INDEPENDENT AUDITOR'S REPORT

To the Members of Wockhardt Medicines Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Wockhardt Medicines Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period from March 25, 2019 to March 31, 2019 and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its loss (including other comprehensive income), changes in equity and its cash flows for the period from March 25, 2019 to March 31, 2019.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we

HARIBHAKTI & CO. LLP. ★ MUMBAI ★ CHARTERED ACCOUNTANTS are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;

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e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the reporting period;

h. 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 does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(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 / W100048

HARIBHAKTI & CO. LLP. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : May 3, 2019

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 Medicines Limited on the financial statements for the year ended March 31, 2019]

(i) The Company does not have any Property, Plant and Equipment. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company does not hold any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company

(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, there are no loans, investments, guarantees and securities. Accordingly, paragraph 3 (iv) of the Order are not applicable to the Company.

(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) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, customs 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, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, as at March 31, 2019, 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, goods and services 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 taken any loans or borrowings from financial institution, bank, and government during the year. Further, there were no debenture holders.

(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 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.

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(xi) According to the information and explanations given to us, the Company has not paid any remuneration to its 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 and the details have been disclosed in the Financial Statements as required by under Indian Accounting Standards (Ind AS) 24 "Related party Disclosures" specified under Section 133 of the Act.

(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 / W100048

HARIBHAKTI & CO. LLP. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 3, 2019

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 Medicines Limited on the financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Wockhardt Medicines Limited ("the Company") as of March 31, 2019 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 with reference to financial statements 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to financial statements.

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CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls with reference to Financial Statements
A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements
Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 3, 2019

WOCKHARDT MEDICINES LIMITED
CIN: U74999MH2019PLC322942
BALANCE SHEET AS AT MARCH 31, 2019
(All amounts in Lakhs of Indian Rupees unless otherwise stated)

	Notes	As at 31.03.2019
ASSETS		
CURRENT ASSETS		
Financial assets:		
Cash and cash equivalents	3	5.00
		5.00
Deferred tax Assets	6	0.12
TOTAL		5.12
EQUITY AND LIABILITIES		
EQUITY		
Share capital	4	5.00
Other Equity		(0.33)
		4.67
LIABILITIES		
CURRENT LIABILITIES		
Financial liabilities		
Other financial liabilities	5	0.45
TOTAL		5.12

Significant accounting policies 2
The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Bhavik L. Shah
Partner
Membership No.122071
Place : Mumbai
Date: May 03, 2019

HARIBHAKTI & CO. LLP. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors
Wockhardt Medicines Limited

Shiva Subramanian
Director
DIN: 00116165

Place: Mumbai
Date: May 03, 2019

Shobhana Nagweka
Director
DIN: 01156918

Place: Mumbai
Date: May 03, 2019

WOCKHARDT MEDICINES LIMITED
CIN: U74999MH2019PLC322942
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019
(All amounts in Lakhs of Indian Rupees unless otherwise stated)

	Notes	For the period from March 25, 2019 to March 31, 2019
INCOME		-
EXPENSES		
Audit Fees		0.25
Legal and Professional fees		0.20
		0.45
NET PROFIT/(LOSS) FOR THE PERIOD BEFORE TAX		(0.45)
Taxation:	6	
Current tax		-
Deferred tax (credit)/charge		(0.12)
		(0.12)
NET PROFIT/(LOSS) FOR THE PERIOD AFTER TAX		(0.33)
Other Comprehensive Income		-
TOTAL COMPREHENSIVE INCOME		(0.33)
Earning per equity shares of Rs.10 each, fully paid-up		
Basic in Rupees	7	(34.76)
Diluted in Rupees	7	(34.76)
Significant accounting policies	2	

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Bhavik L. Shah
Partner
Membership No.122071
Place : Mumbai
Date: May 03, 2019

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors
Wockhardt Medicines Limited

Shiva Subramanian
Director
DIN: 00116165

Place: Mumbai
Date: May 03, 2019

Shobhana Nagweka
Director
DIN: 01156918

Place: Mumbai
Date: May 03, 2019

WOCKHARDT MEDICINES LIMITED
CIN: U74999MH2019PLC322942
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019
(All amounts in Lakhs of Indian Rupees unless otherwise stated)

Equity Share Capital

25-Mar-19	Changes in equity share capital during the period	31-Mar-19
-	5.00	5.00

Other equity

	Reserves and Surplus	
	Retained earnings	Total
Profit/(Loss) for the period	(0.33)	(0.33)
Other Comprehensive income for the period	-	-
Total comprehensive Income	(0.33)	(0.33)
Balance as on March 31, 2019	(0.33)	(0.33)

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Bhavik L. Shah
Partner
Membership No.122071
Place : Mumbai
Date: May 03, 2019

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors
Wockhardt Medicines Limited

Shiva Subramanian
Director
DIN: 00116165

Place: Mumbai
Date: May 03, 2019

Shobhana Nagwekar
Director
DIN: 01156918

Place: Mumbai
Date: May 03, 2019

WOCKHARDT MEDICINES LIMITED
CIN: U74999MH2019PLC322942
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2019
(All amounts in Lakhs of Indian Rupees unless otherwise stated)

		For the period from March 25, 2019 to March 31, 2019
A. Cash flows from operating activities		
Net profit/(loss) before tax		(0.45)
Operating profit before Working Capital changes		(0.45)
Movement in working capital:		
Increase /(Decrease) in Current liabilities		0.45
Cash Generated/(used in) from Operations	A	-
Taxes paid		-
Net cash from/(used in) Operating Activities		-
B. Cash flows from Investing Activities		
Net cash from Investing activities	B	-
C. Cash flows from Financing Activities		
Proceeds from Share capital		5.00
Net cash from Financing activities	C	5.00
Net increase/(decrease) in cash and cash equivalents	A+B+C	5.00
Cash and Cash Equivalents at beginning of period		-
Cash and Cash Equivalents at end of period		5.00
Components of cash and cash equivalents		
With banks - in current account		5.00
		5.00

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Bhavik L. Shah
Partner
Place : Mumbai
Date: May 03, 2019

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors
Wockhardt Medicines Limited

Shiva Subramanian
Director
DIN: 00116165

Place: Mumbai
Date: May 03, 2019

Shobhana Nagwekar
Director
DIN: 01156918

Place: Mumbai
Date: May 03, 2019

WOCKHARDT MEDICINES LIMITED
NOTES TO ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2019

1. Background

Wockhardt Medicines Limited ('WML' or 'Company') is a wholly owned subsidiary of Wockhardt Limited, incorporated on March 25, 2019 in India, and having its Registered office at Wockhardt towers, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra, India.. The Company is yet to commence its operations.

2. Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the company.

The significant accounting policies are as follows:

(a) Financial Instruments

I. Financial assets

(i) Classification of financial assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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Wockhardt Medicines Limited *

Debt instruments at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method.

Debt instruments measured at fair value through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments:

Investment is subsidiaries, associates and joint ventures are measured at cost.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(ii) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

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Wockhardt Medicines Limited

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

-The rights to receive cash flows from the asset have expired, or

-The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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II. Financial Liabilities and equity instruments:

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Financial liabilities: - Classification:

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'. FVTPL liabilities consist of derivative financial instruments, wherein the gains/losses arising from remeasurement of these instruments is recognized in the Statement of Profit and Loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(iii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to issue of these instruments.

(iv) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

III. Fair value:

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:
Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities which are listed in a recognized stock exchange.
Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.

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Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

IV. Accounting for day 1 differences:

If the fair value of the financial asset at initial recognition differs from the transaction price, this difference if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows:

- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (ie a Level 1 input) or based on a valuation technique that uses only data from observable market, the entire day 1 gain/loss is recorded immediately in the Statement of Profit and Loss; or
- in all other cases, the difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the Statement of Profit and Loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability

In case the difference represents:

(i) deemed capital contribution - it is recorded to recorded as an Investment in Subsidiary,

(ii) deemed distribution - It is recorded in equity

(iii) deemed consideration for goods and services - it is recorded as an asset or a liability. This amount is amortized/accredited to the Statement of Profit and Loss as per the substance of the arrangement (generally straight-line basis over the duration of the arrangement)

V. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

VI. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

VII. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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(b) 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 realised.

(c) 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.

(d) Income Tax

Tax expense comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or OCI. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity

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.

(e) Cash Flow statement

Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IndAS 7) - "Cash Flow Statements".

(f) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria followed by its holding company.

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WOCKHARDT MEDICINES LIMITED
NOTES TO FINANICAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(All amounts in Lakhs of Indian Rupees unless otherwise stated)

	As at 31.03.2019
3 Cash and Cash equivalents	
Cash and cash equivalents:	
Balances with banks	
On current account	**5.00**
TOTAL	**5.00**
4 Equity Share Capital	
Authorised Share Capital	
1,00,000 equity shares of Rs. 10 each	**10.00**
Issued, subscribed and fully paid up	
50,000 equity shares of Rs. 10 each	**5.00**

The above 50,000 equity shares are held by Wockhardt Limited, the Holding Company including six fully paid shares of par value held in the name of the nominees of the Company.

5 Other Current Financial Liabilities	
Audit fees payable	**0.25**
Incorporation expenses payable	**0.20**
TOTAL	**0.45**

6 Income tax

(a) Tax recognised in profit or loss

	For the period from March 25, 2019 to March 31, 2019
Current tax charge/(credit)	-
Deferred tax charge/(credit), net	
Origination and reversal of temporary differences	(0.12)
Deferred tax charge/(credit)	(0.12)
Tax charge/(credit) for the period	**(0.12)**

(b) Reconciliation of effective tax rate	
Profit/(Loss) before tax (a)	**(0.45)**
Tax using the Company's domestic tax rate - Current period - 26.00 %	**(0.12)**
Tax expense as per profit or loss (b)	**(0.12)**
Effective average tax rate for the period (b)/(a)	**26.00%**
(c) Movement in deferred tax asset/(liabilities)	
Deferred tax assets- as at April 01, 2018	-
Deferred tax income recognised during the period	
Tax losses	0.12
Deferred tax assets- as at March 31, 2019	**0.12**

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(All amounts in Lakhs of Indian Rupees unless otherwise stated)

	For the period from March 25, 2019 to March 31, 2019
7 Earnings per share	
The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:	
Reconciliation of earnings	
Profit/(Loss) after tax	**(0.33)**
Net Profit/(loss) for calculation of basic/diluted EPS	**(0.33)**
Reconciliation of number of shares	
Weighted average number of shares in calculating Basic EPS	**959**
Weighted average number of shares in calculating diluted EPS	**959**
Equity shares of Rs. 10 each, fully paid-up	
Basic in Rupees	**(34.76)**
Diluted in Rupees	**(34.76)**

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8 RELATED PARTY DISCLOSURES (as per Ind AS 24)

a) **Holding company**
Wockhardt Limited

b) **Key Managerial personnel**
Shiva Subramanian - Director
Shobhana Nagwekar - Director
Stephen D'souza - Director

	For the period from March 25, 2019 to March 31, 2019
c) Transactions during the period	
Share application money received from and shares alloted to the holding Company	**5.00**
Incorporation expenses payable to Holding Company	**0.20**
d) Outstanding Balances	
Payable to Holding Company	**0.20**

WOCKHARDT MEDICINES LIMITED

NOTES TO FINANICAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

(All amounts in Lakhs of Indian Rupees unless otherwise stated)

9 FINANCIAL INSTRUMENTS - FAIR VALUES

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities are presented below. In case of the below financial instruments, the carrying amount is a reasonable approximation of the fair value, hence the fiar value hierarcy has not been separately disclosed.

	Carrying amount				Total Fair value
March 31, 2019	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Total**
Financial Assets					
Cash and cash equivalents			5.00	5.00	5.00
Total	-	-	5.00	5.00	5.00
Financial Liabilities					
Other financial liabilities			0.45	0.45	0.45
Total	-	-	0.45	0.45	0.45

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10 FINANCIAL RISK MANAGEMENT

The Company is yet to commence its business activities , hence as at the balance sheet date the Company has no exposure to any major financial risk. The Board of Directors would be responsible for the establishment and oversight of risk management framework.

Liquidity risk

The following tables detail the remaining contractual maturities at the end of the reporting period of the Company, which are based on contractual and undiscounted cash flows and the earliest date the Company can be required to pay. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities

		Contractual cash flows				
March 31, 2019	**Book values**	**Total cash flows**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Other financial liabilities	0.45	0.45	0.45	-	-	-
	0.45	0.45	0.45	-	-	-

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NOTES TO FINANICAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019
(All amounts in Lakhs of Indian Rupees unless otherwise stated)

11 On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

The new Standard currently has no impact on the Company's financial statements.

12 Contingent liabilities as on March 31, 2019 is Rs. Nil

13 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

14 This being first year post incorporation, previous year figures have not been presented.

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Bhavik L. Shah
Partner
Membership No.122071
Place : Mumbai
Date: May 03, 2019

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors
Wockhardt Medicines Limited

Shiva Subramanian
Director
DIN: 00116165

Place: Mumbai
Date: May 03, 2019

Shobhana Nagwekar
Director
DIN: 01156918

Place: Mumbai
Date: May 03, 2019