

INDEPENDENT AUDITOR'S REPORT

To the Members of Wockhardt Infrastructure Development Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material



misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal



financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;



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- e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year;

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 30 on Contingent Liabilities to the Ind AS financial statements;

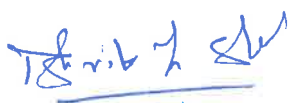
(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : April 26, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (b) During the year, Property, Plant and Equipment have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
 - (c) According to information and explanation given to us, the title deeds of immovable properties other than self constructed properties recorded as Property, Plant and Equipment in the books of account of the Company as on March 31, 2019 are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us there are no loans, investments, guarantees and securities. Accordingly, paragraph 3 (iv) of the Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii)
- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, customs duty, cess and any other material statutory dues applicable to it.

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

- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty which have not been deposited on account of any dispute.



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- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institution, bank, and government during the year. Further, there were no debenture holders.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, the Company has not paid any remuneration to its key managerial personnel. Therefore, paragraph 3(xi) of the order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable.
The details of the related party transactions have been disclosed in the Financial Statements as required under the Indian Accounting Standards (IndAS) 24, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Bhavik L. Shah

Partner

Membership No.122071

Mumbai

Date: April 26, 2019



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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



Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : April 26, 2019



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2019
 (All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Note Ref.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	22,314	21,887
Capital work-in-progress	2	-	857
Financial assets			
(i) Other non-current financial assets	3	-	187
Non-current tax assets (Net)		377	377
Other non-current assets	4	246	147
Total non-current assets		22,937	23,455
Current assets			
Inventories	5	5	5
Financial Assets			
(i) Trade receivables	6	1,750	368
(ii) Cash and cash equivalents	7	31	30
(iii) Bank balance (other than above)	8	217	21
(iv) Other current financial assets	9	-	-
Other current assets	10	6	8
Total current assets		2,009	432
TOTAL ASSETS		24,946	23,887
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	11	200	200
Other Equity	12	19,435	17,820
		19,635	18,020
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities (Net)	13	2,669	3,065
Other non-current liabilities	14	959	1,027
Total non-current liabilities		3,628	4,092
Current liabilities			
Financial Liabilities			
(i) Trade payables	15		
Due to Micro enterprises and Small enterprises		1	-
Due to Others		23	28
(ii) Other financial liabilities	16	782	735
Other current liabilities	17	732	914
Current tax Liabilities (Net)		145	98
Total current liabilities		1,683	1,775
TOTAL LIABILITIES		24,946	23,887

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

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Bhavik L. Shah

Bhavik L. Shah

Partner

Membership No. 122071



For and on behalf of the Board of Directors

M.H. Khorakiwala *Deepak Madnani*

M.H. Khorakiwala

Director

DIN: 00102650

Deepak Madnani

Director

DIN: 07679855

Place : Mumbai

Date : April 26, 2019

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019
 (All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Note Ref.	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from operations	18	3,372	3,654
Other Income	19	10	23
Total Revenue		3,382	3,677
EXPENSES			
Finance costs	20	38	64
Depreciation	2	429	404
Other Expenses	21	1,301	1,593
Total Expenses		1,768	2,061
Profit before exceptional items and tax		1,614	1,616
Exceptional Items		-	-
Profit before tax		1,614	1,616
Current tax- MAT payable		(395)	(392)
Deferred tax credit/(charge)	13	396	239
Net Profit after Tax		1,615	1,463
Other Comprehensive Income		-	-
Total Comprehensive Income		1,615	1,463
Earnings per equity share of face value of Rs. 10 each			
Basic (Rs.)	23	80.75	73.16
Diluted (Rs.)	23	80.75	73.16

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

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Bhavik L. Shah

Bhavik L. Shah

Partner

Membership No. 122071



For and on behalf of the Board of Directors

M.H. Khorakiwala

M.H. Khorakiwala

Director

DIN: 00102650

Deepak Madnani

Deepak Madnani

Director

DIN: 07679855

Place : Mumbai

Date : April 26, 2019

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019
 (All amounts in lakhs of Indian Rupees unless otherwise stated)

Equity Share Capital

As at April 01, 2017	Changes in equity share capital during the year	As at March 31, 2018	Changes in equity share capital during the year	As at March 31, 2019
200	-	200	-	200

Other equity

	Reserves & Surplus			
	Securities Premium	General Reserves	Other reserves	Retained Earnings
Balance as on April 01, 2017				16,357
Profit for the year				1,463
Other Comprehensive income for the year				-
Total Comprehensive Income				1,463
Balance as on April 01, 2018	-	-	-	17,820
Profit for the year	-	-	-	1,615
Other Comprehensive income for the year	-	-	-	-
Total Comprehensive Income				1,615
Balance as on March 31, 2019	-	-	-	19,435

As per our attached report of even date

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

Bhavik L. Shah

Bhavik L. Shah
 Partner
 Membership No. 122071



For and on behalf of the Board of Directors

M.H. Khorakiwala *Deepak Madnani*

M.H.Khorakiwala
 Director
 DIN: 00102650

Deepak Madnani
 Director
 DIN: 07679855

Place : Mumbai
 Date : April 26, 2019

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019
 (All amounts in lakhs of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation	1,614	1,616
Adjustments for:		
Depreciation	429	404
Liabilities no more payable	-	(1)
Loss on assets sold	2	-
Finance costs	38	64
Fair valuation impact on certain financial instruments	(64)	(64)
Interest income	(10)	(22)
Operating profit before Working Capital changes	2,009	1,997
Movement in working capital:		
(Increase)/Decrease in Inventories	-	5
(Increase)/Decrease in Trade receivables	(1,382)	(367)
(Increase)/Decrease in Loans and Advances and other assets	(103)	(1)
Increase/(Decrease) in Trade payables	(4)	(11)
Increase/(Decrease) in liabilities	(174)	(451)
Cash Generated from Operations	346	1,172
Income taxes paid	(348)	(239)
Net cash from/(used in) Operating Activities	(2)	933
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work in progress	-	(26)
Proceeds from sale of fixed assets	2	-
Margin money and Fixed deposits under lien	(9)	(21)
Interest received	10	18
Net cash from/(used in) Investing Activities	3	(29)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Proceeds from borrowings	-	1,183
Repayment of borrowings	-	(2,105)
Finance cost paid	-	(27)
Net cash used in Financing Activities	-	(949)
Net increase/(decrease) in Cash and cash equivalents	1	(45)
Cash and cash equivalents at beginning of year	30	75
Cash and cash equivalents at end of year (Refer note below)	31	30
Note:		
Component of cash and cash equivalents:		
Balance with banks:		
-on current account	31	30
	31	30

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

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : April 26, 2019



For and on behalf of the Board of Directors



M.H.Khorakiwala

Director

DIN: 00102650

Deepak Madnani

Director

DIN: 07679855

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

1. A. CORPORATE INFORMATION

Wockhardt Infrastructure Development Limited (the 'Company') is a public Company incorporated in India and has its registered office at Wockhardt towers, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra, India. The Company is the wholly owned subsidiary of Wockhardt Limited.

The Company is in the business of developing infrastructure at Special Economic Zone (SEZ) on leasehold land.

B. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the company.

c. Use of estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

Estimates and assumptions are required in particular for:

(i) Leasehold land:

The Company has entered into several arrangements for lease of land from Government entities and other parties. Significant judgement is involved in assessing whether such arrangements are in the nature of finance or operating lease. In making such an assessment, the Company considers various factors which includes whether the present value of minimum lease payments amounts to at least substantially all of the fair value of lease assets, renewal terms, purchase option,



sub-lease options etc. Based on evaluation of above factors, leases are evaluated on case to case basis for the purpose of treating as in the nature of finance lease.

- (ii) Useful life and residual value of property, plant and equipment and intangible assets:

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

d. Property, Plant and Equipment

- i) Recognition and Measurement

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

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

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

- ii) Subsequent expenditure

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

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



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

iii) Depreciation

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

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

<u>Assets</u>	<u>Estimated useful life</u>
Leasehold land	Over the period of lease
Buildings	30 years
Plant and Machinery	21 years
Furniture and Fixtures	16 years
Office Equipments	4 years
Information Technology Equipments	3 years

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

iv) Impairment of Assets

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

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

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

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



e. Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR.

Financing / Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date of capitalization of such assets. Capitalisation of borrowing cost is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

Other financing /borrowing costs are charged to the Statement of Profit and Loss.

f. Financial Instruments

I. Financial Assets

Classification

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

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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 EIR method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit



and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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

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

Equity investments

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

If the Company decides to classify an equity instrument as at FVTOCI, then 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 the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred



control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

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

b) Trade receivables.

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.



Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

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.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange 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.

III. Fair value:

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

- (A) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities which are listed in a recognized stock exchange.
- (B) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.
- (C) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

IV. Accounting for day 1 differences:

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

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



arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

In case the difference represents:

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

g. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of service is recognized on completion of rendering of services and the Company's performance obligations are satisfied.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Rental income from operating leases is recognized as income over lease term as per the agreed terms.

Interest income is recognized with reference to the EIR method. Dividend from investments is recognized as revenue when right to receive is established.

Land premium is recognized on straight line basis over the lease period.

h. Foreign Currency translation

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Foreign currency monetary items are reported using closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

i. Valuation of Inventories

Inventories of stores and spare parts (including fuel) are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.



j. Earnings per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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 events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

k. Income Tax

Tax expense comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or OCI. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year.

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

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

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

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



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

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

I. 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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realized.

m. Cash Flow statement

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



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

2. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block			Accumulated depreciation			Net Block		
	As at 1.4.2018	Additions	Deductions /other adjustments	As at 31.3.2019	As at 1.4.2018	For the year	Deductions/ Other Adjustments	As at 31.3.2019	As at 31.3.2018
Leasehold land	18,190	-	-	18,190	642	214	-	856	17,334
Buildings	3,744	833	-	4,577	724	114	-	838	3,020
Plant and Equipment	1,760	16	6	1,770	534	84	2	616	1,226
Furniture and Fixtures	46	7	-	53	5	3	-	8	41
Office equipment	57	3	-	60	5	14	-	19	52
Information Technology Equipments	13	1	-	14	13	-	-	13	-
TOTAL	23,810	860	6	24,664	1,923	429	2	2,350	21,887
Capital work-in-progress	857	-	857	-	-	-	-	-	857

PARTICULARS	Gross Block			Accumulated depreciation			Net Block		
	As at 1.4.2017	Additions	Deductions /other adjustments	As at 31.3.2018	As at 1.4.2017	For the year	Deductions/ Other Adjustments	As at 31.3.2018	As at 31.3.2017
Leasehold land	18,190	-	-	18,190	428	214	-	642	17,548
Buildings	3,099	645	-	3,744	618	106	-	724	3,020
Plant and Equipment	1,617	143	-	1,760	456	78	-	534	1,226
Furniture and Fixtures	12	34	-	46	3	2	-	5	9
Office equipment	1	56	-	57	1	4	-	5	52
Information Technology Equipments	13	-	-	13	13	-	-	13	-
TOTAL	22,932	878	-	23,810	1,519	404	-	1,923	21,413
Capital work-in-progress	1,733	3	879	857	-	-	-	-	1,733



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

	As at March 31, 2019	As at March 31, 2018
3. OTHER NON-CURRENT FINANCIAL ASSETS		
Margin money (under Lien)	-	187
	-	187
4. OTHER NON-CURRENT ASSETS		
Capital Advances		
Unsecured, considered good* (* Rs. 20,000 during current year)	-	6
	-	6
Security Deposits		
Unsecured, considered good	246	141
	246	141
TOTAL	246	147

5. INVENTORIES

Stores and spares and fuel	5	5
	5	5

Note:

a) Inventories of stores and spare parts and fuel are valued at lower of cost or net realizable value.

6. TRADE RECEIVABLES

Unsecured, considered good - Refer note 22 for related party balances	1750	368
Unsecured, credit impaired	78	78
Less: Allowance for credit loss (Refer note below)	(78)	(78)
TOTAL	1750	368

Note:

The above sundry debtors, for which a provision has been made during the year 2000-2001, is subject to the RBI approval for a write off, and hence no further adjustment has been made for exchange fluctuations.



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

	As at March 31, 2019	As at March 31, 2018
7. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents		
Balances with banks		
On current account	31	30
	<u>31</u>	<u>30</u>
8. OTHER BANK BALANCES		
Deposits with maturity of 12 months	11	11
Margin money (under lien)	206	10
	<u>217</u>	<u>21</u>
TOTAL	<u>248</u>	<u>51</u>
9. OTHER CURRENT FINANCIAL ASSETS		
Accrued income *	-	-
TOTAL	<u>-</u>	<u>-</u>
* Accrued income Rs. 44,019 (Previous year - Rs. 41,917)		
10. OTHER CURRENT ASSETS		
Balances with statutory/government authorities	2	2
Other short term loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	4	6
TOTAL	<u>6</u>	<u>8</u>



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

11. EQUITY SHARE CAPITAL

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
AUTHORISED				
Equity shares of Rs. 10 each	2,500,000	250	2,500,000	250
		<u>250</u>		<u>250</u>
ISSUED, SUBSCRIBED AND PAID UP				
Equity shares of Rs. 10 each fully paid up:	2,000,000	200	2,000,000	200
	<u>2,000,000</u>	<u>200</u>	<u>2,000,000</u>	<u>200</u>
TOTAL				

Notes:

a) The above 2,000,000 (Previous Year - 2,000,000) equity shares are held by Wockhardt Limited, the holding company including 6 fully paid up shares of par value held in the name of the nominee of the Company.

	Number of shares		Amount	
	beginning	and at the end of year	beginning	and at the end of year
Shares outstanding at the beginning of the year	2,000,000	2,000,000	200.00	200.00
Add: Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>2,000,000</u>	<u>2,000,000</u>	<u>200.00</u>	<u>200.00</u>

c) Terms /rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10 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.



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

	As at March 31, 2019	As at March 31, 2018
12. OTHER EQUITY		
Retained Earnings		
Opening balance	17,820	16,357
Add: Profit for the year	1,615	1,463
Closing Balance	<u>19,435</u>	<u>17,820</u>
TOTAL	<u>19,435</u>	<u>17,820</u>



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

13. INCOME TAX

(a) Amounts recognised in profit and loss

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax (charge)/credit	(395)	(392)
Deferred income tax asset/(liability), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) Credit entitlement	396	182
Reduction/(Increase) in tax rate	-	57
Deferred tax credit/(charge)	396	239
Tax (expense)/credit for the year	1	(153)

(b) Reconciliation of effective tax rate

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	1,614	1,616
Tax using the Company's domestic tax rate (Current year- 29.12% and Previous year- 29.12%)	470	471
Non-deductible/chargeable tax expense/(income)	(7)	(2)
Truing up effect on fair value of leasehold land for rate change	-	210
Profits from exempted tax units	(476)	(480)
Difference in tax rate for depreciation on leasehold land	12	12
Difference in tax rate on interest income	-	(1)
Rate change impact	-	(57)
	(1)	153
Effective tax rate for the year	-0.06%	9.48%



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

13. INCOME TAX

(c) Movement in deferred tax balances

	Net balance April 01, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	March 31, 2019		
					Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
					INR	INR	INR
Deferred tax asset/(liabilities)							
Property, plant and equipment	(4,281)	4	-	-	(4,277)	-	(4,277)
Other items	90	-	-	-	90	90	-
Tax assets (Liabilities)	(4,191)	4	-	-	(4,187)	90	(4,277)
Minimum Alternate Tax (MAT) credit entitlement	1,126	392	-	-	1,518	1,518	-
Net tax assets/(Liabilities)	(3,065)	396	-	-	(2,669)	1,608	(4,277)

(d) Movement in deferred tax balances

	Net balance April 01, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	March 31, 2018		
					Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
					INR	INR	INR
Deferred tax asset/(liabilities)							
Property, plant and equipment	(4,151)	(130)	-	-	(4,281)	-	(4,281)
Other items	107	(17)	-	-	90	90	-
Tax assets (Liabilities)	(4,044)	(147)	-	-	(4,191)	90	(4,281)
Minimum Alternate Tax (MAT) credit entitlement	740	386	-	-	1,126	1,126	-
Net tax assets/(Liabilities)	(3,304)	239	-	-	(3,065)	1,216	(4,281)

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

Minimum Alternative Tax (MAT credit) balance as on March 31, 2019 amounts to Rs. 1,518 lakhs (Previous year - 1,126 lakhs). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

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.

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.



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

	As at March 31, 2019	As at March 31, 2018
14. OTHER NON-CURRENT LIABILITIES		
Income received in advance (including land premium)	959	1,027
TOTAL	<u>959</u>	<u>1,027</u>



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

All amounts in lakhs of Indian Rupees unless otherwise stated

	As at March 31, 2019	As at March 31, 2018
15. TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises;	1	-
Others	23	28
TOTAL	24	28

DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:

a) Principal amount due to suppliers under MSMED Act, 2006	1	-
b) Interest accrued, due to suppliers under MSMED Act on the above amount. and unpaid	-	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	-	-

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

16. OTHER FINANCIAL LIABILITIES

Deposits payable	504	467
Other payables		
Other payable for expenses/capex	278	268
TOTAL	782	735

17. OTHER CURRENT LIABILITIES

Income received in advance	68	467
Payable for Statutory liabilities	664	447
	732	914



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

	For the year ended March 31, 2019	For the year ended March 31, 2018
18. REVENUE FROM OPERATIONS		
Lease rent	1,589	1,595
Income from Utility and Facility Services	1,783	2,059
TOTAL	3,372	3,654
19. OTHER INCOME		
Interest income	10	22
Liability no more payable	-	1
TOTAL	10	23
20. FINANCE COSTS		
Interest expense	38	64
TOTAL	38	64
21. OTHER EXPENSES		
Power and fuel	853	817
Rates and taxes	216	538
Repairs and maintenance		
-to Building	24	17
-to Plant and machinery	-	-
Water Charges	101	100
Security Charges	60	54
Effluent treatment	18	18
Miscellaneous expenses	29	49
TOTAL	1,301	1,593



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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22. RELATED PARTY DISCLOSURES:

- Holding Company: Wockhardt Limited
- Parties where control exists: H.F.Khorakiwala
- Key managerial personnel: Dr. Murtaza Habil Khorakiwala- Non-Executive Director
Mr. Deepak Madnani - Non-Executive Director
Mr. Shahnawaz Khan - Non-Executive Director (upto April 30, 2018)
Ms. Vijaya Nair - Non-Executive Director (Director appointed w.e.f April 25, 2018)

Related Party Transactions:

(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties)

- Loan taken from holding company Rs. Nil (Previous Year – Rs. 1,183 lakhs)
- Repayment of Loan of holding company Rs. Nil (Previous Year – Rs. 2,105 lakhs)
- Income from Utility and Facility Services from Holding Company Rs. 1,783 lakhs (Previous Year – Rs. 2,059 lakhs)
- Lease rent income (including land premium) from holding company Rs. 1,526 lakhs (Previous Year – Rs. 1,531 lakhs)
- Interest on loan taken from holding company Rs. Nil (Previous Year– Rs. 27 lakhs)

Related Party Balances:

(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties. Where such amounts are different from carrying amount as per Ind AS Financial Statement, their carrying amounts have been disclosed additionally)

- Payable to holding company (Net) Rs. Nil (Previous Year– Rs. 32 lakhs)
- Receivable from holding company Rs.1,748 lakhs (Previous Year- Rs. Nil)
- Security deposit payable to holding company :

Amount in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Transaction value	1,685	1,685
Ind AS adjustment	(1,181)	(1,218)
Balance as per Balance sheet	504	467



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

23. EARNINGS PER SHARE (EPS):

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax	1,615	1,463
Number of Equity Shares	2,000,000	2,000,000
Earnings per share (face value Rs. 10 each)		
Basic/ Diluted Rs.	80.75	73.16

24. AUDITORS' REMUNERATION

Audit fees	2	2
Tax Audit fees	2	2
	<u>4</u>	<u>4</u>

25. Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 20 lakhs (Previous Year – Rs. 19 lakhs) after deducting advance on capital account of Rs. Nil * (Previous Year – Rs. 6 lakhs).
*Rs. 20,000

26. As part of Corporate Social Responsibility (CSR) the Company is required to spend Rs. 25 lakhs during the year (Previous Year - Rs. 21 lakhs). As against this, the Company couldn't spent this amount during the year including previous year on CSR activities. However, the company stand committed to spend the requisite amount on CSR activities in forthcoming year. The Company's holding company Wockhardt Limited spent Rs. 421 lakhs (Previous year - Rs. 467 lakhs) as against requirement of Rs. 62 lakhs (Previous year - Rs. Nil)



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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27. 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.

March 31, 2019	Carrying amount			Total	Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost		Total
Assets					
Other Non-Current Financial Assets	-	-	-	-	-
Trade receivables	-	-	1,750	1,750	1,750
Cash and cash equivalents	-	-	31	31	31
Bank balance (other than above)	-	-	217	217	217
Other Current Financial Assets	-	-	-	-	-
Total	-	-	1,998	1,998	1,998
Liabilities					
Trade payables	-	-	24	24	24
Others	-	-	782	782	874
Total	-	-	806	806	898

March 31, 2019	Fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets				
Total	-	-	-	-
Liabilities				
Others	-	874	-	874
Total	-	874	-	874



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

27. FINANCIAL INSTRUMENTS - FAIR VALUES (Continued...)

March 31, 2018	Carrying amount			Total	Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost		
Assets					
Other Non-Current Financial Assets	-	-	187	187	187
Trade receivables	-	-	368	368	368
Cash and cash equivalents	-	-	30	30	30
Bank balance (other than above)	-	-	21	21	21
Other Current Financial Assets	-	-	-	-	-
Total	-	-	606	606	606
Liabilities					
Trade payables	-	-	28	28	28
Others	-	-	735	735	880
Total	-	-	763	763	908

March 31, 2018	Fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets				
Total	-	-	-	-
Liabilities				
Others	-	880	-	880
Total	-	880	-	880



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

27. FINANCIAL INSTRUMENTS - FAIR VALUES (Continued...)

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 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
Security deposit received against lease	Discounted cash flows: The valuation model considers the present value of expected payment discounted using appropriate discounting rates.



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

28. FINANCIAL RISK MANAGEMENT

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

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

Risk management framework

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

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 limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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28. FINANCIAL RISK MANAGEMENT (continued)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has major transactions with the holding company. The amount outstanding as at March 31, 2019 is Rs. 1,748 lakhs (Previous year- Rs. 368 lakhs).

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

	March 31, 2019	March 31, 2018
Balance as at April 1	78	78
Impairment loss recognised	-	-
Bad debts	-	-
Balance as at March 31	78	78

Cash and bank balances

The Company held Cash and bank balances of Rs. 248 lakhs at March 31, 2019 (Previous year - Rs. 51 lakhs). These balances are held with bank and financial institution counterparties with good credit rating.

Others

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



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

All amounts in lakhs of Indian Rupees unless otherwise stated

28. FINANCIAL RISK MANAGEMENT (continued)**ii. Liquidity risk**

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

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

Contractual cash flows

March 31, 2019	Carrying amount	Total	0-12 months	1- 5 years	More than 5 years
Non-derivative financial liabilities					
Trade payable and other Financial Liabilities	806	1,987	302	1,638	47
	806	1,987	302	1,638	47

Contractual cash flows

March 31, 2018	Carrying amount	Total	0-12 months	1- 5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings (including interest)	-	-	-	-	-
Trade payable and other Financial Liabilities	763	1,982	296	39	1,647
	763	1,982	296	39	1,647



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

28. FINANCIAL RISK MANAGEMENT (continued)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Company is exposed can be classified as Currency risk and Interest rate risk. The Company does not have any currency risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant dependence on interest bearing loans, the exposure to risk of changes in market interest rates is minimal. The Company presently has no borrowings.

29. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain shareholders and creditor confidence and to sustain future development of the business. The primary objective of the company's management is to maximise the shareholder value.

The company has adequate cash and bank balances and continues to remain debt-free. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements.



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

30. Contingent Liabilities : Rs. Nil (Previous Year– Rs. Nil).
31. Since the Company is operating under single segment as developer of SEZ and is operating in single geographical segment, hence the disclosure of reportable Segment in accordance with Indian Accounting Standard (Ind AS-108) “Operating Segments” is not applicable.
32. The Company has entered into finance lease for land for a period of 95 years. The lease can be extended for further 95 years. The Company has sub-leased certain portion of the land which is cancellable. These sub leases are for a period of 10 to 30 years and are renewable by mutual consent on mutually agreeable terms. Except for the initial payment there are no material annual payments for the aforesaid leasehold land obtained.
33. On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.
The Company continues to evaluate the impact of the New Lease Standard on the lease arrangements and shall determine the appropriate transition option once the said evaluation is completed.



WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts in lakhs of Indian Rupees unless otherwise stated

34. There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.
35. Previous year figures have been regrouped where necessary to conform to current year's classification.

As per our attached report of even date

For and on behalf of Board of Directors

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Bhavik L. Shah
Partner
Membership No. 122071



M.H. Khorakiwala
Director
DIN: 00102650



Deepak Madnani
Director
DIN: 07679855

Place: Mumbai

Date: April 26, 2019