

WOCKHARDT BIO LTD
ZUG

STATUTORY AUDITOR'S REPORT
Financial Statements
March 31, 2018

Report of the Statutory Auditor on the Financial Statements to the General Meeting of Wockhardt Bio LTD in Zug

Opinion

We have audited the accompanying financial statements of Wockhardt Bio LTD, Zug, which comprise the balance sheet as at March 31, 2018 and the income statement and notes for the year then ended.

In our opinion the accompanying financial statements as at March 31, 2018 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 10 of the financial statements, which describes the fact that some of the financial covenants under the USD 250 million loan facility agreement in a consortium of two bankers were not in accordance with the requirements stipulated in the loan facility agreement, its implications and Board of directors' assessment of these effects on financial statements. Our opinion is not modified in respect of this matter.

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

- Recoverability of carrying value of investments
- Additions to intangible assets under development
- Recoverability of carrying value of intangible assets

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 these matters.

Recoverability of carrying value of investments

Areas of focus

Board of Directors prepared impairment tests for material investments in subsidiaries. These impairment tests are based on Directors' assessment of future business performance and other parameters (such as discount rates).

We have focused on the recoverability of carrying amounts of investments because of the amount of net book value of investments as well as required management judgement due to the level of uncertainty about the future business performance of the underlying investments.

Our audit response

Our audit procedures over the recoverability of carrying values of investments are based on the impairment tests for material investments and included:

- Assess impact of recent developments influencing current business performance on the valuation and considering the potential impact of possible downside changes in the key assumptions (stress testing)
- Determine accuracy of historical budgeting to challenge the reasonableness of the future budgets
- Challenge the reasonableness of key assumptions by our valuation expert
- Evaluation of robustness of valuation methodology by our valuation expert

Additions to intangible assets under development

Areas of focus

The entity has capitalized development expenses in the business year 2017/18. The majority of these additions relate to the New Chemical Entity (“NCE”) clinical development programme.

We have focused on these additions to intangibles under development because of the increase in amount of additions in comparison to prior business year.

Our audit response

Our audit procedures over the additions to intangibles under development included:

- Gain 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
- Draw sample of invoices and assess allocation to NCE development by verifying nature and amount of the expenditure
- Based on future cash flow projections including cash outflows to successfully complete development, assess adequacy of financial situation to fund those future development costs
- Verify nature and amount of recharged costs to assess attribution of costs to the company’s NCE programme based on the compilation of costs incurred and recharged to the company by Wockhardt Ltd, Mumbai, India for payroll, material and other expenses on behalf of the company’s NCE programme and consider cost accounting process at Wockhardt Ltd.

Recoverability of carrying value of intangible assets

Areas of focus

The intangible assets are generally amortized over 10 years with the exception of shorter economic lifetimes and assets not yet in use (such as intangibles under development).

Board of Directors prepared impairment tests for all intangibles without periodic amortization. These impairment tests are based on Directors' assessment of future business forecasts and budgets and other parameters (such as discount rates).

We have focused on the recoverability of carrying amounts of intangible assets because of the amount of net book value of intangibles under development as well as the required management judgement due to the level of uncertainty about the successful completion of the development phases and in respect of expected future economic benefits of the intangibles under development.

Our audit response

Our audit procedures over the recoverability of carrying values of intangibles are based on impairment tests for all material intangibles without period amortization and underlying budgets/forecasts and included:

- Reconcile input data used in the cash flow forecasts to supporting evidence, such as approved budgets and considering the reasonableness of those budgets
- Evaluation of robustness of valuation methodology by our valuation expert
- Challenge the reasonableness of key assumptions by our valuation expert
- Consider the potential impact of reasonably possible downside changes in these key assumptions (stress testing)

Other information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and the remuneration report of the entity and our auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information in the annual report and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information in the annual report when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity'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 the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Swiss law and Swiss Auditing Standards 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 financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' 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 entity's / the entity'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 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 entity to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee 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 the Board of Directors or its relevant committee 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 the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

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, July 27, 2018

MAZARS LTD

Cyprian Bumann
Licensed Audit Expert
(Auditor in Charge)

Christopher Hoch
Licensed Audit Expert

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

Balance Sheet as per March 31,	2018	2017
	CHF	CHF
Current assets		
Cash and bank balances	95'154'779	17'721'182
Short term assets with market value	31'210'116	86'721'896
Short Term Deposits with Banks	0	75'408'603
Prepayments - third parties	5'281'489	7'707'196
Advances - shareholders	91'976'452	113'776'942
Advances - subsidiaries	17'377'025	11'538'267
Accounts receivable - third parties	7'600'427	7'447'057
Accounts receivable - shareholders	85'182	18'486
Accounts receivable - subsidiaries	167'164'254	147'736'679
Other receivables	433'056	141'294
Inventories	7'087'284	6'113'397
Total current assets	423'370'065	474'330'999
Non current Assets		
Investments	143'710'505	143'710'505
	143'710'505	143'710'505
Tangible assets	105'926	100'879
Accumulated depreciation	-89'262	-81'970
Tangible assets net	16'664	18'909
Capitalized Work in Progress	25'574'166	14'614'830
Licences and trade marks	47'486'513	49'266'518
Accumulated amortisation	-34'351'995	-31'684'680
Licences and trade marks net	13'134'518	17'581'838
Intangible assets under development	111'926'328	41'290'265
Total Non current assets	294'362'182	217'216'347
Total assets	717'732'246	691'547'346
Liabilities		
Accounts payable - third parties	11'632'039	10'894'069
Accounts payable - shareholders	55'735'873	9'340'812
Accounts payable - subsidiaries	63'394'109	42'801'608
Advances from customers	430'742	356'399
Payable VAT	726'740	167'783
Loan - third party - interest bearing	59'623'997	0
Loans - Shareholder (entity controlled by Shareholder directly)	1'259'389	1'184'697
Accrued expenses	41'068'435	53'560'705
Accrued taxes	68'656	178'464
Total short term liabilities	233'939'980	118'484'537
Loan - third party - interest bearing	178'871'992	250'150'379
Total long term liabilities	178'871'992	250'150'379
Total liabilities	412'811'972	368'634'917
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	244'102'170	291'491'160
Profit/(Loss) of the year	-17'992'155	-47'388'990
Retained earnings	226'110'015	244'102'170
Total shareholder's equity	304'920'274	322'912'429
Total liabilities and shareholder's equity	717'732'246	691'547'346

Income statement	2017/18	2016/17
	CHF	CHF
Revenues		
Sales export	224'673'476	222'254'740
Fee for service/Royalty paid	-344'775	-1'102'593
Bad debts	-937'066	-14'085'109
<i>Total revenues</i>	223'391'635	207'067'038
Operating expenses		
Cost of goods, materials and freight sold	183'886'722	173'213'540
Selling and distribution expenses	3'401'643	2'292'382
Export costs	210'899	195'664
Employee costs	7'171'798	7'436'407
Repairs and maintenance	1'580	5'770
Insurance	538'584	681'151
Research and development costs	16'847'029	35'477'420
Legal and consultancy costs	21'313'072	21'783'455
Trade mark costs	133'936	146'391
Management fees	419'656	396'131
Travel expenses	179'565	233'984
Impaired Investments	0	2'702'421
Other operating expenses	7'019'649	7'323'698
Depreciation	4'290'236	4'291'786
<i>Total operating expenses</i>	245'414'369	256'180'200
<i>Net profit / (loss) from operations</i>	-22'022'734	-49'113'162
Financial Income/Expenses		
<i>Financial income</i>		
Interest income - third party	485'437	592'024
Interest income - intercompany	334'230	143'909
Exchange gains	5'887'485	657'735
Gain on short term assets with market value	11'252'862	6'313'955
<i>Total financial income</i>	17'960'014	7'707'623
<i>Financial expenses</i>		
Interest charges - third party	11'468'727	6'515'998
Interest and guarantee charges - intercompany	2'323'061	1'598'335
Bank charges	187'002	554'535
Exchange losses	0	1'608'669
<i>Total financial expenses</i>	13'978'790	10'277'537
<i>Total financial result</i>	3'981'224	-2'569'915
<i>Net Profit/(loss) for the year before extraordinary items and tax</i>	-18'041'510	-51'683'077
Extraordinary income / (Loss)	0	3'979'762
<i>Net Profit/(loss) before tax</i>	-18'041'510	-47'703'315
Direct taxes	49'355	314'325
<i>Profit/ (Loss) of the year</i>	-17'992'155	-47'388'990

Notes to the financial statements for the year ended March 31,	2018	2017
	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. For comparison purposes, the previous year was adjusted to the new structure of the 32nd title of the Swiss Code of Obligations.

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 25.97 Mn (Prior year CHF 35.56 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 : 1.033

Closing rate - CHF/USD : 1.048

3 Research and development (R&D)

The Company's New chemical Entity ("NCE") clinical development programme continued to get a major boost during the Financial Year 2017-18:

- WCK 5222: during the year, in a major development in the Phase 3 clinical trial, the Company has finalized the Phase 3 study protocol in consultation with US FDA. The study is expected to commence in the 2nd half of FY 2018-19.
- WCK 4282: Phase 3 study protocol finalized in consultation with US FDA during the year. The study is expected to commence in mid FY 2018-19.
- WCK 4873: in a major development during the year, Phase 2 study has been completed.

The clinical development expenses for the year amounting to USD 23.76 Mn (CHF 23.00 Mn) prior year USD 19.83 Mn (CHF 19.84 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, 2018.

Taking into account the strong reach of Wockhardt Limited into drug discovery programme in anti-infective therapeutic area, the Company seized the opportunity to acquire during the financial year 2017-18, the intellectual property rights of a new NCE called WCK 6777. The Company will undertake the pre-clinical and clinical development of WCK 6777 and commercially exploit post its launch. During the financial year 2017-18, the patent application was filed in USA for WCK 6777, The consideration amount has been capitalized under "Intangible Assets under Development" as at March 31, 2018 for USD 55.00 Mn.

4 Fixed assets, depreciation / amortization and impairment

Tangible/Intangible 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.

Notes to the financial statements for the year ended March 31,

2018

2017

CHF

CHF

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.

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

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	254'238	245'209
1-5 years	797'289	113'898
More than 5 years	113'898	0
Total Lease obligations	1'165'426	359'107

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

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

Notes to the financial statements for the year ended March 31,	2018	2017
	CHF	CHF
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	146'101	146'101
CP Pharmaceuticals Limited Incorporated in the United Kingdom 1'862'549 Ordinary A shares of GBP 1.00 570'000 Ordinary shares of GBP 1.00 100% share in capital and voting rights	11'013'787 3'370'574	11'013'787 3'370'574
Wockpharma Ireland Limited Incorporated in the Republic of Ireland 10'001'000 Ordinary shares of EUR 1.00 50'000'000 Cumulative Redeemable Preference shares of EUR 1.00 each 100% share in capital and voting rights	16'098'630 80'485'000	16'098'630 80'485'000
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 250 Mn (CHF 238.50 Mn), Previous year: USD 250 Mn (CHF 250 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 448.90 Mn (previous year: CHF 488.96 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 6.59 Mn) in India.

(iii) this term loan is also secured by Corporate Guarantee of USD 300 Mn (CHF 286.20 Mn) from Wockhardt Limited.

The loan 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 is going to commence from July 2018.

As at 31 March 2018, some of the financial covenants under the USD 250 million loan facility agreement in a consortium of two bankers were not in accordance with the requirements stipulated in the loan facility agreement. However, despite lenders' right to accelerate the loan repayment at any time in such event, as at the date of these financial statements no acceleration action has been initiated by the lenders. The company believes that the chance of lenders demanding acceleration of the loan only on threshold shortfall is remote. Accordingly, the scheduled repayment obligation until 31 March 2019 under the said loan facility agreement has been shown as current liabilities, with the remainder of the facility being disclosed as long term financial liabilities. In the event the banks exercised their right to immediate repayment the entire liability would be classified as a current liability. However, the loan facility being guaranteed by the parent company Wockhardt Limited, India, any acceleration may trigger invocation of the said guarantee.

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 onwards 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 04.05.2017 was CHF 3.00 (Previous year last traded price was CHF 3.30 on 28.11.2016).			

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.

13 Capitalisation of Borrowing Costs

Borrowing costs directly attributable to acquisition of qualifying assets have been capitalized. Borrowing costs amounting to USD 2.54 Mn (CHF 2.46 Mn), prior year USD 0.82 Mn (CHF 0.82 Mn) have been capitalized, of which USD 1.83 Mn (CHF 1.77 Mn), prior year USD 0.66 Mn (CHF 0.66 Mn) is included under 'Intangible Assets under Development' and USD 0.71 Mn (CHF 0.69 Mn), prior year USD 0.16 Mn (CHF 0.16 Mn) is included under 'Capitalized work in Progress' as at March 31, 2018

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 2020-21.

Notes to the financial statements for the year ended March 31,	2018	2017
	CHF	CHF

15 Subsequent events

No significant events occurred between balance sheet date and 23rd July, 2018, the date when the financial statements were signed off by the Board of Directors for publication.

16 Assets with Market value

Short term assets with market value 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 and for FY 2016/17 respectively. Any Gain/Loss has been reflected under the position Gain/Loss on short term assets with Market value.

Proposed appropriation of available earnings	31.03.2018	31.03.2017
	CHF	CHF
Proposed appropriation of available earnings		
Profit carried forward	244'102'170	291'491'160
Profit / (Loss) of the year	-17'992'155	-47'388'990
	226'110'015	244'102'170
Available earnings		
The Board of Directors proposes to the shareholders at the Annual General Meeting the following allocation :		
Balance to be carried forward	226'110'015	244'102'170
Total	226'110'015	244'102'170