

To  
Board of Directors  
Wockhardt Limited  
Mumbai

AUDIT REPORT on Financial Statements of  
WOCKHARDT FARMACEUTICA DO BRASIL LTDA, BRAZIL  
for the year ended March 31, 2019

Wockhardt Farmaceutica Do Brasil is an indirect subsidiary company of Wockhardt Limited, India. Wockhardt Farmaceutica Do Brasil is incorporated in Brazil.

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 Farmaceutica Do Brasil 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, 2019 and Profit & Loss Account for the year ended on that date.

Accordingly, we have audited the aforesaid financial statements of Wockhardt Farmaceutica Do Brasil accompanying this report.

These financial statements are the responsibility of the management of Wockhardt Farmaceutica Do Brasil and Wockhardt Limited. And these have been prepared on the basis of accounts maintained by Wockhardt Farmaceutica Do Brasil at Brazil. 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.

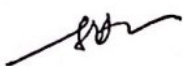
Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit on the basis of accounting returns received from the office of Wockhardt Farmaceutica Do Brasil at Brazil (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.

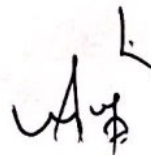
Based on our audit in the manner aforesaid and the fact that we have conducted our audit on the basis of accounting returns received from Wockhardt Farmaceutica Do Brasil at Brazil whose office has not been visited by us, and to the best of our information and according to the explanations given to us, 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 Farmaceutica Do Brasil as at March 31, 2019; 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 26, 2019

**WOCKHARDT FARMACEUTICA DO BRASIL LTDA**

**BALANCE SHEET AS AT MARCH 31, 2019**

	Schedule	As at 31 March 2019 USD	As at 31 March 2019 INR @ 69.2075	As at 31 March 2018 USD	As at 31-Mar-18 INR @ 65.18
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share capital					
Equity share capital	1	367,962.45	25,465,761.26	367,962.45	23,983,792.49
Reserves and surplus	2	(466,361.24)	(32,275,695.27)	(409,627.22)	(26,699,502.20)
		<u>(98,398.79)</u>	<u>(6,809,934.01)</u>	<u>(41,664.77)</u>	<u>(2,715,709.71)</u>
<b>LOAN FUNDS</b>					
Secured loans		-	-	-	-
Unsecured loans	3	82,919.46	5,738,648.53	-	-
		<u>82,919.46</u>	<u>5,738,648.53</u>	<u>-</u>	<u>-</u>
<b>Total</b>		<u><b>(15,479.33)</b></u>	<u><b>(1,071,285.48)</b></u>	<u><b>(41,664.77)</b></u>	<u><b>(2,715,709.71)</b></u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross block	4	447.25	30,953.05	447.25	29,151.76
Accumulated depreciation		(447.25)	(30,953.05)	(447.25)	(29,151.76)
Net block		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Cash and bank balances	5	42,432.78	2,936,666.62	-	-
Loans and advances	6	1,489.87	103,110.18	1,779.83	116,009.32
		<u>43,922.65</u>	<u>3,039,776.80</u>	<u>1,779.83</u>	<u>116,009.32</u>
<b>CURRENT LIABILITIES AND PROVISIONS</b>					
	7	(59,401.99)	(4,111,062.97)	(43,444.60)	(2,831,719.03)
<b>NET CURRENT ASSETS</b>		<u><b>(15,479.34)</b></u>	<u><b>(1,071,286.17)</b></u>	<u><b>(41,664.77)</b></u>	<u><b>(2,715,709.71)</b></u>
<b>Total</b>		<u><b>(15,479.34)</b></u>	<u><b>(1,071,286.17)</b></u>	<u><b>(41,664.77)</b></u>	<u><b>(2,715,709.71)</b></u>

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



J.L. Thakkar - M.No.32318  
Proprietor  
Place: Mumbai  
Date: April 26, 2019

For and on behalf of  
Wockhardt Farmaceutica Do Brazil Ltda

Manish Kumar Singh

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**WOCKHARDT FARMACEUTICA DO BRASIL LTDA**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

		For the year ended 31 March 2019 USD	For the year ended 31 March 2019 INR @ 69.2075	For the year ended 31 March 2018 USD	For the year ended 31 March 2018 INR @ 65.18
<b>INCOME</b>					
Other income		-	-	-	-
<b>EXPENDITURE</b>					
Operating and other expenses	8	69,396.79	4,802,778.24	42,853.39	2,793,184.18
Depreciation	4	-	-	-	-
Finance costs (net)	9	99.45	6,882.54	85.94	5,601.80
		<u>69,496.24</u>	<u>4,809,660.78</u>	<u>42,939.33</u>	<u>2,798,785.98</u>
<b>NET LOSS FOR THE YEAR</b>		(69,496.24)	(4,809,660.78)	(42,939.33)	(2,798,785.98)
<b>PROFIT AND LOSS ACCOUNT, beginning of year</b>		(386,054.37)	(26,717,857.81)	(343,115.04)	(22,364,238.31)
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>(455,550.61)</u>	<u>(31,527,518.59)</u>	<u>(386,054.37)</u>	<u>(25,163,024.29)</u>
<b>APPROPRIATIONS</b>		(455,550.61)	(31,527,518.59)	(386,054.37)	(25,163,024.29)
<b>PROFIT AND LOSS ACCOUNT, end of year</b>		<u>(455,550.61)</u>	<u>(31,527,518.59)</u>	<u>(386,054.37)</u>	<u>(25,163,024.29)</u>

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



J.L. Thakkar - M.No.32318  
Proprietor  
Place: Mumbai  
Date: April 26, 2019

For and on behalf of  
Wockhardt Farmaceutica Do Brazil Ltda

*Manish Kumar Singh*

*Manish Kumar Singh*

**WOCKHARDT FARMACEUTICA DO BRASIL LTDA**

**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.



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WOCKHARDT FARMACEUTICA DO BRASIL LTDA

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	As at 31 March 2019 USD	As at 31 March 2019 INR @ 69.2075	As at 31 March 2018 USD	As at 31 March 2018 INR @ 65.18
<b>SOURCES OF FUNDS:</b>				
<b>1. SHARE CAPITAL</b>				
<b>ISSUED, SUBSCRIBED AND PAID UP</b>	367,962.45	25,465,761.26	367,962.45	23,983,792.49
Subscribed: 1,000,000 quotas of Brazilian Ria 1 each (Paid-in as below)				
Paid-in: 1,000,000 quotas of Brazilian Ria 1 each held as under				
(a) 90,000 (PY - 90,000) quotas are held by Wockhardt Europe Ltd and				
(b) 910,000 (PY - 910,000) quotas are held by The Wallis Labs UK				
Both these companies are wholly-owned subsidiaries of Wockhardt Limited, India.				
<b>TOTAL OF SHARE CAPITAL</b>	<b>367,962.45</b>	<b>25,465,761.26</b>	<b>367,962.45</b>	<b>23,983,792.49</b>
<b>2. RESERVES AND SURPLUS</b>				
Profit and loss account	(455,550.61)	(31,527,518.59)	(386,054.37)	(25,163,024.29)
Translation Gain/(Loss)	(10,810.63)	(748,176.68)	(23,572.85)	(1,536,477.91)
<b>TOTAL OF RESERVES AND SURPLUS</b>	<b>(466,361.24)</b>	<b>(32,275,695.27)</b>	<b>(409,627.22)</b>	<b>(26,699,502.20)</b>
<b>3. UNSECURED LOANS</b>				
Long term				
Loan from Holding Company	82,919.46	5,738,648.53	-	-
<b>TOTAL OF UNSECURED LOANS</b>	<b>82,919.46</b>	<b>5,738,648.53</b>	<b>-</b>	<b>-</b>



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**WOCKHARDT PHARMACEUTICA DO BRASIL LTDA**  
**SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2019**

4. FIXED ASSETS					
PARTICULARS	As at March 31, 2019 USD	As at March 31, 2019 INR @ 69.2075	As at March 31, 2018 USD	As at March 31, 2018 INR @ 65.18	
<b>A. COST</b>					
Gross Block	447.25	30,953.05	447.25	29,151.76	
Add: Additions	-	-	-	-	
Less: Deductions	-	-	-	-	
<b>Total</b>	<b>447.25</b>	<b>30,953.05</b>	<b>447.25</b>	<b>29,151.76</b>	
<b>B. DEPRECIATION</b>					
Opening Balance	447.25	30,953.05	447.25	29,151.76	
Add: Charge for the year	-	-	-	-	
Less: Deductions/Adjustments	-	-	-	-	
<b>Total</b>	<b>447.25</b>	<b>30,953.05</b>	<b>447.25</b>	<b>29,151.76</b>	
<b>C. NET BLOCK</b>					
Net Block	-	-	-	-	



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WOCKHARDT FARMACEUTICA DO BRASIL LTDA

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	As at 31 March 2019 USD	As at 31 March 2019 INR @ 69.2075	As at 31 March 2018 USD	As at 31 March 2018 INR @ 65.18
<b>5. CASH AND BANK BALANCES</b>				
Cash on hand				
Balances with banks				
- in current accounts	42,432.78	2,936,666.62	-	-
<b>TOTAL OF CASH AND BANK ACCOUNTS</b>	<b>42,432.78</b>	<b>2,936,666.62</b>	<b>-</b>	<b>-</b>
<b>6. LOANS AND ADVANCES (Unsecured, considered good)</b>				
Advances recoverable in cash or in kind or for value to be received	-	-	-	-
Tax credits	1,489.87	103,110.18	1,779.83	116,009.32
<b>TOTAL OF LOANS AND ADVANCES</b>	<b>1,489.87</b>	<b>103,110.18</b>	<b>1,779.83</b>	<b>116,009.32</b>
<b>7. CURRENT LIABILITIES AND PROVISIONS</b>				
Sundry creditors	59,401.99	4,111,062.97	43,444.60	2,831,719.03
Other liabilities	-	-	-	-
<b>TOTAL OF CURRENT LIABILITIES</b>	<b>59,401.99</b>	<b>4,111,062.97</b>	<b>43,444.60</b>	<b>2,831,719.03</b>



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WOCKHARDT FARMACEUTICA DO BRASIL LTDA

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	For the year ended	As at	For the year ended	As at
	31 March 2019 USD	31 March 2019 INR @ 69.2075	31 March 2018 USD	31 March 2018 INR @ 65.18
<b>8. OPERATING AND OTHER EXPENSES</b>				
Rent, Rates and taxes	21,064.77	1,457,840.19	19,222.53	1,252,924.35
Legal & Professional Charges	36,369.77	2,517,060.74	10,626.95	692,664.58
Miscellaneous expenses	11,962.25	827,877.31	13,003.92	847,595.25
<b>TOTAL OF OPERATING AND OTHER EXP</b>	<b>69,396.79</b>	<b>4,802,778.24</b>	<b>42,853.39</b>	<b>2,793,184.18</b>
<b>9. FINANCE COSTS</b>				
Interest paid	234.69	16,242.19	86.77	5,655.55
Less: Interest received	(135.24)	(9,359.65)	(0.82)	(53.75)
<b>TOTAL OF FINANCE COSTS</b>	<b>99.45</b>	<b>6,882.54</b>	<b>85.94</b>	<b>5,601.80</b>



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