

## INDEPENDENT AUDITORS' REPORT

To: BDO AG, Zurich, Switzerland

### Report on the Audit of the Standalone IND AS Financial Statements of Z & Z Service GmbH

#### Opinion

We have audited the Standalone IND AS Financial Statement of "Name of the Component" ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), These financial statements have been prepared solely to enable Wockhardt Limited (the ultimate holding company) to prepare its consolidated financial statements (ultimate holding company consolidated financial statements) and not to report on the Company as a separate entity.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information 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 31 March 2021, and profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Without limiting our opinion, we would like to inform that the company is over indebted. Wockhardt Bio AG issued an open-ended comfort letter in favor of Z & Z Service GmbH dated Mai 5, 2012.

We have not issued an Audit Clearance Memorandum as the company is not material in respect of the consolidation.

#### Basis for Opinion

We conducted our audit in accordance with the Indian Standards on Auditing (SAs). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the IFAC / Institute of Chartered Accountants of India. 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.

#### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, contained in the group audit instruction dated 25 January 2021 to enable the group to prepare its IND AS consolidated financial statements for the year ended 31 March 2021. This responsibility also includes maintenance of adequate accounting records 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 these standalone 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 standalone 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.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that

were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Reporting

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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Group Accounting Policies
- e) 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 for which there were any material foreseeable losses.)

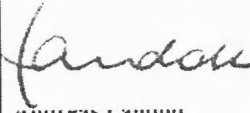
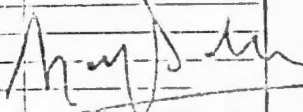
### Restriction of use

This report is intended solely for the use of B S R & Co. LLP and BDO AG in connection with its audit of the consolidated financial statements of Wockhardt Limited and Wockhardt Bio AG, respectively and should not be used by any other person or for any other purpose.


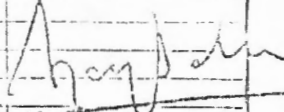
For Treucontrol Ltd  
Chartered Accountants  
Firm Registration No.:  
CH-170.3.018.061-6



Andreas Landolt  
Partner  
Membership No. 100055  
Place: Egg  
Date: April 14, 2021

<u>Z&amp;Z GmbH</u>	
<u>For the Period from 1st April 2020 till 31st March 2021</u>	
	AS AT 31.03.2021 In Full Figures
<b><u>SOURCES OF FUNDS</u></b>	
<b>SHAREHOLDERS' FUNDS</b>	
Share capital	
Equity share capital	(25'000.00)
Preference share capital	-
Reserves and surplus	206'082.35
	<u>181'082.35</u>
<b>LOAN FUNDS</b>	
Secured loans	-
Unsecured loans	-
	-
<b>DEFERRED TAX LIABILITY</b>	
	-
	<u>181'082.35</u>
<b><u>APPLICATION OF FUNDS</u></b>	
<b>FIXED ASSETS</b>	
Gross block	-
Accumulated depreciation	-
Net block	-
Capital work-in-progress and advances	-
	-
<b>INVESTMENTS</b>	
	-
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	
Inventories	-
Sundry debtors	1'031.05
Cash and bank balances	1'650.18
Loans and advances	(109'931.06)
	<u>(107'249.83)</u>
<b>CURRENT LIABILITIES AND PROVISIONS</b>	
Current Liabilities	(67'332.52)
Provisions	(6'500.00)
	<u>(73'832.52)</u>
<b>NET CURRENT ASSETS</b>	
	<u>(181'082.35)</u>
Misc Exps to the extent not w/off	
Minority Interest	(181'082.35)
	<u>(181'082.35)</u>
For Treucontrol Ltd	Z & Z Service GmbH
Chartered Accountants	Seepark 7
Firm Registration No.	D-39116 Magdeburg
CII-170.3.018.061-6	
	
<b>ANURAG LADDU</b>	<b>Ajay Sahni</b>
Partner	
Membership No. 100055	
Place: Egg	Place: Zug
Date: April 12, 2021	Date: April 12, 2021



<u>Z&amp;Z GmbH</u>	
<b>PROFIT AND LOSS ACCOUNT</b>	
	<b>For the</b>
	<b>Year ended</b>
	<b>31.03.2021</b>
	<b>In Full Figures</b>
<b>INCOME</b>	
Sales and services	-
Less: Excise Duty	-
	-
Other income	4.50
	<b>4.50</b>
<b>EXPENDITURE</b>	
Materials consumed and purchase of goods	-
(Increase) / decrease in inventories	-
Operating and other expenses	(2'600.00)
Depreciation / Amortisation	-
Financing cost	(327.35)
Pension charge	-
	<b>(2'927.35)</b>
<b>PROFIT BEFORE TAX AND EXTRAORDINARY ITEM</b>	<b>(2'922.85)</b>
Add / (Less) : Exceptional items Loss / (Gain)	-
<b>PROFIT BEFORE TAX</b>	<b>(2'922.85)</b>
Provision for tax	
- Current	-
- Fringe benefit Tax	-
- Deferred	-
<b>NET PROFIT AFTER TAX FOR THE YEAR</b>	<b>(2'922.85)</b>
Minority Interest	-
ExChange difference on foreign currency investments	-
Movement on Deferred tax relating to pension deficit	-
Pension charge	-
<b>PAT after adjustments</b>	<b>(2'922.85)</b>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>(2'922.85)</b>
<b>APPROPRIATIONS</b>	
Proposed dividend on equity shares	-
Transfer to debenture redemption reserve	-
Transfer to capital redemption reserve	-
Transfer to general reserve	-
<b>PROFIT AND LOSS ACCOUNT, end of year</b>	<b>(2'922.85)</b>
	<b>(2'922.85)</b>
<b>For Treucontrol Ltd</b>	<b>Z &amp; Z Service GmbH</b>
Chartered Accountants	Seepark 7
Firm Registration No.	D-39116 Magdeburg
<b>CH-170.3.018.061-6</b>	
	
<b>Andreas Lannou</b>	<b>Ajay Sabni</b>
Partner	
Membership No. 100055	
Place: Egg	Place: Zug
Date: April 14, 2021	Date: April 14, 2021







		External	Wockhardt Ltd.	Wockhardt UK Ltd.	WOCKHARDT FIN OPERATIONS (SWISS) AG	Total of Inter-Company Items
51040030	Raw Materials					
51040031	Packing Materials					
	Add:					
51040020	Purchase of Raw & Packing Materials					
51040021	Loan Licencing charges (Sub-contracting charges)					
51020004	Carriage Inward (including Octroi / Entry tax & similar Levies)					
51010002	Exchange (Gain)/Loss (Only on Purchases of Raw Materials and Packing Materials)					
	Less: Closing Stock of Materials (Enter Figures with Negative Sign)					
51040040	Raw Materials					
51040041	Packing Materials					
	Consumption of raw and packing materials					
51040050	Purchase of finished goods					
	Consumption of Finished Goods					
	<b>TOTAL OF MATERIAL CONSUMED AND PURCHASE OF GOODS</b>					
	<b>15. (INCREASE) / DECREASE IN INVENTORIES</b>					
	Opening stock (As per last years Closing stock)					
51040060	Finished goods					
51040061	Samples					
51040062	Work-in-progress					
51040063	Excise Duty on Opening Stock					
	Closing stock (Please Enter Figure with Negative Sign)					
51040070	Finished goods					
51040071	Samples					
51040072	Work-in-progress					
51040073	Less: Excise Duty on closing stock					
	<b>TOTAL OF (INCREASE) / DECREASE IN INVENTORIES</b>					
	<b>TOTAL CONSUMPTION INCLUDING FG</b>					
	<b>16. OPERATING AND OTHER EXPENSES</b>					
55010001	Salaries, wages and bonus, staff pension					
55010031	Company's contribution to provident and other funds					
55010036	Gratuity					
55010037	Leave Encashment Expenses					
55010038	Staff welfare expenses					
55010039	Staff Training					
55010040	Termination Payments					
52100101	Manufacturing Expenses					
52130707	Patent & Royalties					
52130717	Licences & Technology					
52070001	Power and fuel					
52080001	Rent, Rates and taxes					
52130741	Stores and spare parts consumed					
52090201	Machinery Repairs					
52090101	Building Repairs					
52090301	Repairs other					
52130709	Market research					
52030001	Advertising & Promotions					
52010001	Travelling expenses					
52020001	Freight and forwarding					
52020002	Selling and distribution					
52060003	Commission on sales (Inter-Company)					
52060001	Commission on sales (Domestic Sales)					
52060002	Commission on sales (Export Sales)					
52130758	Motor Expenses Sales					
52130601	Printing Postage & Stationary					
52130201	Telephone & Telex					
52130777	Car Contract Hire					
52080002	GMS Levy and Other Annual Charges					
52080002	Operating Leasing Charges					
52080003	Finance Lease Charges					
52110001	Insurance					
52120001	Provision for doubtful debts					
52130772	Foreign Office Expenses					
52120002	Bad debts					
52150101	Auditor's Remuneration					
52130301	Consultancy Charges	(2'600.00)			(2'600.00)	
52130401	Donations					
52130701	Foreign Exchange Gain / Loss (Other than on Raw Materials & Packing Materials)					
52130092	Investments written off					
52130093	Deferred R & D Exps / Development Exps Written off (Not regular amortisation)					
52130095	Actuarial (Gain) / Loss on Pension Scheme					
52130094	Wealth tax					
52150100	Prior Period Items					
52130760	Directors Fees (Only Wockhardt Ltd)					
52130091	General expenses / Miscellaneous Exps					
55010001	Depreciation charge for the year					
	<b>TOTAL OF OPERATING AND OTHER EXP</b>	<b>(2'600.00)</b>				
	<b>EXCEPTIONAL ITEMS (Negative sign in case of Gain)</b>					
	<b>17. FINANCING COST</b>					
	Interest paid					
54010001	Interest Expenses on Term Loans					
54010005	Interest Expense paid to Bank					
54010009	Other interest Expenses					
52130776	Bank Charges	(327.35)			(327.35)	
54010010	Amortisation of Finance costs					
41020008	Interest on Inter-company Loan					
54010011	Add: Lxchange (gain) / loss on borrowings					
41020001	Less: Interest received (Enter Figure with negative Sign)					
	<b>TOTAL OF FINANCE COST</b>	<b>(327.35)</b>				
	<b>Income Taxes</b>					
56010001	Current Tax Provision for the year					
56010002	Fringe benefit Tax					
56010003	Deferred Tax					
	<b>TOTAL TAX BURDEN</b>					
	<b>Appropriations and Special Items</b>					
56010020	Minority Interest					
56010025	FX Change difference on foreign currency investments					
56010010	Movement on Deferred tax relating to pension deficit					
55010001	Pension charge					
56010008	Interim dividend on equity shares					
56010009	Interim dividend on preference shares					
56010007	Proposed dividend on preference shares					
56010006	Proposed dividend on equity shares					



			External	Wockhardt Ltd	Wockhardt UK Ltd	WOCKHARDT FIN OPERATIONS (SWISS) AG	Total of Inter-Company Items
56010053	Tax on dividend						-
56010012	Transfer to debenture redemption reserve						-
56010052	Transfer to capital redemption reserve						-
56010010	Transfer to general reserve						-
	<b>TOTAL OF SPECIAL ITEMS AND APPROPRIATION</b>						-

