

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wockhardt Holding Corp.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Wockhardt Holding Corp ("the Company") and its subsidiaries, hereinafter referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated 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

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position and consolidated financial performance of the Group in accordance with 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

3. 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 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 management, 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

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 consolidated state of affairs of the Group as at March 31, 2015 and its consolidated profit for the year ended on that date.

Report on Other requirements

5. We further report as under:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
- iii. The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- iv. The consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group - Refer Note 24 to the consolidated financial statements.
- v. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

Other Matter

6. 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 ultimate holding company. We do not accept or assume responsibility for any other purpose.

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

Bhavik L. Shah
Partner
Membership No.122071
Place: Mumbai
Date : May 5th, 2015.

Wockhardt Holding Corp
Notes to Consolidated Accounts
For The Year Ended March 31, 2015.

1) Background

Wockhardt Holding Corp. (“the Company”) was incorporated on 17th October, 2007. The Company is a wholly owned subsidiary of Wockhardt Bio AG (formerly known as Wockhardt EU Operations (Swiss) AG).

The Company is the holding Company of Morton Grove Pharmaceuticals Inc., which is engaged in the manufacture of pharmaceutical products on behalf of Wockhardt Bio AG.

MGP Inc and Wockhardt USA LLC are the wholly owned subsidiaries of Morton Grove Pharmaceuticals Inc. Wockhardt USA LLC was incorporated on 26th February, 2004. On 3rd October, 2008, the status of the Company has changed from Corporation to Limited Liability Company pursuant to section 266 of the General Corporation Law of the state of Delaware, as amended, and section 18-214 of the Delaware Limited Liability Company Act. The Company is primarily engaged in the business of marketing and distribution of pharmaceutical products in the U.S. markets. MGP Inc conducts Research and Development activity for Wockhardt Bio AG.

Accordingly, the Company together with its subsidiaries Morton Grove Pharmaceuticals Inc., MGP Inc and Wockhardt USA LLC constitute the Group for the purpose of consolidation.

2) Basis of Consolidation

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the financial statements of Wockhardt Holding Corp and its subsidiaries using uniform accounting policies for like transactions and other events in similar circumstances. All material inter-company balances and transactions are eliminated on consolidation.

3) Summary of Group’s significant accounting policies:

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in India. The significant accounting policies of the Group are as follows:

a) Revenue Recognition

Revenue is recognized at the time product is shipped by the Company, which is when title passes. Allowances for discounts, chargebacks, and rebates are recognized in the same period as the related sales. A significant portion of product is distributed by

independent pharmaceutical wholesalers; when a sale is initially recorded to a wholesaler, the sale and resulting receivable are recorded at list price. However, experience indicates that most of these selling prices will eventually be reduced to a lower, end-user contract price.

Therefore, at the time of the sale, a contra asset is recorded for, and revenue is reduced by, the difference between the list price and the estimated average end-user contract price. When the wholesaler ultimately sells the product, the wholesaler charges the Company (chargeback) for the difference between the list price and the end-user contract price, and such chargeback is offset against the initial estimated contra asset

Additionally, the Company also issues rebates to its customers based on the amount of purchases a customer has made or the amount of product that has been sold by its customer. Estimated rebates are accrued as a contra asset and reduce revenues at the time of the initial sale, and are generally paid on a monthly basis. Accounts receivable are presented net of such allowances. The Company also issues rebates to various states after the Company's products are sold to Medicaid patients. These rebates are classified in accrued liabilities.

To control credit exposure, the Company routinely monitors the creditworthiness of its customers, reviews outstanding customer balances on a regular basis, and records allowances for bad debts as necessary. Additionally, the Company evaluates the collectibility of its accounts receivable based on the length of time the receivable is past due and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged off against the allowance account when they are deemed uncollectible. The Company does not require customers to maintain collateral.

b) Inventories

In case of Morton Grove Pharmaceuticals Inc., inventories, which consist primarily of finished goods and raw materials, are valued at cost or net realizable value, whichever is lower. Cost is determined on First-In, First-Out Method (FIFO), where as in the case of Wockhardt USA LLC. inventories of traded products are valued at lower of moving average cost and net realizable value.

c) Fixed Assets and Depreciation / Amortisation

Tangible Assets:

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

Depreciation / Amortisation:

Depreciation is determined on the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	20 to 33 years
Machinery and equipment	4 to 23 years
Office equipment and furniture	4 to 20 years
Vehicle	5 to 7 years
IT Equipments	3 to 10 years

Intangible Assets:

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

The cost relating to intangibles assets which are acquired, are capitalized and amortised on a straight line basis upto the period of ten years, which is based on their estimated useful life.

Goodwill is on account of acquisition of Morton Grove Pharmaceuticals Inc and its subsidiaries. Goodwill is tested for impairment at each balance sheet date.

d) Research and Development (R&D)

Research and Development expenses are expensed as incurred.

e) Operating Lease

Operating lease payments are recognized as an expense in the Statement of Profit & Loss over the lease term.

f) Employee Benefits

The Company has a defined contributions savings and retirement 401(k) plan, which covers substantially all employees. The 401(k) retirement savings plan gives employees the opportunity to fund their retirement with “pre tax” dollars. MGP matches employees’ contribution with 75 cents for each dollar the employee contributes and Wockhardt USA matches employees’ contribution with 1 dollar for each dollar the employee contributes. The maximum match is 6 percent of employees’ pay. The assets of the plan are held separately from those of the Company in an independently administered fund.

g) Foreign Currency transactions

Foreign Currency transactions during the year are recorded at rates of exchange prevailing on the date of the transaction. Foreign Currency denominated assets and liabilities are translated into United States Dollars at the rates of exchange prevailing on

the date of the balance sheet. All the exchange differences are dealt with in the Statement of Profit and Loss.

h) Provisions

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.

i) Taxes

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax rules as applicable to the financial year. The Company uses liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between tax on accounting profit and tax as per income tax law in force when the differences are anticipated to reverse.

WOCKHARDT HOLDING CORP.

Consolidated Balance Sheet as at March 31, 2015
(All amounts in United States Dollars)

	Notes	As at 31.3.2015	As at 31.3.2014
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	4	1,100	1,100
Reserves and Surplus	5	6,19,63,996	5,53,92,196
UNSECURED LOANS			
	6	-	1,15,00,000
		6,19,65,096	6,68,93,296
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	7	5,72,70,779	5,37,47,202
Less : Accumulated Depreciation		(2,39,35,699)	(2,18,30,889)
Net Block		3,33,35,080	3,19,16,313
Capital Work in Progress, including capital advances		1,93,93,671	1,43,28,683
		5,27,28,751	4,62,44,996
DEFERRED TAX ASSET			
	8	1,37,16,410	2,28,83,249
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	9	3,21,06,041	2,29,73,083
Sundry Debtors	10	4,32,64,643	1,91,75,501
Cash and Bank balances	11	1,61,51,317	9,37,79,680
Loans and Advances	12	1,06,73,727	61,06,858
	[A]	10,21,95,728	14,20,35,122
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	13	10,65,51,793	14,41,46,070
Provisions		1,24,000	1,24,000
	[B]	10,66,75,793	14,42,70,070
NET CURRENT ASSETS	[A] - [B]	(44,80,065)	(22,34,949)
Total		6,19,65,096	6,68,93,296
Significant Accounting Policies	3		
The Notes 1 to 27 form an integral part of the Balance Sheet As per our attached report of even date			
For Haribhakti & Co. LLP Chartered Accountants Firm Registration No. 103523W		For and on behalf of Board of Directors	
Bhavik L. Shah Partner Membership No. 122071		Director	

Place: Mumbai
Date: May 5, 2015

WOCKHARDT HOLDING CORP.

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(All amounts in United States Dollars)

	Notes	For the year ended 31.3.2015	For the year ended 31.3.2014
INCOME			
Sale of products		23,58,93,821	40,59,76,175
Service Income - Research & Development		64,54,143	47,69,602
Other income	14	8,46,780	10,01,826
		24,31,94,744	41,17,47,603
EXPENDITURE			
Materials consumed and purchase of goods	15	17,94,33,259	18,02,54,275
(Increase) / decrease in Finished goods and Work-in-progress	16	(70,66,281)	15,78,89,849
Operating and other expenses	17	5,78,41,071	5,93,91,112
Depreciation / Amortisation	7	21,51,322	19,63,227
Financial Expenses	18	92,507	4,77,917
		23,24,51,878	39,99,76,380
NET PROFIT BEFORE TAX		1,07,42,866	1,17,71,223
Provision for tax			
- Current		7,45,997	7,449
- Deferred tax charge/(credit)		91,66,838	46,61,492
-Tax for earlier years		(57,41,769)	76,620
NET PROFIT AFTER TAX FOR THE YEAR		65,71,800	70,25,662
Balance brought forward from prior year		2,93,89,796	2,23,64,134
Surplus / (Deficit) carried to Balance sheet		3,59,61,596	2,93,89,796

Significant Accounting Policies 3
The Notes 1 to 27 form an integral part of the Statement of Profit and Loss

As per our attached report of even date

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

For and on behalf of
Board of Directors

Bhavik L. Shah
Partner
Membership No. 122071

Director

Place: Mumbai
Date: May 5, 2015

	AS AT 31.3.2015 USD Total	AS AT 31.3.2014 USD Total
4 SHARE CAPITAL		
AUTHORISED		
3,000 (Previous year - 3,000) shares of common stock of par value USD 1 per share.	3,000	3,000
ISSUED,SUBSCRIBED AND PAID UP	-	-
1,100 (Previous year - 1,100) shares of common stock of par value USD 1 per share.	1,100	1,100
	1,100	1,100
All the above shares are held by Wockhardt Bio AG, the holding company. Wockhardt Bio AG is a subsidiary of Wockhardt Limited, India.		
5 RESERVES AND SURPLUS		
Securities premium		
Balance as per last account	2,60,02,400	2,60,02,400
Additions during the year	-	-
	2,60,02,400	2,60,02,400
Profit and loss account		
Balance as per last account	2,93,89,796	2,23,64,134
Additions during the year	65,71,800	70,25,662
	3,59,61,596	2,93,89,796
	6,19,63,996	5,53,92,196
6 UNSECURED LOANS		
Loan from Wockhardt Limited	-	1,15,00,000
	-	1,15,00,000

WOCKHARDT HOLDING CORP.

Notes to Account

Note 7: Fixed Asset

Amounts in USD

Particulars	Gross Block				Depreciation				Net Block	
	As At 3.31.2014	Additions	Deductions & Transfers	Ending Balance 3.31.15	As At 3.31.2014	Additions	Deductions / Adjustments & transfers	Ending Balance 3.31.15	Ending Balance 3.31.15	As At 3.31.2014
Intangibles										
Goodwill on Consolidation	1,06,56,941	-	-	1,06,56,941	-	-	-	-	1,06,56,941	1,06,56,941
Software	68,05,316	1,65,124	-	69,70,440	(47,70,438)	(8,36,490)	-	(56,06,928)	13,63,512	20,34,878
Intangible Assets (A)	1,74,62,257	1,65,124	-	1,76,27,381	(47,70,438)	(8,36,490)	-	(56,06,928)	1,20,20,453	1,26,91,819
Tangibles										
Freehold land	75,73,384	-	-	75,73,384	-	-	-	-	75,73,384	75,73,384
Buildings	1,08,87,219	15,89,912	(1,90,834)	1,22,86,297	(32,61,060)	(3,28,174)	-	(35,89,233)	86,97,064	76,26,160
Plant and Machinery	1,19,47,320	15,13,851	37,13,349	1,71,74,520	(89,98,958)	(8,74,538)	(26,81,028)	(1,25,54,525)	46,19,995	29,48,360
Furniture and Fixtures	14,44,209	68,635	-	15,12,844	(12,09,180)	(55,166)	-	(12,64,346)	2,48,498	2,35,029
Office Equipments	44,12,474	(0)	(35,69,028)	8,43,446	(35,70,916)	-	27,27,541	(8,43,375)	71	8,41,558
IT Equipments	-	2,32,569	-	2,32,569	-	(56,954)	-	(56,954)	1,75,615	-
Vehicles	20,338	-	-	20,338	(20,338)	-	-	(20,338)	(0)	(0)
Tangible Assets (B)	3,62,84,945	34,04,967	(46,513)	3,96,43,398	(1,70,60,452)	(13,14,832)	46,513	(1,83,28,770)	2,13,14,627	1,92,24,494
Total (A+B)	5,37,47,202	35,70,091	(46,513)	5,72,70,779	(2,18,30,889)	(21,51,322)	46,513	(2,39,35,699)	3,33,35,080	3,19,16,313
Capital Work in Progress	1,43,28,683	86,35,079	(35,70,091)	1,93,93,671	-	-	-	-	1,93,93,671	1,43,28,683
Total	6,80,75,885	1,22,05,170	(36,16,604)	7,66,64,450	(2,18,30,889)	(21,51,322)	46,513	(2,39,35,699)	5,27,28,751	4,62,44,996

Wockhardt Holding Corp.

6,19,65,096

6,68,93,296

Notes to the Consolidated financial statements
for the year ended March 31, 2015

	AS AT 31.3.2015 USD Total	AS AT 31.3.2014 USD Total
8 DEFERRED TAX ASSET		
<u>Deferred Tax Liabilities</u>		
Difference between depreciation on block of assets	8,93,810	11,19,328
Total (A)	8,93,810	11,19,328
<u>Deferred Tax Assets</u>		
Carry over losses	5,67,104	53,77,336
Deferred expenses	1,40,43,116	1,86,25,241
Total (B)	1,46,10,220	2,40,02,577
<u>Net Deferred Tax Assets</u>	1,37,16,410	2,28,83,249
9 INVENTORIES		
Raw materials	90,15,464	56,81,507
Packing materials	20,43,185	33,10,465
Finished goods	2,05,62,099	1,38,02,797
Work-in-progress	4,85,293	1,78,314
	3,21,06,041	2,29,73,083
10 SUNDRY DEBTORS, Net of Allowances		
Debts outstanding for a period exceeding six months		
Unsecured, Considered good	-	-
Unsecured, Considered doubtful	1,01,162	93,000
Less : Provision for doubtful debts	1,01,162	93,000
Sundry Debtors, net of provisions	-	-
Other Debts		
Unsecured, Considered good		
Intercompany Receivables	2,19,61,552	1,91,75,501
Others	2,13,03,091	-
	4,32,64,643	1,91,75,501

Wockhardt Holding Corp.

Notes to the Consolidated financial statements
for the year ended March 31, 2015

	AS AT 31.3.2015 USD Total	AS AT 31.3.2014 USD Total
11 CASH AND BANK BALANCES		
Cash on hand	500	500
Balances with Scheduled banks	-	-
- on Current account	1,61,50,817	9,37,79,180
	1,61,51,317	9,37,79,680
12 LOANS AND ADVANCES (Unsecured , considered good)		
Loan to Wockpharma Ireland	32,50,000	32,49,925
Advances recoverable in cash or in kind or for value to be received	10,79,989	1,05,162
	-	-
Security Deposit	3,39,990	3,39,778
Advance tax (net of provision for tax)	54,39,263	20,16,512
Prepaid expenses	5,64,485	3,95,481
	1,06,73,727	61,06,858
13 CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	45,01,899	80,64,190
Provision for chargeback & rebates, net of sundry debtors	-	1,79,45,941
Intercompany payables	6,71,05,417	7,87,47,341
Advance Received from customer - Wockhardt Bio AG	1,37,64,084	2,06,33,372
Other liabilities	2,11,80,393	1,87,55,226
	10,65,51,793	14,41,46,071
PROVISIONS		
Provision for tax, net of advance tax paid	-	-
Other provisions	1,24,000	1,24,000
	1,24,000	1,24,000

Wockhardt Holding Corp.

**Notes to the Consolidated financial statements
for the year ended March 31, 2015**

	For the year ended 31.3.2015 USD Total	For the year ended 31.3.2014 USD Total
14 OTHER INCOME		
Interest income on loan	1,32,481	1,35,208
Interest income on deposits	1,01,323	1,26,889
Provision no longer required written back	1,51,716	4,40,000
Lease Rental income	4,57,060	2,99,729
Miscellaneous income	4,200	-
	8,46,780	10,01,826
15 MATERIALS CONSUMED AND PURCHASE OF GOODS		
Opening Stock of materials		
Raw material	56,81,507	41,42,776
Packing material	33,10,465	33,18,151
	89,91,972	74,60,927
Add : Purchase of Raw and Packing materials	3,25,59,104	3,77,70,697
	4,15,51,076	4,52,31,624
Less : Closing stock		
Raw material	90,15,464	56,81,507
Packing material	20,43,185	33,10,465
Materials Consumed	3,04,92,427	3,62,39,652
Purchase of Traded Goods	14,89,40,832	14,40,14,623
Total	17,94,33,259	18,02,54,274
16 (INCREASE) / DECREASE IN INVENTORIES		
Inventories as at March 31, 2014		
Finished goods	1,38,02,797	17,08,61,998
Work-in-progress	1,78,314	10,08,962
	1,39,81,111	17,18,70,960
Inventories as at March 31, 2015		
Finished goods	2,05,62,099	1,38,02,797
Work-in-progress	4,85,293	1,78,314
	2,10,47,392	1,39,81,111
	(70,66,281)	15,78,89,849

Wockhardt Holding Corp.

**Notes to the Consolidated financial statements
for the year ended March 31, 2015**

	For the year ended 31.3.2015 USD Total	For the year ended 31.3.2014 USD Total
17 OPERATING AND OTHER EXPENSES		
Salaries, wages and bonus , staff pension	2,14,62,274	1,96,11,231
Company's contribution to funds	40,63,917	37,46,462
Staff Training	2,01,031	1,67,193
Manufacturing Expenses	39,97,087	31,20,955
Licences fees	2,80,551	56,641
Rent, Rates and taxes	10,17,035	12,24,538
Machinery Repairs	5,64,933	5,46,867
Building Repairs	6,90,758	3,63,795
Repairs other	5,43,242	4,19,590
Advertising & Promotions	11,50,533	11,37,563
Travelling expenses	10,06,169	11,96,749
Freight and forwarding	46,58,982	62,88,487
Management Charges	66,440	1,32,990
Bad Debt Expense	-	9,60,359
Printing Postage & Stationary	64,104	91,817
Telephone & Telex	3,34,908	3,16,409
Insurance	10,80,457	10,66,595
Consultancy Charges	24,55,946	32,05,709
General expenses	47,88,255	43,00,377
Selling and Distribution expense	93,51,167	1,13,71,646
Vehicle Expenses	63,280	65,139
	5,78,41,071	5,93,91,112
18 FINANCIAL EXPENSES		
Interest on loan	92,507	4,77,917
	92,507	4,77,917

Wockhardt Holding Corp.

**Notes to the Consolidated financial statements
for the year ended March 31, 2015**

	For the year ended 31.3.2015 USD Total	For the year ended 31.3.2014 USD Total
19 EXPENDITURE ON RESEARCH AND DEVELOPMENT		
Capital	5,49,359	5,26,086
Revenue	59,30,720	41,52,123
	<u>64,80,079</u>	<u>46,78,209</u>

20 LEASE OBLIGATIONS

Annual commitments for office premises and office equipment taken under non-cancellable operating leases are

Less than 1 year	2,95,465	2,95,465
More than 1 year but less than 5 years	11,46,522	11,30,117
More than 5 years	1,81,924	4,93,794
	<u>16,23,911</u>	<u>19,19,376</u>

Annual commitments for property given under non-cancellable operating leases are

Less than 1 year	3,47,338	4,56,307
More than 1 year but less than 5 years	-	3,47,338
More than 5 years	-	-
	<u>3,47,338</u>	<u>8,03,645</u>

21 Provision others - Opening Balance USD 1,24,000, Additions during the year - Nil, Deductions during the year - Nil Closing Balance USD 124,000

22 SEGMENT INFORMATION

a. Information about Primary Segments

The Group is primarily engaged in pharmaceutical business which is considered as the only reportable business segment as per Accounting Standard – AS 17 ‘Segment Reporting’ notified by Companies (Accounting Standards) Rules, 2006.

b. Information about Secondary Segments

The sales of the Group are confined only to US markets and accordingly, there is no separate reportable geographical segment

23 Estimated amount of contracts remaining to be executed on capital account and not provided for USD 7,79,338 (Previous Year - USD 17,87,088)

24 The Group is involved in other disputes, lawsuits, claims, inquiries and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period

25 Status of USFDA import alert on facilities of Wockhardt Limited (WL), India.

Wockhardt Limited (WL), the ultimate parent company of Wockhardt Holding Corp, has initiated a number of improvement measures to ensure creation of a robust, sustainable and compliant operating framework on a consistent basis. As an outcome of completion of GMP remediation submitted by WL during the year, US FDA conducted inspection at L1-Chikalhana site and at Waluj manufacturing facility in Aurangabad and WL received 483 deficiencies. WL is in the process of implementing remedial measures. During the year, UK MHRA carried out inspection of WL's manufacturing unit at Aurangabad and has lifted Statement of Non-Compliance (SNC). A good manufacturing practice (GMP) certificate remains in force that allows products to be supplied to the UK market. Additionally, UK MHRA has restored the EU GMP certification of the WL's potent product facility at Kadaiya.

During the year, WL for two of its drugs WCK 771 and WCK 2349 received coveted Qualified Infectious Disease Product (QIDP) status from US FDA for its New Drug Discovery program in Anti-Infective research. QIDP status is granted to drugs which act against pathogens which have a high degree of unmet need in their treatment and are identified by Centre for Disease Control (a U.S. government health and safety body). QIDP status allows for fast track review of the drug application by US FDA paving way for an early launch. QIDP status also grants a five year extensions to the drug patents in USA. This is the first instance for an Indian Pharmaceutical company receiving a QIDP status.

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

27 Previous years figures have been regrouped/rearranged wherever necessary to conform to current year's presentation.

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

For and on behalf of
Board of Directors

Bhavik L. Shah
Partner
Membership No. 122071

Director

Place: Mumbai
Date: May 5, 2015