

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wockhardt Europe Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Wockhardt Europe Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India to the extent considered necessary for the purpose of preparation of consolidated financial statements of Wockhardt Limited. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India to the extent considered necessary for the purpose of preparation of consolidated financial statements of Wockhardt Limited, of the state of affairs of the Company as at March 31, 2016 and its loss for the year ended on that date.

Report on Other requirements

We further report as under:

- 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 relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained.
- d. The Company does not have any pending litigations which would impact its financial position.
- e. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.

Other Matter

This report has been prepared only for the Board of Directors of the Company for the purpose of preparation of consolidated financial statements of Wockhardt Limited, the holding company. We do not accept or assume responsibility for any other purpose.

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

Bhavik L. Shah
Partner
Membership No.122071

Place: Mumbai
Date: April 26, 2016

WOCKHARDT EUROPE LIMITED

BALANCE SHEET AS AT MARCH 31, 2016
(All amounts in Sterling Pounds)

	Schedules	As at 31.03.2016	As at 31.03.2015
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	3	1,307,368	1,307,368
RESERVES & SURPLUS			
	4	(296,000)	(291,290)
Total		1,011,368	1,016,078
 <u>APPLICATION OF FUNDS</u>			
INVESTMENTS			
	2(c) & 5	45,592	45,592
CURRENT ASSETS, LOANS AND ADVANCES			
Bank balances		20,511	22,065
Loans and Advances	6	950,000	950,000
		970,511	972,065
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	2(e) & 7	4,735	1,579
NET CURRENT ASSETS		965,776	970,486
Total		1,011,368	1,016,078

Significant accounting policies

2

The Schedules from 1 to 8 form an integral part of the Financial statements

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of directors

Wockhardt Europe Limited

Bhavik L. Shah

Partner

Membership No.122071

Place : Mumbai

Date: April 26, 2016

Ajay Sahni

Director

Place: Zug

Date: April 26, 2016

Sirjiwan Singh

Director

Place: Wrexham

Date: April 26, 2016

WOCKHARDT EUROPE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts in Sterling Pounds)

	Schedules	For the year ended 31.03.2016	For the year ended 31.03.2015
INCOME			
Interest Income	2(d)	-	-
		<u>-</u>	<u>-</u>
EXPENDITURE			
Audit Fees		1,560	1,579
Legal and Professional fees		3,175	2,825
Bank charges		47	48
Foreign Exchange (Gain)/Loss		(72)	41
		<u>4,710</u>	<u>4,493</u>
NET PROFIT/(LOSS)FOR THE YEAR		(4,710)	(4,493)
Balance brought forward		<u>(1,855,809)</u>	<u>(1,851,316)</u>
Profit/(Loss) available for Appropriation		<u>(1,860,519)</u>	<u>(1,855,809)</u>
APPROPRIATIONS			
Balance carried to Balance Sheet		<u>(1,860,519)</u>	<u>(1,855,809)</u>
		<u>(1,860,519)</u>	<u>(1,855,809)</u>

Significant accounting policies

2

The schedules from 1 to 8 form an integral part of the Financial statements.

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of directors

Wockhardt Europe Limited

Bhavik L. Shah

Partner

Membership No.122071

Place : Mumbai

Date: April 26, 2016

Ajay Sahni

Director

Place: Zug

Date: April 26, 2016

Sirjiwan Singh

Director

Place: Wrexham

Date: April 26, 2016

WOCKHARDT EUROPE LIMITED
NOTES TO ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2016

(All amounts in Sterling Pounds, unless otherwise stated)

1. Background

Wockhardt Europe Limited ('WEL' or 'Company') is a subsidiary of Wockhardt Limited. WEL is a non-resident Company registered in British Virgin Islands under the BVI Business Companies Act, 2004.

2. Summary of significant accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India.

The Company's net-worth has been eroded. The promoters of the Company are committed to meet the liabilities and hence the accounts have been prepared under going concern basis.

The format and content of these financial statements has been prepared solely for the purpose of consolidation into financial statements of Wockhardt Limited, the holding company and accordingly, contains only limited disclosures.

The significant accounting policies are as follows:

(a) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets.

(b) Foreign currency transactions

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.

(c) Investments

Long-term investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments.

(d) Revenue recognition

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

(e) Provisions

A provision is recognized when an enterprise has present obligation as a result of past event and 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 as at the balance sheet date. These are reviewed as at the balance sheet date and adjusted to reflect the current best estimates.

(f) Taxes

As per current law, there is no income tax payable by the Company in British Virgin Islands.

WOCKHARDT EUROPE LIMITED
SCHEDULES TO ACCOUNTS

As at
31.03.2016 **As at**
31.03.2015

3. Share Capital

Authorised Share Capital

20,000,000 Ordinary shares of £1 each

20,000,000

20,000,000

Issued, subscribed and fully paid

1,307,368 (Previous Year - 1,307,368) Ordinary shares of £1 each, fully paid-up

1,307,368

1,307,368

The above 1,307,368 (Previous Year - 1,307,368) equity shares are held by Wockhardt Limited, the Holding Company including two fully paid shares of par value held in the name of the nominees of the Company.

4. Reserves and Surplus

Capital Reserve

1,564,519

1,564,519

Profit and loss account

(1,860,519)

(1,855,809)

(296,000)

(291,290)

**WOCKHARDT EUROPE LIMITED
SCHEDULES TO ACCOUNTS**

	As at 31.03.2016	As at 31.03.2015
5. Investments		
In Subsidiaries - Unquoted		
1,500,000 (Previous Year- 1,500,000) equity shares of Wockhardt Nigeria Limited of 10 Naira each fully paid-up (including 1 share held in the name of the nominee of the Company)	45,592	45,592
87,023 (Previous Year - 87,023) equity shares of Wockhardt Farmaceutica Do Brazil Ltda of Brazilian Ria 1 each fully paid-up	14,898	14,898
	<u>60,490</u>	<u>60,490</u>
Less: Diminution in investment	14,898	14,898
	<u>45,592</u>	<u>45,592</u>
6. Loans and Advances		
Loan to fellow subsidiary	950,000	950,000
	<u>950,000</u>	<u>950,000</u>
7. Current liabilities and provisions		
Accrued Liabilities	4,735	1,579
	<u>4,735</u>	<u>1,579</u>

8. Previous year figures have been regrouped to conform to current year presentation.

As per our attached report of even date

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

For and on behalf of the Board of Directors

Bhavik L. Shah
Partner
Membership No.122071
Place : Mumbai
Date: April 26, 2016

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