



## REPORT OF THE AUDIT COMMITTEE OF WOCKHARDT LIMITED

### PRESENT

1. Shekhar Datta - Chairman
2. R. A. Shah – Member
3. Aman Mehta – Member
4. Davinder Singh Brar – Member
5. Dr. Sanjaya Baru - Member

### IN ATTENDANCE

1. Mr. Manas Datta – Chief Financial Officer
2. Mr. Nimesh Shah – Company Secretary

1. The Company has placed before the Audit Committee a draft Scheme of Amalgamation of Wockhardt Biopharm Limited Limited ('WBL') and Vinton Healthcare Limited ('VHL') ("**Transferor Companies**") with Wockhardt Limited ('WL'/ Transferee Company') for recommendation of the draft scheme by the Audit Committee to the Board of Directors as required vide SEBI circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 and SEBI circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 ('together the "SEBI Circulars)').

The Audit Committee pursuant to requirements set out in the abovementioned SEBI Circulars and after considering the following documents:

- i. Draft Scheme of Amalgamation;
- ii. Valuation report dated 10<sup>th</sup> September 2014 issued by KPB & Associates, Independent Chartered Accountants.
- iii. Fairness Opinion dated 12<sup>th</sup> September 2014 by Arihant Capital Markets Limited, Merchant Banker.

hereby reports:

that the proposed amalgamation of the Transferor Companies envisaged in this Scheme would be beneficial to the Transferee Company and all the stakeholders.

2. The Audit Committee has noted that:

- i. Transferee Company is engaged in pharmaceuticals business. Amalgamation of the Transferor Companies would aid in consolidation of business operations in a single entity which will provide synergy benefits, attain efficiencies and reduce overall cost.
- ii. Amalgamation of the Transferor Companies with the Transferee Company would inter alia have the following benefits:

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For WOCKHARDT LIMITED

  
Nimesh S. Shah  
Company Secretary

- Simplified corporate structure and improved management;
  - Rationalization of administrative, operative and marketing cost;
  - Post the amalgamation of WBL and VHL with WL, WBL and VHL will be dissolved. Consequently, there would be less regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings etc and therefore reduction in administrative costs;
- iii. The Audit Committee approved and recommended the Valuation Report along with the Fairness Opinion and the fact that no shares of the Transferee Company will be issued and allotted pursuant to the proposed Scheme since the entire paid up capital of WBL and VHL is wholly owned by the WL, the Transferee Company.
- iv. In any case, the entire equity shareholding of the WBL and VHL is held by WL, the Transferee Company and therefore as an internal group restructuring, it does not adversely affect the stakeholders and creditors of the Transferee Company and the Transferor Companies.
3. In light of the foregoing, the Audit Committee recommends the draft scheme for favourable consideration by the Board of Directors, stock exchange(s) and the SEBI.

Date: September 15, 2014  
Place: Mumbai



**(Mr. Shekhar Datta)**  
**Chairman of Audit Committee**