

INDEPENDENT AUDITOR'S REPORT

To the Members of Wockhardt Infrastructure Development Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Wockhardt Infrastructure Development Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement 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 is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 over financial reporting 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 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 financial statements - Refer Note 28 to the financial statements;

(ii) The Company has long-term contracts; however, there are no material foreseeable losses which need to be provided for;

(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

Bhavik L. Shah
Partner
Membership No.122071

Place : Mumbai
Date : April 25, 2016

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, 2016]

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, during the year, fixed assets have not been physically verified by the management.
 - (c) According to the information and explanation given to us, the title deeds of immovable properties other than self-constructed properties recorded as fixed assets in the books of account of the Company as on March 31, 2016 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, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (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 in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (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) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise 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, sales tax, service tax, value added tax, customs duty, excise 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, customs duty, excise duty, which have not been deposited on account of any dispute.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holder.
- (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 material 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 appointed any 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 such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (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

Bhavik L. Shah
Partner
Membership No.122071
Place: Mumbai
Date : April 25, 2016

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 financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Wockhardt Infrastructure Development Limited ("the Company") as of March 31, 2016 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 over financial reporting 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 over financial reporting 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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 issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Bhavik L. Shah

Partner

Membership No.122071

Place: Mumbai

Date : April 25, 2016

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2016

(All amount in Indian Rupees)

	Notes	As at March 31, 2016	As at March 31, 2015
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDER'S FUNDS			
Share capital	2	20,000,000	20,000,000
Reserves and surplus	3	165,592,728	79,018,950
		<u>185,592,728</u>	<u>99,018,950</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities (Net)	4	38,101,860	32,149,181
Other Long-term liabilities	5	97,125,219	153,341,283
		<u>135,227,079</u>	<u>185,490,464</u>
CURRENT LIABILITIES			
Short-term borrowings	6	182,701,058	144,090,254
Trade payables	7	22,898,040	17,217,767
Due to Micro and Small Enterprises Rs. Nil (Previous Year: Rs. Nil)			
Due to others Rs. 22,898,040 (Previous Year: Rs. 17,217,767)			
Other current liabilities	8	283,795,871	263,417,694
		<u>489,394,969</u>	<u>424,725,715</u>
TOTAL		<u><u>810,214,776</u></u>	<u><u>709,235,129</u></u>
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed assets	9		
Tangible assets		487,233,900	506,056,899
Capital work-in-progress		165,485,579	78,458,161
Long-term loans and advances	10	137,919,091	117,035,834
Other non-current assets	11	16,251,048	-
		<u>806,889,618</u>	<u>701,550,894</u>
CURRENT ASSETS			
Inventories	12	553,581	-
Trade receivables	13	-	-
Cash and bank balances	14	1,657,615	6,028,369
Short-term loans and advances	15	1,113,962	1,655,866
		<u>3,325,158</u>	<u>7,684,235</u>
TOTAL		<u><u>810,214,776</u></u>	<u><u>709,235,129</u></u>

Significant accounting policies 1
The notes from 1 to 31 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

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : April 25, 2016

M.H.Khorakiwala

Director

Shahnawaz Khan

Director

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016
(All amount in Indian Rupees)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
REVENUE			
Revenue from operations	16	354,715,467	307,554,869
Other income	17	851,209	108,987
TOTAL		355,566,676	307,663,856
EXPENSES			
Finance costs	18	14,197,576	11,795,030
Depreciation	9	19,336,079	19,335,791
Other expenses	19	229,506,564	197,237,887
TOTAL		263,040,219	228,368,708
PROFIT BEFORE TAX		92,526,457	79,295,148
Tax expense:			
Current tax -MAT payable		18,865,081	15,865,175
Less: Minimum Alternate Tax Credit		(18,865,081)	(15,865,175)
		-	-
Deferred tax		5,952,679	25,562,626
PROFIT AFTER TAX		86,573,778	53,732,522
Earnings per equity share of Rs.10 each :			
Basic - Rs.	22	43.29	26.87
Diluted - Rs.	22	43.29	26.87

Significant accounting policies 1
The notes from 1 to 31 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

Bhavik L. Shah
Partner
Membership No. 122071
Place : Mumbai
Date : April 25, 2016

M.H.Khorakiwala
Director

Shahnawaz Khan
Director

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016
(All amounts in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation	92,526,457	79,295,148
Adjustments for:		
Depreciation	19,336,079	19,335,791
Liabilities no more payable	-	(9,852)
Finance costs	14,197,576	11,795,030
Interest income	(846,358)	(99,135)
Operating profit before Working Capital changes	125,213,754	110,316,982
Movement in working capital:		
(Increase) / Decrease in Inventories	(553,581)	-
(Increase)/Decrease in Loans and Advances	538,070	(11,556,905)
Increase /(Decrease) in Trade payables	5,680,273	1,661,912
Increase /(Decrease) in liabilities	(51,177,946)	(30,352,024)
Cash Generated from Operations	79,700,570	70,069,965
Income taxes paid	(24,983,953)	(25,143,799)
Net cash from Operating Activities	54,716,617	44,926,166
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work in progress	(68,099,743)	(76,565,585)
Margin money and Fixed deposits under lien	(16,251,048)	-
Interest received	850,192	99,135
Net cash used in investing activities	(83,500,599)	(76,466,450)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Proceeds from borrowings	312,211,276	275,598,785
Repayment of borrowings	(273,600,472)	(230,300,801)
Finance cost paid	(14,197,576)	(11,795,030)
Net cash from/(used in) Financing Activities	24,413,228	33,502,954
Net increase in cash and cash equivalents	(4,370,754)	1,962,670
Cash and cash equivalents at beginning of year	4,928,369	2,965,699
Cash and cash equivalents at end of year (Refer note below)	557,615	4,928,369
Note:		
Component of cash and cash equivalents:		
Balance with banks:		
-on current account	557,615	4,928,369
	557,615	4,928,369

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 Boards of Directors

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : April 25, 2016

M.H.Khorakiwala

Director

Shahnawaz Khan

Director

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The financial statements have been prepared to comply in all material respects with the prescribed accounting standards under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act to the extent notified. The financial statements have been prepared under the historical cost convention on an accrual basis. All Income and Expenditure are accounted on Accrual basis.

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

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed Assets

Fixed Assets are stated at historical cost of acquisition including direct/indirect cost incurred to put the asset in use.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure is capitalized to the extent those relate to the construction activity. Income earned during construction period is deducted from the total expenditure relating to construction activity.

d. Depreciation/Amortisation

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

Components having useful lives different from the life of parent assets as stated above are depreciated over the useful life of the components. Fixed assets whose aggregate cost is Rs 5,000 or less are depreciated fully in the year of acquisition.

e. 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, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the greater of the net selling price 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. 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, except in case of revalued assets.

f. Investments

Investments are valued at cost plus related charges such as brokerage, stamps, fees etc.

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. 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.

Land premium is recognized on straight lined 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. Inventories

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

j. Financing / Borrowing cost

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 such assets are ready for their intended use. Other financing /borrowing costs are charged to Statement of Profit and Loss. Initial direct costs are recognised immediately as an expense.

k. 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.

l. Taxation

Tax expense comprises of current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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.

m. 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.

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****(Indian Rupees)****2. SHARE CAPITAL**

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
AUTHORISED				
Equity shares of Rs. 10 each	2,500,000	<u>25,000,000</u>	2,500,000	<u>25,000,000</u>
		<u>25,000,000</u>		<u>25,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP				
Equity shares of Rs. 10 each fully paid up:	2,000,000	20,000,000	2,000,000	20,000,000
	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</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	Number of shares	Amount
b) Reconciliation of the shares outstanding at the beginning and at the end of year				
Shares outstanding at the beginning of the year	2,000,000	20,000,000	2,000,000	20,000,000
Add: Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</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, 2016

	(Indian Rupees)	
	As at	As at
	March 31, 2016	March 31, 2015
3. RESERVES AND SURPLUS		
Surplus in Statement of Profit and Loss		
Opening balance	79,018,950	25,286,428
Add: Profit for the year	86,573,778	53,732,522
Closing Balance	165,592,728	79,018,950
TOTAL	165,592,728	79,018,950

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	(Indian Rupees)	
	As at	As at
	March 31, 2016	March 31, 2015
4. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Difference between depreciation on block of assets	40,697,290	36,667,833
Gross deferred tax liabilities	<u>40,697,290</u>	<u>36,667,833</u>
Deferred tax assets:		
Provision for doubtful debts	2,595,430	2,595,194
Land Premium	-	1,923,458
Gross deferred tax assets	<u>2,595,430</u>	<u>4,518,652</u>
Deferred Tax Liability (Net)	<u><u>38,101,860</u></u>	<u><u>32,149,181</u></u>

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
5. OTHER LONG-TERM LIABILITIES		
Income received in advance (including land premium)	97,125,219	153,341,283
TOTAL	97,125,219	153,341,283

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	(Indian Rupees)	
	As at March 31, 2016	As at March 31, 2015
6. SHORT-TERM BORROWINGS		
Unsecured Loan from Related party- Holding Company	182,701,058	144,090,254
TOTAL	182,701,058	144,090,254
7. TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises; (Also refer note 21)	-	-
Others	22,898,040	17,217,767
TOTAL	22,898,040	17,217,767
8. OTHER CURRENT LIABILITIES		
Deposits payable	168,535,280	168,535,280
Income received in advance	56,216,068	56,216,068
Other payables		
Statutory liabilities	247,639	906,276
Other payable for expenses/capex	58,796,884	37,760,070
TOTAL	283,795,871	263,417,694

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

9. FIXED ASSETS

(Indian Rupees)

PARTICULARS	Gross Block				Accumulated depreciation				Net Block	
	As at 1.4.2015	Additions	Deductions /other adjustments	As at 31.3.2016	As at 1.4.2015	For the year	Deductions/ Other Adjustments	As at 31.3.2016	As at 31.3.2016	As at 31.3.2015
Tangible Assets										
Leasehold land	116,925,045	-	-	116,925,045	10,063,883	1,227,711	-	11,291,594	105,633,451	106,861,162
Buildings	309,344,971	513,080	-	309,858,051	41,132,347	10,341,393	-	51,473,740	258,384,311	268,212,624
Plant and Equipment	160,009,948	-	-	160,009,948	30,282,242	7,600,473	-	37,882,715	122,127,233	129,727,706
Furniture and Fixtures	1,230,789	-	-	1,230,789	133,683	77,909	-	211,592	1,019,197	1,097,106
Office equipment	87,100	-	-	87,100	68,090	7,063	-	75,153	11,947	19,010
Information Technology Equipments	1,326,755	-	-	1,326,755	1,187,464	81,530	-	1,268,994	57,761	139,291
TOTAL	588,924,608	513,080	-	589,437,688	82,867,709	19,336,079	-	102,203,788	487,233,900	506,056,899
Previous year	588,804,659	119,949	-	588,924,608	63,531,918	19,335,791	-	82,867,709	506,056,899	
Capital work-in-progress									165,485,579	78,458,161
TOTAL									652,719,479	584,515,060

Note:

a) During previous year, the Company, had reviewed the useful life of its tangible assets as required under Schedule II of the Companies Act 2013, according to which useful life estimated earlier were found to be appropriate.

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	(Indian Rupees)	
	As at March 31, 2016	As at March 31, 2015
10. LONG-TERM LOANS AND ADVANCES		
Capital Advances		
Unsecured, considered good	710,116	4,810,812
	<u>710,116</u>	<u>4,810,812</u>
Security Deposits		
Unsecured, considered good	14,030,263	14,030,263
	<u>14,030,263</u>	<u>14,030,263</u>
Other Loans and Advances		
Advance tax paid, net of provision for tax Rs. 42,791,970 (Previous Year - Rs. 23,926,889)	80,386,742	74,267,870
Minimum Alternate Tax (MAT) credit entitlement	42,791,970	23,926,889
	<u>123,178,712</u>	<u>98,194,759</u>
TOTAL	<u><u>137,919,091</u></u>	<u><u>117,035,834</u></u>
11. Other non-current assets		
Margin money (under Lien)	16,251,048	-
	<u>16,251,048</u>	<u>-</u>
12. Inventories		
Stores and spares	553,581	-
Goods-in transit	-	-
	<u>553,581</u>	<u>-</u>
Note:		
Inventories of stores and spare parts are valued at lower of cost or net realizable value.		
13. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered doubtful	7,849,952	7,849,952
Less: Provision for doubtful debts (Refer note below)	(7,849,952)	(7,849,952)
TOTAL	<u><u>-</u></u>	<u><u>-</u></u>

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, 2016**

	As at March 31, 2016	(Indian Rupees) As at March 31, 2015
14. CASH AND BANK BALANCES		
Balances with banks		
On current account	557,615	4,928,369
Other bank balances		
Deposits with maturity of 12 months	-	1,100,000
Deposits with maturity of more than 12 months	1,100,000	
TOTAL	1,657,615	6,028,369
15. SHORT-TERM LOANS AND ADVANCES		
Balances with statutory/government authorities		
	55,735	-
Other short term loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	1,007,979	1,601,784
Accrued income	50,248	54,082
TOTAL	1,113,962	1,655,866

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	(Indian Rupees)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
16. REVENUE FROM OPERATIONS		
Lease rent	98,169,444	84,245,268
Income from Utility and Facility Services	256,546,023	223,309,601
TOTAL	354,715,467	307,554,869
17. OTHER INCOME		
Interest income	846,358	99,135
Liability no more payable	-	9,852
Miscellaneous income	4,851	-
TOTAL	851,209	108,987
18. FINANCE COSTS		
Interest expense	14,197,576	11,795,030
TOTAL	14,197,576	11,795,030
19. OTHER EXPENSES		
Power and fuel	179,580,418	161,193,557
Rates and taxes	10,593,653	9,744,103
Repairs and maintenance		
-to Building	2,365,113	3,660,904
-to Plant and machinery	9,221,077	1,439,525
-to Others	276,466	1,149,888
Water Charges	12,107,461	9,742,621
Security Charges	6,048,442	5,536,630
Miscellaneous expenses	9,313,934	4,770,659
TOTAL	229,506,564	197,237,887

WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

20. RELATED PARTY DISCLOSURES:

- Holding Company: Wockhardt Limited
- Parties where control exists: H.F.Khorakiwala

Related Party Transactions:

- Loan taken from holding company Rs. 312,211,276 (Previous Year – Rs. 275,598,785)
- Repayment of Loan of holding company Rs. 273,600,472 (Previous Year – Rs. 230,300,801)
- Income from Utility and Facility Services from Holding Company Rs. 256,546,023 (Previous Year – Rs. 223,309,601)
- Lease rent income from holding company Rs. 98,169,444 (Previous Year – Rs. 84,245,268)
- Interest on loan taken from holding company Rs. 14,115,828 (Previous Year– Rs. 11,778,383)

Related Party Balances:

- Payable to holding company Rs. 331,828,565 (Previous Year– Rs. 347,829,524)
- Security deposit payable to holding company Rs. 168,535,280 (Previous Year– Rs. 168,535,280)

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

	As at March 31, 2016	As at March 31, 2015
a) Principal amount due to suppliers under MSMED Act, 2006	-	-
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.

22. EARNINGS PER SHARE (EPS):

	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax	86,573,778	53,732,522
Number of Equity Shares	2,000,000	2,000,000
Earnings per share (face value Rs. 10 each) Basic/ Diluted Rs.	43.29	26.87

**23. AUDITORS' REMUNERATION
(including service tax):**

Audit fees	229,000	224,720
Tax Audit fees	154,575	151,686
	383,575	376,406

24. Expenditure in foreign currency

-Others	2,272,328	Nil
---------	------------------	-----

- | | | | |
|-----|---|---------|-----|
| 25. | Earnings in foreign exchange | Nil | Nil |
| 26. | CIF value of Imports | | |
| | -Capital goods | 508,496 | Nil |
| 27. | Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 10,049,551 (Previous Year– Rs 37,862,363) after deducting advance on capital account of Rs. 710,116 (Previous Year– Rs. 4,810,812). | | |
| 28. | CONTINGENT LIABILITY: | | |
| | a) Disputed income tax demand of Rs. Nil (Previous Year– Rs. 2,090). | | |
| 29. | Since the Company is operating under single segment as developer of SEZ and is operating in single geographical segment, the disclosure of reportable Primary Segment in accordance with Accounting Standard (AS-17) “Segment Reporting” is not applicable. | | |
| 30. | The movable assets of the Company are hypothecated against loan taken by Wockhardt Bio AG, a fellow subsidiary. | | |
| 31. | Previous year figures have been regrouped where necessary to conform to current year’s presentation. | | |

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

Bhavik L. Shah

Partner

Membership No. 122071

M.H. Khorakiwala

Director

Shahnawaz Khan

Director

Place: Mumbai

Date: April 25, 2016