) Other Comprehensive Income (Net of tax) from discontinued operations (a ± b)	-	-	-	-	(0.03)	(0.03)
15	**Total Comprehensive Income (12 ± 13 (d) ± 14 (c))**	**(8.84)**	**39.06**	**(1.22)**	**30.22**	**773.15**	**684.62**
	Attributable to :						
	Equity shareholders of the Company	(10.90)	24.46	(0.89)	13.56	770.96	686.92
	Non - Controlling Interest	2.06	14.60	(0.33)	16.66	2.19	(2.30)
16	Paid-up equity share capital (face value of Rs. 5/- each)	55.40	55.39	55.38	55.40	55.38	55.39
17	Other Equity excluding Revaluation Reserves as per Balance Sheet						3,321.37
18	Earnings per equity share for continuing operations (face value of Rs. 5/- each) (*not annualised)						
	(a) Basic (Rs.)	3.03*	(1.15)*	0.32*	1.88*	(20.02)*	(27.02)
	(b) Diluted (Rs.)	3.01*	(1.15)*	0.32*	1.87*	(20.02)*	(27.02)
	Earnings per equity share for discontinued operations (face value of Rs. 5/- each) (*not annualised)						
	(a) Basic (Rs.)	-	-	-	-	88.98*	88.97
	(b) Diluted (Rs.)	-	-	-	-	88.61*	88.58
	Earnings per equity share for continuing and discontinued operations (face value of Rs. 5/- each) (*not annualised)						
	(a) Basic (Rs.)	3.03*	(1.15)*	0.32*	1.88*	68.96*	61.95
	(b) Diluted (Rs.)	3.01*	(1.15)*	0.32*	1.87*	68.67*	61.68

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 November 08, 2021. 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) 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. 1,470.32 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 six months ended September 30, 2021.

4) **Key Financials on Standalone basis:**

(Rs. in Crore)

PARTICULARS	3 MONTHS ENDED 30/09/2021	3 MONTHS ENDED 30/06/2021	3 MONTHS ENDED 30/09/2020	6 MONTHS ENDED 30/09/2021	6 MONTHS ENDED 30/09/2020	YEAR ENDED 31/03/2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income (continuing operation)	314.63	282.10	309.92	596.73	497.24	1,027.99
Loss before tax from continuing operation	(89.49)	(77.57)	(87.29)	(167.06)	(420.27)	(623.77)
Loss after tax from continuing operation	(63.70)	(48.69)	(57.38)	(112.39)	(276.32)	(392.04)
Profit before tax from discontinued operation	-	-	-	-	1,484.19	1,484.19
Profit after tax from discontinued operation	-	-	-	-	985.33	985.33

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.

5) 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.

6) During the quarter ended September 30, 2021 , the Company has allotted 23,600 (Year to date 23,600) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.

7) The Group is exclusively into Pharmaceutical business Segment.

8) For List of Subsidiaries as on September 30, 2021 please refer Annexure.

9) 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

Mumbai
Date : November 08, 2021

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

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in Crore)

	PARTICULARS	As at Period Ended 30/09/2021	As at Year End 31/03/2021
		Unaudited	Audited
A)	**ASSETS**		
1	**Non- Current assets**		
	(a) Property, Plant and Equipment	1,662.10	1,718.97
	(b) Right of use assets	592.57	592.48
	(c) Capital work-in-progress	625.75	602.82
	(d) Goodwill on consolidation	905.14	904.04
	(e) Other Intangible assets	118.66	127.63
	(f) Intangible assets under development	837.89	776.12
	(g) Financial assets		
	(i) Investments	0.45	0.45
	(ii) Other non- current Financial assets	59.40	44.82
	(h) Non-current tax assets (Net)	112.99	116.60
	(i) Deferred tax assets (Net)	496.19	397.50
	(j) Other non-current assets	100.52	66.88
	Sub-total - Non-current assets	**5,511.66**	**5,348.31**
2	**Current assets**		
	(a) Inventories	765.54	798.88
	(b) Financial assets		
	(i) Trade receivables	981.48	917.65
	(ii) Cash and cash equivalents	250.10	232.25
	(iii) Bank balance (other than Cash and cash equivalents)	71.80	59.54
	(iv) Other current Financial assets	7.45	33.18
	(c) Other current assets	276.86	238.59
	(d) Asset classified as held for sale	144.29	144.29
	Sub-total - Current assets	**2,497.52**	**2,424.38**
	TOTAL ASSETS	**8,009.18**	**7,772.69**
B)	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity share capital	55.40	55.39
	(b) Other Equity	3,336.58	3,321.37
	Equity attributable to the share holders of the Company	**3,391.98**	**3,376.76**
	(c) Non - Controlling Interest	400.17	383.49
	Sub-total- Equity	**3,792.15**	**3,760.25**
2	**Liabilities**		
I.	**Non- Current liabilities**		
	(a) Financial liabilities		
	i) Borrowings	575.73	502.85
	ii) Lease Liabilities	286.65	278.55
	(b) Provisions	152.81	84.37
	(c) Deferred tax liabilities (Net)	28.32	28.45
	Sub-total- Non-current liabilities	**1,043.51**	**894.22**
II.	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	1,832.66	1,828.88
	(ii) Lease Liabilities	65.18	62.67
	(iii) Trade payables		
	a. Total outstanding dues of Micro enterprises and Small enterprises	30.69	22.21
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	728.98	673.25
	(iv) Other current financial liabilities	144.35	228.39
	(b) Other current liabilities	173.89	174.17
	(c) Provisions	116.15	59.79
	(d) Current tax liabilities (Net)	81.62	68.86
	Sub-total- Current liabilities	**3,173.52**	**3,118.22**
	Total Liabilities	**4,217.03**	**4,012.44**
	TOTAL EQUITY AND LIABILITIES	**8,009.18**	**7,772.69**

FOR WOCKHARDT LIMITED

Mumbai

Date : November 08, 2021

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 UNAUDITED CASH FLOW STATEMENT FOR SIX MONTHS ENDED SEPTEMBER 30, 2021

(Rs in crore)

	PARTICULARS	6 MONTHS ENDED 30/09/2021	6 MONTHS ENDED 30/09/2020
	(Refer notes below)	Unaudited	Unaudited
A	**CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:**		
	Loss before tax from Continuing Operations	(35.24)	(421.35)
	Profit before tax from Discontinued Operations	-	1,484.19
	Adjustments for :		
	Profit from Transfer of Business Undertaking	-	(1,470.32)
	Depreciation and amortization expense	125.55	113.13
	Allowance for credit loss	28.01	46.48
	Bad debts	0.33	0.09
	Loss on assets sold/write off of fixed assets (net)	0.39	8.81
	Finance costs	133.16	134.60
	Exchange loss	0.20	19.25
	Interest income	(5.23)	(16.47)
	Employee share based payments expenses	0.49	1.29
	Liabilities no longer required written back	(1.08)	(6.87)
	Fair valuation impact on deposits	-	1.27
	Impairment loss on nutrition business assets	-	142.48
		246.58	**36.58**
	Movements in Working capital		
	Decrease/(Increase) in Inventories	33.34	(154.94)
	(Increase)/Decrease in trade receivables	(82.29)	247.39
	(Increase) in Loans and Advances and other assets	(15.47)	(64.44)
	Increase/(Decrease) in Liabilities and provisions	83.93	(336.38)
	Adjustment for translation difference	(6.47)	5.33
	Cash generated / (used in) from operations	**259.62**	**(266.45)**
	Income taxes paid	(11.05)	(58.02)
	Net cash inflow / (outflow) from Operating activities (A)	**248.57**	**(324.47)**
B	**CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:**		
	Purchase of Property, Plant and Equipment, Capital work-in progress	(68.35)	(57.06)
	Purchase of Intangible assets and Addition in Intangible assets under development	(52.50)	(19.19)
	Proceeds from sale of property, plant and equipment	0.06	3.57
	Consideration received from Transfer of Business Undertaking, net	-	1,534.50
	Margin money under lien and Bank balances (other than cash and cash equivalents)	(25.66)	(31.69)
	Interest received	1.33	9.81
	Net cash (outflow) / inflow Investing activities (B)	**(145.12)**	**1,439.94**
C	**CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES**		
	Proceeds from Issuance of Equity share capital	0.01	0.01
	Proceeds from long-term borrowings	49.24	-
	Issue of Non-convertible debentures	188.01	-
	Repayment of long-term borrowings	(388.24)	(253.18)
	Short-term borrowings (net)	(166.91)	(47.87)
	Loans from related parties	392.00	-
	Repayment of loans taken from Related parties	(32.00)	(81.45)
	Repayment of Lease liabilities (refer note 3 below)	(33.32)	(32.08)
	Finance costs paid	(93.59)	(75.87)
	Transaction with Non-controlling interests	0.02	-
	Equity Dividend paid (including dividend distribution tax, if any)	(0.28)	-
	Net cash outflow from Financing activities (C)	**(85.06)**	**(490.44)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**18.39**	**625.03**
	Cash and cash equivalents as at the beginning of the period	232.25	219.34
	Effects of exchange rate changes on cash and cash equivalents	(1.66)	(4.87)
	Exchange difference on translation of foreign cash and cash equivalent	1.12	1.19
	Cash and cash equivalents as at the end of the period	**250.10**	**840.69**
	Reconciliation of cash and cash equivalents as per the cash flow statement		
	Cash and cash equivalents as per above comprise of the following		
	Cash on hand	0.11	0.09
	Balance with banks:		
	- in current accounts	249.99	171.10
	- deposit with maturity of less than 3 months	-	669.50
	Balance as per the Statement of cash flows	**250.10**	**840.69**

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. 15.40 crore (Previous period - Rs. 16.54 crore)

Payment of Principal Rs. 17.92 crore (Previous period - Rs. 15.54 crore)

4. The cash flows of the Discontinued Operations for the period are presented below: **(Rs. in Crore)**

Particulars	6 MONTHS ENDED 30/09/2021	6 MONTHS ENDED 30/09/2020
Net cash inflow from Operating activities	-	5.82
Net cash inflow from Investing activities	-	1,534.50
Net cash inflow from Financing activities	-	-

5. Figures in bracket indicate cash outflow.

FOR WOCKHARDT LIMITED

Mumbai
Date : November 08, 2021

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 8 of Consolidated Unaudited Results for the Quarter and Six Months ended September 30, 2021

List of Subsidiaries as on September 30, 2021

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

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Independent Auditors' Report

To the Members of Wockhardt Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wockhardt Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Independent Auditors' Report *(Continued)*

Wockhardt Limited

Revenue recognition

The Key Audit Matter	How the matter was addressed in our audit
The Group recognises revenue from sale of goods when control over the goods is transferred to the customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sale contracts entered into with customers. Revenue is a key performance indicator of the Group and there is risk of overstatement of revenue due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance. Group's assessment of accrual towards rebates, discounts, returns, service level penalties and allowances require significant estimates and judgement and change in these estimates can have a significant financial impact. Given the risk of overstatement of revenue due to fraud and significant estimates and judgement required to assess various accruals referred above, this is a key audit matter. Refer note 3(j) of accounting policy, note 24 and 37 in consolidated financial statements.	Our audit procedures included the following: - We have assessed the Group's accounting policies relating to revenue recognition by comparing with applicable accounting standards. - We have evaluated the design, implementation and operating effectiveness of the Group's key internal control over revenue recognition and measurement of rebates, discounts, returns, service level penalties and allowances. - We have examined the samples, selected using statistical sampling, of revenue recorded during the year with the underlying documentation. - We have performed cut off procedures by selecting samples, using statistical sampling, of revenue recorded as at the period end. - We have verified Group's assessment of accruals of rebates, discounts, returns, service level penalties and allowances in line with the past practices to identify bias. - We have examined the manual journals posted to revenue at period end to identify unusual or irregular items. - We have assessed the adequacy of the disclosures made in respect of revenue from sale of goods.

Assessment of recoverability of carrying value of certain Property, Plant and Equipment and Capital Work in progress

The Key Audit Matter	How the matter was addressed in our audit
Certain property, plant and equipment and capital work in progress of the Group are affected by lower capacity utilization mainly due to regulatory alert from U.S. Food and Drug Administration ("US FDA") and are currently not being used for alternate purposes. The Group's investment in these facilities was made considering market feasibility and potential of existing / future products. As at 31 March 2021, carrying value of such Property, Plant and Equipment and Capital Work in Progress amounts to Rs 293.38 crores and Rs 285.81 crores respectively. The Group's remediation work of such facilities is underway and is expected to fully utilise the facilities post necessary approvals from the regulator.	Our audit procedures included the following: - We have assessed the Group's accounting policies relating to impairment by comparing with applicable accounting standards. - We have inquired the progress made on remediation work with key managerial personnel. - We have verified the reports of physical verification of property, plant and equipment and capital work in progress (those assets affected by alerts from US FDA) by the Company, including those done by external experts. - We have assessed the competence, capabilities and objectivity of the experts (internal and external) used by the Group in the process of verification of assets, assessing the usability of assets and determining recoverable amounts, where required.

Independent Auditors' Report *(Continued)*

Wockhardt Limited

Assessment of recoverability of carrying value of certain Property, Plant and Equipment and Capital Work in progress *(Continued)*

The Key Audit Matter	How the matter was addressed in our audit
During the year Group has reassessed the commercial prospects of Nutrition business and has classified the related assets as held for sale. Given the significance of carrying value and judgement involved in assessing the recoverability of such facilities, this is considered to be a key audit matter. Refer note 3(d) and 3(q) of accounting policy and note 4, 38 and 44 in consolidated financial statements.	- We have challenged the significant assumptions considered by the Group while carrying out impairment assessment for assets held for sale. - We have verified the impairment calculation by the Group basis the recoverable amount determined. - We have involved our valuation specialists to assess the valuation methodologies applied by the Holding Company to determine the recoverable amount for the impairment calculation for assets held for sale. - We have evaluated adequacy of presentation and disclosure of assets held for sale and related impairment loss in accordance with applicable accounting standards.

Divestment of identified domestic branded business

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

Independent Auditors' Report *(Continued)*

Wockhardt Limited

Recoverability of carrying value of Intangible assets under development

The Key Audit Matter	How the matter was addressed in our audit
The Group has Intangible assets under development amounting to Rs. 776.12 crores as at 31 March 2021. The aforesaid development expenditure is incurred on clinical development programme in relation to the New Chemical Entity (NCE). The carrying value of such Intangible assets under development is tested for recoverability, based on the estimated future cash flows, market conditions, etc. Changes in these assumptions could lead to an impairment to the carrying value of these Intangible assets under development. Given the significance of amount involved and the estimates and judgements involved in assessment of capitalisation of such costs and their recoverability, this is considered to be a key audit matter. Refer note 3(b) of accounting policy,note 6 and 44(a) in consolidated financial statements.	Our audit procedures included the following: - We have assessed the Group's accounting policies relating to Intangible assets under development by comparing with applicable accounting standards. - We have inquired the progress made on NCE development with key managerial personnel. - We have inspected the correspondences with regulatory authorities, third parties, scientific documentation and the market releases made by the Group. - We have tested, on a sample basis, the project related expenditure with underlying documents. - We have evaluated the criteria for capitalisation of development expenditure with those set out in the applicable accounting standard. - We have challenged the Group's assessment of estimated future cash flows relating to the NCE project and their recoverability plans.

Assessment of recoverability of the carrying value of Goodwill

The Key Audit Matter	How the matter was addressed in our audit
The Group has Goodwill amounting to Rs. 904.04 crores as at 31 March 2021 in respect of acquired businesses. The carrying value of Goodwill will be recovered through future cash flows. There is inherent risk of impairment in case future cash flows do not meet the Group's expectations. Given the significance of carrying value, inherent complexity of accounting requirements and significant judgement required in determining the assumptions to estimate recoverable amount, this is considered to be a key audit matter. Refer note 3(g) of accounting policy and note 5 in consolidated financial statements.	Our audit procedures included the following: - We have assessed the Group's accounting policies relating to impairment of Goodwill by comparing with applicable accounting standards. - We have challenged the significant assumptions considered by the Group while making impairment assessment with respect to revenue forecast, future cash flows, margins, terminal growth and discount rates. - We have involved our valuation specialists to assess the valuation methodologies applied by the Group. - We have performed a sensitivity analysis of the key assumption applied to determine the recoverable value and considered the resulting impact on the impairment testing. - We have evaluated the adequacy of disclosures made in the consolidated financial statements with respect to key assumptions and judgements.

Independent Auditors' Report *(Continued)*

Wockhardt Limited

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

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

Independent Auditors' Report *(Continued)*

Wockhardt Limited

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled 'Other Matters' in this audit report.

Independent Auditors' Report *(Continued)*

Wockhardt Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

a. We did not audit the financial statements / financial information of twenty-six subsidiaries whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 7,283.40 crores as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. 2,849.15 crores and net cash inflows amounting to Rs. 26.29 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The consolidated financial statements as at and for the year ended 31 March 2021 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation, and, in our opinion, such financial statements expressed in Indian rupee have been translated into United States dollars on the basis set forth in Note 2(c) to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Independent Auditors' Report *(Continued)*

Wockhardt Limited

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 45 to the consolidated financial statements.

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

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, incorporated in India during the year ended 31 March 2021.

Independent Auditors' Report *(Continued)*

Wockhardt Limited

Report on Other Legal and Regulatory Requirements *(Continued)*

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Koosai Lehery
Partner
Membership No: 112399
ICAI UDIN: 21112399AAAABP4949

Mumbai
27 May 2021

Wockhardt Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements of Wockhardt Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of Wockhardt Limited (hereinafter referred to as the Holding Company) as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk.

Wockhardt Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements of Wockhardt Limited for the year ended 31 March 2021 *(Continued)*

Auditors' Responsibility *(Continued)*

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

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

Koosai Lehery
Partner
Membership No: 112399
ICAI UDIN: 21112399AAAABP4949

Mumbai
27 May 2021

CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET

As at March 31, 2021

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

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2021

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

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

A. Equity Share Capital

As at April 01, 2019 ₹ in crore	Changes in equity share capital during the year ₹ in crore	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	Changes in equity share capital during the year ₹ in crore	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million
			Supplementary information- convenience translation (See Note 2(C))			Supplementary information- convenience translation (See Note 2(C))
55.34	0.03	55.37	7.32	0.02	**55.39**	**7.57**

B. Other equity

	Reserves and Surplus								Other comprehensive income	Total Equity attributable to the share holders of the Company	Non-controlling interests	Total
	Capital Reserves		Capital Redemption Reserve (CRR)	Securities Premium	Share Options Outstanding Account	General Reserves	Other Reserves (FCMITDA)	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation			
	Capital Reserves (other than capital contribution)	Capital Contribution										
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Balance as on April 01, 2019	**172.78**	**65.57**	**489.35**	**68.59**	**32.27**	**262.57**	**(14.98)**	**1,263.49**	**279.82**	**2,619.46**	**329.83**	**2,949.29**
Loss for the year	–	–	–	–	–	–	–	(69.22)	–	(69.22)	25.83	(43.39)
Other comprehensive income/(Loss) for the year	–	–	–	–	–	–	–	(5.05)	75.79	70.74	30.13	100.87
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(74.27)**	**75.79**	**1.52**	**55.96**	**57.48**
Net additions/(deductions) on ESOP options (Also Refer note 36)	–	–	–	4.19	(2.30)	0.37	–	–	–	2.26	–	2.26
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(27.23)	–	–	(27.23)	–	(27.23)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	20.29	–	–	20.29	–	20.29
Balance as on March 31, 2020	**172.78**	**65.57**	**489.35**	**72.78**	**29.97**	**262.94**	**(21.92)**	**1,189.22**	**355.61**	**2,616.30**	**385.79**	**3,002.09**
Profit/(Loss) for the year	–	–	–	–	–	–	–	686.06	–	686.06	2.54	688.60
Transfer to CRR on account of Redemption of preference shares	–	–	–	–	–	–	–	(330.00)	–	(330.00)	–	(330.00)
Other comprehensive income/(Loss) for the year	–	–	–	–	–	–	–	(16.16)	17.02	0.86	(4.84)	(3.98)
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**339.90**	**17.02**	**356.92**	**(2.30)**	**354.62**
Net additions/(deductions) on ESOP options (Also Refer note 36)	–	–	–	3.67	(2.45)	0.53	–	–	–	1.75	–	1.75
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	6.84	–	–	6.84	–	6.84
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	9.55	–	–	9.55	–	9.55
Transfer from Retained earnings on account of Redemption of preference shares	–	–	330.00	–	–	–	–	–	–	330.00	–	330.00
Balance as on March 31, 2021	**172.78**	**65.57**	**819.35**	**76.45**	**27.52**	**263.47**	**(5.53)**	**1,529.12**	**372.63**	**3,321.37**	**383.49**	**3,704.86**
Balance as on March 31, 2021 (USD in million) Supplementary information- convenience translation (See Note 2(C))	**23.63**	**8.97**	**112.06**	**10.46**	**3.76**	**36.04**	**(0.76)**	**209.14**	**50.97**	**454.27**	**52.45**	**506.72**
Balance as on March 31, 2020 (USD in million) Supplementary information- convenience translation (See Note 2(C))	**22.86**	**8.68**	**64.75**	**9.63**	**3.97**	**34.79**	**(2.92)**	**157.35**	**47.05**	**346.16**	**51.04**	**397.20**

Notes: Nature and purpose of reserves:

Capital Reserves (other than capital contribution)

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

Capital redemption reserve

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

Capital Contribution

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

Securities premium

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

Share Options Outstanding Account

The Company has adopted various equity-settled share based payment plans for certain categories of employees. Refer Note 36 for further details.

Foreign Currency Monetary Items Translation Difference Account (FCMITDA)

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

General Reserve

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

Exchange differences on translating the financial statements of a foreign operation (Foreign Currency Translation Reserve)

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

Significant Accounting Policies - Note 3
The accompanying notes form an integral part of these financial statements

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
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Murtaza Khorakiwala
Managing Director
DIN: 00102650

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Tasneem Mehta
DIN: 05009664

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

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

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

Notes:

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Repayment of lease liabilities consists of:
   Payment of interest ₹ 32.62 crore (Previous year: ₹ 34.36 crore)
   Payment of Principal ₹ 32.36 crore (Previous year: ₹ 30.10 crore)
4. Refer Note 38 for cash flows of the discontinued operations.
5. Figures in bracket indicate cash outflow.

Significant Accounting Policies - Note 3

The accompanying notes form an integral part of these financial statements

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

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

1. CORPORATE INFORMATION

Wockhardt Limited (the 'Company') is a public limited company incorporated in India and has its registered office at D-4, MIDC, Chikalthana, Maharashtra, India. The Company's equity shares are listed on The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE).

The Company and its subsidiaries (the 'Group') is a Global Pharmaceutical and Biotech company with presence in USA, UK, Switzerland, Ireland, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. The Group has a significant presence in USA, Europe and India.

Background

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

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

Wockhardt Bio Ltd is yet to commence business.

* % holding is same as of previous year.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Statement of compliance

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

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

B. Functional and Presentation Currency

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

C. Basis of preparation of consolidated financial statements

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

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

Convenience translation

The accompanying financial statements have been prepared in Indian rupees, the national currency of India and the functional currency of the Company. Solely for the convenience of the reader, the financial statements as of March 31, 2021 and March 31, 2020 have been translated into United States dollars at the closing rate USD 1 = ₹ 73.1150 (previous year: USD 1 = ₹ 75.5800). No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate, or at all.

D. Basis of consolidation

Subsidiaries

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

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

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

Transactions eliminated on consolidation

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

E. Use of Estimates and Judgments

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

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

Critical judgements in applying accounting policies:

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

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

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

(ii) Lease arrangements:

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

(iii) Impairment of trade receivables:

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

(iv) Legal and other disputes:

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

(v) Post- employment benefits:

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

(vi) Sales return and rebates:

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

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

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

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

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

(vii) Current tax and deferred tax:

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

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

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

(viii) Estimation of useful life:

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

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

(ix) Provision for inventory:

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

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

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

(xi) Intangible asset under development:

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

SIGNIFICANT ACCOUNTING POLICIES:

a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

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

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

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

II. Subsequent expenditure

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

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

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

III. Depreciation and amortisation

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

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

Assets	**Estimated useful life**
Leasehold land	Over the period of lease
Buildings	10 – 61 years
Plant and Equipment	4 – 21 years
Furniture and Fixtures	6 – 20 years
Office Equipments	4 – 20 years
Information Technology Equipments	3 – 20 years
Vehicles	5 years

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

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

b) Intangible assets

I. Recognition and Measurement:

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

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

II. Subsequent Expenditure

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

III. Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method. The estimated useful lives followed by the Group is 3 to 15 years.

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

c) Research and Development

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

d) Impairment of Non-financial assets

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

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

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

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

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

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

e) Foreign Currency Transactions/Translations:

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

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

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

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

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

f) Financial Instruments

I. Financial assets

(i) Classification of financial assets

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

Debt instruments at amortised cost:

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

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

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

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

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

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

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

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

Equity investments:

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

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

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

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

Derivative financial instruments:

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

(ii) Initial recognition and measurement

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

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

(iii) Derecognition of financial assets

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

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

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

(iv) Impairment of financial assets

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

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

b) Trade receivables.

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

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

II. Financial Liabilities and equity instruments:

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

(i) Equity instruments:

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

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

(ii) Financial liabilities: Classification:

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

(iii) Initial recognition and measurement:

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

(iv) Derecognition

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

III. Fair value:

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

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

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

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

IV. Accounting for day 1 differences:

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

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

In case the difference represents:

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

(ii) deemed distribution - It is recorded in equity

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

V. Embedded derivatives

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

VI. Offsetting of financial instruments

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

g) Business combinations

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

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

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

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

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

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

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

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

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

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

h) Income tax

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

I) Inventories

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

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

Inventories of stores and spare parts are valued at cost.

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

J) Revenue Recognition

Sale of goods

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

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

In case of certain bill and hold arrangements with a few customers, the Group recognizes revenue when the goods are separately identified and are ready for physical transfer and are kept at warehouses/factories based on specific instructions from the customer and the Group cannot use these goods for any other purpose and the reason for such an arrangement is substantive.

Sale of Services, Outlicensing fees, sale of intellectual property and Assignment of New Chemical Entity

Revenues from services, Outlicensing fees and Assignment of New Chemical Entity is recognized in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers, and when control transfers to such customers and the Company's performance obligations are satisfied

Export Incentive

Income from Export Benefits and Other Incentives Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and/or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

Royalties

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

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

Insurance claims

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

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

k) Employee Benefits

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

l) Share-based payment transactions

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

m) Leases

The Group as a lessee

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

The Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

n) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

o) Borrowing costs

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

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

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

p) Government Grants

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

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

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

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

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

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

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

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/(loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

r) Earnings per share

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

s) Segment reporting

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

t) Cash Flow statement

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

u) Operating cycle

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

v) Recent pronouncements related to Division II of Schedule III

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

Balance Sheet:

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

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

Security deposits to be presented under other financial assets

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

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

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

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

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

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

Statement of profit and loss:

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

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

4. PROPERTY, PLANT AND EQUIPMENT

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

Right of use assets

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

Property, Plant and Equipment

Particulars	Gross Block (At Cost)						Accumulated Depreciation							Net Block			
	As at April 01, 2019	Additions	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/(loss)	Asset classified as held for sale (Refer note 38B)	As at March 31, 2020	As at April 01, 2019	Charge for the year (Refer Note 4.3)	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 38B)	As at March 31, 2020	As at March 31, 2020 (Refer Note 4.5)	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million Supplementary Information- convenience translation (See Note 2(C))	₹ in crore	USD in million Supplementary Information- convenience translation (See Note 2(C))
Freehold Land	153.25	–	–	4.92	(6.51)	151.66	–	–	–	–	–	–	–	151.66	20.07	153.25	22.14
Leasehold Land	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Buildings	628.85	4.51	(5.54)	14.35	(11.35)	630.82	184.32	18.66	(5.54)	5.98	–	(4.34)	199.08	431.74	57.12	444.53	64.23
Plant and Equipment	2,423.31	152.36	(73.34)	31.15	(32.85)	2,500.63	1,213.11	121.92	(72.61)	21.21	–	(18.12)	1,265.51	1,235.12	163.42	1,210.20	174.87
Furniture and Fixtures	64.78	4.01	(11.91)	1.54	(1.05)	57.37	45.61	3.64	(11.46)	1.04	–	(0.73)	38.10	19.27	2.55	19.17	2.77
Vehicles	7.27	–	(0.32)	0.02	–	6.97	6.46	0.31	(0.32)	0.02	–	–	6.47	0.50	0.07	0.81	0.12
Office Equipment	45.11	1.84	(2.44)	1.35	(0.43)	45.43	21.99	4.92	(0.43)	1.21	–	(0.40)	27.29	18.14	2.40	23.12	3.34
Information Technology Equipments	94.55	2.60	(6.81)	1.28	(1.11)	90.51	86.17	5.00	(1.46)	1.64	–	(1.10)	90.25	0.26	0.03	8.38	1.21
Total	**3,417.12**	**165.32**	**(100.36)**	**54.61**	**(53.30)**	**3,483.39**	**1,557.66**	**154.45**	**(91.82)**	**31.10**	**–**	**(24.69)**	**1,626.70**	**1,856.69**	**245.66**	**1,859.46**	**268.68**
Capital work-in-progress (Refer Note 4.2 below)	**899.72**	**47.07**	**(151.17)**	**41.34**	**(0.50)**	**836.46**								**836.46**	**110.67**	**899.72**	**130.00**

Right of use assets

Particulars	Gross Block (At Cost)						Accumulated Depreciation							Net Block			
	As at April 01, 2019 (on account of transition to Ind AS 116)	Additions	Deductions/ Adjustments	Exchange gain/(loss)	Asset classified as held for sale (Refer note 38B)	As at March 31, 2020	As at April 01, 2019 (on account of transition to Ind AS 116)	Charge for the year	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 38B)	As at March 31, 2020	As at March 31, 2020 (Refer Note 4.5)	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million Supplementary information- convenience translation (See Note 2(C))	₹ in crore	USD in million Supplementary information- convenience translation (See Note 2(C))
Buildings	401.70	–	(3.20)	0.32	–	398.82	–	51.41	(0.71)	0.07	–	–	50.77	348.05	46.05	–	–
Vehicles	2.33	–	–	–	–	2.33	–	0.99	–	–	–	–	0.99	1.34	0.18	–	–
Office Equipment	0.76	–	–	–	–	0.76	–	0.28	–	–	–	–	0.28	0.48	0.06	–	–
Leasehold Land	294.54	–	–	0.51	–	295.05	16.09	6.58	–	0.05	–	–	22.72	272.33	36.03	–	–
Total	**699.33**	**–**	**(3.20)**	**0.83**	**–**	**696.96**	**16.09**	**59.26**	**(0.71)**	**0.12**	**–**	**–**	**74.76**	**622.20**	**82.32**	**–**	**–**

Notes:

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

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

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

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

4.5 - Deductions/Adjustments include reclassification to Plant and Machinery from Office Equipments and Information Technology Equipments amounting ₹ 0.55 crore (Previous year ₹ 7.32 crore).

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

5. GOODWILL ON CONSOLIDATION

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

Particulars	Gross Block (At Cost)					Accumulated Impairment					Net Block			
	As at April 01, 2019	Additions	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2020	As at April 01, 2019	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	₹ in crore	USD in million
												Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Goodwill on consolidation	1,867.73	–	–	54.63	1,922.36	1,047.17	–	–	–	1,047.17	875.19	115.80	820.56	118.57

5. GOODWILL ON CONSOLIDATION

Movement of carrying amount – Refer Schedule of Goodwill

Impairment testing of Goodwill on Consolidation

Pinewood Laboratories Limited

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

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

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

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

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

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

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

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

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

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

CP Pharmaceuticals Limited

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

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

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

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

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

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

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

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

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

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

Morton Grove Pharmaceuticals Inc.

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

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

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

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

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

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

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

The Group has used 3% long term growth rate for value in use calculation.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rates used was 8.75% (Previous year - 12.5%).

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

6. OTHER INTANGIBLE ASSETS

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

Particulars	Gross Block (At Cost)						Accumulated Amortization						Net Block			
	As at April 01, 2019	Additions/ Adjustments	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 38B)	As at March 31, 2020	As at April 01, 2019	Charge for the year	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 38B)	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	₹ in crore	USD in million
														Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Brands/Trademarks/ Technical know-how	432.93	1.39	(0.21)	34.65	–	468.76	355.82	3.13	(0.21)	28.29	–	387.03	81.73	10.81	77.11	11.14
Computer software	113.98	37.55	(24.20)	4.94	(0.46)	131.81	78.22	8.86	(24.20)	2.73	(0.28)	65.33	66.48	8.80	35.76	5.17
Total	**546.91**	**38.94**	**(24.41)**	**39.59**	(0.46)	**600.57**	**434.04**	**11.99**	**(24.41)**	**31.02**	(0.28)	**452.36**	**148.21**	**19.61**	**112.87**	**16.31**
Intangible assets under Development	545.76	143.50	(1.39)	60.20	–	748.07							748.07	98.98	545.76	78.86

7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Investments carried at fair value through profit or loss				
Unquoted Equity Shares:				
443,482 (Previous year: 443,482) Equity Shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) of ₹ 10 each fully paid up (Transaction Value: ₹ 0.44 Crore; Previous year: ₹ 0.44 Crore)	**0.44**	**0.06**	0.44	0.06
6,300 (Previous year: 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up (Transaction Value: ₹ 0.01 Crore; Previous year: ₹ 0.01 Crore)	**0.01**	**0.00**	0.01	0.00
Total	**0.45**	**0.06**	0.45	0.06
Aggregate book value of unquoted investments	**0.45**	**0.06**	0.45	0.06

8. NON-CURRENT FINANCIAL ASSETS - OTHERS

(Unsecured, considered good unless otherwise stated)

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

9. INCOME TAX

Tax recognised in profit or loss for continuing operations

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Current tax charge/(credit)	**(120.82)**	(48.42)
Current tax charge pertaining to earlier years	**–**	3.69
Deferred tax charge/(credit), net	**–**	–
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**(150.79)**	(150.26)
Recognition of previously unrecognised tax losses	**–**	(5.18)
Change in tax rate/tax laws	**–**	(3.91)
Deferred tax charge/(credit)	**(150.79)**	(159.36)
Tax charge/(credit) for the year	**(271.61)**	(204.09)

Tax recognised in profit or loss for discontinued operations

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

Tax recognised in other comprehensive income- continuing operations

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

Tax recognised in other comprehensive income- discontinued operations

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

Reconciliation of effective tax rate

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

Deferred tax assets and liabilities are attributable to the followings

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

Movement in deferred tax assets and liabilities

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

Particulars	Net balance April 01, 2019	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2020		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax asset/(liabilities)						
Property, Plant and Equipment	(304.22)	(19.81)	–	(324.03)	–	(324.03)
Unabsorbed losses	254.27	122.67	–	376.94	376.94	–
Unrealised profit on inventory	21.28	(6.03)	–	15.25	15.25	–
Employee benefits	24.63	0.17	(3.39)	21.41	21.41	–
Deferred income/expenses	22.01	(2.69)	–	19.32	19.32	–
Additional tax benefit due to change in tax laws	–	50.31	–	50.31	50.31	–
Allowance for credit loss	35.44	9.40	–	44.84	44.84	–
Lease arrangement	–	8.57	–	8.57	8.57	–
Loans and Borrowings	(2.74)	(3.68)	–	(6.42)	–	(6.42)
Other items	9.32	(2.48)	–	6.84	6.84	–
Tax assets/(Liabilities)	59.99	156.43	(3.39)	213.03	543.48	(330.45)
Minimum Alternate Tax (MAT) credit entitlement	182.21	2.93	–	185.14	185.14	–
Net tax assets/(Liabilities)	242.20	159.36	(3.39)	398.17	728.62	(330.45)
Net tax assets/(Liabilities) (USD in million) Supplementary information- convenience translation (See Note 2(C))	35.00	21.09	(0.45)	52.69	96.40	(43.72)

Notes:

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

Minimum Alternative Tax (MAT credit) balance as on March 31, 2021 amounts to ₹ 236.95 crore (Previous year: ₹ 185.14 crore). Based on existing contracts and future business prospects, it is probable that the said MAT credit and business loss will be availed in future years against the normal tax expected to be paid in those years.

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

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

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

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

10. OTHER NON-CURRENT ASSETS

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

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

Note 10.1

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

Note 10.2

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

11. INVENTORIES

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

Notes:

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

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

12. CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

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

Trade receivables include dues from private companies in which any director is a director or a member ₹ 2.48 crore (Previous year: ₹ 2.26 crore).
[Also refer Note 42 for information about credit risk and market risk of trade receivables].

13.1 CURRENT FINANCIAL ASSETS-CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Bank balances				
In current accounts	**232.15**	**31.75**	219.29	29.01
Cash on hand	**0.10**	**0.01**	0.05	0.01
	232.25	**31.76**	219.34	29.02

13.2 CURRENT FINANCIAL ASSETS-OTHER BANK BALANCES

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

14. CURRENT FINANCIAL ASSETS-OTHERS

(Unsecured, considered good unless otherwise stated)

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

15. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

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

Note 15.1

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

Note 15.2

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

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

16. EQUITY SHARE CAPITAL

(a) Authorised share capital

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

(b) Issued, Subscribed and Paid up

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

a) The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Shares reserved for issue under options:

553,500 (Previous year - 621,250) equity shares of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme -2011.

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

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

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

17. NON-CURRENT FINANCIAL LIABILITY-BORROWINGS

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

Note 17.1

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

The term loan of ₹ 100.00 crore (Previous year - ₹ 125.00 crore) from IDBI Bank is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 4 equal half yearly instalments by December 2022.

The term loan of ₹ 95.13 Crore (Previous year - ₹ 150.00 crore) from Bank of Maharashtra ('BOM') is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Kadaiya in Daman.This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 7 equal quarterly instalments and Interest pertaining to Covid Moratorium Period (₹ 7.63 crore) will be served in 2 parts along with last 2 Instalments by December 2022.

Further, the term loan of ₹ 130.00 Crore (Previous year - ₹ 160.00 Crore) from Bank of Baroda ('BOB') is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 13 equal quarterly instalments by June 2024.

Note 17.2

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

Note 17.3

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

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

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

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

Note 17.4

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

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

(ii) First ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and on Fixed Deposits of ₹ 45 crore (Previous year : ₹ 45 crore) in India.

This term loan carrying interest rate of 6 months USD LIBOR plus a margin in a range of 275 BPS to 300 BPS p.a. is repayable in 2 equal half yearly installments by March 2022.

Note 17.5

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

Note 17.6

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

18. PROVISIONS (NON-CURRENT)

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

19. CURRENT FINANCIAL LIABILITIES - BORROWINGS

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

Note 19.1
Working capital facilities from Banks are secured by way of:

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

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

Note 19.2

Buyers' credit/Supplier's Credit are secured by way of first pari passu charge on the entire current assets and second pari passu charge on all fixed assets located at all locations other than Units at Kadaiya in Daman.

Note 19.3

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

Note 19.4

Loans from related parties carrying interest rate in the rate of 8.5% p.a to 9.5% p.a are repayable on demand and subject to rollover by mutual consent.

20. CURRENT FINANCIAL LIABILITY-TRADE PAYABLES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million
		Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	**22.21**	**3.04**	34.89	4.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	**555.76**	**76.01**	860.38	113.84
Total	**577.97**	**79.05**	895.27	118.46
The carrying amount of trade payables as at reporting date approximates fair value				
Note 20.1 Details of dues to micro, small and medium enterprises as per MSMED Act, 2006:				
a) Principal amount due to suppliers under MSMED Act, 2006	**22.21**	**3.04**	34.89	4.62
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**1.44**	**0.20**	0.11	0.01
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	**49.12**	**6.72**	10.01	1.32
d) Interest paid to suppliers under MSMED Act (Section 16)	–	–	–	–
e) Interest due and payable towards suppliers under MSMED Act for payments already made	**13.75**	**1.88**	13.64	1.80
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**15.19**	**2.08**	13.75	1.82

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

21. CURRENT FINANCIAL LIABILITY-OTHERS

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

21.1 Preference share

Note 21.1 (I) Details of preference share:

	As at March 31, 2021 No. of Shares	As at March 31, 2020 No. of Shares
AUTHORISED		
Preference shares of ₹ 5/- each	2,000,000,000	2,000,000,000
Non-Convertible Cumulative Redeemable Preference shares (NCRPS) of ₹ 5/- each fully paid up:		
Shares outstanding as at the beginning of the year	160,000,000	160,000,000
Less: Shares redeemed during the year	(160,000,000)	–
Shares outstanding as at the end of the year.	–	160,000,000
Non-Convertible Non-Cumulative Redeemable Preference shares (NCCRPS) of ₹ 5/- each fully paid up:		
Shares outstanding as at the beginning of the year	500,000,000	500,000,000
Less: Shares redeemed during the year	(500,000,000)	–
Shares outstanding as at the end of the year	–	500,000,000

Note 21.1 (II)

During the previous year ended March 31, 2020, the Company had extended the redemption period by a year from existing redemption period on March 31, 2020 to March 31, 2021 of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) together with the redemption premium amounting to ₹ 99.84 crore, held by the Promoter Group with a right to earlier redemption by giving one month notice by the either parties. Premium of 8% p.a. was payable for the extended period upto the date of redemption on the redemption value. The entire preference shares have been redeemed on October 19, 2020.

Also Refer Note 19.

Note 21.1 (III)

The Company had allotted 500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face Value of ₹ 5/- each, at par, on preferential basis, to the Promoter Group for an aggregate amount of ₹ 250.00 crore in accordance with the approval of the Shareholders of the Company obtained on December 14, 2018. These preference shares have been redeemed on October 19, 2020.

22. OTHER CURRENT LIABILITIES

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

23. PROVISIONS (CURRENT)

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

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

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

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

24. REVENUE FROM CONTINUING OPERATIONS (REFER NOTE 37)

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

25. OTHER INCOME

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

Note:

Other non-operating income includes:

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

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

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

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

27. EMPLOYEE BENEFITS EXPENSE

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

28. FINANCE COSTS

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

29. OTHER EXPENSES

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

30. EARNINGS PER SHARE

The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:

Reconciliation of earnings

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

Reconciliation of number of equity shares

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

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

32. SEGMENT REPORTING

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

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

Information about reportable segments:

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

Information about geographical areas:

a) Revenue from continuing operation from external customers:

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

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

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

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

c) Information about major customer:

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

33. LEASES

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at value equal to the lease liability subject to the adjustments for prepayments and accruals and also the Group has also not restated the comparative information. For leases classified as finance lease, the carrying value of the lease asset and lease liability as at April 01, 2019, has been carried forward without change under the new standard.

Consequent to the new standard, the Group has reported Right-of-Use assets amounting ₹ 683.24 crore (including reclassification of Lease hold land) and Lease liability amounting to ₹ 397.93 crore as on April 01, 2019.

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

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

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Non -current portion	**278.55**	306.52
Current	**62.67**	62.51
Total	**341.22**	369.03

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

Refer Note 28 for interest on lease liabilities

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

1) The Group has availed the exemption of not recognising right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

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

The Group's lease asset classes primarily consist of leases for land and buildings. The leases for land/buildings are generally for a period ranging 10 years to 99 years. These leases can be extended for further 10 years to 99 years by mutual consent. Office premises are generally for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. There are no restrictions imposed by lease arrangements or contingent rent payable. Certain portion of the land has been subleased.

In case of land that have been leased out for 95 years to 99 years, there are no material annual payments for the aforesaid lease.

Rental expenses on leases for a period of less than 12 months amounting to ₹ 0.76 crore (Previous year: ₹ 0.35 crore) and rent for low value assets amounting to ₹ 0.54 crore (Previous year: ₹ 0.50 crore) have been included under Note 29 - Other expenses under Rent.

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

34. EXPENDITURE ON RESEARCH AND DEVELOPMENT

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

*Including Intangible Assets under Development

35. EMPLOYEE BENEFITS

Defined benefit plans -

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

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

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

(A) Particulars		For the year ended March 31, 2021 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2020 Gratuity (Non-funded) ₹ in crore
I.	**Expenses recognised in Profit or Loss:**		
1.	Current Service Cost	**3.03**	3.24
2.	Interest cost	**1.66**	2.16
3.	Past service cost	**–**	–
	Total Expenses [1]	**4.69**	5.40
	(1) balances pertaining to discontinued operations: Gratuity ₹ 0.44 crore (Previous year- ₹ 1.79 crore)		
II.	**Expenses recognised in Other Comprehensive Income:**		
1.	Actuarial changes arising from changes in demographic assumptions	**–**	(0.40)
2.	Actuarial changes arising from changes in financial assumptions	**0.33**	(5.25)
3.	Actuarial changes arising from changes in experience adjustments	**0.14**	(0.20)
	Total Expenses [@]	**0.47**	(5.85)
	@ balances pertaining to discontinued operations: Gratuity ₹ 0.04 crore (Previous year- ₹ 0.17 crore)		

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

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

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

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

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

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

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

(B) Defined contribution plan:

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

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

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

Amount pertaining to discontinued operations mentioned in Note 38 ₹ 1.07 crore (Previous year- ₹ 5.67 crore)

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

(II) Defined contribution plans (In respect of CP Pharmaceuticals Limited, Wockhardt UK Limited and Pinewood Laboratories Limited)

During the year, the Group operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to ₹ 10.33 crores (Previous year: ₹ 8.23 crores). The outstanding pensions creditor is ₹ 1.49 crore (Previous year: ₹ 1.19 crores).

Defined benefit plans of CP Pharmaceuticals Limited:

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

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

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

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

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

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Present value of defined benefit obligations	**(472.55)**	(367.24)
Fair value of plan assets	**504.48**	378.43
	31.93	11.19
Less: Restriction to the amount that can be recognised	**(31.93)**	(11.19)
	–	–

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

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

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

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

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

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

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

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

The return on plan assets are as follows:

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

The principal actuarial assumptions as at Balance Sheet date were:

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

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Quantitative sensitivity analysis for significant assumptions is as below:		
(Increase)/decrease on net defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**68.22**	53.48
(ii) One percent point decrease in discount rate	**(90.38)**	(70.94)
(iii) One percent point increase in inflation rate	**(69.03)**	(64.34)
(iv) One percent point decrease in inflation rate	**56.63**	49.55

Sensitivity analysis method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

36. SHARE BASED PAYMENTS TO EMPLOYEES

The Compensation Committee of the Board of Directors has, under Wockhardt Stock Option Scheme -2011 ('the Scheme' or 'ESOS') granted 60,000 options @ ₹ 397/- per option (Grant 1), another 60,000 options @ ₹ 365/- per option (Grant 2), 1,420,000 options @ ₹ 5/- per option (Grant 3), 350,000 options @ ₹ 5/- per option (Grant 4), 8,500 options @ ₹ 5/- per option (Grant 5), 200,000 options @ ₹ 5/- per option (Grant 6), 223,500 options @ ₹ 5/- per option (Grant 7) and 76,000 options @ ₹ 5/- per option (Grant 8) in accordance with the provisions of Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, to the selected employees of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees who have exercised the options. The scheme shall be administered by the compensation committee of Board of directors.

The options issued vests in periods ranging 1 year and 7 years 6 months from the date of grant, and can be exercised during such period not exceeding 7 years.

Employee stock option activity under Scheme 2011 is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Outstanding at beginning of the year	**621,250**	599,300
(b) Granted during the year	**–**	76,000
(c) Lapsed during the year (re -issuable) *	**21,600**	5,250
(d) Exercised during the year *	**46,150**	48,800
(e) Outstanding at the end of the year:	**553,500**	621,250
of which Options vested and exercisable at the end of the year	**402,100**	428,350
* weighted average exercise price ₹ 5 per share		
Range of weighted average share price on the date of exercise per share	**₹ 299.82 - ₹ 528.69**	₹ 263.00 - ₹ 393.35
Weighted average share price for the period	**352.21**	311.61
Range of weighted average fair value of options on the date of grant per share	**₹ 106.47 - ₹ 1,949.76**	
No option have been forfeited during the year or in the previous year.		

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net profit as reported in Statement of Profit and Loss (from continuing operations)	**(299.27)**	(163.78)
Basic earnings per share as reported (₹)	**(27.02)**	(14.79)
Diluted earnings per share as reported (₹)	**(27.02)**	(14.79)
Fair value of the options have been computed as per the Black Scholes Pricing Model		
The key assumptions used to estimate the fair value of options are:		
Range of stock price at the time of option grant (₹ Per share)	**₹ 414 - ₹ 1,954.20**	₹ 414 - ₹ 1,954.20
Range of expected life	**1.50 years - 7.75 years**	1.50 years - 7.75 years
Range of risk free interest rate	**5.80% - 8.64%**	7.43% - 8.64%
Range of Volatility	**36% - 88%**	36% - 88%
Range of weighted average exercise price (₹ Per share)	**₹ 5.00 - ₹ 37.65**	₹ 5.00 - ₹ 37.65
Range of Weighted average remaining contractual life	**0.2 years - 11.97 years**	1.01 years - 8.03 years

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

37. REVENUE:

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

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

  Rebates, discounts, commissions, chargeback, service level penalty and bonuses (including cash discounts offered to customers for prompt payment) are provisioned and recorded as deduction from revenue at the time the related revenue is recorded. These rebates are calculated based on the historical experience and the specific terms in individual agreements. Shelf stock adjustments which primarily cover the inventory held at the time the price decline becomes effective are recorded when the decline becomes effective. Sales returns are recognised and recorded as deductions based on historical experience of customer returns. and such other relevant factors.

- Sale of intellectual property, Assignment of New Chemical Entity and Outlicensing fees: Revenue is recognised when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control to the customer taking into consideration the specific terms of the agreement and when the risk of reversal of revenue recognition is remote.

  There is no significant financing component as the credit period provided by the Group is not significant.

  Variable components such as discounts, chargeback, service level penalty, sales returns etc. continues to be recognised as deductions from revenue in compliance with Ind AS 115.

(b) Disaggregation of Revenue from continuing operations:

Particulars (for details refer note 24)	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million
		Supplementary information- convenience translation (See Note 2(Q))		Supplementary information- convenience translation (See Note 2(Q))
Total revenue from Customers	**2,699.21**	**369.17**	2,833.03	374.85
Other Operating income	**9.09**	**1.24**	10.96	1.45
Total	**2,708.30**	**370.41**	2,843.99	376.30

Reconciliation of revenue from continuing operations as per contract price and as recognised in statement of profit and loss:

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

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

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

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

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

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

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

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

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

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

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

B) Assets and liabilities classified as held for sale:

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

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

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

39. RELATED PARTY DISCLOSURES

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

a) Parties where significant influence/control exits

Other parties exercising control

Humuza Consultants *

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

Habil Khorakiwala Trust **

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

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

Enterprises over which Key Managerial Personnel exercise significant influence/control

The Peace Mission Private Limited (formerly Tohfaa Gifting Private Limited)

Palanpur Holdings and Investments Private Limited

Khorakiwala Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited
Wockhardt Foundation
Carol Info Services Limited
Dr. Habil Khorakiwala Education and Health Foundation (Trust)-[Wockhardt Global School]
Corival Lifesciences Private Limited (w.e.f. June 06, 2020)

Key managerial personnel

H.F.Khorakiwala- Chairman
Aman Mehta - Non-Executive Independent Director
D S Brar - Non-Executive Independent Director
Sanjaya Baru - Non-Executive Independent Director
Tasneem Mehta - Non-Executive Independent Director
Baldev Raj Arora - Non-Executive Independent Director (resigned w.e.f. May 27, 2020)
Vinesh Kumar Jairath - Non-Executive Independent Director
Zahabiya Khorakiwala - Non-Executive Non-Independent Director
Huzaifa Khorakiwala - Executive Director
Murtaza Khorakiwala - Managing Director
Rima Marphatia - (Nominee Director from EXIM)
Akhilesh Gupta - Non-Executive Independent Additional Director (w.e.f. August 29, 2020)

c) **Transactions with related parties during the year:**

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

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

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million
		Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Enterprise over which Key Managerial Personnel exercise significant influence/ Control				
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 0.92 crore (Previous year - ₹ 0.92 crore), Wockhardt Hospitals Limited ₹ Nil (Previous year - ₹ 0.36 crore), Carol Info Services Limited ₹ 80.07 crore (Previous year - ₹ 75.08 crore)]*	**80.99**	**11.08**	76.36	10.10
* rent paid has been disclosed as Right of use assets and Lease liabilities in accrodance with Ind AS 116				
Donation given to Wockhardt Foundation	**2.12**	**0.29**	0.56	0.07
Donation paid to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**0.69**	**0.09**	1.08	0.14
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ Nil (Previous year - ₹ 0.02 crore), Carol Info Services Limited ₹ 0.60 crore (Previous year - ₹ 1.68 crore), The Peace Mission Private Limited (formerly Tohfaa Gifting Private Limited) ₹ Nil (Previous year - ₹ 0.09 crore)]	**0.60**	**0.08**	1.79	0.24
Rent and other miscellaneous income [Wockhardt Hospitals Limited ₹ 0.06 crore (Previous year - ₹ 0.04 crore), Wockhardt Foundation ₹ 0.002 crore (Previous year - ₹ 0.003 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.0003 crore (Previous year - ₹ 0.003 crore)]	**0.06**	**0.01**	0.05	0.01
Sale of Finished goods to Wockhardt Hospitals Limited	**0.05**	**0.01**	0.02	–
Sale of Fixed asset to Wockhardt Hospitals Limited	**0.16**	**0.02**	–	–
Salary paid to the teaching staff of Wockhardt Global School	**2.79**	**0.38**	2.59	0.34
Recovery of Utility Fees from Wockhardt Global School	**0.75**	**0.10**	–	–
The Company has given school premises on lease to Wockhardt Global School without rent				
Premium/Dividend on preference shares to Khorakiwala Holdings and Investments Private Limited	**5.51**	**0.75**	5.84	0.77
Loan taken from [Khorakiwala Holdings and Investments Private Limited ₹ 30.00 crore (Previous year - ₹ 25.00 crore), Merind Limited ₹ 45.00 crore (Previous year - ₹ 58.40 crore)]	**75.00**	**10.26**	83.40	11.03
Interest on loan taken [Khorakiwala Holdings and Investments Private Limited ₹ 0.85 crore (Previous year - ₹ 1.39 crore), Merind Limited ₹ 2.84 crore (Previous year - ₹ 1.25 crore)]	**3.69**	**0.50**	**2.64**	**0.35**
Loan repaid [Khorakiwala Holdings and Investments Private Limited ₹ 26.25 crore (Previous year - ₹ Nil), Merind Limited ₹ 32.53 crore (Previous year - ₹ Nil)]	**58.78**	**8.04**	–	–
Rent recovery on behalf of Merind Limited	**0.01**	–	–	–
Purchase of Consumables from Corival Life Sciences Private Limited	**0.01**	–	–	–
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**50.00**	**6.84**	–	–
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**80.00**	**10.94**	–	–

d) Related party balances

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

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

40. NON-CONTROLLING INTERESTS

The following table summarises the consolidated financial information relating to the Group's subsidiary that has material non-controlling interests:

Name	Country of Incorporation	As at March 31, 2021	As at March 31, 2020
Wockhardt Bio AG	Switzerland	**14.15%**	14.15%

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

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

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

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

41. FINANCIAL INSTRUMENTS - FAIR VALUES

A. Accounting classification and fair values

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

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

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

(₹ in crore)

As at March 31, 2021	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Investments	–	–	**0.45**	**0.45**
Other Non-Current Financial Assets	–	**56.07**	–	**56.07**
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
Total	–	**56.07**	**0.45**	**56.52**
Financial Liabilities				
Borrowings	–	**1,568.96**	–	**1,568.96**
Lease Liabilities	–	**362.85**	–	**362.85**
Total	–	**1,931.81**	–	**1,931.81**

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

(₹ in crore)

As at March 31, 2020	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	56.28	–	56.28
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
Total	–	56.28	0.45	56.73
Financial Liabilities				
Borrowings	–	2,144.76	–	2,144.76
Lease Liabilities	–	386.16	–	386.16
Total	–	2,530.92	–	2,530.92

B. Measurement of fair values:

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

- The fair values of the loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments on similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.
- The fair value of Investment in Unquoted Equity shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) and Bharuch Enviro Infrastructure Limited are taken as cost of acquisition considering the statutory requirement of regulatory authorities relating to purchase and restriction on transfer. The change in the unobservable inputs for unquoted equity instruments does not have a significant impact in its value.

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

Financial instruments measured at fair value

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

42. FINANCIAL RISK MANAGEMENT

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

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

Risk management framework

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

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

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

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

The Company has a co-sourced model of independent Internal Audit and assurance function. There is a practice of reviewing various key select risks and report to Audit Committee from time to time. The co-sourced internal audit function carry out internal audit reviews in accordance with the approved internal audit plan and reviews the status of implementation of internal audit and assurance recommendations. Summary of Critical observations, if any, and recommendations under implementation are reported to the Audit Committee.

I. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred and expected losses in respect of trade and other receivables and investments.

Trade and other receivables

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

As at March 31, 2021 and March 31, 2020, the Group did not have any significant concentration of credit risk with any external customers.

Expected credit loss assessment for customers as at 31 March 2021 and 31 March 2020:

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

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

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

Particulars	As at March 31, 2021				As at March 31, 2020			
	Gross carrying amount ₹ in crore	Less: Expected credit losses ₹ in crore	Net carrying amount ₹ in crore	Weighted average loss rate	Gross carrying amount ₹ in crore	Less: Expected credit losses ₹ in crore	Net carrying amount ₹ in crore	Weighted average loss rate
Not due	**691.50**	**(0.72)**	**690.78**	**0.10%**	983.21	(2.04)	981.17	0.22%
Past due 1-180 days	**155.64**	**(1.23)**	**154.41**	**0.79%**	212.84	(12.46)	200.38	2.91%
Past due 181-360 days	**70.52**	**(12.01)**	**58.50**	**17.03%**	53.95	(24.21)	29.74	32.23%
More than 360 days	**156.67**	**(142.71)**	**13.96**	**91.09%**	173.10	(141.70)	31.40	82.26%
Total	**1,074.32**	**(156.67)**	**917.65**		1,423.10	(180.41)	1,242.69	
Total (USD in million) Supplementary information - convenience translation (See Note 2(C))	**146.94**	**(21.43)**	**125.51**		188.29	(23.87)	164.42	

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

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

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

Cash and bank balances

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

Others

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

II. Liquidity risk

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

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

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

(₹ in crore)

As at March 31, 2021		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial assets					
Other non current financial assets	44.82	44.82	–	44.82	–
Trade receivables	917.65	917.65	917.65	–	–
Cash and cash equivalents	232.25	232.25	232.25	–	–
Bank balances (other than cash and cash equivalents)	59.54	59.54	59.54	–	–
Other current financial assets	33.18	33.18	33.18	–	–
Total	**1,287.44**	**1,287.44**	**1,242.62**	**44.82**	**–**

(₹ in crore)

As at March 31, 2021	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)*	1,261.48	1,423.69	843.15	580.54	–
Other borrowings (excluding preference shares)	23.83	24.24	21.17	1.86	1.21
Loan from related party	471.95	471.95	471.95	–	–
Working capital loans from banks (repayable on demand)	574.47	574.47	574.47	–	–
Lease Liabilities	341.22	460.46	67.17	288.69	104.60
Trade payables and other Current Financial Liabilities	923.85	923.85	923.85	–	–
Total	**3,596.80**	**3,878.66**	**2,901.76**	**871.09**	**105.81**

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

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

* It includes contractual interest payment over the tenure of the Borrowings. These floating-interest Borrowings are based on interest rate prevailing as at the reporting date.

III. Market risk

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

(a) Currency risk:

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

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

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities (including intercompany receivables and payables) as at March 31, 2021 and March 31, 2020 are as below:

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

Sensitivity analysis

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

(₹ in crore)

Effect in ₹ March 31, 2021	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/ (Decrease)	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	**33.90**	**(33.90)**	**29.61**	**(29.61)**
GBP	**12.66**	**(12.66)**	**12.66**	**(12.66)**
EUR	**16.31**	**(16.31)**	**16.31**	**(16.31)**
RUB	**0.60**	**(0.60)**	**0.60**	**(0.60)**
MXN	**0.92**	**(0.92)**	**0.92**	**(0.92)**
Others	**(0.85)**	**0.85**	**(0.85)**	**0.85**
Total	**63.53**	**(63.53)**	**59.24**	**(59.24)**

(₹ in crore)

Effect in ₹	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
March 31, 2020	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	29.51	(29.51)	17.39	(17.39)
GBP	9.56	(9.56)	9.56	(9.56)
EUR	12.75	(12.75)	12.75	(12.75)
RUB	0.58	(0.58)	0.58	(0.58)
MXN	0.82	(0.82)	0.82	(0.82)
Others	(4.53)	4.53	(4.53)	4.53
Total	48.69	(48.69)	36.57	(36.57)

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

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

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

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

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

b) Interest rate risk

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

Exposure to interest rate risk

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

(₹ in crore)

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

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crore)

Variable-rate instruments	Impact on Profit/(loss)- Increase/(Decrease) in Profit (before tax)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
100 bp increase	**(18.36)**	(26.13)
100 bp decrease	**18.36**	26.13

43. CAPITAL MANAGEMENT

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

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

The Group monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings excluding lease liabilities under Ind AS 116, less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises Total equity.

The following table summarises the capital of the Group:

(₹ in crore)

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

Total equity includes gain on revaluation of land considered as a part of retained earnings in accordance with the requirements of Ind AS 101 on transition to Ind AS. Such Revaluation gain balance as on March 31, 2021 is ₹ 190.70 crore (Previous year: ₹ 199.26 crore) and is not available for distribution as dividend.

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

b) Certain manufacturing facilities, having net book value of ₹ 293.38 crore (Previous year ₹ 183.55 crore) and capital work in progress amounting to ₹ 285.81 crore (Previous year ₹ 426.14 crores), of the Group continues to be affected due to regulatory alert from US FDA and are currently not being used for alternate purposes. The investment in these plants had been made considering the market feasibility and the potential of existing/future products in pipeline. Upon approval from regulatory authority, the Group would be able to utilise the above mentioned manufacturing facilities to produce and supply products to US market.

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

(a) Demands by Central Excise authorities in respect of Classification/Valuation/Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands ₹ 44.64 crore (Previous year - ₹ 44.64 crore).[1]

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

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

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

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

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

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

(h) Claims against Company not acknowledged as debt in respect of:
- electricity expense ₹ 7.56 crore (Previous year - ₹ 7.12 crore)
- remediation against the pollution of ground water ₹ 0.85 crore (Previous year - ₹ 0.85 crore)
- environmental compensation against non-compliance of water/air pollution measures ₹ 2.00 crore (Previous year: ₹ 2.00 crore)

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

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

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

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

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

The customers had levied Service Level Penalties on the Group on account of significant delays in supply of goods to them. The disputed claims against these customers is ₹ 12.97 crore (USD 1.8 million) [Previous year - ₹ 48.33 crore (USD 6.4 million)].

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

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

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

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

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

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

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

49. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES

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

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

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

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

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

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

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

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

ACCOUNTING RATIOS

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements, the Unaudited Consolidated September Financial Results and the Unaudited Consolidated December Financial Results included in the section entitled "*Financial Statements*" on page 107:

(₹ in crore, except per share data)

Particulars	Consolidated		
	As at and for the nine months period ended December 31, 2021	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2021
Basic EPS (₹)	1.27*	1.88*	61.95
Diluted EPS (₹)	1.26*	1.87*	61.68
Return on Net Worth (%)	1	1	18
Net Asset Value per Equity Share (₹)	340.61	342.24	339.43
EBITDA (₹ in crore)	336.97	223.47	1,410.97
Adjusted EBITDA (₹ in crore)	330.64	216.82	(46.68)

* *Not annualized*

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares
Diluted EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth	Profit/(loss) after tax for the period as presented in the consolidated statement of profit and loss in the Financial Statements / Net Worth
Net Asset Value per Equity Share	Net Worth / Number of Equity Shares subscribed and fully paid outstanding as at the end of the period
EBITDA	Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, Depreciation and amortisation expense as presented in the Audited Consolidated Financial Statements, Unaudited Consolidated September Financial Results and Unaudited Consolidated December Financial Results.
Adjusted EBITDA	Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, Depreciation and amortisation expense, exceptional Items, Other income and Exchange Fluctuation (gain)/loss net as presented in the Audited Consolidated Financial Statements, Unaudited Consolidated September Financial Results and Unaudited Consolidated December Financial Results.

(a) Calculation of Return on Net Worth

(₹ in crore)

Particulars	Consolidated		
	As at and for the nine months period ended December 31, 2021	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2021
Profit/(loss) after tax (A)	32.36	30.59	688.60
Equity Share capital (B)	55.41	55.40	55.39
Other equity (including non-controlling interest) (C)	3,719.03	3,736.75	3,704.86
Net Worth (D)= [B + C]	3,774.44	3,792.15	3,760.25
Return on Net Worth [A / D] * 100 (%)	**1**	**1**	**18**

(b) Calculation of Net Worth and Net asset value per Equity Share

(₹ in crore, except per share data)

Particulars	Consolidated		
	As at and for the nine months period ended December 31, 2021	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2021
Equity Share capital (A)	55.41	55.40	55.39
Other equity (including non-controlling interest) (B)	3,719.03	3,736.75	3,704.86
Net Worth (C) [A + B]	3,774.44	3,792.15	3,760.25
No. of Equity shares subscribed and fully paid outstanding (D)	11,08,15,503	110,804,753	11,0781,153

Particulars	Consolidated		
	As at and for the nine months period ended December 31, 2021	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2021
Net Asset Value per Equity Share [C / (D/10^7)] (₹)	340.61	342.24	339.43

(c) Details of EBITDA and Adjusted EBITDA

(₹ in crore, except per share data)

Particulars	Consolidated		
	As at and for the nine months period ended December 31, 2021	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31, 2021
Profit/ (Loss) after tax (A)	32.36	30.59	688.60
Income tax expense (B)	(96.16)	(65.83)	227.25
Finance costs (C)	213.24	133.16	249.08
Depreciation and amortisation expense (D)	187.53	125.55	246.04
EBITDA (E)= [A+B+C+D]	**336.97**	**223.47**	**1,410.97**
Exceptional items (F)	-	-	(1,327.84)
Other Income (G)	(8.90)	(6.85)	(132.27)
Exchange Fluctuation (gain)/loss, net (H)	2.57	0.20	2.46
Adjusted EBITDA [E+F+G+H]	**330.64**	**216.82**	**(46.68)**

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

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 107.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 16 and 13, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards like IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, (i) the financial information for Financial Year 2021 included herein is based on the Audited Consolidated Financial Statements; (ii) the financial information included herein for the six months ended September 30, 2021 is based on the September Unaudited Consolidated Financial Statement and (iii) the financial information included herein for the nine months ended December 31, 2021 is based on the December Unaudited Consolidated Financial Statement, included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 107.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "Assessment of the global and Indian pharmaceuticals industry" dated February 2022 prepared and released by CRISIL and commissioned by us in connection with the Issue. Neither we, nor the Lead Manager, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and Other Information – Market and Industry Data" beginning on page 11.

Overview

We are among the key research-based global pharmaceutical companies based in India (*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 four key revenue streams, namely generics, biotech, vaccines and NCEs, that accounted for 67.2%, 12.5%, 19.3% and 0.9%, respectively of our total income for the nine-month period ended December 31, 2021. For the nine-month period ended December 31, 2021, our operations in the United Kingdom, India, Rest of the World ("**RoW**") markets, the United States and Europe accounted for 44%, 19%, 16%, 11% and 10%, respectively, of our total income.

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. One of our business strategies is to deepen our market share in chronic therapeutic areas, which accounted for 41% and 46% of our total income in Financial Year 2020 and Financial Year 2021, respectively, as compared to acute therapeutic areas, which accounted for 53% and 49%, respectively, of our total income during the same periods. The revenue generated from chronic therapeutic areas and acute therapeutic areas stood at 38% and 53%, respectively, of our consolidated revenue for the nine-month period ended December 31, 2021, with the increase in revenue generated from acute therapeutic areas being primarily due to significant revenue amounting to ₹496 crores generated from the supply of COVID-19 vaccines in the United Kingdom.

Chronic therapies typically involve medicines being prescribed over an extended period of time as opposed to once or for a limited period of time. Diabetes is a key chronic target market for us due to the increasing prevalence of diabetes globally. In India, the number of persons with diabetes has increased from 72.9 million in 2017 to 74.2 million in 2021 (*CRISIL Report*). Further, the growth in the biosimilars space is expected to continue over six years from 2020 to 2026, with the biologics segment growing at a much higher CAGR of 10% to 11%, compared to traditional molecules during this period (*CRISIL Report*). We believe that we are well positioned to take advantage of this growing medical need due to our portfolio of diabetic products, which includes oral anti-diabetics, pen devices, blood glucose monitoring systems and insulin and its analogs such as insulin glargine, insulin aspart, insulin lispro and liraglutide. For the nine-month period ended December 31, 2021, biotech contributed 12.5% to our total income. 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. Our divested business comprised of 62 products and related business, assets and liabilities, including our manufacturing facility at Baddi, Himachal Pradesh along with *inter alia* its employees, purchase orders, contracts, records, assets and liabilities.

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 3,214 patents filed and 793 patents held worldwide as of December 31 , 2021. We have over 520 scientists including over 80 PhDs and more than 150 in the drug discovery team across our three research and development centres and other locations as of January 31, 2022.

The anti-infective therapy area is valued at ₹180 billion as of Financial Year 2021 in the Indian domestic formulation market and grew at a CAGR of 3.1% from Financial Year 2017 to Financial Year 2021; and is expected to grow at a CAGR of 10% to

11% from Financial Year 2021 to Financial Year 2026 (*CRISIL Report*). 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 programme 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; including methicillin-resistant staphylococcus aureus ("**MRSA**") infections, which are a leading cause of AMR. We are among the few Indian pharmaceutical companies to launch NCEs in recent years (*CRISIL Report*). Further, we also have four more anti-bacterial NCEs (WCK 4873, WCK 4282, WCK 5222 and WCK 6777) which are in various development stages and all of which have been granted Qualified Infectious Disease Product ("**QIDP**") status by the US FDA, which fast tracks the clinical development process and grants a five-year extension to market exclusivity in the United States (*CRISIL Report*). We have also received US FDA approvals for 90 abbreviated new drug applications ("**ANDAs**") as of December 31, 2021. In Financial Year 2020 and Financial Year 2021 and for the nine-month period ended December 31, 2021, we invested 11%, 10% and 9%, respectively, of our total income towards 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 of December 31, 2021, we have 12 manufacturing facilities, eight of which are located in India and one each in the United Kingdom, the United States, Ireland and the United Arab Emirates. Our Wockhardt Biotech Park in Aurangabad, India has dedicated manufacturing units for APIs, biosimilars, recombinant formulations and our diabetes portfolio. Our fully automated lyophilisation unit in Aurangabad is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance. Our manufacturing facility in Wrexham, Wales has been contracted by the United Kingdom government to fill-finish COVID-19 vaccines for distribution in the United Kingdom.

For Financial Year 2020, Financial Year 2021 and for the nine-month period ended December 31, 2021, our total revenue from continuing operations was ₹2,844 crores, ₹2,708 crores and ₹2,575 crores, respectively. Our Adjusted EBITDA for Financial Year 2020, Financial Year 2021 and for the nine-month period ended December 31, 2021 was ₹245 crores, ₹(47) crores and ₹331 crores, respectively. Our profit after tax for Financial Year 2020, Financial Year 2021 and for the nine-month period ended December 31, 2021 was ₹ (43) crores, ₹689 crores and ₹32 crores, respectively.

Significant factors affecting our results of operations

1. ***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.

2. ***The impact of COVID-19 on our results of operations and financial condition***

   The World Health Organization declared the 2019 novel coronavirus ("COVID-19") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. The pandemic outbreak has caused an economic downturn on a global scale, including closure of many businesses and reduced consumer spending, as well as significant market disruption and volatility.

   The Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which was further extended in several phases with certain modifications and relaxations, till date, and there can be no assurance that this lockdown will not be extended further or re-intensified on one or more occasions. Our business was determined to be operating in an essential industry, which allowed us to continue our operations subsequent to the introduction of the lockdown in India, subject to certain adjustments in working patterns.

   As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. If the outbreak of COVID-19 or any other severe epidemics, continues for an extended period, occur again and/or increases in severity,

it could have an adverse effect on economic activity worldwide, including our Company, and could materially and adversely affect our business, cash flows, financial condition and results of operations. Similarly, any other future public health epidemics or outbreak of avian or swine influenza or other contagious disease in India or any other jurisdiction where we currently operate could also materially and adversely affect our business, cash flows, results of operations and financial condition.

3. ***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.

4. ***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. In Fiscal 2020 and 2021 and for the nine-month period ended December 31, 2021, we invested 11%, 10% and 9%, respectively, of our total revenue towards 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 3214 patents filed and held 793 patents worldwide as of December 31 , 2021. To grow our product portfolio, we need to continually invest in research and development to add to our existing offering and improve our technology.

5. ***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.

Significant Accounting Policies

Our Significant Accounting Policies for the financial year ended March 31, 2021 and as at March 31, 2021 are described in the section entitled “Notes to Consolidated Financial Statements” of Annual Report of March 21. There was no change in the Significant Accounting Policies during the nine months period ended December 31, 2021.

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

Basis for preparation of financial statements

Statement of compliance

Our Audited Consolidated Financial Statements for the years ended March 31, 2021 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.

Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of our Company and the currency of the primary economic environment in which our Company operates. All the amounts have been rounded off to the nearest crore except for share data and per share data, unless otherwise stated.

Basis of preparation of Audited Consolidated Financial Statements

Our Audited Consolidated Financial Statement have been prepared on accrual basis under the historical cost convention except for the following material items in the statement of financial position:

- Certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value.
- Share-based payments.
- Certain property, plant and equipment measured at fair value which has been considered as deemed cost.
- Net defined benefit (asset)/liabilities.

Convenience translation

Our Audited Consolidated Financial Statements have been prepared in Indian rupees, the national currency of India and the functional currency of our Company. Solely for the convenience of the reader, the Audited Financial Statements as of March 31, 2021 and March 31, 2020 have been translated into United States dollars at the closing rate USD 1 = Rs. 73.1150 (previous year: USD 1 = Rs. 75.5800). No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate, or at all.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities that are controlled by our Company. Control exists when our 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 the Audited Consolidated Financial Statements from the date the control commences until the date the control ceases. We combine the financial statements of our Company and our Subsidiaries line by line adding together like items of assets, liabilities, income and expenses. For the purpose of preparing the Audited Consolidated Financial Statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by our Company.

Any interest retains in the form of subsidiary is measured at fair value at the date that control is lost. Any resulting gain or loss is recognized in the 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 our 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 the Audited 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.

Use of Estimates and Judgments

The preparation of the Audited Consolidated Financial Statements in conformity with Ind AS requires our 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. Our management believes that the judgements and estimates used in preparation of these consolidated financial statements are prudent and reasonable.

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

Critical judgements in applying accounting policies:

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

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

As part of the Corporate Debt Restructuring Scheme in 2008-09, the we have issued preference shares at below market rate in lieu of the then outstanding interest accrued and net derivative losses. The fair value of these preference shares

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

(ii) *Lease arrangements:*

We have entered into several arrangements for lease of land and property from Government entities and other parties. We evaluate if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. We use significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. We determine the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if we are reasonably certain to exercise that option; and periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option. In assessing whether the we are 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 us to exercise the option to extend the lease, or not to exercise the option to terminate the lease. We revise the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(iii) *Impairment of trade receivables:*

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

(iv) *Legal and other disputes:*

We provide 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 us. These estimates take into account the specific circumstances of each dispute and relevant external advice which are inherently judgmental and could change substantially over time as new facts emerge and each dispute progresses.

(v) *Post- employment benefits:*

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

(vi) *Sales return and rebates:*

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

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

(vii) *Current tax and deferred tax:*

Our tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of our 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 our structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within our control and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve.

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

(viii) *Estimation of useful life:*

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

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

(ix) *Provision for inventory:*

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

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

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

(xi) *Intangible asset under development:*

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

A. Property, Plant and Equipment and Depreciation

I. *Recognition and Measurement:*

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

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

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Consolidated

Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

II. *Subsequent expenditure*

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

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 us are as follows:

Assets	Estimated useful life
Leasehold land	Over the period of lease
Buildings	10 - 61 years
Plant and Equipment	4 - 21 years
Furniture and Fixtures	6 - 20 years
Office Equipments	4 - 20 years
Information Technology Equipments	3 - 20 years
Vehicles	5 years

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

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

B. Intangible assets

I. *Recognition and Measurement:*

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

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

II. *Subsequent Expenditure*

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

III. *Amortisation*

Intangible assets are amortised over their estimated useful life on Straight Line Method. The estimated useful lives followed by us is 3 to 15 years.

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

C. Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when it meets the conditions of development phase under Ind AS 38 “Intangible Assets” and it can be demonstrated that intangible asset under development will generate probable future economic benefits. The carrying value of

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

D. Impairment of Non-financial assets

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

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

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

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

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

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

E. Foreign Currency Transactions/Translations:

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

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

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

iv) We have 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 our foreign operations from their functional currencies to our presentation currency (i.e. ?) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

F. Financial Instruments

I. Financial assets

(i) Classification of financial assets

We classify 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. We do 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, we decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. We make 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.

We do not have any equity investments designated at FVOCI.

Derivative financial instruments:

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

(ii) Initial recognition and measurement

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

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

(iii) Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or
- We have transferred our 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) We have transferred substantially all the risks and rewards of the asset, or
    (b) We have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

(iv) Impairment of financial assets

In accordance with Ind-AS 109, we apply 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.

We follow '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 us 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. We use 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 us 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 us are recognised at the proceeds received, net of direct issue costs.

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

(ii) Financial liabilities: Classification:

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

(iii) Initial recognition and measurement:

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

(iv) Derecognition

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

III. Fair value:

We determine the fair value of its financial instruments on the basis of the following hierarchy:

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

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

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

IV. Accounting for day 1 differences:

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

- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable market, the entire day 1 gain/loss is recorded immediately in the Consolidated Statement of Profit and Loss; or

- in all other cases, the difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the Consolidated Statement of Profit and Loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability

In case the difference represents:

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

(ii) deemed distribution - It is recorded in equity

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

V. Embedded derivatives

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

VI. Offsetting of financial instruments

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

G. Business combinations

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

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

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

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

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

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

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

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

H. Income tax

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

Current tax

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

Current tax assets and liabilities are offset only if, we:

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

b) Intend 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 we expect, 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) We have a legally enforceable right to set off current tax assets against current tax liabilities; and

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

I. Inventories

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

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

Inventories of stores and spare parts are valued at cost.

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

J. Revenue Recognition

Sale of goods

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

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

In case of certain bill and hold arrangements with a few customers, we recognize revenue when the goods are separately identified and are ready for physical transfer and are kept at warehouses/factories based on specific instructions from the customer and we cannot use these goods for any other purpose and the reason for such an arrangement is substantive.

Sale of Services, Outlicensing fees, sale of intellectual property and Assignment of New Chemical Entity

Revenues from services, Outlicensing fees and Assignment of New Chemical Entity is recognized in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers, and when control transfers to such customers and the Company’s performance obligations are satisfied

Export Incentive

Income from Export Benefits and Other Incentives Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and/or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

Royalties

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

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

Insurance claims

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

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

K. Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if we have 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

Our 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 us, 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. We recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

Our 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

We as a lessee

Our lease asset classes primarily consist of leases for land and buildings. We 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, we assesses whether: (1) the contract involves the use of an identified asset (2) we have substantially all of the economic benefits from use of the asset through the period of the lease and (3) we have the right to direct the use of the asset.

At the date of commencement of the lease, we recognize 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, we recognize 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 we change 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.

We as a lessor

Leases for which the we are 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 we are an intermediate lessor, we account 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 Audited Consolidated Financial Statements. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within our control or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the Audited 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 Audited Consolidated Financial Statements.

O. Borrowing costs

Borrowing costs are interest and other costs that we incur 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 we 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 us, for expenses incurred are recognised in Consolidated Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

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

Q. Non-current assets held for sale and discontinued operations

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

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

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

Discontinued operations are reported when our component, comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of our operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/(loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

R. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax available to equity 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 each Company and Subsidiaries' normal operating cycle and other criteria set out in the Schedule III to the Companies Act.

V. Recent pronouncements related to Division II of Schedule III

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

Balance Sheet:

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

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

Security deposits to be presented under other financial assets

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

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

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

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

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

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

Statement of profit and loss:

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

We are in the process of evaluating the above amendments.

Income and Expenses

Income

Our income consists of revenue from continuing and discontinued operations and other income.

Revenue from continuing operations comprises sale of products, sale of intellectual property and other operating income – export incentives.

Other income primarily comprises interest income and other non-operating income.

Expenses

Our expenses comprises of cost of materials consumed, purchase of stock in trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefit expenses, finance cost, depreciation & amortisation expenses, exchange fluctuation (gain)/ loss and other expenses.

Our Results of Operations

The following table sets forth, for the periods indicated, certain items from our consolidated statement of financial results and financial statements, in each case also stated as a percentage of our total income:

		For the nine months ended December 31,				For the six months ended September 30,				For the Financial Year			
		2021		2020		2021		2020		2021		2020	
		(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)
1	**Income from Continuing Operations**												
	(a) Revenue from Continuing operations	2,575.44	99.66	2,076.34	94.33	1,721.55	99.60	1,312.32	98.19	2,708.30	95.34	2,843.99	98.65
	(b) Other income	8.90	0.34	124.73	5.67	6.85	0.40	24.19	1.81	132.27	4.66	38.81	1.35
	Total income	**2,584.34**	**100.00**	**2,201.07**	**100.00**	**1,728.40**	**100.00**	**1,336.51**	**100.00**	**2,840.57**	**100.00**	**2,882.80**	**100.00**
2	**Expenses from Continuing Operations**												
	(a) Cost of materials consumed	450.90	17.45	510.52	23.19	297.94	17.24	334.31	25.01	682.43	24.02	621.72	21.57
	(b) Purchase of stock-in-trade	452.21	17.50	470.70	21.39	307.12	17.77	286.43	21.43	579.90	20.41	507.70	17.61
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	89.16	3.45	(155.00)	(7.04)	54.78	3.17	(109.46)	(8.19)	(126.84)	(4.47)	74.03	2.57
	(d) Employee benefits expense	568.21	21.99	601.70	27.34	370.41	21.43	399.86	29.92	762.95	26.86	743.33	25.79
	(e) Finance costs	213.24	8.25	194.45	8.83	133.16	7.70	134.60	10.07	249.08	8.77	275.74	9.57
	(f) Depreciation and amortisation expense	187.53	7.26	180.99	8.22	125.55	7.26	113.11	8.46	246.02	8.66	224.14	7.78
	(g) Exchange fluctuation loss / (gain), net	2.57	0.10	16.66	0.76	0.20	0.01	19.25	1.44	2.46	0.09	(21.27)	(0.74)
	(h) Other expenses	684.32	26.48	628.73	28.56	474.48	27.45	437.28	32.72	870.43	30.64	799.45	27.73
	Total expenses	**2,648.14**	**102.47**	**2,448.75**	**111.25**	**1,763.64**	**102.04**	**1,615.38**	**120.87**	**3,266.43**	**114.99**	**3,224.84**	**111.86**
3	**Profit/ (Loss) before exceptional items and tax from Continuing Operations (1-2)**	**(63.80)**	**(2.47)**	**(247.68)**	**(11.25)**	**(35.24)**	**(2.04)**	**(278.87)**	**(20.87)**	**(425.86)**	**(14.99)**	**(342.04)**	**(11.86)**
4	Discontinued Operations												
	Profit before exceptional items and tax from Discontinued Operations	**-**	**-**	**13.87**	**0.63**	**-**	**-**	**13.87**	**1.04**	**13.87**	**0.49**	**145.36**	**5.04**
5	**Exceptional items- credit/(charge)**												
	a) Continuing Operations	-	-	(142.48)	(6.47)	-	-	(142.48)	(10.66)	(142.48)	(5.02)	-	-
	b) Discontinued Operations	-	-	1,470.32	66.80	-	-	1,470.32	110.01	1,470.32	51.76	-	-
	Total Exceptional Items	**-**	**-**	**1,327.84**	**60.33**	**-**	**-**	**1,327.84**	**99.35**	**1,327.84**	**46.75**	**-**	**-**
6	**Profit/ (Loss) after exceptional items before tax from Continuing Operations (3 ± 5a)**	**(63.80)**	**(2.47)**	**(390.16)**	**(17.73)**	**(35.24)**	**(2.04)**	**(421.35)**	**(31.53)**	**(568.34)**	**(20.01)**	**(342.04)**	**(11.86)**
7	Tax expense of continuing operations :												
	Current tax - (credit)/ charge	36.89	1.43	(88.41)	(4.02)	31.11	1.80	(78.29)	(5.86)	(120.82)	(4.25)	(48.42)	(1.68)
	Tax pertaining to earlier years	-	-	-	-	-	-	-	-	-	-	3.69	0.13
	Deferred tax - (credit)/ charge (Net)	(133.05)	(5.15)	(111.86)	(5.08)	(96.94)	(5.61)	(120.77)	(9.04)	(150.79)	(5.31)	(159.36)	(5.53)
8	**Net Profit/ (Loss) from Continuing Operations (6 ± 7)**	**32.36**	**1.25**	**(189.89)**	**(8.63)**	**30.59**	**1.77**	**(222.29)**	**(16.63)**	**(296.73)**	**(10.45)**	**(137.95)**	**(4.79)**
9	**Profit after exceptional items before tax from Discontinued Operations (4 ± 5b)**	**-**	**-**	**1,484.19**	**67.43**	**-**	**-**	**1,484.19**	**111.05**	**1,484.19**	**52.25**	**145.36**	**5.04**
10	Tax expense of discontinued operations:												
	Current tax – charge	-	-	311.49	14.15	-	-	311.49	23.31	311.49	10.97	50.80	1.76
	Deferred tax - charge (Net)	-	-	187.37	8.51	-	-	187.37	14.02	187.37	6.60	-	-
11	**Profit from Discontinued Operations (9 ± 10)**	**-**	**-**	**985.33**	**44.77**	**-**	**-**	**985.33**	**73.72**	**985.33**	**34.69**	**94.56**	**3.28**

		For the nine months ended December 31,				For the six months ended September 30,				For the Financial Year			
		2021		2020		2021		2020		2021		2020	
		(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)	(₹ in crore)	(% of Total Income)
12	**Profit / (Loss) for the period (8 ±11)**	**32.36**	**1.25**	**795.44**	**36.14**	**30.59**	**1.77**	**763.04**	**57.09**	**688.60**	**24.24**	**(43.39)**	**(1.51)**
	Attributable to :												
	Equity shareholders of the Company	14.04	0.54	778.85	35.39	20.82	1.20	763.61	57.13	686.06	24.15	(69.22)	(2.40)
	Non - Controlling Interest	18.32	0.71	16.59	0.75	9.77	0.57	(0.57)	(0.04)	2.54	0.09	25.83	0.90

Nine months period ended December 31, 2021 compared to nine months period ended December 31, 2020

(a) Continuing operations:

Total income. Total income from continuing operations increased by 17.41% to ₹2,584.34 crore for the nine months period ended December 31, 2021 from ₹2,201.07 crore for the nine months period ended December 31, 2020 primarily due to increase in revenues from operations.

Revenue from continuing operations. Revenue from continuing operations increased by 24.04% to ₹2,575.44 crore for nine months period ended December 31, 2021 from ₹2,076.34 crore for the nine months period ended December 31, 2020, primarily due to the fill-finish of COVID-19 vaccine from CP Pharmaceuticals Limited to the UK government, increased sales in the Indian market and export in RoW market and steady growth in Pinewood Laboratories Limited. This was partially offset by a decrease in sales of Wockhardt USA LLC and Wockhardt France (Holdings) S.A.S due to sale of the pharmaceutical marketing authorizations of certain pharmaceutical products along with their trademarks.

Other income. Other income from continuing operations decreased by 92.86% to ₹8.90 crores for nine months period ended December 31, 2021 from ₹124.73 crores for the nine months period ended December 31, 2020, primarily due to the gain on the sale of the pharmaceutical marketing authorizations of certain pharmaceutical products along with their trademarks of Wockhardt France (Holdings) S.A.S during the nine months period ended December 31, 2020 and reduction in interest income on fixed deposit.

Total expenses. Total expenses increased by 8.14% to ₹2,648.14 crore for nine months period ended December 31, 2021 from ₹ 2,448.75 crore for the nine months period ended December 31, 2020.

Cost of goods sold: The cost of goods sold consists of cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods, work-in-progress and stock-in-trade. Revenue from operation of the company has increased during same period by 24.04% and increase in cost is proportionate of revenue. The cost of goods sold increase by 20.10% to ₹ 992.27 crore for the nine months period ended December 31, 2021 from ₹ 826.22 crore for the nine months period ended December 31, 2020, primarily due to higher production volume and corresponding increase in cost of goods sold. The increase in higher production volume is reflected in our increase revenue from operations which has increased during the same period by 24.04%.

Employee benefits expense. Employee benefits expense decreased by 5.57% to ₹ 568.21 crore for nine months period ended December 31, 2021 from ₹ 601.70 crore for the nine months period ended December 31, 2020, primarily due to a reduction in salaries and wages in Wockhardt USA LLC, Wockhardt France (Holdings) S.A.S, Wockhardt Bio AG and Pinewood Laboratories Limited, and decreased ESOP expenses on Wockhardt Limited. This was partially offset by an increase in salaries and wages in CP Pharmaceuticals Limited due to increase in the number of employees and staff welfare expenses.

Finance costs. Finance cost increased by 9.66% to ₹ 213.24 crore for nine months period ended December 31, 2021 from ₹ 194.45 crore for the nine months period ended December 31, 2020, due to increase in borrowings to improve the liquidity. This increase was partially offset by repayment of loan instalments to lenders during the period.

Depreciation and amortisation expense. Depreciation and amortisation expense increased by 3.61% to ₹ 187.53 crore for nine months period ended December 31, 2021 from ₹ 180.99 crore for the nine months period ended December 31, 2020, primarily due to plant capitalisation at Morton Grove Pharmaceuticals Inc. and CP Pharmaceuticals Limited.

Exchange fluctuation (gain)/loss, net. Exchange fluctuation (gain)/loss, net decreased by 84.57% to ₹ 2.57 crore for nine months period ended December 31, 2021 from ₹ 16.66 crore for the nine months period ended December 31, 2020.

Other expenses. Other expenses increased by 8.84% to ₹ 684.32 crore for nine months period ended December 31, 2021 from ₹ 628.73 crore for the nine months period ended December 31, 2020. This was primarily due to an increase in provisions towards Medicaid litigation rebate in our subsidiary, Wockhardt USA LLC.

(b) Discontinued operations:

The profit before exceptional items and tax from discontinued operations during the nine months period ended December 31, 2021 was nil as compared to ₹ 13.87 crores during the nine months period ended December 31, 2020.

Exceptional items: The exceptional items during the nine months period ended December 31, 2021 was nil as compared to ₹ 1,327.84 crores during the nine months period ended December 31, 2020. This was due to recognition of profit from transfer of a business undertaking to Dr. Reddy's Laboratories Limited in June 2020 which was partially offset by impairment loss on nutrition business asset in June 2020.

*Tax expense***:** Tax expense decreased to (₹ 96.16) crore for the nine months period ended December 31, 2021 from ₹ 298.59 crore for the nine months period ended December 31, 2020. The decrease in tax expense is due to the reasons set forth below:

Current tax expense: Current tax expenses decreased to ₹ 36.89 crore for the nine months period ended December 31, 2021 from ₹ 223.08 crore for the nine months period ended December 31, 2020. This is mainly due to recognition of higher tax expense during the nine months period ended December 31, 2020 on profit from discontinued operations and profits from the transfer of business undertaking to Dr. Reddy's Laboratories Limited.

Deferred tax expense: Deferred tax expenses decreased to (₹ 133.05) crore for the nine months period ended December 31, 2021 from ₹ 75.51 crore for the nine months period ended December 31, 2020.

Net profit. As a result of the foregoing, profit for the period attributable to the shareholders of our Company decrease by 98.20% to ₹ 14.04 crore for the nine months period ended December 31, 2021 from ₹ 778.85 crore for the nine months period ended December 31, 2020.

Six months period ended September 30, 2021 compared to six months period ended September 30, 2020

(a) Continuing operations:

Total income. Total income from continuing operations increased by 29.32% to ₹ 1,728.40 crore for the six months period ended September 30, 2021 from ₹ 1,336.51 crore for the six months period ended September 30, 2020 primarily due to increase in revenues from operations.

Revenue from continuing operations. Revenue from continuing operations increased by 31.18 % to ₹ 1,721.55 crore for six months period ended September 30, 2021 from ₹ 1,312.32 crore for the six months period ended September 30, 2020, mainly due to fill-finish of COVID-19 vaccine from CP Pharmaceuticals Limited, increased sale in the Indian market and steady growth in Pinewood Laboratories Limited, Wockhardt UK Limited and Wockhardt Bio (R) LLC. This was partially offset by decrease in sales of Wockhardt USA LLC, Wockhardt Bio AG and Wockhardt France (Holdings) S.A.S due to the sale of the pharmaceutical marketing authorizations of the products along with their trademarks.

Other income. Other income from continuing operations decreased by 71.68% to ₹ 6.85 crore for six months period ended September 30, 2021 from ₹ 24.19 crore for the six months period ended September 30, 2020, primarily due to reduction in interest income on fixed deposit and other miscellaneous income in Wockhardt Limited.

Total expenses. Total expenses increased by 9.18% to ₹ 1.763.64 crore for six months period ended September 30, 2021 from ₹ 1,615.38 crore for the six months period ended September 30, 2020.

Cost of goods sold: The cost of goods sold consists of cost of materials 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 29.06% to ₹ 659.84 crore for the six months period ended September 30, 2021 from ₹ 511.28 crore for the six months period ended September 31, 2020, primarily due to higher production volume.

Employee benefits expense. Employee benefits expense decreased by 7.37% to ₹ 370.41 crore for six months period ended September 30, 2021 from ₹ 399.86 crore for the six months period ended September 30, 2020, due to reduction in salaries and wages in Morton Grove Pharmaceuticals Inc., Wockhardt UK Limited, and Wockhardt France (Holdings) S.A.S and decrease in ESOP expenses on Wockhardt Limited. This was partially offset by increase in salary and wages in CP Pharmaceuticals Limited in due to increase in headcount.

Finance costs. Finance cost decreased by 1.07% to ₹ 133.16 crore for six months period ended September 30, 2021 from ₹ 134.60 crore for the six months period ended September 30, 2020, due to repayment of loan instalments to lenders. This increase is offset by the increase in borrowings to improve the liquidity.

Depreciation and amortisation expense. Depreciation and amortisation expense increased by 11.00% to ₹ 125.55 crore for six months period ended September 30, 2021 from ₹ 113.11 crore for the six months period ended September 30, 2020, due to plant capitalisation at Morton Grove Pharmaceuticals Inc. and CP Pharmaceuticals Limited.

Exchange fluctuation (gain)/loss, net. Exchange fluctuation (gain)/loss, net decreased by 98.96% to ₹ 0.20 crore for six months period ended September 30, 2021 from ₹ 19.25 crore for the six months period ended September 30, 2020.

Other expenses. Other expenses increased by 8.51% to ₹ 474.48 crore for six months period ended September 30, 2021 from ₹ 437.28 crore for the six months period ended September 30, 2020. This is mainly due to increase in provisions towards Medicaid litigation rebate in our subsidiary, in Wockhardt USA LLC and increase in consumption of stores & spares, legal & professional fees in CP Pharmaceuticals Limited.

(b) Discontinued operations:

The profit before exceptional items and tax from discontinued operations during the six months period ended September 30, 2021 was nil as compared to ₹ 13.87 crores during the six months period ended September 30, 2020.

*Exceptional items***.** The exceptional items during the six months period ended September 30, 2021 was nil as compared to ₹ 1327.84 crores during the six months period ended September 30, 2020. This is due to recognition of profit from transfer of the business undertaking to Dr. Reddy's Laboratories Limited in June 2020, which was partially offset by impairment loss on Nutrition Business asset in June 2020.

*Tax expense***.** Tax expense decreased to (₹ 65.83) crore for the six months period ended September 30, 2021 from ₹ 299.80 crore for the six months period ended September 30, 2020. The decrease in tax expense is due to below.

Current Tax expense. Current tax expense decreased to ₹ 31.11 crore for the six months period ended September 30, 2021 from ₹ 233.20 crore for the six months period ended September 30, 2020. This is mainly due to recognition of higher tax expense during the six months period ended September 30, 2020 on profit from discontinued operations and profit from transfer of business undertaking to Dr. Reddy's Laboratories Limited.

Deferred Tax expense: Deferred tax expense decrease to (₹ 96.94) crore for the six months period ended September 30, 2021 from ₹ 66.60 crore for the six months period ended September 30, 2020.

Net profit. As a result of the foregoing, profit for the period attributable to the shareholders of our Company decrease by 97.27% to ₹ 20.82 crore for the six months period ended September 30, 2021 from ₹ 763.61 crore for the six months period ended September 30, 2020.

Financial Year 2021 compared to Financial Year 2020

(a) Continuing operations:

Total income. Total income decreased by 1.46% to ₹ 2,840.57 crore for the Financial Year 2021 from ₹ 2,882.80 crore for the Financial Year 2020, primarily due to decrease in revenue from operations.

Revenue from continuing operations. Revenue from continuing operations decreased by 4.77% to ₹ 2,708.30 crore for the Financial Year 2021 from ₹ 2,843.99 crore for the Financial Year 2020, due to reduction in sales primarily in Wockhardt USA LLC, Wockhardt Bio AG and Pinewood Laboratories Limited. This is offset by increase in sales due to the fill-finish of COVID-19 vaccine from CP Pharmaceuticals Limited to the UK Government and an increase in exports in RoW market by Wockhardt Limited.

Other income. Other income increased by 240.81% to ₹ 132.27 crore for the Financial Year 2021 from ₹ 38.81 crore for the Financial Year 2020, primarily due to the gain from the sale of the pharmaceutical marketing authorizations of certain pharmaceutical products along with their trademarks by Wockhardt France (Holdings) S.A.S during the Financial Year 2021.

Total expenses. Total expenses increased by 1.29% to ₹ 3,266.43 crore for the Financial Year 2021 from ₹ 3,224.84 crore for the Financial Year 2020, due to the reasons set forth below:

Cost of goods sold: The cost of goods sold consists of cost of materials 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 decrease by 5.65% to ₹ 1,135.49 crore for the Financial Year 2021 from ₹ 1,203.45 crore for the Financial Year 2020, primarily due to lower production volume.

Employee benefits expense. Employee benefits expense increased by 2.64% to ₹ 762.95 crore for the Financial Year 2021 from ₹ 743.33 crore for the Financial Year 2020, primarily due to increase in salaries and wages in CP Pharmaceuticals Limited, Pinewood Laboratories Limited, Wockhardt USA LLC and Morton Grove Pharmaceuticals Inc.

Finance costs. Finance costs decreased by 9.67% to ₹ 249.08 crore for the Financial Year 2021 from ₹ 275.74 crore for the Financial Year 2020, due to repayment of loan instalments to lenders and redemption of preference shares. This is partially offset by a new borrowings to improve the liquidity.

Depreciation and amortisation expense. Depreciation and amortisation expense increased by 9.76% to ₹ 246.02 crore for the Financial Year 2021 from ₹ 224.14 crore for the Financial Year 2020, primarily due to plant capitalisation at Morton Grove Pharmaceuticals Inc. and CP Pharmaceuticals Limited during the Financial Year 2021.

Exchange fluctuation (gain)/loss, net. Exchange fluctuation (gain)/loss, net decreased to ₹ 2.46 crore for the Financial Year 2021 from ₹ (21.27) crore for the Financial Year 2020.

Other expenses. Other expenses increased by 8.88% to ₹ 870.43 crore for the Financial Year 2021 from ₹799.45 crore for the Financial Year 2020 mainly due to the increase in provisions for Medicaid litigation rebate in our subsidiary, in Wockhardt USA LLC.

(b) Discontinued operations:

The profit before exceptional items and tax from discontinued operations for the Financial Year 2021 was ₹ 13.87 crore as compared to ₹ 145.36 crores during the Financial Year 2020.

*Exceptional items***.** The exceptional items was ₹ 1,327.84 crores for the Financial Year 2021 as compared to nil for the Financial Year 2020. This is due to recognition of profit from transfer of the business undertaking to Dr. Reddy's Laboratories Limited in June 2020, which was partially offset by impairment loss on nutrition business asset in June 2020.

*Tax expense***.** Tax expense increased to ₹ 227.25 crore for the Financial Year 2021 from (₹ 153.29) crore for the Financial Year 2020. The increase in tax expense is due to reasons set out below:

Current tax expense: Current tax expense increases to ₹ 190.67 crore for the Financial Year 2021 from ₹ 6.07 crore for the Financial Year 2020. This was primarily due to recognition of higher tax expenses during the Financial Year 2021 on profit from discontinued operations and profit from transfer of business undertaking to Dr. Reddy's Laboratories Limited.

Deferred tax expense: Deferred tax expense increased to ₹ 36.58 crore for the Financial Year 2021 from (₹ 159.36) crore for the Financial Year 2020.

Net profit. As a result of the foregoing, profit/(loss) for the year attributable to the shareholders of our Company increased to ₹ 686.06 crore for the Financial Year 2021 from (₹ 69.22) crore for the Financial Year 2020.

Financial Condition

Assets

Our consolidated assets are set out below as of the dates specified:

(₹ in crore)

	Particulars	As at September 30, 2021	As at March 31, 2021	As at September 30, 2020	As at March 31, 2020
A)	**ASSETS**				
1	**Non-current assets**				
	(a) Property, Plant and Equipment	1,662.10	1,718.97	1,648.70	1,856.69
	(b) Right of use assets	592.57	592.48	600.40	622.20
	(c) Capital work-in-progress	625.75	602.82	689.65	836.46
	(d) Goodwill on consolidation	905.14	904.04	905.47	875.19
	(e) Other Intangible assets	118.66	127.63	160.83	148.21
	(f) Intangible assets under development	837.89	776.12	749.06	748.07
	(g) Financial assets				
	(i) Investments	0.45	0.45	0.45	0.45
	(ii) Other non- current Financial assets	59.40	44.82	45.36	46.02
	(h) Non-current tax assets (Net)	112.99	116.60	120.52	118.95
	(i) Deferred tax assets (Net)	496.19	397.50	361.62	429.42
	(j) Other non-current assets	100.52	66.88	66.61	67.42
	Sub-total - Non-current assets	**5,511.66**	**5,348.31**	**5,348.67**	**5,749.08**
2	**Current assets**				
	(a) Inventories	765.54	798.88	847.14	689.83
	(b) Financial assets				
	(i) Trade receivables	981.48	917.65	948.63	1,242.69
	(ii) Cash and cash equivalents	250.10	232.25	840.69	219.34
	(iii) Bank balance (other than Cash and cash equivalents)	71.80	59.54	81.17	49.12
	(iv) Other current Financial assets	7.45	33.18	11.15	8.85
	(c) Other current assets	276.86	238.59	247.57	163.36
	(d) Asset classified as held for sale	144.29	144.29	144.29	56.64
	Sub-total - Current assets	**2,497.52**	**2,424.38**	**3,120.64**	**2,429.83**
	TOTAL ASSETS	**8,009.18**	**7,772.69**	**8,469.31**	**8,178.91**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity share capital	55.40	55.39	55.38	55.37
	(b) Other Equity	3,336.58	3,321.37	3,398.96	2,616.30
	Equity attributable to the shareholders of the Company	**3,391.98**	**3,376.76**	**3,454.34**	**2,671.67**
	(c) Non - Controlling Interest	400.17	383.49	387.98	385.79
	Sub-total- Equity	**3,792.15**	**3,760.25**	**3,842.32**	**3,057.46**
	LIABILITIES				
	Non-Current Liabilities				
	(a) Financial liabilities				
	i) Borrowings	575.73	502.85	1,022.04	1,240.90
	ii) Lease Liabilities	286.65	278.55	298.47	306.52
	(b) Provisions	152.81	84.37	41.15	45.60
	(c) Deferred tax liabilities (Net)	28.32	28.45	30.36	31.25
		1,043.51	**894.22**	**1,392.02**	**1,624.27**
	Current Liabilities				
	(a) Financial liabilities				
	(i) Borrowings*	1,832.66	1,828.88	803.94	903.86
	(ii) Lease Liabilities	65.18	62.67	63.16	62.51
	(iii) Trade payables*				
	a. Total outstanding dues of Micro enterprises and Small enterprises	30.69	22.21	16.13	34.89
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	728.98	673.25	511.13	860.38
	(iv) Other current financial liabilities	144.35	228.39	1,397.79	1,387.93
	(b) Other current liabilities*	173.89	174.17	162.78	117.94
	(c) Provisions	116.15	59.79	102.55	117.28
	(d) Current tax liabilities (Net)	81.62	68.86	177.49	0.97
	(e) Liabilities classified as held for sale	-	-	-	11.42

	Particulars	As at September 30, 2021	As at March 31, 2021	As at September 30, 2020	As at March 31, 2020
	Sub-total- Current liabilities	**3,173.52**	**3,118.22**	**3,234.97**	**3,497.18**
	Total Liabilities	**4,217.03**	**4,012.44**	**4,626.99**	**5,121.45**
	TOTAL EQUITY AND LIABILITIES	**8,009.18**	**7,772.69**	**8,469.31**	**8,178.91**

* *Figures of current borrowings, Trade payables and other current financial liabilities for the period ended September 30, 2021 and year ended March 31, 2021 are not comparable with the period ended September 30, 2020 and year ended March 31, 2020 as figures have been re-grouped to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.*

Cash Flows

The following table summarizes our statements of cash flows for the periods presented:

(₹ in crore)

	Six months ended September 30		Financial Year	
	2021	**2020**	**2021**	**2020**
Net cash generated from or (used in) operating activities	248.57	(324.47)	(287.32)	648.96
Net cash generated from or (used in) investing activities	(145.12)	1,439.94	1,470.10	(155.53)
Net cash generated from financing activities	(85.06)	(490.44)	(1,170.82)	(679.58)
Net increase or (decrease) in cash and cash equivalents	18.39	625.03	11.96	(186.15)

Six months period ended September 30, 2021 compared to six months period ended September 30, 2020

Operating Activities

Net cash generated from operating activities was ₹ 248.57 crore for the six months period ended September 30, 2021 as against net cash used in operating activities ₹ 324.47 crore for six months period ended September 30, 2020. This was mainly due to improvement in operating revenues and cash released from working capital during the six months period ended September 30, 2021.

Investing Activities

Net cash used in investing activities was ₹ 145.12 crore for the six months period ended September 30, 2021 as against net cash generated from investing activities ₹ 1,439.94 crore for six months period ended September 30, 2020. This is due to outlay towards capital expenditure for on-going projects during the six months period ended September 30, 2021. There was inflow for the six months period ended September 30, 2020 due to proceeds from transfer of Transfer of Business Undertaking and sale of intellectual property & marketing rights.

Financing Activities

Net cash used in financing activities was ₹ 85.06 crore for the six months ended September 30, 2021 as against net cash used in financing activities ₹ 490.44 crore for six months ended September 30, 2020. This is due to repayment of long term and short term borrowings (net of repayment). The other cash outflow also include payment of finance lease liabilities and interest on borrowings. This is partially offset by proceeds from issue from non-convertible debentures and loan from group companies (net of repayment) during the six months period ended September 30, 2021.

Financial Year 2021 compared to Financial Year 2020

Operating Activities

Net cash used in operating activities was ₹ 287.32 crore for Financial Year 2021 as against net cash generated from operating activities ₹ 648.96 crore for Financial Year 2020. The reduction in cash from operating activities is mainly due to increase in inventories, increase in Non-current/ Current financial and other asset, decrease in liabilities and provisions and higher income taxes paid during the Financial Year 2021.

Investing Activities

Net cash generated from investing activities increased to ₹ 1,470.10 crore for Financial Year 2021 as against net cash used in investing activities ₹ 155.53 crore for Financial Year 2020. This increase primarily due to the proceeds from transfer of the business undertaking and sale of intellectual property & marketing rights and interest on surplus fund invested during the Financial Year 2021.

Financing Activities

Net cash used in financing activities was ₹ 1,170.82 crore for Financial Year 2021 as against ₹679.58 crore for Financial Year 2020. This is primarily due to redemption of preference shares, repayment of long term borrowings. Other cash outflows also include payment of finance lease liability, interest on borrowings and premium on redemption of preference shares. This cash

outflow partially offset by proceeds from short term borrowings (net of repayment) and loan from group companies (net of repayment) during the Financial Year 2021.

Auditor's Observations

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the consolidated financial statements as of and for the years ended March 31, 2021, unaudited consolidated financial results as of and for the six months ended September 30, 2021 and the unaudited consolidated financial results as of and for the nine months ended September 30, 2021.

Indebtedness

As on September 30, 2021, we have outstanding borrowings of ₹ 2,408.39 crore on a consolidated basis, the details of which are given below:

(in ₹ crore)

Particulars	Outstanding amount as on September 30, 2021	Outstanding amount as on March 31, 2021
Non-current liabilities – financial liabilities – borrowings	575.73	502.85
Current liabilities – financial liabilities – borrowings*	1,832.66	1,828.88
Total:	**2,408.39**	**2,331.73**

**Note: Numbers for March 31, 2021 have been regrouped to conform to the current period's classification in order to comply with the requirement of the amended Schedule III to the Companies Act, 2013, effective April 1, 2021.*

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates. Such transactions are for, amongst others, provision of professional services and brand license fees and incurrence of indebtedness. For details of our related party transactions, see notes to our financial statements.

Off-Balance Sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Known trends and uncertainties that have or are expected to have a material impact on income

Our business has been affected and we expect that it will continue to be affected by the trends identified above in " - *Significant Factors Affecting Our Results of Operations*" and the uncertainties described in the section "*Risk Factors*" beginning on pages 196 and 16, respectively. To our knowledge, except as disclosed in this Letter of Offer, there are no known factors which we expect to have a material adverse effect on our income.

Quantitative and Qualitative Analysis of Market Risks

Our business exposes us to a variety of financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract or a financial instrument, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables and other financial assets, such as cash equivalents and deposits. Credit risk is managed by us through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which we grant credit terms in the normal course of business. We establish an allowance for doubtful debts and impairment that represents its estimate of incurred and expected losses in respect of trade and other receivables and investments.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we will have sufficient liquidity to meet our liabilities. We monitor the net liquidity position through forecasts on the basis of expected cash flows.

We have obtained fund and non-fund based working capital lines from various banks. Furthermore, we have access to funds from debt markets to manage short of current assets to current liabilities. We invest our surplus funds in bank fixed deposit. Considering this access and ongoing business contract, we believe that we will be able to meet out liability as and when they are due.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect our income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. We are exposed to market risk with respect to changes in interest rates related to our borrowings and currency risk on account of its operations in other countries.

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations and cash flows.

We operate in international markets and a major portion of our business is transacted in different currencies and, consequently, we are exposed to foreign exchange risk arising from transactions relating to purchases, revenues and expenses to be settled in other currencies. Our exports and imports are primarily in U.S. Dollars, Euros and British Pound and fluctuations in these currency exchange rates influence our results of operations and cash flows.

Material Developments

Except as set forth below in the "*Material Developments*" on page 229, no circumstances have arisen since the date of the last financial statements as disclosed in this Letter of Offer which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time.

*Our Company has a "Policy for determining materiality for disclosures of events or information" framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by the Board. Notwithstanding such materiality policy ("**Materiality Policy**") approved by the Board, our Company has, solely for the purposes of this Issue, disclosed in this section, all outstanding civil, regulatory and tax proceedings involving our Company and Subsidiaries where the amount involved in such proceedings amount equivalent to or in excess of 1% of the net-worth of our Company, on a consolidated basis, for the Financial Year 2021, which is determined to be ₹ 37.60 crores ("**Materiality Threshold**") or where amount is not quantifiable or is below the Materiality Threshold but which materially and adversely affect the operations or the financial position of the Company.*

Further, except as disclosed in this section, there are no outstanding matters involving our Company and Subsidiaries which: (i) if they result in an adverse outcome, would have a material adverse effect on our operations or financial position; (ii) involve issues of moral turpitude or criminal liability; (iii) involve material violations of statutory regulations; (iv) involve economic offences where proceedings have been initiated.

Pre-litigation notices received by our Company and/or our Subsidiaries from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

1. The Drug Inspector, Amritsar ("**Inspector**") filed a complaint before the Court of Chief Judicial Magistrate, Amritsar against our Company pursuant to an inspection conducted as on August 30, 2013, on the premises of M/s Boparai Medical Store, village Boparai, district, Amritsar in connection with certain samples of drugs, namely – *Woclox*, which were allegedly 'Not of Standard Quality' resulting in commission of offence under section 18(a)(vi) of the DCA, by the Government Analysis Punjab, Chandigarh. Our Company and certain others have filed a petition in the High Court of Punjab and Haryana at Chandigarh for quashing of the aforementioned complaint *inter alia* on the ground, that another pharmaceutical company and not our Company was the manufacturer of the drug in question. The matter is currently pending.

2. The Drug Inspector, Thane ("**Inspector**") filed a complaint before the Judicial Magistrate, First Class, WADA, District Thane ("**JMFC**") against our Company and its Directors namely, Habil Fakhruddin Khorakiwala and Aman Mehta, 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. The Inspector alleged that our Company has contravened the provisions of the DCA by supplying products without verifying the payers' details. The JMFC passed an order dated March 19, 2008 ("**Order**") issuing process. Thereafter, our Company and our Directors have also filed criminal revision petition under the relevant provisions of the Code of Criminal Procedure, 1973, as amended. The Order was subsequently quashed by an order of Second Additional Session Judge, Thane on procedural grounds. The matter is currently pending.

3. The Drug Inspector, Durg, Chhattisgarh filed a criminal complaint against our Company and others ("**Respondents**"), before the Court of the Chief Judicial Magistrate, Durg, Raipur alleging the sale of drug '*Inj Atrovok*', which were allegedly 'Not of Standard Quality' as declared by the Government Analyst, Kolkata, resulting in commission of an offence under Section 18(A)(i) of DCA. The matter is currently pending.

4. The Drug Inspector, Aurangabad, Maharashtra filed a criminal complaint ("**Complaint**") against our Company, Habil Fakhruddin Khorakiwala and others, before the Court of the Chief Judicial Magistrate, Aurangabad, Maharashtra ("**CJM**") alleging the sale of a banned drug 'Butaproxyon capsules' by our Company, resulting in commission of an offence under the Section 26 of DCA. Thereafter, our Company filed an application before the CJM under Section 204 read with Section 203 of the Code of Criminal Procedure, 1973 praying for dismissal of the Complaint. The matter is currently pending.

5. The Drug Inspector, Aurangabad, Maharashtra filed a criminal complaint against our Company and others before the Court of the Chief Judicial Magistrate, First Class, Aurangabad, Maharashtra ("**CJM**") alleging the manufacture and sale of a sub-standard quality drug 'Bloatosil-Antibloat' by our Company, resulting in commission of an offence under Section 18(A)(i) of the DCA. Pursuant to orders passed by the CJM on February 29, 2000 and September 21, 2000, certain accused were discharged of the offence, however, the matter is currently pending against our Company and others.

6. Kuldeep Singh ("**Complainant**") filed a complaint before Judicial Magistrate First Class, Jagadhri against our Company, Habil Fakhruddin Khorakiwala and others for offences under Sections 274 and 275 of the IPC on the grounds that Fudotrip10 administered to a patient was adulterated, which was decided in the favour of our Company by way of order dated March 30, 2007 ("**Order**"). Thereafter, the Complainant filed an appeal before the High Court of Punjab and Haryana at Chandigarh against our Company and Habil Fakhruddin Khorakiwala, among others, seeking a direction that the Order passed shall be quashed on the grounds mentioned therein. The appeal is currently pending.

7. 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 DCA. The matter is currently pending.

8. The Drug Inspector, attached to the officer of Joint Commissioner of Food and Drug Administration, Pune ("**Inspector**") filed a first information report ("**FIR**") against our Company and others, alleging sale of the drugs containing dextropropoxyphene which was prohibited by the Government of India , Ministry of Health and Family Welfare under the DCA between May 23, 2013 to June 10, 2013. Our Company has subsequently filed a criminal application before the Bombay High Court ("**High Court**"), seeking a direction for quashing the FIR on the grounds mentioned therein. The matter is currently pending.

Material Civil Proceedings

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 to disclose TAI Pharma Director's assets, in December 2021. The matter is currently pending.

Litigation by our Company

Proceedings before regulatory authorities involving our Company involving material violations of statutory regulations

1. M/s Amit Agencies (the "**Applicant**") filed an application before the Competition Commission of India (the "**CCI**") for anti-competitive practices undertaken by our Company, among others (the "**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 (the "**Competition Act**"). Our Company received a notice (the "**Notice**") dated October 13, 2021 from Director General 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. Pursuant to the Notice, our Company was directed to furnish information pertaining to appointment of the Applicant as our stockist. Our Company has filed a reply to the Notice dated 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. The matter is currently pending.

2. Chemist and Druggist Association of Goa (the "**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 (the "**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. 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 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 NPPA has fixed the ceiling prices in respect of the formulations, being Povidone Iodine Solutions 5% and Povidone Iodine Ointment, 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 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 Articles 14 and

19(1)(g) of the Constitution of India. Further, our Company has prayed, *inter alia*, for quashing the Notification 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.

4. Our Company ("**Petitioner**") filed a writ petition before the High Court of Delhi at New Delhi (the "**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) DPCO, 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 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. 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 order 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. 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. Our Company ("**Petitioner**") filed a writ petition before the High Court of Karnataka at Bangalore (the "**Karnataka HC**"), against the Union of India, Ministry of Chemicals and Fertilizers ("**MoCF**") and NPPA (together with MoCF "**Respondents**") challenging communication dated July 21, 2011, June 20, 2011 and July 26, 2011 ("**Impugned Communications**") issued by the NPPA whereby NPPA has held that the Glargine Insulin comes under the ambit of price control under the provision of Drug Prices Control Order, 1995 ("**DPCO 1995**"). Our Company has contended that the Impugned Communications are illegal, without authority of law, arbitrary and contrary to express provisions of DPCO 1995 and that finding of NPPA that Glargine is a derivative of bulk drug 'Insulin' is within the ambit of price control under DPCO 1995 is erroneous and opposed to established principles . Further, our Company has prayed, *inter alia*, for quashing the Impugned Communications and declare that Petitioner's product Glargine is not a schedule bulk and/or schedule formation covered within the ambit of DPCO 1995. The Karnataka HC granted interim relief by way of its order dated September 6, 2011 granting stay on any further proceedings pursuant to Impugned Communications. Subsequently, NPPA has filed an interlocutory application against the writ petition filed by the Company *inter alia* praying for vacating the interim order passed by Karnataka HC. The matter is currently pending.

7. 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 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. The matter is currently pending.

8. 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 NPPA, (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 Articles 14 and 19(1)(g) of the Constitution of India. Further, our Company has prayed, *inter alia*, for quashing the Notification 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.

9. Our Company ("**Petitioner**") filed a writ petition before the High Court of Delhi at New Delhi, against the Union of India, Ministry of Health and Welfare ("**MoHFW**") and Drugs Controller General (India) ("**DCG**", together with MoHFW "**Respondents**") challenging notification dated September 7, 2018 ("**Notification**") issued by the MoHFW whereby MoHFW has prohibited manufacturing, distribution and sale of fixed drug combinations (the "**FDC**") which

included Company's drug "Dermiwok OC". Our Company has contended *inter alia* that (a) Notification issued by MoHFW has been issued in violation of principles of natural justice; and (b) Notification is arbitrary, unfair and irrational. Further, our Company has prayed, *inter alia*, for quashing the Notification and prohibiting the Respondents from taking any action against our Company in furtherance to the implementation of Notification and enforcing the Notification in respect of sale and distribution of FDC manufactured on or prior to the date of Notification. The matter is currently pending.

10. Maharashtra Pollution Control Board (the "**MPCB**") filed an application before the National Green Tribunal (the "**NGT**") under Section 15 of the National Green Tribunal Act, 2010 (the "**Application**") against our Company and others (the "**Respondents**"), asking the Respondents to deposit their part of individual contribution for installation of a plant for remediation of contamination of ground water. The Application was filed pursuant to NGT judgment dated September 24, 2014, which had directed MPCB to devise a remedial action plan for ground water quality and soil water quality and execute such remedial action plan. Our Company has filed the reply *inter alia* praying that its name be deleted from the list of potential polluters and it is discharged from the Application since it has not contributed to any pollution. The matter is currently pending.

11. Our Company ("**Petitioner**") filed a writ petition before the High Court of Delhi at New Delhi, against the 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 (the "**SCNs**"); (c) demand notice dated July 10, 2017 (the "**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.

12. 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 Commissioner alleged 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 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.

13. Our Company ("**Petitioner**") filed a writ petition before the High Court of Judicature of Bombay Bench at Aurangabad, against Maharashtra State Electricity Distribution Limited (the "**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 Company and wrongly categorized Company's research and development center 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 allow the civil appeal filed by it and prohibit the MSEDCL from taking any action against our Company in furtherance to the implementation of Impugned Order. The matter is currently pending.

14. Our Company filed an appeal before the Supreme Court of India ("**Supreme Court**") against the order ("**Impugned Order**") passed by the Appellate Tribunal for Electricity ("**Appellate Tribunal**") which had confirmed the order and judgment of Maharashtra Electricity Regulatory Commission ("**MERC**"), 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.

15. Our Company filed a civil suit before the Civil Judge Senior Division, Aurangabad ("**Court**") against Aurangabad Municipal Corporation and Sahakar Agencies Private Limited, (together, "**Defendants**") challenging the rate of octroi duty being charged from the Company. Our Company contended that octroi duty charged on the goods was incorrectly categorized by the Defendants under entry no. 34-C instead of 34-D, which forced the Company to pay the higher octroi rate on the goods. Our Company *inter alia* prayed for declaration that (a) Defendants are not entitled to charge

and collect octroi duty in excess of 1% on the goods and (b) to permanently restrain the Defendants from charging octroi duty in excess of 1% on the goods. The Court by way of its judgment and decree dated January 11, 2013 (the "**Decree**") decided the case in favour of our Company. Aggrieved by the Decree, the Defendants filed an appeal against the January Decree, which was dismissed. Thereafter, Defendants have preferred a second appeal against the Decree. The matter is currently pending.

16. 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**") alleging the misclassification of the product, 'Dextromethorphan Hydroromide by our Company. In terms of the SCN, the Commissioner 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 SCN seeking working of the Claimed amount and two months extension to file the reply. Lastly, our Company has received a letter dated February 1, 2022 affixing the date of personal hearing. The matter is currently pending.

Matters involving economic offences where proceedings have been initiated against our Company

Nil

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

The State of Texas has alleged that Wockhardt USA LLC, Morton Grove Pharmaceuticals, Inc., and Wockhardt Limited ("**Wockhardt Companies**") manufactured, marketed, distributed, and/or sold prescription drugs to pharmacies in the State of Texas, which were dispensed under the Texas Medicaid program. The State further alleges that it overpaid the pharmacies for the drugs based on price reports submitted by the Wockhardt Companies that were allegedly in violation of the Texas Medicaid Fraud Prevention Act. The parties have reached a settlement in principle providing that the Wockhardt Companies will pay the State $36 million plus interest over a three-year period. For details, please see "*Risk Factors – We have certain contingent liabilities, which if they materialize, may adversely affect our results of operations, financial condition and cash flows*" on page 23.

Material Tax Proceedings

1. The Company received assessment orders from the Assistant Commissioner of Income Tax (the "**CIT**") for various assessment years (2004-05 to 2016-17) (the "**Assessment Orders**") along with the demand notices amounting to ₹ 108.43 crore. 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 R&D 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 (2012-13 to 2015- 16) (the "**Assessment Orders**") along with the demand notices amounting to ₹ 85.57 crore. 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.

Litigation against our Subsidiaries

Material Tax Proceedings

Nil

Criminal Proceedings

Nil

Proceedings before regulatory authorities involving our Subsidiaries involving material violations of statutory regulations

Nil

Matters involving economic offences where proceedings have been initiated against our Subsidiaries

Nil

Other pending matters involving our Subsidiary which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

1. Sergeants Benevolent Association Health & Welfare fund ("**Plaintiff**") filed a purported Class Action Complaint in the United States District Court for the Southern District of New York against Actavis, PLC and Forest Laboratories, LLC, Merz Pharma Gmbh & Co., KGAA, Amneal Pharmaceuticals, LLC, Teva Pharmaceuticals USA, Inc., Teva Pharmaceutical Industries, Inc., Barr Pharmaceuticals, Inc., Cobalt Laboratories, Inc., Upsher-Smith Laboratories, Inc., Wockhardt Limited ("**WL**"), Wockhardt USA LLC ("**WUSA**", together with WL, "**Wockhardt Companies**"), Sun India Pharmaceuticals Industries, Ltd., Dr. Reddy's Laboratories Ltd., and Dr. Reddy's Laboratories Inc. The Plaintiff alleges that settlement agreements between Actavis and the generic defendants in Hatch-Waxman patent litigation concerning Namenda IR (memantine hydrochloride) were unlawful "pay-for-delay" settlements that allowed Actavis to improperly maintain a monopoly on the market. The Plaintiff further alleges that the agreements were part of an overall anticompetitive scheme and alleges conspiracy to monopolize under antitrust, consumer protection, and deceptive trade practices statutes. The Wockhardt Companies and Plaintiff have entered into a preliminary settlement and are awaiting final approval by the Court. The Wockhardt Companies previously made the settlement payment, which is being held in escrow pending final approval of the settlement agreement.

2. Wockhardt USA LLC and Morton Grove Pharmaceuticals, Inc. (together, "**Wockhardt Companies**") are defendants in class action and individual lawsuits by private companies and the States, Counties, and Territories of the United States (together, "**Plaintiffs**") alleging that the Wockhardt Companies and other generic drug manufacturers (together, "**Generic Drug Companies**") 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.

3. The State of Texas has alleged that Wockhardt USA LLC, Morton Grove Pharmaceuticals, Inc., and Wockhardt Limited ("**Wockhardt Companies**") manufactured, marketed, distributed, and/or sold prescription drugs to pharmacies in the State of Texas, which were dispensed under the Texas Medicaid program. Wockhardt Companies and the State of Texas has arrived at an in-principle settlement agreement. For details, please see *"Outstanding Litigation and Defaults – Litigation involving our Company – Litigation against our Company - Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company"* on page 226.

4. Wockhardt USA LLC, Wockhardt Limited ("together, **Wockhardt Companies**") and other 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 ("**Court**"). The Court on December 31, 2020 dismissed all claims against the generic defendants, including Wockhardt Companies, with the opportunity for plaintiffs to re-plead certain claims. The third party-payors filed a Notice of Appeal on January 28, 2021 with respect to the Court's decision dismissing their class action complaint. Plaintiffs filed an Amended Personal Injury Complaint on February 8, 2021, naming Wockhardt Companies and other pharmaceutical companies, distributors and retailers as defendants. The Court on July 8, 2021 granted the generic defendants' motion to dismiss, dismissing all claims against the generic defendants, including Wockhardt Companies. Multiple plaintiffs have appealed the district court decisions. There are presently no claims pending in federal district court against the Wockhardt Companies. Three actions were filed in Illinois state courts against Wockhardt USA LLC, Wockhardt Americas, Inc. and other manufacturers and retailers of ranitidine, making substantially the same allegations as the cases dismissed in federal court. Additionally, two actions were filed in Pennsylvania state court against Wockhardt USA LLC and other manufacturers and retailers of ranitidine, making substantially the same allegations as the cases which were dismissed in federal court.

5. Standing Rock Sioux Tribe ("**Plaintiffs**") brought an action against manufacturers and distributors of opioid and other drugs for alleged health care costs incurred from, *inter alia*, health care services provided to patients allegedly suffering from addiction or disease, overdose, or death. The case is presently stayed pending the outcome of other cases pending in the multidistrict litigation. Plaintiffs allege claims under public nuisance, unlawful sales or advertising practices, and deceptive trade practices statutes and the Racketeer Influenced and Corrupt Organizations Act among other common law claims.

Litigation by our Subsidiaries

Material Civil Proceedings

Nil

GOVERNMENT AND OTHER APPROVALS

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" at page 54 of this Letter of Offer.

MATERIAL DEVELOPMENTS

Other than as disclosed below, no material developments have occurred since the date of the last balance sheet i.e., September 30, 2021 which materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months:

Our Board at its meeting held on January 27, 2022 approved the Unaudited Consolidated December Financial Results and unaudited standalone financial results of our Company for the quarter and nine months ended December 31, 2021.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meetings held on January 6, 2022, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matter, have been approved by a resolution passed by the Capital Raising Committee at its meeting held on [●], 2022.

The Capital Raising Committee, in its meeting held on [●], 2022 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) and the Rights Entitlement as [●] Rights Equity Share for every [●] fully paid-up Equity Share, as held on the Record Date aggregating up to ₹750 crore. The Issue Price is ₹[●] per Rights Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

The Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated [●], 2022 and [●], 2022, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, please see the section entitled *"Terms of the Issue"* on page 237.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group and our Directors have not been and are not prohibited from accessing or operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Further, the Promoters and the Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors are associated with entities operating in the securities market. No action has been initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

Neither our Promoters nor any of our Directors are declared fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company nor our Promoters or any of our Directors have been or are identified or categorized as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, to the extent applicable, as on the date of this Letter of Offer.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and has received their in-principle approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. [●] is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having, nationwide trading terminals, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

2. The entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;

3. The average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹ 250 crore, in at least one of the recognized stock exchanges with nationwide trading terminal, where its securities are listed, calculated as per Explanation (i) of the Regulation 99 of SEBI ICDR Regulations;

4. The annualized trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period on each of the Stock Exchanges;

5. The annualized delivery-based trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-month period on each of the Stock Exchanges;

6. Our Company has been in compliance with the equity listing agreement entered into with the Stock Exchanges and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;

8. No show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, its Promoters or whole-time Directors. Further, no show cause notices have been issued by the SEBI or an Adjudicating Officer in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI, against our Company, its Promoters or whole-time Directors;

9. Our Company, our Promoters, the members of our Promoter Group or our Directors have not settled any alleged violations of securities laws through the settlement mechanism with SEBI during the three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

10. Our Equity Shares have not been suspended from trading as a disciplinary measure during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

11. There is no conflict of interest between the Lead Manager and our Company or its Group Companies in accordance with applicable regulations;

12. Our Promoters and Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR;

13. Our Promoters have undertaken and confirmed in relation to this Issue to subscribe on their own account, and not through any nominated entity or person to:

    a. the full extent of their Rights Entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations; and

    b. the full extent of any rights entitlement in the Issue that may be renounced in their favor by any of the members of the Promoter Group of the Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations.

    The Promoters have confirmed that such acquisition of Equity Shares will not result in a change of control or the management of the Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoters and Promoter Group of the Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

    Our Promoter Group, to the extent that they hold Equity Shares in the Company, undertake to either (i) subscribe on their account, and not through any nominated entity or person, to the full extent of their rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations, as amended; or (ii) renounce, any or all, of their rights entitlement in the Issue in favour of Wockhardt Limited. The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations.

    Any participation by our Promoters, over and above its Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

For subscription by our Promoters and details in relation to compliance with minimum public shareholding norms prescribed under the SCRR, please see the section entitled "*Capital Structure – Subscription to the Issue by the Promoters and the Promoter Group"* on page 53; and

14. There were no audit qualifications, in respect of the financial years for which accounts are disclosed in this Letter of Offer.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. The reports, statements and information referred to above are available on the websites of BSE and NSE;

3. Our Company's management has not undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the SEBI Takeover Regulations, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and

4. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

5. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, AMBIT PRIVATE LIMITED NAMELY HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S), HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 2022, WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOT APPLICABLE

(5) WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. NOT APPLICABLE

(6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. NOT APPLICABLE

(7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE

(8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER(S) TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE

(10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING SUPERIOR EQUITY SHARES. COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH

(11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE

(12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. NOT APPLICABLE

(13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH

(14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS INCLUDING SEBI CIRCULAR SEBI/HO/CFD/CIR/CFD/DIL/67/2020 DATED APRIL 21, 2020. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH

(15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH

(16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE COMPANY UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE

(17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from the Company and the Lead Manager

The Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by the Company or by any other persons at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to the Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

The Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is [●].

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to the Company, post scrutiny of the Letter of Offer prior to filing of the Letter of Offer is as under:

[●]

Disclaimer Clause of NSE

As required, a copy of the Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the Letter of Offer is as under:

[●]

Filing

This Letter of Offer is being filed with Stock Exchanges and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will, simultaneously, while filing this Letter of Offer with the Designated Stock Exchange do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process or the R-WAP process may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R-WAP, please see the section entitled see *"Terms of the Issue"* on page 237.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Link Intime India Private Limited

C-101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Tel: 022 4918 6200
E-mail: wockhardt.rights@linkintime.co.in
Investor Grievance e-mail: wockhardt.rights@linkintime.co.in
Contact person: Shanti Gopalkrishnan
URL of SEBI website:
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058

Company Secretary and Compliance Officer

Debashis Dey is the company secretary and compliance officer of the Company. His details are as follows:

Debashis Dey
Wockhardt Towers
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Maharashtra, India
Tel: 022-26596209
E-mail: Ddey@wockhardt.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID - 19 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.linkintime.co.in.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Securities pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at www.wockhardt.com;

(ii) the Registrar at www.linkintime.co.in;

(iii) the Lead Manager, i.e. Ambit Private Limited at https://www.ambit.co/; and

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com;

(v) the Registrar's web-based application platform at www.linkintime.co.in ("**R-WAP**").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.wockhardt.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Investors in this Issue, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.**

  The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled "- *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 250.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

(i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

(ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details, please see the section entitled "- ***Grounds for Technical Rejection*****" on page 246. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - please see the section entitled "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 242.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(c) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit Application Form using third party ASBA account.

- ***Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process***

In accordance with the SEBI Rights Issue Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

Resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the R-WAP:

(a) Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Rights Issue Circulars.

(b) Resident Investors should visit R-WAP (accessible at www.linkintime.co.in) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.

(c) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

(d) Investors should ensure that Application process is verified through the e-mail / phone/ mobile number or other means as applicable. Post due verification, Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.

(e) Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares applied for in the Issue.

(f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

(g) Verification, if any, in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

(h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account "[●] - Rights Issue - Escrow Collection Account – R" for resident investors or "[●]

- Rights Issue - Escrow Collection Account- NR" for non-resident investors opened by our Company with the Escrow Collection Bank(s).

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (www.linkintime.co.in.) or call helpline number (+91 (22) 4918 6200).

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, PLEASE SEE THE SECTION ENTITLED "*RISK FACTORS - THE R-WAP FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*" ON PAGE 42.

Do's for Investors applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

(b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.

(d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through R-WAP:

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Wockhardt Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹ [●] per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers*" on page 267, and shall include the following:

    "I/ We hereby make representations, warranties and agreements set forth in "Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers" on page 267 of the Letter of Offer.

    I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in the section entitled "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 242.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled "- *Basis of Allotment*" on page 256.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 242.

(d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, as amended.

(t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records.

(s) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

(i) Applications by non-resident Investors.

(ii) Payment from third party bank accounts.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see the section entitled "- *Procedure for Applications by Mutual Funds*" on page 249.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on R-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled "*Capital Structure – Subscription to the Issue by the Promoters and the Promoter Group*" on page 53.

- ***Procedure for Applications by certain categories of Investors***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. 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%.)

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies ("**NBFC-SI**")*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled "- *Basis of Allotment*" on page 256.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to wockhardt.rights@linkintime.co.in in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.wockhardt.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* https://linkintime.co.in/EmailReg/Email_Register.html). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the Investor Education and Protection Fund (IEPF) authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing

Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

  All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

  This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

  The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

  The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

  The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

  Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

  Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

  Payment Schedule of Rights Equity Shares

  ₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application.

  The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

  (a) On Market Renunciation

  The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

  In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is [●] Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

For details of mode of payment in case of Application through R-WAP, please see the section entitled "- *Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process*" on page 241.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see the section entitled "*The Issue*" on page 46.

- ***Fractional Entitlements***

  The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

  Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

  The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and

the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

  Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] and from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

  The existing Equity Shares are listed and traded on BSE (Scrip Code: 532300) and NSE (Scrip Code: WOCKPHARMA) under the ISIN: INE049B01025. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

  The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

  In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoters and members of the Promoter Group***

  For details of the intent and extent of subscription by our Promoters and members of the Promoter Group, please see the section entitled "*Capital Structure – Subscription to the Issue by the Promoters and the Promoter Group*" on page 53.

- ***Rights of Holders of Equity Shares of our Company***

  Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

  (a) The right to receive dividend, if declared;

  (b) The right to receive surplus on liquidation;

  (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

  (d) The right to free transferability of Rights Equity Shares;

  (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

  (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

  The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

  Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

  Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

  Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

  The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Notices***

  In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them

  All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered and Corporate Office is situated).

  This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

  As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.linkintime.co.in. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at wockhardt.rights@linkintime.co.in

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE THE SECTION ENTITLED "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 257.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of four days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

XI. PAYMENT OF REFUND

- ***Mode of making refunds***

  The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

  (a) Unblocking amounts blocked using ASBA facility.

  (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

  (c) **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

  (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

  (e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

  (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

  (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

- ***Refund payment to non-residents***

  The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the Rights Equity Shares in Dematerialized Form***

  PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

  Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

  a) Tripartite agreement dated June 16, 2000 amongst our Company, NSDL and the Registrar to the Issue; and

  b) Tripartite agreement dated June 10, 2000 amongst our Company, CDSL and the Registrar to the Issue

  INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

  The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

  1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

  2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

  3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

  4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

  5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.

3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

7) As on date the Company does not have any convertible debt instruments.

8) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Wockhardt Rights Issue- 2022" on the envelope and postmarked in India) to the Registrar at the following address:

   Link Intime India Private Limited

   C-101, 247 Park
   L.B.S. Marg, Vikhroli (West)
   Mumbai 400 083
   Tel: 022 4918 6200
   E-mail: wockhardt.rights@linkintime.co.in
   Investor Grievance e-mail: wockhardt.rights@linkintime.co.in
   Contact person: Shanti Gopalkrishnan
   URL of SEBI website:
   https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10
   Website: www.linkintime.co.in
   SEBI Registration No.: INR000004058

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91(22) 4918 6200.

4. The Investors can visit following links for the below-mentioned purposes:

   a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://www.linkintime.co.in

   b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://linkintime.co.in/EmailReg/Email_Register.html

   c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://www.linkintime.co.in

   d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: wockhardt.rights@linkintime.co.in

   This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board (FIPB). Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs through the FDI Circular 2020 (defined below).

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular. 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%.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India. If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Rights Entitlements may not be transferred or sold to any person outside India.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Australia

Except for current shareholders in the Company resident in Australia that have received this Letter of Offer from the Company, the provision of this Letter of Offer to any person in Australia does not constitute an offer of the Rights Equity Shares to that person or an invitation to that person to apply for Rights Equity Shares. Except for current shareholders in the Company, this Letter of Offer is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia. This Letter of Offer is not a disclosure document under Chapter 6D of the Corporations Act of Australia and it has not been lodged with the Australian Securities and Investments Commission. It is not required to, and does not, contain all the information which would be required in a disclosure document.

As per section 708 of the Corporations Act of Australia, current shareholders in the Company that are not sophisticated or professional investors for the purposes of section 708 of the Corporations Act of Australia may only subscribe for a maximum of A$2 million of Rights Equity Shares in total in the Issue.

Any person to whom Rights Equity Shares are issued must not, within 12 months after the date of allotment, offer, transfer or assign the Rights Equity Shares to any person in Australia except in circumstances where disclosure to investors is not required under the Corporations Act of Australia.

Bahrain

This Letter of Offer and the Rights Entitlements and the Rights Equity Shares that are offered pursuant to this Letter of Offer have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Letter of Offer, 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. This Letter of Offer is only intended for Accredited Investors as defined by the CBB and the securities offered by way of private placement may only be offered in minimum subscriptions of USD100,000 (or equivalent in other currencies). We will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Equity Shares and this Letter of Offer will not be issued to, passed

to, or made available to the public generally in the Kingdom of Bahrain. All marketing and offering of the Rights Equity Shares shall be made outside the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Letter of Offer and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of Rights Equity Shares.

British Virgin Islands

This Letter of Offer may not be and is not intended to be distributed to individuals in the British Virgin Islands. The Rights Equity Shares are being offered in the British Virgin Islands only to persons resident in the British Virgin Islands solely by virtue of being a company or a limited partnership incorporated or registered in the British Virgin Islands. Any person who is a member of the public in the British Virgin Islands (other than solely by virtue of being a company or a limited partnership incorporated or registered in the British Virgin Islands) or who receives this Letter of Offer in the British Virgin Islands (other than in the case of a person resident in the British Virgin Islands solely by virtue of being a company or a limited partnership incorporated or registered in the British Virgin Islands, at its registered office in the British Virgin Islands) should not act or rely on this Letter of Offer. Each person in the British Virgin Islands subscribing to Rights Equity Shares shall be deemed to represent and warrant that it is a company or a limited partnership incorporated or registered in the British Virgin Islands.

China

No action has been taken by the Company which would permit an offering of Rights Entitlements or the Rights Equity Shares or the distribution of this Letter of Offer in the People's Republic of China ("**PRC**"). This Letter of Offer may not be circulated or distributed in the PRC and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

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 Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights 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);
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an "offer to the public" in relation to any Rights Entitlement or Rights 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 Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares.

Except for each person who is not a qualified investor as defined in the Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in a Relevant State who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the Prospectus Regulation.

Hong Kong

This Letter of Offer has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Letter of Offer 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 Letter of Offer, they should obtain independent professional advice.

This Letter of Offer does not constitute an offer or invitation to the public in Hong Kong to acquire any Rights Entitlement or Rights Equity Shares nor an advertisement of the Rights Entitlement or Rights Equity Shares in Hong Kong. This Letter of Offer and any other Issue Materials must not be issued, circulated or distributed in Hong Kong other than to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**") and no more than 50 persons in Hong Kong who are not Professional Investors.

Except for each person who is not a Professional Investor and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in Hong Kong who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Professional Investor.

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 Rights Entitlement or Rights 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 Rights Entitlement or Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors and no more than 50 persons in Hong Kong who are not Professional Investors.

No person who has received a copy of this Letter of Offer may issue, circulate or distribute this Letter of Offer in Hong Kong or make or give a copy of this Letter of Offer to any other person.

No person allotted Rights Equity Shares may sell, or offer to sell, such Rights Equity Shares to the public in Hong Kong within six months following the date of issue of such Rights Equity Shares.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to no more than 49 investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any purchaser of the Rights Equity Shares in Japan who is not a Qualified Institutional Investor agrees that it shall not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident, other than in "a lump sum" to a single person; and (b) that it shall deliver a notification indicating (a) and (b) herein to the transferee of the Rights Equity Shares.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any Qualified Institutional Investor purchasing Rights Equity Share agree that it will not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident other than to another Qualified Institutional Investor.

Except for each person who is not a Qualified Institutional Investor and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in Japan who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Qualified Institutional Investor.

Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale 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 Rights Entitlements and the Equity Shares in 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 financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or 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 Rights Entitlements or the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Rights Entitlements and the Rights Equity Shares may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Letter of Offer has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Letter of Offer does not constitute a public offering. This Letter of Offer is for the exclusive use of the person to whom it has been given our Company and is a private concern between our Company and the recipient.

Singapore

This Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). The offer of Rights Entitlements and Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Eligible Equity Shareholders in Singapore may apply for additional Rights Equity Shares over and above their Rights Entitlements only (i) if they are 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) if they are 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) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Rights Equity Shares over and above their Rights Entitlements 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 such Rights 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 Rights Entitlements and the Rights 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).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights 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 our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights 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); or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company or the Lead Manager of 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 any Rights Entitlement or Rights Equity Shares in means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights 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.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, this Letter of Offer 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 (each such person being referred to as a "**Relevant Person**"). If you are not a Relevant Person, you should not take any action on the basis of this Letter of Offer and you should not act or rely on it or any of its contents. Except for each person who is not a Relevant Person and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of this Letter of Offer, the Rights Entitlement or Rights 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 Letter of Offer, the Rights Entitlement and the Rights Equity Shares has not been and will not be approved by the SCA and, as such, this Letter of Offer does not constitute an offer to the general public in the UAE to acquire any Rights Equity Shares. Except where the Promotion of this Letter of Offer, the Rights Entitlement and the Rights 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 Letter of Offer, the Rights Entitlement and the Rights 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 Letter of Offer and nor does any such entity accept any liability for the contents of this Letter of Offer.

Dubai International Financial Centre

The Rights Entitlement and the Rights 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 Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved this Letter of Offer nor taken steps to verify the information set out in it, and has no responsibility for it. Capitalised terms not otherwise defined in this subsection 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 Offer should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Preliminary Offering Memorandum, you should consult an authorised financial adviser.

United States

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the 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 Securities Act and applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold only outside the United States in offshore transactions as defined in and in reliance on Regulation S.

Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each

owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

2. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer;

3. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

4. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

5. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

6. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

7. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

8. Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

9. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) neither the Lead Manager nor any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager or any of its affiliates.

10. The purchaser will not hold our Company, the Lead Manager or its affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.

11. The purchaser understands and acknowledges that the Lead Manager is assisting our Company in respect of this Issue and that the Lead Manager is acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.

12. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.

13. The purchaser is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to the purchaser was made in reliance on Regulation S.

14. The purchaser was outside the United States at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and the purchaser was outside the United States when the purchaser's buy order for the Rights Equity Shares was originated.

15. The purchaser did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

16. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws;

17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

18. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Manager with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

19. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.

20. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.

21. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

22. The purchaser shall hold our Company and the 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 its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

23. The purchaser acknowledges that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by the Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated [●] between the Company and the Lead Manager.

2. Registrar Agreement dated [●] between the Company and the Registrar to the Issue.

3. Banker to the Issue Agreement dated [●] between the Company, the Lead Manager, Registrar and the Bankers to the Issue.

4. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of the Company as amended.

2. Certificate of Incorporation dated July 8, 1999 of the Company, and fresh certificate of incorporation consequent to change of name dated December 28, 1999.

3. Certificate of commencement of business issued to our Company on September 1, 1999.

4. Consents of the Directors, Company Secretary and Compliance Officer, the Statutory Auditors, Lead Manager, Bankers to the Issue, Legal Counsel to our Company as to Indian Law, Legal Counsel to the Lead Manager as to Indian Law, the Registrar to the Issue, and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.

5. The Audited Consolidated Financial Statements, the Unaudited Consolidated September Financial Results and Unaudited Consolidated December Financial Results and the review reports thereon, dated May 27, 2021, November 8, 2021 and January 27, 2022, respectively.

6. Resolutions of our Board of Directors dated January 6, 2022 in relation to this Issue and other related matters.

7. Resolution of the Capital Raising Committee dated [●] in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement Ratio.

8. Statement of possible special tax benefits under direct and indirect tax laws dated February 24, 2022 issued by B S R & Co. LLP, Chartered Accountants for the Company, its Material Subsidiaries, and shareholders.

9. Annual Reports of the Company for the Financial Years 2021, 2020, 2019, 2018 and 2017.

10. Report entitled "*Assessment of the global and Indian pharmaceuticals Industry*" dated February 2022 prepared by CRISIL and consent letter dated [●] issued by CRISIL in respect of such report.

11. Due Diligence Certificate dated [●] addressed to SEBI from the Lead Manager.

12. In-principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

13. Tripartite agreement dated June 16, 2000 amongst our Company, NSDL and the Registrar to the Issue.

14. Tripartite agreement dated June 10, 2000 amongst our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Habil Fakhruddin Khorakiwala

Founder and Executive Chairman

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Murtaza Habil Khorakiwala

Managing Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.
I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Huzaifa Habil Khorakiwala

Executive Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.
I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Zahabiya Habil Khorakiwala

Non-Executive Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Aman Mehta

Independent Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Davinder Singh Brar

Independent Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Sanjaya Baru

Independent Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Tasneem Mehta

Independent Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Vinesh Kumar Jairath

Independent Director

Date: [●]

Place: [●]

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SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Akhilesh Krishna Gupta

Independent Director

Date: [●]

Place: [●]

DECLARATION

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I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Rima Nayan Marphatia

Nominee Director

Date: [●]

Place: [●]