RELEASE – AUDITED CONSOLIDATED & STATUTORY FINANCIAL STATEMENTS

Zug, 28th May 2019

The audited consolidated and statutory financial statements for the full year ended 31st March 2019 were approved by the Board of Directors at their meeting held on May 24th, 2019.

Audited consolidated financial statements for the full year ended 31st March 2019

The presentation currency for the consolidated financial statements is USD.

Audited consolidated income statement

Total Revenue

Consolidated Revenues for the Financial Year 2018-19 were at USD 337.32 million, a decrease of 3.0% over the same period in the previous year.

Gross Margin

The Gross Margin was at 48.8% during the Financial Year 2018-19, compared to 50.9% over the same period in the previous year.

Operating Result

The Operating Loss for the Financial Year 2018-19 was at USD 7.85 million, compared to an Operating profit of USD 0.64 over the same period in the previous year. The Research & Development expenses stood at 3.7% of Consolidated Revenues in the Financial Year 2018-19 at USD 12.65 million. Total R&D spend including capex accounted for USD 41.46 million at 12.3% of Consolidated Revenues.

Profit/(Loss)

The Loss for the Financial Year 2018-19 was USD 23.47 million, compared to a loss of USD 60.46 million over the same period in the previous year. The loss for the Financial Year 2017-18 resulted mostly from a court settlement with a third party disclosed under extraordinary loss for 57.49 million.

Audited consolidated balance sheet

Balance sheet as at 31st March 2019

The Net Debt to Equity ratio as at 31st March 2019 stands at 0.83 compared to 0.59 as at 31st March 2018.

On 31st March 2019, Current and Non-current financial liabilities decreased at USD 237.43 million from USD 326.77 million on 31st March 2018.

On 31st March 2019, Cash & cash equivalents and Securities totaled USD 49.38 million compared to USD 178.21 million as on 31st March 2018.

This press release, about the audited consolidated and statutory financial statements for the full year ended 31st March 2019 is also available in electronic form at www.wockhardtbio.com

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Stock Listing

The registered shares of Wockhardt Bio AG are traded at the BX Bern eXchange.

Ticker Symbols:

WBIO (Telekurs)
Securities nummer 19304250
ISIN CH 019 304 250 1

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BDO Ltd
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8031 Zurich

To the General Meeting of

Wockhardt Bio LTD
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Report of the Statutory Auditor on the Consolidated Financial Statements for the year 2018/19 in accordance with Swiss GAAP FER

(for the year ended 31 March 2019)

24 May 2019
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REPORT OF THE STATUTORY AUDITOR

To the General Meeting of Wockhardt Bio LTD, Zug

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Wockhardt Bio LTD, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated financial statements for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 March 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Other Matter

The consolidated financial statements of Wockhardt Bio LTD for the year ended 31 March 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 27 July 2018.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation and Recoverability of development costs	
The group has capitalised external and internal development cost of USD 149.7 million as intangible assets - licenses in progress/development costs. The main part of it relates to six New Chemical Entities (NCE's), which received Qualified Infectious Disease Product (QIDP) status from the US Food and Drug Administration (US FDA), in various stages of development. Due to the material amount and the significant level of judgement and estimates involved by management in assessing recoverability of such capitalised costs, we consider this to be a key audit matter. We refer to note 16 to the consolidated financial statements for further information on the capitalisation of development costs.	We tested whether the capitalised costs met all the criteria for capitalization set out in the accounting standards. Therefore, we reconciled on a sample basis the additional capitalised costs for the period to the underlying invoices and supporting documents. We gained an understanding of the status of the NCE development by review of correspondence with authorities (e.g. FDA) and other third parties, company releases to the market, scientific documentation and interview of management. We challenged management's assessment of the future sales related to the NCE's and the recoverability of the capitalised costs. Furthermore, we have assessed the adequacy of the disclosures relating to capitalisation of development costs in the notes.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 24 May 2019

BDO Ltd

René Füglister	David Hämmerli
Auditor in Charge Licensed Audit Expert	Licensed Audit Expert

Enclosures
Consolidated financial statements

Wockhardt Bio AG

Consolidated income statement

in USD Mn	Note	1.4.2018 - 31.3.2019	1.4.2017 - 31.3.2018
Net sales from goods and services	4.2	337.03	336.15
Other operating income	5	0.29	11.58
Total revenue		**337.32**	**347.73**
Change in inventory of finished and unfinished goods		(10.22)	(7.36)
Material expense		(162.65)	(163.43)
Personnel expense	6	(69.84)	(65.60)
Other operating expense	7.1	(93.16)	(101.15)
Depreciation on tangible fixed assets	15	(4.71)	(4.87)
Amortisation on intangible assets	16	(4.59)	(4.69)
Total expenses		**(345.17)**	**(347.10)**
Operating result		**(7.85)**	**0.64**
Financial income / (expenses)	8	(13.75)	(1.50)
Ordinary result		**(21.60)**	**(0.87)**
Extraordinary income / (loss)	7.2	-	(57.49)
Profit/(loss) before income taxes		**(21.60)**	**(58.35)**
Income taxes	9	(1.87)	(2.11)
Profit/(loss)		**(23.47)**	**(60.46)**
Basic and also diluted earnings per share (in USD):			
Earnings per share	10	(0.45)	(1.16)

The notes from 1 to 28 form an integral part of the consolidated financial statements.

Wockhardt Bio AG

Consolidated balance sheet

In USD Mn	Note	31.3.2019	31.3.2018
Assets			
Cash and cash equivalents		49.38	145.49
Securities		-	32.72
Receivables from goods and services	12	130.78	107.24
Other short-term receivables	13	4.09	9.60
Advance receivable - related party	26	96.15	96.87
Inventories	14	64.82	76.03
Current assets		**345.22**	**467.94**
Tangible assets	15	119.60	112.08
Intangible assets	16	162.99	136.77
Deferred income tax assets	18	18.59	27.48
Non-current assets		**301.18**	**276.34**
Total assets		**646.40**	**744.28**
Liabilities and equity			
Short-term financial liabilities	17	97.11	105.41
Payables from goods and services	19	154.27	104.95
Other short-term liabilities	20	11.57	34.89
Short-term provisions	22	14.94	14.53
Accrued liabilities and deferred income	21	0.41	0.50
Current liabilities		**278.30**	**260.28**
Long-term financial liabilities	17	140.32	221.36
Long-term provisions	22	(0.07)	-
Deferred income tax liabilities	18	2.35	9.01
Non-current liabilities		**142.60**	**230.37**
Share capital		56.21	56.21
Legal reserves		26.76	26.76
Capital reserve		60.54	60.54
Currency translation adjustments		(87.50)	(82.84)
Retained earnings		169.49	192.97
Total equity	23	**225.50**	**253.63**
Total liabilities and equity		**646.40**	**744.28**

The notes from 1 to 28 form an integral part of the consolidated financial statements.

Wockhardt Bio AG

Consolidated cash flow statement

In USD Mn		Note	1.4.2018 - 31.3.2019	1.4.2017 - 31.3.2018 restated*
Profit/(loss) for the year			(23.47)	(60.46)
+/–	depreciation/amortisation of tangible/intangible assets	15, 16	9.30	9.56
+/–	impairment of assets		-	4.22
+/–	decrease / increase in value of securities	5	0.58	4.72
+/–	increase / decrease of provisions (including deferred income taxes) that do not affect the fund	18, 22	2.58	(9.37)
+/–	decrease / increase of inventories		11.21	14.40
+/–	decrease / increase of other receivables		6.24	18.70
+/–	increase / decrease of receivables from deliveries and services		(23.54)	12.77
+/–	increase / decrease of payables from goods and services		49.32	52.09
+/–	increase / decrease of other short-term liabilities and accrued liabilities and deferred income		(23.41)	2.85
Net cash flow from operating activities			**8.81**	**49.48**
+/-	inflows/outflows for investment (purchase) of tangible fixed assets	15	(12.22)	(22.40)
+/-	inflows/outflows from disposal (selling)/purchase of financial assets (securities)		32.13	49.23
+/-	outflows for investment (purchase) of intangible assets	16	(30.81)	(84.17)
Net cash flow from investing activities			**(10.90)**	**(57.34)**
+/-	issuance / repayment of short-term financial liabilities *		(89.35)	3.24
+/-	issuance / repayment of long-term financial liabilities *		-	-
+/-	distribution to shareholders	11	-	-
Net cash flow from financing activities			**(89.35)**	**3.24**
Net change in cash and cash equivalents			**(91.44)**	**(4.62)**
Cash and cash equivalents at the beginning of the period			145.49	147.83
Net change in cash and cash equivalents			(91.44)	(4.62)
Exchange (losses) / gains on cash			(4.66)	2.28
Cash and cash equivalents at the end of the period			**49.39**	**145.49**

* Certain amounts shown here do not correspond to the consolidated financial statements 2017/18 and reflect adjustments made. An amount of USD 77.38 Mn was reported as repayment of long-term financial liabilities instead of repayment of short-term financial liabilities. The misstatement has been corrected by restating each of the affected cash flow statement line items for the prior period.

The notes from 1 to 28 form an integral part of the consolidated financial statements.

Wockhardt Bio AG

Consolidated statement of changes in equity

in USD Mn

	Share capital	Legal Reserves	Capital reserve	Currency translation adjustments	Retained earnings	Total equity
Balance at April 1, 2017	**56.21**	**26.76**	**60.54**	**(85.12)**	**253.43**	**311.81**
Profit/(loss)					(60.46)	(60.46)
Currency translation adjustments				2.28		2.28
Balance at March 31, 2018	**56.21**	**26.76**	**60.54**	**(82.84)**	**192.97**	**253.63**
Profit/(loss)					(23.47)	(23.47)
Currency translation adjustments				(4.66)	-	(4.66)
Balance at March 31, 2019	**56.21**	**26.76**	**60.54**	**(87.50)**	**169.49**	**225.50**

The notes from 1 to 28 form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Wockhardt Bio AG ('WBIO' or 'Company') is a subsidiary of Wockhardt Ltd, Mumbai (India). The Company together with its subsidiaries (collectively, 'the Group'; see note 28) is primarily engaged in the business of manufacturing and marketing of pharmaceutical products.

The bearer shares of Wockhardt Bio AG are listed on BX Swiss since December 19, 2013.

The consolidated financial statements of the Group for the year ended 31 March 2019 were authorized for issue in accordance with a resolution of the directors on 24 May 2019.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Wockhardt Bio AG have been prepared in accordance with the complete set of Swiss GAAP FER. They comply with the complementary recommendation for listed companies (Swiss GAAP FER 31) and the requirements of the BX Swiss. These consolidated financial statements have been prepared under the historical cost convention. All financial information included in the consolidated financial statements and notes to the consolidated financial statements are presented in US dollar (USD) and rounded to the nearest ten thousand unless otherwise stated.

2.2 Consolidation

2.2.1 *Scope of consolidation*

At 31 Mar 2019, the Group's consolidation structure comprised of legal entities as detailed in note no.28. There has been no change in the scope in he current financial year over last financial year.

2.2.2 *Consolidation policies*

The Group companies include all companies that are directly controlled by Wockhardt Bio AG. In this respect, control is defined as the power to control the financial and operating activities of the respective company, so as to obtain benefits from its operations. This control is normally evidenced by the holding of more than half of the voting rights on share capital of an entity. Group companies are consolidated from the date on which control is transferred to the Group. Subsidiaries intended for disposal are excluded from the consolidation from the date on which control ceases.
Goodwill from acquisitions is recognized directly in Group equity. The Notes to the financial statements disclose the effects that a theoretical capitalization and amortization of the acquired goodwill would have (see Note 23.1).

2.2.3 *Subsidiaries*

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The net assets taken over in an acquisition are measured initially at fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the Group's share of the newly valued net assets taken over is designated as goodwill. At the date of the acquisition, the acquired goodwill is offset with equity. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is also offset in equity. Subsequent adjustments to any contingent purchase consideration are recorded as an adjustment to the acquisition's cost and to goodwill. Adjustments to the fair values of the acquired net assets are recorded in the income statement in subsequent periods.

Intercompany transactions, balances, and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.4 *Investments in associates*

Investments in associates are accounted for using the equity method of accounting. These are entities in which Wockhardt Bio AG has significant influence and which are neither subsidiaries nor joint ventures of Wockhardt. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these decisions (usually 20-50% of voting rights). Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize Wockhardt's share of profit or loss of the investee after the acquisition date.

2.2.5 *Securities*

Securities are valued at actual values. If there is no actual value available, they are valued at acquisition cost less impairment, if any.

2.3 Foreign currency translation

2.3.1 *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in US dollars, which is the the Group's presentation currency.

2.3.2 *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

2.3.3 *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

c) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. For purposes of the disclosure of the effects of a theoretical capitalization, goodwill is treated as an asset of Wockhardt Bio AG and is carried in the Company's functional currency.

The principal exchange rates versus the US dollar were as follows:

		Ø 2018/19	March 31, 2019	Ø 2017/18	March 31, 2018
1	EUR	1.1551	1.1220	1.1784	1.2320
1	GBP	1.3088	1.3034	1.3365	1.4044
1	CHF	1.0109	1.0039	1.0331	1.0482
1	AUD	0.7272	0.7081	0.7748	0.7691
1	RUB	0.0154	0.0155	0.0173	0.0174

2.4 Revenue recognition and chargebacks

Revenue is recognized at the time product is shipped by the Group, which is when title passes. Allowances for discounts, chargebacks, and rebates are recognized in the same period as the related sales. A significant portion of products is distributed by independent pharmaceutical wholesalers; when a sale is initially recorded to a wholesaler, the sale and resulting receivable are recorded at list price. However, experience indicates that most of these selling prices will eventually be reduced to a lower, end-user contract price.

Chargebacks are difference in value between Wockhardt established WAC (Wholesale Acquisition Cost) and the negotiated contract price extended to certain customers/distributors. Therefore, at the time of the sale, an allowance is recorded for, and revenue is reduced by, the difference between the list price and the estimated average end-user contract price. When the wholesaler ultimately sells the product, the wholesaler charges the Group (chargeback) for the difference between the list price and the end-user contract price, and such chargeback is offset against the initial estimated allowance.

Additionally, the Group also issues rebates to its customers based on the amount of purchases a customer has made or the amount of product that has been sold by its customer. Estimated rebates are accrued as an allowance and reduce revenues at the time of the initial sale, and are generally paid on a monthly basis. Accounts receivable are presented net of such allowances.

To control credit exposure, the Group routinely monitors the creditworthiness of its customers, reviews outstanding customer balances on a regular basis, and records allowances for bad debts as necessary. Additionally, the Group evaluates the collectability of its accounts receivable based on the length of time the receivable is past due and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged off against the allowance account when they are deemed uncollectible. The Group does not require customers to maintain collateral.

2.4.1 *Sale of Goods*

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with dispatch of goods to customers. Revenues are recorded at invoice value, net of value added tax (VAT)/duties, returns and trade discounts.

2.4.2 *Sale of Services*

Revenues from services are recognized on completion of rendering of services.

2.4.3 *Royalties*

Royalties are recognized on an accrual basis in accordance with the terms of the relevant agreement.

2.4.4 *Interest*

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.5 Employee benefits

2.5.1 *Pension obligations*

The obligations of all Group companies in respect of retirement, death and disability are based on local rules and regulations in the respective countries. The obligation in respect of the pension plans of all Group companies is with the pension institution and not with the Group companies except for Wockhardt France Holding where the Pension Fund is maintained by the Group.

2.6 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Wockhardt Bio AG does not recognize deferred income tax assets on unused tax losses.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and current accounts with banks.

2.8 Receivables from goods and services

Receivables from goods and services are valued at par value less impairment, if any. A provision for impairment of receivables from goods and services is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable from goods and services is impaired. The carrying amount of the asset is reduced through the use of provision against the doubtful debts allowance account, and the amount of the loss is recognized in the income statement within "other operating expenses." When a receivable from goods and services is uncollectible, it is written off against the bad debts allowance account for receivables from goods and services. Subsequent recoveries of amounts previously written off are credited against "other operating expenses" in the income statement.

2.9 Inventories

All inventories are valued at moving weighted average price other than finished goods and work in progress, which are valued on quarterly moving average price. Finished goods and work in progress is computed based on respective moving weighted average price of procured materials and appropriate share of labour and other manufacturing overheads.

Inventories are stated at the lower of average cost and net realizable value. Cost also comprises all charges incurred for bringing the inventories to their present location and condition. Duties accrued on production or import of goods, as applicable, is included in the valuation of finished goods.

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.

2.10 Fixed assets

The carrying amounts of fixed assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount.

2.10.1 *Tangible assets*

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. The Group capitalises all costs relating to the acquisition and installation of fixed assets.

Depreciation is provided, using the straight line method, pro rata to the period of use of assets, at the rates mentioned below or essentially based on the useful lives of the assets estimated by the management, whichever is higher. The rates used by the Group are as follows:

Assets	*Rates*
Leasehold land	Over the period of lease
Buildings	1.63 - 3.34 %
Plant and machinery	4.75 - 6.67 %
Furniture & fixtures	6%
Office equipment	25%
Information technology equipment	20 - 33.33 %
Vehicles	20 - 33.33 %

2.10.2 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.
The cost relating to intangible assets is capitalized and amortised on a straight line basis up to the period of three to ten years, which is based on their estimated useful life excepting for Licenses in progress/Development cost.

Generally the intangible assets (intellectual property rights, market authorisations etc.) are amortised over a period of 10 years. However, there are instances where the useful life is considered less than 10 years by Group companies. As such useful life period is based on various factors such as the life cycle of the product, competitive environment, forecast on market of the product, manufacturing plans of the Group etc. Wherever the foregoing factors strongly justify a useful life of less than 10 years, a lesser period is considered for amortising the intangible assets.

Research and development expenses Capitalised
Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortized over the period of expected future sales from the related project, not exceeding ten years.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services prior to the commencement of commercial production or us.

2.11 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that suffered an impairment are reviewed for a possible reversal of the impairment at each reporting date.

2.12 Borrowings

Borrowings are initially recognized at par value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

2.12.1 Capitalisation of borrowing costs

Borrowing costs directly attributable to acquisition of qualifying assets have been capitalized. The interest on the amounts utilised on qualified assets (tangible and intangible) is being used to compute the amount of interest to be capitalised in line with the accounting principles laid out in Swiss FER 18.21.

2.13 Leases

2.13.1 Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged (net of any incentives received from the lessor) to the income statement on a straightline basis over the period of the lease.

2.13.2 Finance lease

Finance lease assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases and hire purchase contracts. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term and the useful life of equivalent owned assets.

2.14 Payables from goods and services

Payables from goods and services and other payables are recognized at par value.

2.15 Provisions

Provisions for contingent purchase considerations, restructuring costs, legal cases, warranties, and others are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.16 Equity

2.16.1 *Share capital*

Bearer shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16.2 *Goodwill offset in equity*

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the Group's share of the newly valued net assets taken over. At the date of the acquisition, the acquired goodwill is offset against equity.

For purposes of the disclosure of the effects of a theoretical capitalization, acquired goodwill is amortized over five years and carried at cost less accumulated amortization and impairment losses. Impairment losses on goodwill are not reversed.

In case of a disposal, acquired goodwill offset against equity at an earlier date is considered at original cost to determine the profit or loss recognized in the income statement.

2.17 Government grants

Capital grants (eg for research and development, capital purchase of equipment and buildings, technology and innovation) are credited to a deferred income account and depreciated over the useful life of the asset by equal annual installments. Revenue grants are credited to income in the period to which they relate.

3 Use of estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4 Net sales from goods and services

4.1 *Information about Primary Segments*

The Group is primarily engaged in the pharmaceutical business which is considered as the only reportable business segment.

4.2 *Information about Secondary Segments*

Net sales by regions of destination

In USD Mn	*2018/19*	*2017/18*
USA	116.65	109.31
Europe	186.40	199.12
Rest of the world	33.98	27.71
Total net sales by regions of destination	*337.03*	*336.15*

Efforts towards remediation and compliances measures to address US FDA matters on the manufacturing facilities continue to be in place.
Keeping in view the competitive disadvantages the segmental results have not been published in compliance with exceptional rule laid out in Swiss FER 31.8.

5 Other operating income

In USD Mn	*2018/19*	*2017/18*
Profit/(loss) on sale of securities (net)	(0.58)	16.43
Profit on sale of assets (net)	0.47	(0.02)
Unrealised gain/(loss) on investments	-	(4.72)
Miscellaneous income	0.31	(0.11)
Total other operating income	*0.20*	*11.58*

Wockhardt Bio AG

6 Personnel expense

in USD Mn	*2018/19*	*2017/18*
Salaries and wages	56.64	60.66
Pension Expense	3.84	(2.03)
Staff welfare & training expenses	1.79	1.53
Other Personnel Expenses	7.57	5.43
Total personnel expense	*69.84*	*65.59*

The pension expense is summarized as follows:

in USD Mn	Nominal value	Renounce of use	Balance sheet	Accumulation	Balance sheet	Result from ECR within personnel expense	
	31.3.2019	*31.3.2019*	*31.3.2019*	*2018/19*	*31.3.2018*	*2018/19*	*2017/18*
Employer contribution reserves (ECR)							
Patronage funds / pension institutions				-	-	-	-
Pension institutions	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

in USD Mn	Surplus/ deficit	Economical share of the group		Change to previous year	Contributions accrued	Pension benefit expenses within personnel expense	
	31.3.2019	*31.3.2019*	*31.3.2018*			*2018/19*	*2017/18*
Economical benefit / obligation and pension expenses							
Patronage funds / pension institutions	-	-	-	-	-	-	-
Pension institutions without surplus/deficit	-	-	-			0.17	0.16
Pension institutions with surplus	-	-	-	-			-
Pension institutions with deficit *							
Pension institutions without own assets	-	-	-	-			-
Pension Funds foreign country	(0.93)	(0.93)	(1.37)	(0.45)	-	3.66	(2.19)
Total	*(0.93)*	*(0.93)*	*(1.37)*	*(0.45)*	-	*3.84*	*(2.03)*

** The economic obligation of USD 1.1 Mn is included as Provision for Pension benefit obligation. Please refer to note no.22*

7.1 Other operating expense

in USD Mn	*2018/19*	*2017/18*
Clinical trial expenses	1.77	0.35
Consultancy charges	22.63	32.17
Distribution cost on domestic sales	0.07	0.07
General expenses	11.02	9.24
Research & development expenses	10.88	13.88
Insurance	2.05	2.17
Travelling expenses	1.89	2.03
Rent, rates and taxes	2.76	2.71
Commission on sales	5.01	2.39
Provision for doubtful debts	0.34	0.11
Others	34.74	36.03
Total other operating expense	*93.16*	*101.15*

7.2 Extraordinary income / (loss)

During 2017/18, an out-of-court settlement was agreed with a major ex-customer where the contract to supply terminated in 2015. The settlement value of GBP 43 million is reflected in the consolidated income statement as extraordinary loss. The Group does not expect any further costs to be incurred with regard to this matter.

8 Financial income / (expenses)

in USD Mn	*2018/19*	*2017/18*
Interest expense on term loans	(10.04)	(13.21)
Interest received	0.69	0.35
Financial expenses and bank charges	(0.12)	(0.17)
Foreign exchange rate profit/(loss)	(4.28)	11.54
Total financial income / (expenses)	*(13.75)*	*(1.50)*

9 Income tax (credit)/expense

in USD Mn	*2018/19*	*2017/18*
Deferred income tax (credit)/expense (note 18)	2.23	(1.63)
Current income tax expense	(0.37)	3.74
Total income tax (credit)/expense	*1.87*	*2.11*

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

	2018/19	*2017/18*
Accounting Profit/(Loss) before income tax	(21.60)	(58.35)
Average applied income tax rate of 12% (13.4%)	2.60	7.80
Adjustment of tax charge in respect of prior periods	(0.10)	(0.34)
Effect of capital allowances & depreciation	1.51	-
Effect of higher tax rates	(0.07)	-
Current-year losses for which no deferred tax asset is recognised	(4.19)	(0.79)
Effect of lower tax rates	(1.83)	(4.25)
Effect of expenses not deductible for tax purposes	0.20	(0.05)
Tax deductible expenses	0.29	-
Utilisation of previously unrecognised tax losses	-	0.05
Other adjustments	(0.28)	(4.53)
At the effective income tax rate of 8.7% (6.6%)	(1.87)	(2.11)
Income tax expense reported in the income statement	(1.87)	(2.11)

10 Earnings per share

Basic and diluted earnings per share are calculated on the basis of the profit for the year and the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares. The Company does not have any categories of dilutive potential ordinary shares.

	2018/19	*2017/18*
Profit for the year (in USD Mn):	**(23.47)**	**(60.46)**
Weighted average number of shares in issue during the year:		
Bearer shares	51'948'000	51'948'000
Basic and also diluted earnings per share (in USD):		
Earnings per share	(0.45)	(1.16)

11 Distribution to shareholders

	Shares outstanding		*Payment per share -USD*		*USD Mn*	
	31.3.2019	*31.3.2018*	*2018/19*	*2017/18*	*2018/19*	*2017/18*
Dividend paid out of retained earnings	51'948'000	51'948'000	-	-	-	-
Dividend paid out of capital contribution reserves	51'948'000	51'948'000	-	-	-	-

12 Receivables from goods and services

in USD Mn	*31.3.2019*	*31.3.2018*
Receivables from goods and services		
Third party	138.16	115.32
Related party	4.50	5.19
Total	*142.66*	*120.51*
Provision for doubtful debts	(11.88)	(13.27)
Total receivables from goods and services	*130.78*	*107.24*

13 Other short-term receivables

in USD Mn	*31.3.2019*	*31.3.2018*
Related party	-	-
Other	4.09	9.60
Total other short-term receivables	*4.09*	*9.60*

14 Inventories

in USD Mn	*31.3.2019*	*31.3.2018*
Raw materials	18.98	21.10
Packing materials & Spares	5.63	4.60
Work-in-progress	1.47	1.54
Finished goods	54.81	68.97
Total inventories	*80.89*	*96.20*
Less: Inventory provision	(16.07)	(20.18)
Total inventories - net	*64.82*	*76.03*

15 Tangible assets

in USD Mn	*Plant and equipment*	*Land and buildings*	*Equipment under construction*	*Other tangible assets*	*Total tangible assets*
Cost					
Balance at April 1, 2017	79.57	35.85	49.98	0.05	165.45
Additions	4.57	2.03	10.92	-	17.51
Disposals	(0.23)	-	-	-	(0.23)
Exchange differences	7.76	2.38	1.70	-	11.84
Balance at March 31, 2018	91.67	40.26	62.60	0.05	194.58
Additions	2.56	0.06	13.16	-	15.78
Disposals	(0.60)	(0.03)	(0.15)	(0.01)	(0.78)
Exchange differences	(5.32)	(1.67)	(1.06)	-	(8.05)
Balance at March 31, 2019	**88.31**	**38.62**	**74.55**	**0.04**	**201.53**
Accumulated depreciation					
Balance at April 1, 2017	58.66	12.19	-	0.05	70.90
Depreciation	4.20	0.67	-	-	4.87
Disposals	(0.15)	-	-	-	(0.15)
Exchange differences	5.79	1.09	-	-	6.88
Balance at March 31, 2018	68.50	13.95	-	0.05	82.49
Depreciation	4.02	0.69	-	-	4.71
Disposals	(0.58)	(0.01)	-	(0.01)	(0.60)
Exchange differences	(3.93)	(0.74)	-	-	(4.67)
Balance at March 31, 2019	**68.01**	**13.88**	-	**0.04**	**81.94**
Net book values					
Balance at April 1, 2017	20.91	23.66	49.98	-	94.55
Balance at March 31, 2018	23.18	26.31	62.60	-	112.09
Balance at March 31, 2019	**20.31**	**24.74**	**74.55**	-	**119.60**

Equipment under construction essentially represents the expenses incurred on setting up a new Manufacturing facility for supply of pharmaceutical products to Group's markets in US, Europe & Emerging Markets. The plant is expected to be operational in the FY 2021-22.
Borrowing costs directly attributable to acquisition of qualifying assets have been capitalized. Borrowing costs amounting to USD 1.52 Mn (prior year USD 0 71 Mn) is included under 'Capitalized work in Progress' as at March 31, 2019.

16 Intangible assets

in USD Mn	*Licences and trademarks*	*Computer software*	*Licences in progress / Development Costs*	*Total intangible assets*
Cost				
Balance at April 1, 2017	56.79	7.41	89.53	153.73
Additions	0.72	1.16	82.42	84.30
Impairments	-	-	(4.22)	(4.22)
Disposals	(0.17)	-	(0.36)	(0.53)
Exchange differences	1.16	0.03	0.28	1.47
Balance at March 31, 2018	58.50	8.60	167.65	234.75
Additions	2.52	0.03	29.54	32.09
Disposals	(1.77)	-	(0.47)	(2.24)
Exchange differences	(0.78)	(0.01)	(0.26)	(1.05)
Balance at March 31, 2019	**58.48**	**8.62**	**196.46**	**263.56**
Accumulated amortisation				
Balance at April 1, 2017	39.11	6.34	46.77	92.22
Amortisation	4.45	0.25	-	4.69
Disposals	(0.08)	-	-	(0.08)
Exchange differences	1.15	(0.01)	-	1.14
Balance at March 31, 2018	44.63	6.58	46.77	97.98
Amortisation	4.19	0.41	-	4.59
Disposals	(1.23)	-	-	(1.23)
Exchange differences	(0.77)	(0.01)	-	(0.77)
Balance at March 31, 2019	**46.82**	**6.98**	**46.77**	**100.57**
Net book values				
Balance at April 1, 2017	17.68	1.07	42.76	61.51
Balance at March 31, 2018	13.87	2.02	120.88	136.77
Balance at March 31, 2019	**11.66**	**1.64**	**149.69**	**162.99**

The Company's New chemical Entity ("NCE") clinical development programme continued to get a major boost during the Financial Year 2018-19:

WCK 771/ 2349 - Completed Phase 3 ABSSSI study successfully in India in 500 patients. Indian NDA filed in early January 2019 and approval is expected in July 2019.

WCK 4282 - Phase I healthy volunteer study with the formulation to be used in the Phase III was completed in US and report was finalized in Dec 2018. Protocol for Global Phase III complicated urinary tract infection (cUTI) study has been discussed and approved by FDA and EMA. The study with approx.1004 patients will commence in second half 2019 It is expected to be completed by Q2 2021 and marketing application will be filed by end of 2021.

WCK 4873 - Phase II study was completed in US and EU and study report finalized in April 2018. Phase III study in community acquired bacterial pneumonia (CABP) in India and LATAM is planned to be started in H2 2019. Protocol submission to DCGI has been done and regulatory approval expected by April 2019. Study is expected to be completed by end of 2020 and marketing application will be filed in Q1 2021.

WCK 5222 - Global Phase III study in complicated urinary tract infection (cUTI) in approx. 504 patients has been discussed and approved by FDA and EMA. The study is expected to start in second half 2019 and get completed by Q4 2020 and marketing application will be filed in Q2 2021.

WCK 6777 - US IND (IND No: 136940) for WCK 6777 is approved and we would be commencing Phase 1 study in the second half of 2019 which could take 8-9 months for completion. In the second half of 2020, we would apply to US FDA for Phase 2 study waiver. FDA's agreement on this could lead to start of WCK 6777 Phase 3 study in 2021.

The clinical development expenses for the year amounting to USD 24.05 Mn (CHF 23.79 Mn) prior year USD 23.76 Mn (CHF 23.00 Mn) pertaining to Company's NCE, and the amount has been capitalised during the year and included under 'Intangible Assets under Development as at March 31, 2019.

17 Borrowings

in USD Mn	*31.3.2019*	*31.3.2018*
Current		
Bank overdrafts	18.11	18.89
Bank loans	77.80	85.20
Related party	1.20	1.32
Others	-	-
Total current borrowings	*97.11*	*105.41*
Non-current		
Bank loans	140.32	221.36
Total non-current borrowings	*140.32*	*221.36*
Total borrowings	**237.43**	**326.77**

Assets pledged

1 Term loan of EUR 27.28 Mn [Previous Year - EUR 40.92 Mn] availed by Wockhardt France (Holdings) S.A.S. is secured by pledge of shares of Negma Group of companies. The loan with interest of 6 months EUR LIBOR plus 1.75% p.a. is repayable in 12 half yearly instalments by November 2020.

2 Term Loan obtained by Wockhardt Bio AG of USD 187.50 Mn (CHF 186.77 Mn) Previous Year USD 250 Mn (CHF 238.50 Mn) carries an interest rate of six months LIBOR plus a margin of 2.75% and is repayable in 8 equal half yearly installments. The repayment schedule of the said loan has commenced from July 2018.

Loan availed by Wockhardt Bio AG is secured as under:

- First ranking charge on fixed assets (excluding intangible assets) and current assets of Wockhardt Bio AG and its subsidiaries (except Wockpharma Ireland Ltd. and its Subsidiaries and Wockhardt France (Holdings) S.A.S. and its Subsidiaries)

- First ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh and on Fixed Deposits of INR 450 Mn (USD 6.50 Mn) in India.

- This term loan is also secured by Corproate Guarantee of USD 300 million from Wockhardt Limited.

3 Bank overdraft position includes the overdraft of CP Pharmaceuticals Ltd. amounting at GBP 13.90 Mn (USD 18.12 Mn) [[Previous year for CP Pharmaceuticals Ltd amounting at GBP 13.45 Mn (USD 18.89 Mn)]. The same is secured by a fixed and floating charge over the assets of the undertaking. Wockhardt UK Ltd., together with Pinewood Heathcare Ltd., Wockhardt UK (Holdings) Ltd., CP Pharmaceuticals Ltd. and Wallis Group Ltd. and its subsidiaries, have provided an unlimited cross-charge to secure the group borrowings.

4 As per financial year-end there were open guarantees and bid-/performance bonds by Credit Suisse to third parties secured by a general deed of pledge in the amount of USD 0.57 Mn (Previous Year USD 0.38 Mn).

Other Information

As of 31 March 2018 and 2019, some of the financial covenants under the USD 250 Mn loan facility agreement in a consortium of two bankers fell short of the agreed thresholds. The Company believes that the chance of lenders demanding acceleration of the loan is remote.

The loan carries an interest rate of six months LIBOR along with a margin of 2.75% and additional interest due to non-compliance of covenants. Loan is repayable in 8 equal half yearly instalments. The repayment schedule of the said loan has commenced from July 2018.

18 Deferred income tax

in USD Mn	*31.3.2019*	*31.3.2018*
Deferred income tax assets	18.59	27.48
Deferred income tax liabilities	(2.35)	(9.01)
Deferred income tax assets/(liabilities), net	*16.24*	*18.47*

The movement on the deferred income tax account is as follows:

in USD Mn	*31.3.2019*	*31.3.2018*
Balance at April 1,	18.47	16.84
Deferred income tax credit/(expense) (note 9)	(2.23)	1.63
Balance at March 31,	*16.24*	*18.47*

Deferred income tax assets and liabilities arise from temporary differences between the tax bases and their carrying amounts in the Group's financial statements in the following balance sheet items:

in USD Mn	*31.3.2019*	*31.3.2018*
Inventory	0.10	7.13
Allowance for doubtful debts	1.72	1.74
Pension accrual employee benefit	0.08	0.07
Losses carry forward	13.64	13.11
Deferred income/expenses	3.05	5.43
Fixed assets and intangibles	(2.35)	(9.01)
Total balance March 31,	*16.24*	*18.47*

Deferred tax assets in the amount of USD 2.5 Mn (Previous year USD 2.6 Mn) on current losses of Wockhardt Bio AG stand alone financials have not been considered above.
The tax rates applied for the calculation of the deferred income taxes are US 24.25%, UK 17%, France 33.33% and Ireland 12.5%.

19 Payables from goods and services

in USD Mn	*31.3.2019*	*31.3.2018*
Payables from goods and services		
Third party	74.39	39.74
Related party	79.89	65.21
Total payables from goods and services	*154.27*	*104.95*

20 Other short-term liabilities

in USD Mn	*31.3.2019*	*31.3.2018*
VAT, social tax & other similar payables to government	3.70	3.27
Other liabilities	7.86	31.62
Total other short-term liabilities	*11.57*	*34.89*

21 Accrued liabilities and deferred income

in USD Mn	*31.3.2019*	*31.3.2018*
Interest accrued & due on security deposit	-	-
Interest accrued but not due	0.41	0.50
Total accrued liabilities and deferred income	*0.41*	*0.50*

22 Provisions

In USD Mn	Provision for taxes	Provision for commission/ rebate	Provision for employee obligations *	Restructuring provisions	Other provisions	Total
Carrying amount as per April 1, 2017	2.01	10.09	10.15	-	-	22.25
Creation/Addition	1.99	23.00	2.47	-	0.35	27.81
Utilisation	(3.37)	(24.65)	(7.65)	-	-	(35.67)
Release	-	-	(0.78)	-	-	(0.78)
Exchange Differences	0.11	0.16	0.61	-	-	0.87
Carrying amount as per March 31, 2018	0.74	8.60	4.80	-	0.35	14.49
Creation/Addition	(0.55)	18.77	2.00	-	0.67	20.88
Utilisation	(0.12)	(16.35)	(2.41)	-	(0.35)	(19.23)
Release	(0.48)	-	-	-	-	(0.48)
Exchange Differences	(0.23)	(0.43)	(0.14)	-	-	(0.80)
Carrying amount as per March 31, 2019	*(0.64)*	*10.59*	*4.25*	-	*0.67*	*14.87*
Whereof at April 1, 2017						
Current Portion	(0.76)	10.09	3.48	-	-	12.81
Non-Current Portion	2.78	-	6.67	-	-	9.45
Whereof at March 31, 2018						
Current Portion	0.90	8.60	4.67	-	0.35	14.52
Non-Current Portion	(0.14)		0.14	-	-	(0.00)
Whereof at March 31, 2019						
Current Portion	(0.44)	10.59	4.12	-	0.67	14.94
Non-Current Portion	(0.20)		0.13	-	-	(0.07)

The provisions are tracked very cautiously and there is a high degree of certaintly for utilisation of these provisions.

* Includes the pension benefit obligations as on 31.03.2019 & 31.03.2018. Refer note no.6.

23 Equity

The issued share capital of the Company consists of 51'948'000 (Previous year 51'948'000) bearer shares with a par value of CHF 1 each. All issued shares are fully paid. The Company has no conditional capital.

The Company's statutory or legal reserves that may not be distributed amounted to USD 24.86 Mn (Previous year USD 24.86 Mn) at March 31, 2019.

23.1 Goodwill from acquisitions

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalization and amortization of goodwill is disclosed below:

in USD Mn	*Cost*	*Accumulated amortization*	*Theoretical net book value*
Cost			
Balance at March 31, 2018	195.56	195.56	-
Additions	-	-	-
Amortization charge	-	-	-
Balance at March 31, 2018	**195.56**	**195.56**	-
Additions	-	-	-
Amortization charge	-	-	-
Balance at March 31, 2019	**195.56**	**195.56**	-

Impact on income statement:

in USD Mn	*2018/19*	*2017/18*
Profit for the year according to the consolidated income statement	(23.47)	(60.46)
Amortization of goodwill	-	-
Theoretical profit for the year including amortization of goodwill	*(23.48)*	*(60.46)*

Impact on balance sheet:

in USD Mn	*31.3.2019*	*31.3.2018*
Equity according to the balance sheet	225.50	253.63
Theoretical capitalization of goodwill (net book value)	-	-
Amortization of goodwill	-	-
Theoretical equity including net book value of goodwill	225.50	253.63
Equity according to balance sheet	225.50	253.63
Equity as % of total assets	35%	34%
Theoretical equity including net book value of goodwill as % of total assets	225.50	253.63
Theoretical equity including net book value of goodwill as % of total assets	35%	34%

24 Contingent liabilities

The Group has other contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from these contingent liabilities.

25 Commitments

Capital expenditures for the purchase of property, plant and equipment contracted for at the balance sheet date but not yet incurred amount to USD 4.92 Mn.

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

in USD Mn	*31.3.2019*	*31.3.2018*
No later than 1 year	1.27	1.32
Later than 1 year, no later than 5 years	2.06	2.11
Total commitments	*3.33*	*3.43*

26 **Related party transactions**

a) Related party relationships where transactions have taken place during the year

Wockhardt Bio AG is a 86% (Previous year: 86%) owned subsidiary of Wockhardt Ltd, India ('Holding company').
In Wockhardt Limited, more than 5% of total shares are held by – "Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakhiwala Trust which inturn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants – 59.63%".

Affiliated Companies
Wockhardt UK Holdings Ltd., United Kindgdom
Wockhardt Europe Limited, British Virgin Islands

Key Managerial personnel:
Mr. Adrian John Ashurst
Mr. Ajay Sahni
Mr. Sunil Khera
Mr. Sirjiwan Singh *

b) Transactions with related parties during the year

in USD Mn	*2018/19*	*2017/18*
Holding company		
Sale of raw materials	0.01	0.09
Sale of Fixed Assets/Novation of Outlicensing Rights Income	3.00	1.68
Purchase of Fixed Assets	0.23	-
R & D Services expenses paid for NCEs (capitalised)	9.28	9.51
Outlicensing fees	0.43	3.73
Purchase of finished goods	39.83	52.19
Commission from Wockhardt Ltd.	-	2.65
Management fee paid	1.26	0.81
Reimbursement of expenses	0.26	0.18
Recovery of expenses	0.14	0.10
Acquisition of NCE under development	-	55.00
Guarantee fees expense	2.09	2.40
Advances paid against supplies & services	26.75	11.68
Dividends paid	-	-
Distribution through the capital contribution reserves/legal reserves	-	-
Key managerial personnel		
Remuneration paid	0.72	5.94

c) Related party balances

in USD Mn	*31.3.2019*	*31.3.2018*
Related party balances		
Amount receivable from Wockhardt Limited-advances	96.15	96.87
Amount receivable from Wockhardt Limited-debtors	4.50	5.19
Payable to Wockhardt Ltd. - Creditors	79.89	65.21
Loan payable to fellow subsidiary [Wockhardt Europe Limited]	1.20	1.32

Outlicensing Fee for NCEs represents the developmental costs on the New Chemical Entities under development (refer note no. 16) crosscharged by Wockhardt Ltd. during FY 2018/19 & 2017/18.

R & D Services represents the services provided by the research & development team of Wockhardt Ltd. during FY 2018/19 & 2017/18 on products other than the NCEs.

* Mr. Sirjiwan Singh has been released from the Board of Directors wef 15.02.2019.

27 **Subsequent events**

No significant events occurred between balance sheet date and May 24, 2019, the date when the financial statements were signed off by the Board of Directors for publication.

28 Subsidiaries

Company	Activity	Currency	Registered Capital	Group ownership and voting rights 31.3.2019	31.3.2018
Australia					
Wockhardt Bio Pty. Ltd.	T	AUD	10'000	100%	100%
Belgium					
Negma Benelux S.A.	T	EUR	74'400	100%	100%
England & Wales					
Wockhardt UK Limited	S	GBP	50'000	100%	100%
CP Pharmaceuticals Limited *	PS	GBP	2'432'549	100%	100%
Pinewood Healthcare Limited	S	GBP	100'000	100%	100%
France					
Wockhardt France (Holdings) S.A.S.	H	EUR	60'100'000	100%	100%
Niverpharma S.A.S.	T	EUR	160'000	100%	100%
Laboratoires Pharma 2000 S.A.S.	S	EUR	182'400	100%	100%
Laboratoires Negma S.A.S.	S	EUR	74'400	100%	100%
Phytex S.A.S.	D	EUR	1'071'000	100%	100%
Germany					
Z & Z Service GmbH	D	EUR	3'625'000	100%	100%
Ireland					
Wockpharma Ireland Limited	H	EUR	10'001'000	100%	100%
Pinewood Laboratories Limited	PS	EUR	373'291	100%	100%
Mexico					
Wockhardt Farmaceutica S.A. DE C.V.	S	MXN	36'867'236	100%	100%
Wockhardt Services S.A. DE C.V.	C	MXN	50'000	100%	100%
Russia					
Wockhardt Bio (R)	S	RUB	5'150'000	100%	100%
Switzerland					
CP Pharma (Schweiz) AG	S	CHF	250'000	100%	100%
USA					
Wockhardt Holding Corp.	H	USD	1'100	100%	100%
Morton Grove Pharmaceuticals Inc.	PS	USD	1	100%	100%
MGP Inc.	R	USD	1	100%	100%
Wockhardt USA LLC.	S	USD	2'000'000	100%	100%

Activity Codes

H = Holding
T = Trading
S = Sales
P = Production
C = Services / Consultancy
R = Research / Clinical trial
D = Dormant

All the subsidiaries above have been consolidated fully.

Besides the above Wockhardt Bio Ltd. has been incorporated in New Zealand with an objective of trading, manufacturing, selling, marketing, R&D of Pharmaceutical products as 100% owned subsidiaries on 11th November, 2015. Wockhardt Bio Ltd., New Zealand is yet to commence the business.

* Shareholding split into 1'862'549 Ordinary A shares of GBP 1.00 each and 570'000 Ordinary shares of GBP 1.00 each.

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BDO Ltd
Schiffbaustrasse 2
8031 Zurich

To the General Meeting of

Wockhardt Bio LTD
Grafenauweg 6
6300 Zug

Report of the Statutory Auditor on the Financial Statements for the year 2018/19

(for the year ended 31 March 2019)

17 May 2019
2111 6123/2+1/RFU

BDO

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REPORT OF THE STATUTORY AUDITOR

To the General Meeting of Wockhardt Bio LTD, Zug

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Wockhardt Bio LTD, which comprise the balance sheet as at 31 March 2019, and the income statement and notes for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 March 2019 comply with Swiss law and the company's articles of incorporation.

Other Matter

The financial statements of Wockhardt Bio LTD for the year ended 31 March 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 27 July 2018.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

BDO

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation and Recoverability of development costs	
The company has capitalised external and internal development costs of CHF 145.2 million as intangible assets under development. The main part of it relates to six New Chemical Entities (NCE's), which received Qualified Infectious Disease Product (QIDP) status from the US Food and Drug Administration (US FDA), in various stages of development. Due to the material amount and the significant level of judgement and estimates involved by management in assessing recoverability of such capitalised costs, we consider this to be a key audit matter. We refer to note 3 to the financial statements for further information on the capitalisation of development costs.	We tested whether the capitalised costs met all the criteria for capitalization set out in the accounting standards. Therefore, we reconciled on a sample basis the additional capitalised costs for the period to the underlying invoices and supporting documents. We gained an understanding of the status of the NCE development by review of correspondence with authorities (e.g. FDA) and other third parties, company releases to the market, scientific documentation and interview of management. We challenged management's assessment of the future sales related to the NCE's and the recoverability of the capitalised costs. Furthermore, we have assessed the adequacy of the disclosures relating to capitalisation of development costs in the notes.
Recoverability of investments	
The total carrying amount of investments amounts to CHF 143.7 million. Valuation is based on historical cost less any necessary adjustment for impairment. The Company prepared impairment tests for material investments in subsidiaries based on discounted cash flow calculations. This includes considerable estimates and judgment with respect to the assumptions about the future results of the business and the discount rate applied to future cash flows. Due to materiality aspects and the high level of estimates and judgement involved in the impairment assessment performed by the management, we consider the valuation of investments a key audit matter. We refer to note 9 to the financial statements for further information on the valuation of investments in subsidiaries.	We gained an understanding of how management assessed the need for any impairment adjustments. We challenged management's assumptions of the future revenue, the long-term growth rates and the discount rate applied in their discounted cash-flow calculations. In addition, we performed a retrospective comparison of current year budget versus actual performance. We compared the amounts in the discounted cash flow calculation to the business plan and reviewed the arithmetic accuracy. We compared the carrying amount of the investments to the recoverable amount, which is based on the discounted cash-flow calculations. Furthermore, we have reviewed the adequacy of the disclosures relating to investments in the notes.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Zurich, 17 May 2019

BDO Ltd

René Füglister	David Hämmerli
Auditor in Charge Licensed Audit Expert	Licensed Audit Expert

Enclosures
Financial statements
Proposed appropriation of available earnings

Balance Sheet as per March 31,	2019	2018
	CHF	CHF
Current assets		
Cash and bank balances	18'792'976	95'154'779
Short term assets with market value	0	31'210'116
Prepayments - third parties	4'887'046	5'281'489
Advances - shareholders	95'773'118	91'976'452
Advances - subsidiaries	36'036'850	17'377'025
Accounts receivable - third parties	12'809'866	7'600'427
Accounts receivable - shareholders	2'962'041	85'182
Accounts receivable - subsidiaries	192'777'645	167'164'254
Receivable VAT	708'239	0
Other receivables	728'102	433'056
Inventories	4'587'394	7'087'284
Total current assets	370'063'277	423'370'065
Fixed assets		
Investments	143'710'505	143'710'505
	143'710'505	143'710'505
Tangible assets	132'567	105'926
Accumulated depreciation	-105'687	-89'262
Tangile assets net	26'880	16'664
Capitalized Work in Progress	33'555'435	25'574'166
Licences and trade marks	50'317'938	47'486'513
Accumulated amortisation	-38'807'843	-34'351'995
Licences and trade marks net	11'510'096	13'134'518
Intangible assets under development	145'154'498	111'926'328
Total fixed assets	333'957'414	294'362'182
Total assets	704'020'691	717'732'246
Liabilities		
Accounts payable - third parties	23'523'658	11'632'039
Accounts payable - shareholders	73'936'707	55'735'873
Accounts payable - subsidiaries	93'973'335	63'394'109
Advances from customers	704'832	430'742
Payable VAT	0	726'740
Loan - third party - interest bearing	62'256'668	59'623'997
Loans - group companies	1'197'153	1'259'389
Accrued expenses	51'868'137	41'068'435
Accrued taxes	60'163	68'657
Total short term liabilities	307'520'652	233'939'981
Loan - third party - interest bearing	124'513'335	178'871'992
Total long term liabilities	124'513'335	178'871'992
Total liabilities	432'033'987	412'811'973
Share capital	51'948'000	51'948'000
Statutory Capital Reserves		
Capital contribution reserve	1'696'502	1'696'502
Other Capital Reserves	1'691'757	1'691'757
	3'388'259	3'388'259
Statutory retained earnings		
General Reserves	23'474'000	23'474'000
Profit carried forward	226'110'014	244'102'170
Profit / (Loss) of the year	-32'933'569	-17'992'155
Retained earnings	193'176'445	226'110'014
Total shareholder's equity	271'986'704	304'920'273
Total liabilities and shareholder's equity	704'020'691	717'732'246

Income statement	**2018/19**	**2017/18**
	CHF	CHF
Revenues		
Sales export	220'823'208	224'673'476
Fee for service/Royalty paid	-1'756'911	-344'775
Bad debts	-457'502	-937'066
Total revenues	218'608'795	223'391'635
Operating expenses		
Cost of goods, materials and freight sold	183'886'523	183'886'722
Selling and distribution expenses	4'894'895	3'401'643
Export costs	489'552	210'899
Employee costs	2'236'805	7'171'798
Repairs and maintenance	252	1'580
Insurance	519'706	538'584
Research and development costs	13'826'222	16'847'029
Legal and consultancy costs	15'803'711	21'313'072
Trade mark costs	124'391	133'936
Management fees	783'889	419'656
Travel expenses	226'644	179'565
Other operating expenses	11'182'885	7'019'649
Depreciation	4'144'737	4'290'236
Total operating expenses	238'120'212	245'414'369
Net profit / (loss) from operations	-19'511'417	-22'022'734
Financial Income/Expenses		
Financial income		
Interest income - third party	887'141	485'437
Interest income - subsidiaries	625'638	334'230
Exchange gains	143	5'887'485
Gain / (Loss) on short term assets with market value	-527'846	11'252'862
Total financial income	985'076	17'960'014
Financial expenses		
Interest charges - third party	9'130'328	11'468'727
Interest and guarantee charges - shareholders	2'068'343	2'323'061
Bank charges	473'389	187'002
Exchange losses	3'145'051	0
Total financial expenses	14'817'111	13'978'790
Total financial result	-13'832'035	3'981'224
Net Profit / (loss) for the year before extraordinary items and tax	-33'343'452	-18'041'510
Profit from sale of assets	463'880	0
Extraordinary (income) / Loss	0	0
Net Profit / (loss) before tax	-32'879'572	-18'041'510
Direct taxes	-53'997	49'355
Profit / (Loss) of the year	-32'933'569	-17'992'155

Notes to the financial statements for the year ended March 31,	2019	2018
	CHF	CHF

1 General Information

These financial statements of Wockhardt Bio AG, Grafenauweg 6, CH-6300 Zug were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2 Functional currency

Wockhardt Bio AG accounting currency is USD. The Income Statement has been translated into CHF at the annual average rate. The Balance Sheet has been translated into CHF at year end rate with the exception of investments and shareholders' equity, which are translated at historical rates. Currency conversion differences resulting from the translation of the financial statements are recognized in the income statement (loss) or are deferred (gain). Accordingly in the current year currency conversion gain of CHF 34.18 Mn (Prior year CHF 25.97 Mn) has been considered under the position Accrued Expenses in the Balance Sheet.

Company used the following exchange rates for translating financials in CHF from USD:
Average rate - CHF/USD 1.00
Closing rate - CHF/USD 1.01

3 Development Expenses on QIDP status products

The Company's New chemical Entity ("NCE") clinical development programme continued to get a major boost during the Financial Year 2018-19.

WCK 771/ 2349-: Completed Phase 3 ABSSSI study successfully in India in 500 patients. Indian NDA filed in early January 2019 and approval is expected in July 2019.

WCK 4282 - Phase I healthy volunteer study with the formulation to be used in the Phase III was completed in US and report was finalized in Dec 2018. Protocol for Global Phase III complicated urinary tract infection (cUTI) study has been discussed and approved by FDA and EMA. The study with approx 1004 patients will commence in second half 2019. It is expected to be completed by Q2 2021 and marketing application will be filed by end of 2021.

WCK 4873 - Phase II study was completed in US and EU and study report finalized in April 2018. Phase III study in community acquired bacterial pneumonia (CABP) in India and LATAM is planned to be started in H2 2019. Protocol submission to DCGI has been done and regulatory approval expected by April 2019. Study is expected to be completed by end of 2020 and marketing application will be filed in Q1 2021.

WCK 5222- Global Phase III study in complicated urinary tract infection (cUTI) in approx. 504 patients has been discussed and approved by FDA and EMA. The study is expected to start in second half 2019 and get completed by Q4 2020 and marketing application will be filed in Q2 2021.

WCK 6777 - US IND (IND No. 136940) for WCK 6777 is approved and we would be commencing Phase 1 study in the second half of 2019 which could take 8-9 months for completion. In the second half of 2020, we would apply to US FDA for Phase 2 study waiver. FDA's agreement on this could lead to start of WCK 6777 Phase 3 study in 2021.

The clinical development expenses for the year amounting to USD 24.05 Mn (CHF 23.79 Mn) prior year USD 23.76 Mn (CHF 23.00 Mn) pertaining to Company's NCE, and the amount has been capitalised during the year and included under 'Intangible Assets under Development as at March 31, 2019.

4 Fixed assets, depreciation / amortization and impairment

Tangible assets:
Fixed assets are stated at cost less accumulated depreciation/amortization and impairment loss if any. The Company capitalizes all costs relating to the acquisition and installation of fixed assets.

The carrying amounts of fixed assets and intangible assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount.

Intangible assets:
Intangible assets are amortized over a period of 3 - 15 years, which are based on their useful lives.

The intellectual Property Rights, Brands and Product Licenses are generally depreciated over a period of 10 years, however wherever the useful life is less than 10 years the depreciation period is reduced accordingly.

5 Inventories

All inventories are valued at moving weighted average price other than finished goods, which are valued on quarterly moving average price. Finished goods and Work in progress is computed based on respective moving weighted average price of procured materials and appropriate share of labour and other manufacturing overheads.

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. Duties accrued on production or import of goods, as applicable, is included in the valuation of finished goods.

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.

Notes to the financial statements for the year ended March 31,	2019	2018
	CHF	CHF

6 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

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with dispatch of goods to customers. Revenues are recorded at invoice value, net of value added tax (VAT)/duties, returns and trade discounts.

Sale of Services

Revenues from services are recognized on completion of rendering of services

Royalties

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

7 Lease Obligations

	2019	2018
Residual amount of leasing obligations		
The maturity of leasing obligations which have a residual term of more than twelve months or which cannot be canceled within the next twelve months is as follows		
Upto 1 year	350'031	254'238
1–5 years	1'235'523	797'289
More than 5 years	1'544'404	113898.4
Total Lease obligations	**3'129'957**	**1'165'426**

8 Head Count

The number of full time positions in the company on an annual average has been less than 50 (Previous year less than 50).

9 Investments

Valuation is based on historical cost less any necessary adjustment for impairment.

	2019	2018
CP Pharma (Schweiz) AG Incorporated in Switzerland 250 Registered shares of CHF 1'000.00 100% share in capital and voting rights	250'000	250'000
Wockhardt Bio (R) LLC Incorporated in Russia on 25th August 2015 5 150'000 Registered shares of Russian Roubles 1.00 each 100% share in capital and voting rights	83'491	83'491
Wockhardt Farmaceutica SA DE CV Incorporated in Mexico 36'867'236 Ordinary shares of MXN 1.00 100% share in capital and voting rights	1	1
Wockhardt Services S.A. DE C.V Incorporated in Mexico 50'000 Ordinary shares of MXN 1.00 100% share in capital and voting rights	1	1
Wockhardt France (Holding) S.A.S. Incorporated in France 601'000 Registered shares of EUR 100 100% share in capital and voting rights	1'836'445	1'836'445
Wockhardt Holding Corp. Incorporated in Delaware, USA 1'100 shares of Common Stock of USD 1.00 100% share in capital and voting rights	30'295'509	30'295'509
Wockhardt UK Limited Incorporated in the United Kingdom 50'000 Ordinary shares of GBP 1.00 100% share in capital and voting rights	123'508	123'508
Pinewood Healthcare Limited Incorporated in the United Kingdom 100'000 Ordinary shares of GBP 1.00 100% share in capital and voting rights	146'838	146'838

Notes to the financial statements for the year ended March 31,	2019	2018
	CHF	CHF
CP Pharmaceuticals Limited Incorporated in the United Kingdom		
1'862'549 Ordinary A shares of GBP 1.00	11'013'787	11'013'787
570'000 Ordinary shares of GBP 1.00	3'370'574	3'370'574
100% share in capital and voting rights		
Wockpharma Ireland Limited Incorporated in the Republic of Ireland		
10'001'000 Ordinary shares of EUR 1.00	16'098'630	16'098'630
50'000'000 Cumulative Redeemable Preference shares of EUR 1.00 each	80'485'000	80'485'000
100% share in capital and voting rights		
Z & Z Service GmbH Incorporated in Germany Nominal capital EUR 25'000.00 100% share in capital and voting rights	1	1
Wockhardt Bio Pty. Ltd. Incorporated in Australia Nominal Capital AUD 10'000 100% share in capital and voting rights	7'459	7'459

Besides the above Wockhardt Bio Ltd has been incorporated in New Zealand with an objective of trading, manufacturing, selling, marketing, R&D of Pharmaceutical products as 100% owned subsidiary on 11th November, 2015. Wockhardt Bio Ltd., New Zealand is yet to commence the business.

10 Loan & pledged assets

Term Loan availed by Wockhardt Bio AG of USD 187.50 Mn (CHF 186.77 Mn). Previous year: USD 250 Mn (CHF 238.50 Mn) is secured as under

(i) first ranking charge on fixed assets (excluding Intangible assets) and current assets of Wockhardt Bio AG and its subsidiaries (except Wockpharma Ireland Ltd. and its Subsidiaries and Wockhardt France (Holdings) S.A.S. and its Subsidiaries). Assets pledged to secure own liabilities amount to CHF 441.97 Mn (previous year: CHF 423 Mn). They are pledged to secure interest-bearing liabilities.
(ii) first ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh & on Fixed Deposits of INR 450 Mn (CHF 6.48 Mn) in India.
(iii) this term loan is also secured by Corporate Guarantee of USD 300 Mn (CHF 299.10 Mn) from Wockhardt Limited.

As of 31 March 2018 and 2019, some of the financial covenants under the USD 250 Mn loan facility agreement in a consortium of two bankers fell short of the agreed thresholds. The Company believes that the chance of lenders demanding acceleration of the loan is remote.

The loan carries an interest rate of six months LIBOR along with a margin of 2.75% and additional interest due to non-compliance of covenants. Loan is repayable in 8 equal half yearly instalments. The repayment schedule of the said loan has commenced from July 2018.

11 Board of Directors and executive management shareholdings

As of 31 March members of the non-executive and executive boards held the following shares. No Wockhardt Bio AG share options were held.

		Shares	Shares
Ajay Sahni	Chairman of the board of directors from 15.09.2017 to 31.03.2019 and managing director	25'008	25'008
Dr. Habil F.Khorakiwala	Member & Chairman of the board of directors until 15.09.2017	5'000'000	5'000'000

Last trading price at Swiss stock exchange (BX-Swiss) on 14.01.2019 was CHF 0.50
(Previous year last traded price was CHF 3.00 on 04.05.2017)
Mr. Sirjiwan Singh has been released from the Board of Directors wef 15.02.2019.

12 Significant shareholders

Wockhardt Ltd., Mumbai	Number of shares	44'600'000	44'600'000
	Capital and vote share	85.9%	85.9%
Dr. Habil F.Khorakiwala	Number of shares	5'000'000	5'000'000
	Capital and vote share	9.6%	9.6%

Dr. Habil F. Khorakiwala is the Chairman of the board of directors of Wockhardt Ltd.
Therefore, he collectively could influence the vote share of 95.48% of Wockhardt Bio AG

Notes to the financial statements for the year ended March 31,	2019	2018
	CHF	CHF

13 Capitalisation of Borrowing Costs

Borrowing costs directly attributable to acquisition of qualifying assets have been capitalized. Borrowing costs amounting to USD 7.95 Mn (CHF 7.86 Mn), prior year USD 2.54 Mn (CHF 2.46 Mn) have been capitalized, of which USD 6.43 Mn (CHF 6.36 Mn), prior year USD 1.83 Mn (CHF 1.77 Mn) is included under 'Intangible Assets under Development' and USD 1.52 Mn (CHF 1.50 Mn), prior year USD 0.71 Mn (CHF 0.69 Mn), is included under 'Capitalized work in Progress' as at March 31, 2019

14 Capitalized Work in Progress

Capitalized Work in Progress essentially represent the expenses incurred on setting up a new Manufacturing facility for supply of pharmaceutical products to company's markets in US, Europe & Emerging Markets. The plant is expected to be operational in the FY 2021-22

15 Assets with Market value

Short term assets with market value in the previous year financials represent investments in quoted shares, Bonds & Mutual Funds and Precious Metals which are traded in the secondary market and have been valued at the market prices prevailing in the secondary markets on the last trading day of the FY 2017/18. Any Gain/Loss has been reflected under the position Gain/Loss on short term assets with Market value

16 Subsequent events

No significant events occurred between balance sheet date and May 17, 2019, the date when the financial statements were signed off by the Board of Directors for publication

Proposed appropriation of available earnings	31.03.2019	31.03.2018
	CHF	CHF
Proposed appropriation of available earnings		
Profit carried forward	226'110'014	244'102'170
Profit / (Loss) of the year	-32'933'569	-17'992'155
Available earnings	**193'176'446**	**226'110'014**
The Board of Directors proposes to the shareholders at the Annual General Meeting the following allocation		
Balance to be carried forward	193'176'446	226'110'014
Total	**193'176'446**	**226'110'014**