

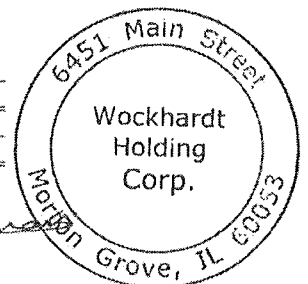
**WOCKHARDT HOLDING CORP.**  
**BALANCE SHEET AS AT March 31, 2019 under IndAS**

	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	19,395,241	20,783,217
Capital work-in-progress	23,975,639	21,709,808
Goodwill	10,656,941	10,656,941
Other Intangible Assets	1,594,748	1,932,340
Intangible assets under Development	-	-
Financial assets		
Non-current investments	-	-
Other Non- current Financial assets	3,591,027	3,590,502
Deferred tax assets (net)	5,794,396	8,052,522
<b>SUBTOTAL</b>	<b>65,007,992</b>	<b>66,725,331</b>
<b>CURRENT ASSETS</b>		
Inventories	19,869,221	21,292,340
Financial Assets		
Investments	-	-
Trade receivables	147,619,875	103,243,579
Cash and cash equivalents	774,630	4,514,854
Bank balance (other than above)	-	-
Loans given	-	-
Other Current Financial assets	-	-
Current tax assets (Net)	-	-
Other current assets	421,406	561,021
<b>SUBTOTAL</b>	<b>168,685,132</b>	<b>129,611,794</b>
<b>TOTAL ASSETS</b>	<b>233,693,124</b>	<b>196,337,125</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share capital	1,100	1,100
Other Equity (All reserves)	74,346,840	69,683,287
<b>SUBTOTAL</b>	<b>74,347,940</b>	<b>69,684,387</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Financial Liabilities		
Borrowings	-	-
Other financial Liabilities	-	-
Provisions	-	-
Deferred tax liabilities (net)	-	-
Other non-current liabilities	-	-
<b>SUBTOTAL</b>	<b>-</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>		
Financial Liabilities		
Borrowings	-	-
Trade payables	8,771,342	5,760,380
Other financial liabilities	150,105,363	119,681,580
Other current liabilities		
Provisions	-	-
Current Tax Liabilities (Net)	468,479	1,210,778
<b>SUBTOTAL</b>	<b>159,345,184</b>	<b>126,652,738</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>233,693,124</b>	<b>196,337,125</b>

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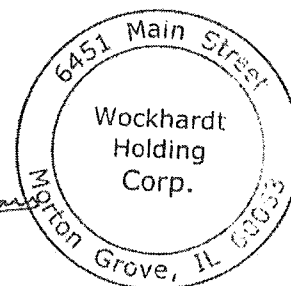
**WOCKHARDT HOLDING CORP.**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31, 2019 under IndAS**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>REVENUE</b>		
Revenue from operations	171,066,456	174,810,097
Other income	204,610	164,045
<b>TOTAL</b>	<b>171,271,066</b>	<b>174,974,142</b>
<b>EXPENSES</b>		
Cost of materials consumed	23,207,436	27,742,257
Purchases of stock-in-trade	88,897,274	80,773,157
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,849,790	9,143,921
Employee benefits expense	25,736,044	25,061,132
Finance costs	15,012	1,133
Depreciation and amortisation expense	1,725,568	1,741,916
Other expenses	23,333,906	23,573,426
<b>TOTAL</b>	<b>164,765,030</b>	<b>168,036,942</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>6,506,036</b>	<b>6,937,200</b>
Tax expense:		
Current tax	59,561	2,006,124
Deferred tax credit/(charge)	2,258,126	2,987,894
Tax for earlier year	(475,201)	310,788
<b>PROFIT / (LOSS) AFTER TAX BEFORE COMPREHENSIVE INCOME</b>	<b>4,663,550</b>	<b>1,632,394</b>
<b>Other Comprehensive Income (Net of Tax)</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,663,550</b>	<b>1,632,394</b>

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## Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

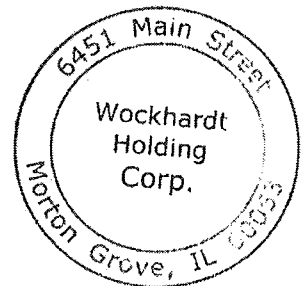
### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



*V. Gopalakrishnan*



WOCKHARDT HOLDING CORP.  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

Financial instruments – Financial risk management (continued)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

*Trade and other receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:  
(Gross External Debtors before Provision for Rebate & Chargeback)

Currency	31 March 2019	31 March 2018
Not due not impaired (Gross Debtors before Provision for Rebate & Chargeback)	86,681,239	79,845,293
Past due 1-180 days	7,785,283	6,295,511
Past due 181-365 days	961,127	715,041
More than 365 days	541,260	283,262
	<b>95,968,909</b>	<b>87,139,107</b>

*Expected credit loss assessment for customers as at 31 March 2018 and 31 March 2019:*

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	March 31, 2019 USD	March 31, 2018 USD
Balance as at April 1	7,102,476	7,102,476
Impairment loss recognised	-	-
Bad debts	-	-
Exchange differences	-	-
Balance as at March 31	<b>7,102,476</b>	<b>7,102,476</b>

The Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

**Impairment**

The ageing analysis of the trade receivables have been considered from the due date. Details of trade debtors that are past due and not impaired and past due and impaired are as follows

USD	31 March 2019	31 March 2018
Past due and not impaired	2,185,194	191,338
Past due and impaired	7,102,476	7,102,476

**Cash and cash equivalents**

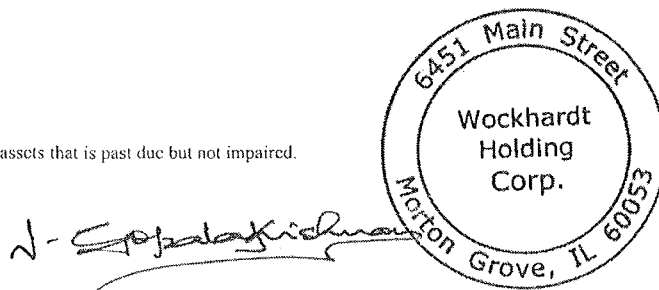
The Company held cash and cash equivalents of \$ 7,74,630 at March 31, 2019 (March 31, 2018: \$ 45,14,854). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

**Derivatives**

The Company has not entered into any derivative or forward contract.

**Others**

Other than trade receivables reported above, the Company has no other financial assets that is past due but not impaired.



**WOCKHARDT HOLDING CORP.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019**

**Financial instruments – Financial risk management (continued)**  
**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

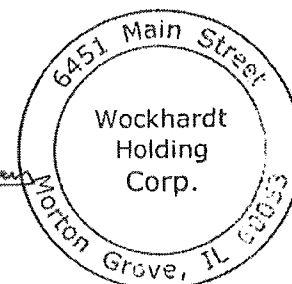
March 31, 2019	Contractual cash flows				
	Carrying amount	Total	0-12 months	1- 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)					
Other borrowings	-	0	-		
Working capital loans from banks					
Trade and other Current Liabilities	158,876,705	158,876,705	158,876,705		
Issued financial guarantee contracts on behalf of subsidiary*					
Derivative financial liabilities - for hedging					
Forward exchange contracts (gross settled)					
- Outflow					
- Inflow					

March 31, 2018	Contractual cash flows				
	Carrying amount	Total	0-12 months	1- 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)					
Other borrowings	-	-	-		
Working capital loans from banks					
Trade and other Current Liabilities	125,441,960	125,441,960	125,441,960		
Issued financial guarantee contracts on behalf of subsidiary*					
Derivative financial liabilities - for hedging					
Forward exchange contracts (gross settled)					
- Outflow					
- Inflow					

\* Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings raised by the respective subsidiary. These amounts will be payable on default by the concerned subsidiary. As of the reporting date, none of the subsidiary have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees.



*J. Gopalakrishnan*



WOCKHARDT USA LLC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

**Financial instruments – Financial risk management (continued)**

**iii. Market risk :- Note Applicable**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price and commodity price. These will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Company is exposed can be classified as Currency risk, Interest rate risk and Commodity risk.



*J. Sopalakis*

