

To
Board of Directors
Wockhardt Limited
Mumbai

AUDIT REPORT on Financial Statements of
WOCKHARDT NIGERIA LIMITED, NIGERIA
for the year ended March 31, 2017

Wockhardt Nigeria Limited is a an indirect subsidiary company of Wockhardt Limited, India. Wockhardt Nigeria Limited is incorporated in Nigeria.

This report is furnished, at the request of the management of Wockhardt Limited, solely for the purpose of meeting with the requirements of consolidation of the attached financial statements of Wockhardt Nigeria Limited with the financial statements of Wockhardt Limited, the ultimate Holding Company. The financial statements dealt with by this report comprise the Balance Sheet as at March 31, 2017 and Profit & Loss Account for the year ended on that date.

Accordingly, we have audited the aforesaid financial statements of Wockhardt Nigeria Limited accompanying this report.

These financial statements are the responsibility of the management of Wockhardt Nigeria Limited and Wockhardt Limited. And these have been prepared on the basis of accounts maintained by Wockhardt Nigeria Limited at Nigeria. As an additional presentation, these audited financial statements (in USD), have also been translated by the management in Indian Rupees (INR) at the exchange rate on the date of the balance sheet.

Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit on the basis of accounting returns received from the office of Wockhardt Nigeria Limited at Nigeria (not visited by us) and information and explanations furnished and on the basis of such checks as were considered appropriate, and in the light of generally accepted accounting principles prevalent in India and in the light of materiality. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit in the manner aforesaid and the fact that we have conducted our audit on the basis of accounting returns received from Wockhardt Nigeria Limited at Nigeria whose office has not been visited by us, and to the best of our information and according to the explanations given to us, we are of the opinion that the financial statements give a true and fair view:

- (a) in the case of the balance sheet, of the state of affairs of Wockhardt Nigeria Limited as at March 31, 2017; and
- (b) in the case of the profit and loss account, of the loss for the year then ended.

For J.L. Thakkar & Co.
Firm Regn No. 110898W
Chartered Accountants

J.L. Thakkar – M.No.32318
Proprietor

Mumbai: April 20, 2017

WOCKHARDT NIGERIA LIMITED

NOTES TO ACCOUNTS

Significant Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards. The accounting policies have been consistently applied by the Company.

a) Property, Plant and Equipment, Intangible Assets , depreciation/amortisation and impairment

Property, Plant and Equipment:

The items of Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

Intangible assets:

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

b) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current investments are carried at fair value determined on an individual investment basis. Long-term investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments.

c) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost also includes all charges incurred for bringing the inventories to their present location and condition.

Inventories of stores and spare parts are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

d) 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.

e) 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.

WOCKHARDT NIGERIA LIMITED**BALANCE SHEET AS AT MARCH 31, 2017**

	Schedule	As at 31.03.2017 USD	As at 31.03.2017 INR @64.875	As at 31.03.2016 USD	As at 31.03.2016 INR @62.50
<u>SOURCES OF FUNDS</u>					
SHAREHOLDERS' FUNDS					
Share capital					
Equity share capital	1	80,000.00	5,190,000.00	80,000.00	5,300,800.00
Translation Gain/(Loss)		(18,385.84)	(1,192,781.37)	(9,540.22)	(632,134.98)
Reserves and surplus	2	(35,054.06)	(2,274,132.09)	11,426.99	757,152.36
TOTAL		26,560.10	1,723,086.54	81,886.77	5,425,817.38
<u>APPLICATION OF FUNDS</u>					
FIXED ASSETS					
Gross block	3	4,493.60	291,522.30	4,493.60	297,745.93
Accumulated depreciation		(1,826.98)	(118,525.32)	(1,612.61)	(106,851.53)
Net block		2,666.62	172,996.98	2,880.99	190,894.40
CURRENT ASSETS, LOANS AND ADVANCES					
Cash and bank balances	4	26,512.25	1,719,982.26	82,374.35	5,458,124.43
Loans and advances	5	7,773.40	504,299.33	7,154.00	474,024.04
		34,285.65	2,224,281.59	89,528.35	5,932,148.47
CURRENT LIABILITIES AND PROVISIONS					
	6	(10,392.17)	(674,192.03)	(10,522.57)	(697,225.49)
NET CURRENT ASSETS		23,893.48	1,550,089.56	79,005.78	5,234,922.98
TOTAL		26,560.10	1,723,086.54	81,886.77	5,425,817.38

As per our report of even date
For J.L. Thakkar & Co.
Firm Regn No. 110898W
Chartered Accountants

For and on behalf of
Wockhardt Nigeria Limited

J.L. Thakkar - M.No.32318
Proprietor
Place: Mumbai
Date: April 28, 2017

WOCKHARDT NIGERIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

		For the Year ended 31.03.2017 USD	For the Year ended 31.03.2017 INR @64.875	For the Year ended 31.03.2016 USD	For the Year ended 31.03.2016 INR @62.50
INCOME					
Other income	7	-	-	71,379.78	4,729,624.22
		-	-	71,379.78	4,729,624.22
EXPENDITURE					
Operating and other expenses	8	46,266.68	3,001,550.82	54,763.93	3,628,658.00
Depreciation	3	214.37	13,907.25	214.38	14,204.82
		46,481.05	3,015,458.07	54,978.31	3,642,862.82
NET PROFIT FOR THE YEAR		(46,481.05)	(3,015,458.07)	16,401.47	1,086,761.40
PROFIT AND LOSS ACCOUNT, beginning of year		11,426.99	741,325.98	(4,974.48)	(329,609.04)
PROFIT AVAILABLE FOR APPROPRIATION		(35,054.06)	(2,274,132.09)	11,426.99	757,152.36
APPROPRIATIONS					
PROFIT AND LOSS ACCOUNT, end of year		(35,054.06)	(2,274,132.09)	11,426.99	757,152.36
		(35,054.06)	(2,274,132.09)	11,426.99	757,152.36

As per our report of even date
For J.L. Thakkar & Co.
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For and on behalf of
Wockhardt Nigeria Limited

J.L. Thakkar - M.No.32318
Proprietor
Place: Mumbai
Date: April 28, 2017

WOCKHARDT NIGERIA LIMITED
SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2017

3. FIXED ASSETS (At cost)

In USD										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Deductions	As at	As at	For the	Deductions /	As at	As at	As at
	01.04.2016			31.03.2017	01.04.2016	year	Adjustments	31.03.2017	31.03.2017	31.03.2016
Tangibles										
Plant and Machinery	2,268.50	-	-	2,268.50	538.75	107.75	-	646.50	1,622.00	1,729.75
Furniture and fittings	1,684.34	-	-	1,684.34	533.10	106.62	-	639.72	1,044.62	1,151.24
Office Equipments	286.78	-	-	286.78	286.78	0.00	-	286.78	-	0.00
Information Technology Equipments	253.98	-	-	253.98	253.98	0.00	-	253.98	-	-
Total	4,493.60	-	-	4,493.60	1,612.61	214.37	-	1,826.98	2,666.62	2,880.99
Previous Year	4,493.60	-	-	4,493.60	1,398.23	214.38	-	1,612.61	2,880.99	

In INR@64.875										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Deductions	As at	As at	For the	Deductions /	As at	As at	As at
	01.04.2016*			31.03.2017	01.04.2016*	year	Adjustments	31.03.2017	31.03.2017	31.03.2016
Tangibles										
Plant and Machinery	147,168.94	-	-	147,168.94	34,951.41	6,990.28	-	41,941.69	105,227.25	112,217.53
Furniture and fittings	109,271.56	-	-	109,271.56	34,584.86	6,916.97	-	41,501.83	67,769.73	74,686.70
Office Equipments	18,604.85	-	-	18,604.85	18,604.85	0.00	-	18,604.85	0.00	-
Information Technology Equipments	16,476.95	-	-	16,476.95	16,476.95	0.00	-	16,476.95	0.00	-
Total	291,522.30	-	-	291,522.30	104,618.07	13,907.25	-	118,525.32	172,996.98	186,904.23
Previous Year	297,745.93	-	-	297,745.93	92,646.71	14,204.82	-	106,851.53	205,099.22	

* converted using the closing exchange rate

WOCKHARDT NIGERIA LIMITED

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	As at	As at	As at	As at
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
	USD	INR @64.875	USD	INR @66.26
SOURCES OF FUNDS:				
1. SHARE CAPITAL				
ISSUED, SUBSCRIBED AND PAID UP	80,000.00	5,190,000.00	80,000.00	5,300,800.00
1,500,000 Ordinary shares of Naira 10 each fully paid-up				
Of these 1,500,000 Ordinary shares, 1,499,999 shares are held by Wockhardt Europe Limited and 1 Ordinary share is held by Dr. Murtuza H.Khorakiwala. Wockhardt Europe Limited is wholly-owned subsidiary of Wockhardt Limited, India				
TOTAL OF SHARE CAPITAL	80,000.00	5,190,000.00	80,000.00	5,300,800.00
2. RESERVES AND SURPLUS				
Profit and loss account	(35,054.06)	(2,274,132.09)	27,828.47	1,843,914.42
TOTAL OF RESERVES AND SURPLUS	(35,054.06)	(2,274,132.09)	27,828.47	1,843,914.42

WOCKHARDT NIGERIA LIMITED

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	As at	As at	As at	As at
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
	USD	INR @64.875	USD	INR @66.26
4. CASH AND BANK BALANCES				
- in current accounts	26,512.25	1,719,982.26	82,374.35	5,458,124.43
TOTAL OF CASH AND BANK ACCOUNTS	26,512.25	1,719,982.26	82,374.35	5,458,124.43
5. LOANS AND ADVANCES (Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received	7,773.40	504,299.33	7,154.00	474,024.04
Other deposits	-	-	-	-
TOTAL OF LOANS AND ADVANCES	7,773.40	504,299.33	7,154.00	474,024.04
6. CURRENT LIABILITIES AND PROVISIONS				
Other liabilities	10,392.17	674,192.03	10,522.57	697,225.49
TOTAL OF CURRENT LIABILITIES	10,392.17	674,192.03	10,522.57	697,225.49

WOCKHARDT NIGERIA LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	For the	For the	For the	For the
	Year ended	Year ended	Year ended	Year ended
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
	USD	INR @64.875	USD	INR @62.50
7. OTHER INCOME				
Miscellaneous income	-	-	71,379.78	4,729,624.22
Liability no more payable	-	-	-	-
TOTAL OF OTHER INCOME	-	-	71,379.78	4,729,624.22
8. OPERATING AND OTHER EXPENSES				
Salaries, wages and bonus	7,302.00	473,717.25	10,094.86	668,885.42
Rent, Rates and taxes	4,727.00	306,664.13	4,727.50	313,244.15
Legal and professional charges	15,099.10	979,554.11	2,992.20	198,263.17
Licence fee	16,790.42	1,089,278.80	6,288.11	416,650.17
Sales promotion and other selling cost	-	-	29,353.48	1,944,961.58
General expenses	2,348.15	152,336.53	1,307.78	86,653.51
TOTAL OF OPERATING AND OTHER EXP	46,266.68	3,001,550.82	54,763.93	3,628,658.00