

JOY OF PERFORMING

TEAM WOCKHARDT



JOY OF PERFORMING

TEAM WOCKHARDT

At Wockhardt, the joy of performing is not fleeting but enduring. It is the permanent state of mind of all our people worldwide that comprise Team Wockhardt.

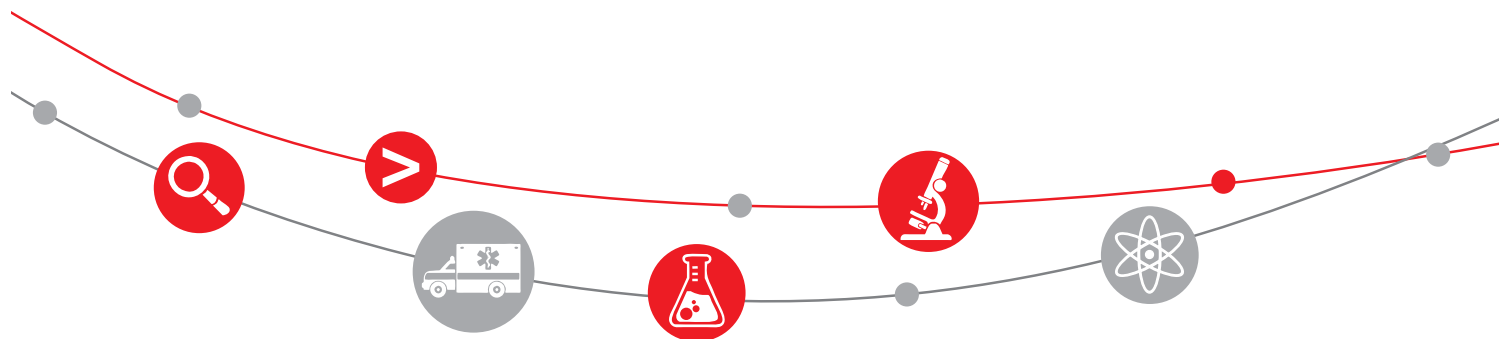
And while we revel in our transformation, rest assured that we aren't resting on our laurels. As the pages turn, you will see how the transformation continues.

Wockhardt's all pervasive work ethic is distilled from a philosophy of innovation, empowerment, transparency and accountability. It ensures that every member of Team Wockhardt worldwide shares

a common vision for growth and mission to achieve excellence.

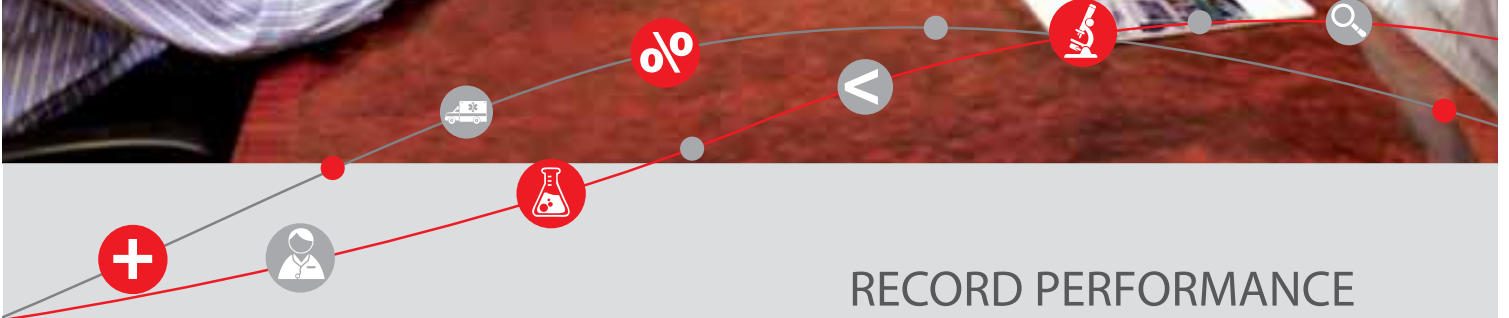
Happily enough, the joy of performing is infectious and we believe it will positively impact every stakeholder of Wockhardt. It will bring us closer to the ideal of creating a joyous community on the path of growth, development and contentment.

We would like to share Wockhardt's joy of performing with you. And like happiness, see it multiply.



CONTENTS

1	Record performance	21	Management Discussion and Analysis
2	Chairman's statement	27	Auditors' Report on Consolidated Financial Statements
5	Joy of propelling growth	28	Consolidated Balance Sheet
7	Joy of innovating	29	Consolidated Statement of Profit and Loss
9	Joy of performing globally	32	Notes to Consolidated Financial Statements
10	Joy of excelling	57	Auditors' Report
13	Joy of serving	60	Balance Sheet
15	Joy of caring	61	Statement of Profit and Loss
16	Board of Directors	64	Notes to Accounts
18	Directors' Report	91	Consolidated Financial Highlights
		95	Annexure to Directors' Report
		101	Report on Corporate Governance



RECORD PERFORMANCE

SALES

US\$ 1.03 billion

₹ 5,610 crore

OPERATING PROFIT (EBITDA)

US\$ 384 million

₹ 2,091 crore

SALES GROWTH

29%

PROFIT AFTER TAX

US\$ 293 million

₹ 1,594 crore

EBITDA MARGIN

37.3%

WOCKHARDT'S TRANSFORMATION CONTINUES...



CHAIRMAN'S STATEMENT

“ Wockhardt is today amongst the top three Indian pharmaceutical companies in profits and profitability. ”

My dear shareowners

At Wockhardt, the joy of performing is here to stay. It has been imbibed into our work ethic and is shared enthusiastically by worldwide members of Team Wockhardt. And it is this joy of performing that is ensuring that Wockhardt's transformation continues. It will continue to propel growth, push sales and drive innovation. It will constantly ensure quality, raise standards and set benchmarks. It will carry on seeking expansion, exploring new markets and adding value. At Wockhardt, the joy of performing is here for good.

See how Wockhardt's transformation continues

For the year under review, we have posted the highest ever growth in sales and profits. Wockhardt is today amongst the top three Indian pharmaceutical companies in profits and profitability. And the figures speak for themselves. We have crossed USD 1 billion in sales for the financial year 2012-13. We've registered a 365% growth in Profit after Tax at ₹ 1594 crore; a 52% growth in Operating Profit at ₹ 2091 crore; a 29% growth in Revenues at ₹ 5610 crore; and an Operating Profit

Margin of 37.3% - one of the highest in the industry. A more definitive testimonial to the joy of performing would be impossible. I concur with management gurus C K Prahalad and Gary Hamel in the Harvard Business Review that, "An organisation's capacity to improve existing skills and learn new ones is the most defensible competitive advantage of all." It is our mantra to sustain future growth at Wockhardt.

Wockhardt's global transformation

The joy of performing has truly transformed Wockhardt into a global

player. Our International Business contributed a whopping 83% of the Total Revenues in FY 2012-13, with the US accounting for 52%, EU accounting for 24%, and other global markets accounting for 7%, while the India business accounted for 17%. The growth in the US market was mainly driven by a series of niche products including 2 First-to-File products launched during the year under review. Today, Wockhardt has 18 products at No. 1 position and 17 products at No. 2 position in the US market.

Value transformation through R&D
Hungarian physiologist and Nobel laureate Albert Szent-Györgyi who

discovered Vitamin C, rightly said, "Research is to see what everybody else has seen, and to think what nobody else has thought." At Wockhardt, we've always believed that research is the key to unlock and deliver true value to all stakeholders. And we've backed up that belief by investing substantially towards Research & Development, both in terms of talent as well as technology. This year, we raised the ante significantly. With R&D at 6.7% of sales amounting to ₹ 376 crore, we maintain one of the best investments in the industry towards our R&D programs. And we're beaming with the joy of performing. During the year, we filed 162 patents and were awarded 52 patents. This takes our cumulative patent filings to 1,733 and cumulative patents granted to 206. Not surprisingly, Wockhardt has won the Government of India-

Pharmexcil Award for the highest number of patents granted, for the fourth consecutive year. We also filed 20 new product applications with USFDA in FY 2012-13 and received approvals for 12 products, taking the total product approvals to 130. As of March 2013, cumulative products pending approval with USFDA number 46. During the year, we launched 13 new products in UK, 25 products in Ireland, and 21 products in India and Emerging Markets. Research will continue to be our focus and core to our business strategy for sustainability.

words of the Dalai Lama at the Wockhardt Foundation's Thought Leadership Conclave, "Happiness is not something readymade. It comes from your own actions." Wockhardt's joy of performing extends to spreading that joy to communities around us.

Team Wockhardt's cultural transformation

Legendary golfer Arnold Palmer's take on performance, sums up the mindset of Team Wockhardt crisply and perfectly. "Concentration, Confidence, Competitive urge, Capacity

Wockhardt's initiative for social transformation

At Wockhardt, we take corporate social responsibility very seriously. Not as a buzzword or a tokenism, but as a tool and means to effect social impact and lasting change. We believe that applying a business-like discipline, ingenuity and determination to a social mission can create a developmental role model that is sustainable, inclusive and fulfilling on multiple levels. With the aim of helping develop healthy communities, we focus on various medical programmes throughout the year to screen, diagnose and provide treatment to the underprivileged and needy. Initiated through Wockhardt Foundation and Wockhardt Hospitals, we reach out to the most remote villages across India with basic healthcare services. We have touched millions of lives and yet there is so much more that needs to be done. In the simply but beautifully put

for enjoyment."

This joy of performing is reflected on a daily basis by Team Wockhardt globally. It shines through in their attitude, their enthusiasm, their self-esteem and pride of belonging. It comes across in their actions, their commitment and their determination to excel.

In summation, we have had a great year. The course for the future is set. Our reasons for optimism abound. And our resolve to continue this transformation, steely. You can assuredly look forward to a Wockhardt that will continue to revel in the joy of performing.



Dr. Habil Khorakiwala,
Founder Chairman & Group CEO



JOY OF PERFORMING

TEAM WOCKHARDT



JOY OF PROPELLING GROWTH



Our biggest asset is our human capital. Over 8,600 people across 21 nationalities make up Team Wockhardt that worships excellence, reveres quality and revels in performance. An ethnically diverse, global workforce united by a single-minded focus that has transformed Wockhardt.

And Wockhardt's transformation continues, as reflected in our balance sheet. Figures that underline our passion for growth. Numbers that highlight our focus on excellence. Consistent performance over successive quarters that is encouragingly impressive.

Wockhardt's FY 2012-13 results are eloquent testimony to the joy of performing.

And Team Wockhardt is ever ready for a repeat performance.

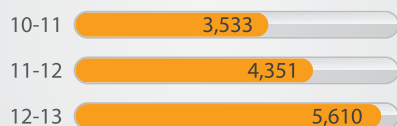
Dr. Murtaza Khorakiwala
Managing Director

“ Excellence and growth is achieved when individual performance and confidence transforms into team performance and confidence. ”

SALES

US\$ **1.03** billion

₹ 5,610 crore

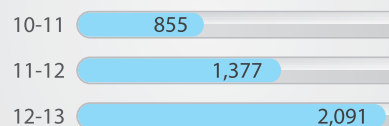


₹ Cr

OPERATING PROFIT (EBITDA)

52% Growth

₹ 2,091 crore



₹ Cr

CURRENT NET DEBT/EQUITY REDUCES TO

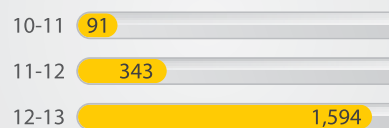
Less than **1**



PROFIT AFTER TAX

365% Growth

₹ 1,594 crore



₹ Cr

WOCKHARDT'S TRANSFORMATION CONTINUES...



JOY OF PERFORMING

TEAM WOCKHARDT

JOY OF INNOVATING

We couldn't agree more with Peter Drucker who said, "Innovation is the specific instrument of entrepreneurship that endows resources with a new capacity to create wealth." Innovation has been the true value-driver at Wockhardt. It is the bedrock on which our Research & Development (R&D) activities are based. Not surprisingly, we are industry-leaders when it comes to R&D spends as a percentage of sales.

Wockhardt's multi-disciplinary research capabilities spanning India, USA and UK, are strongly focused on creating Intellectual Property (IP). Till date we have 206 patents granted worldwide.

Wockhardt's R&D programmes focus on Generics, Novel Drug Delivery Systems (NDDS), and New Chemical Entities. Another significant area of focus is Recombinant Biopharmaceuticals, for which we have built a robust and scalable 'Concept to Market' capability in all facets of development and manufacture.

Our 607 scientists and research associates, 80 of whom are doctorates, walk tall in their passion for innovation and their track record of performance.

162 patent filings with 52 patents granted in FY2012-13, and a fourth consecutive Government of India-Pharmexcil Patent Award, amply demonstrate the joy of performing.

And Team Wockhardt will continue to do so.

206 Global Patents

1,733 patents filed by Wockhardt scientists.
206 patents granted globally

Won Patent Awards

4 Years in a row

Winner of maximum granted patent awards by the Government of India & Pharmexcil

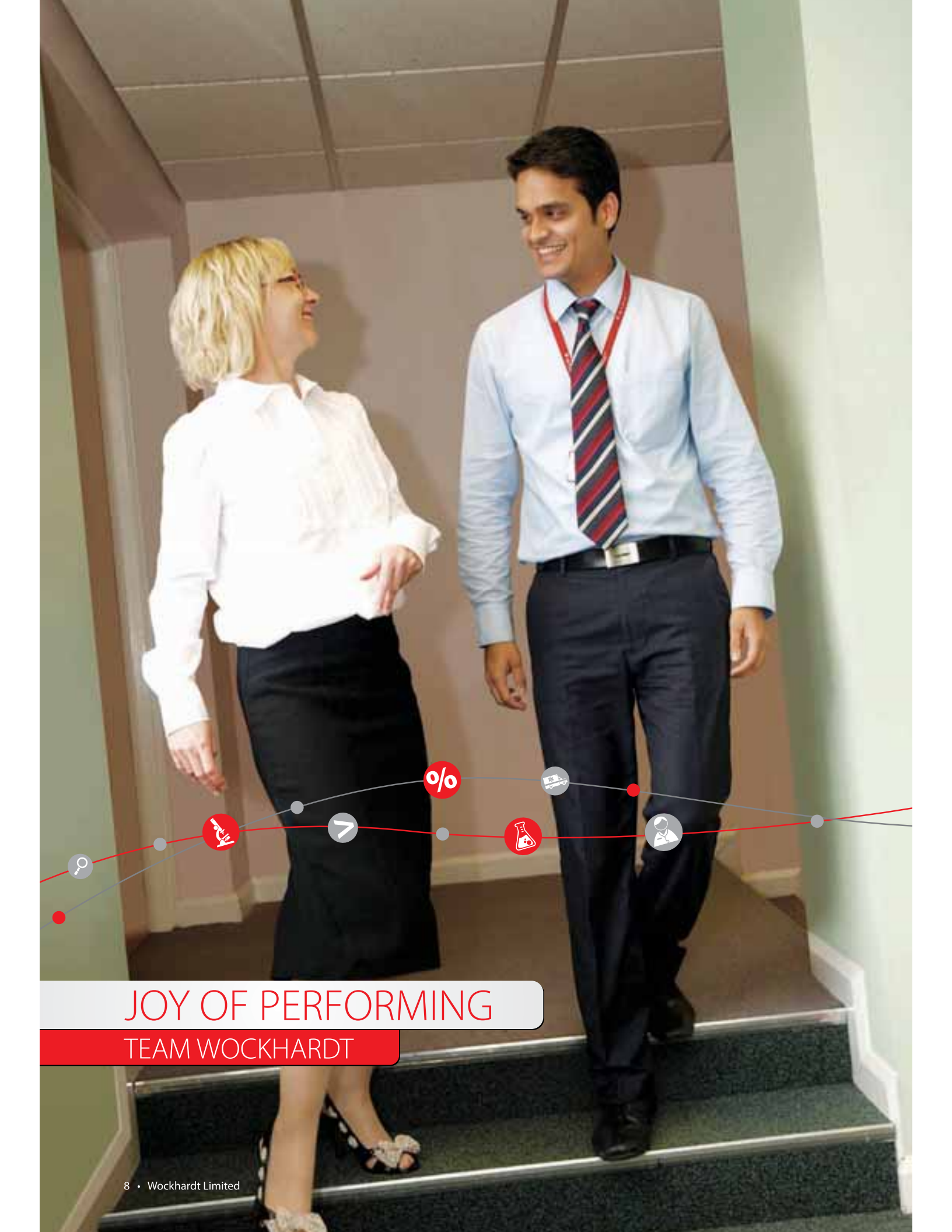
502 Products

Sold in USA & Europe

3 R&D Centres worldwide

In India, USA and UK.
607 research scientists develop innovative and technologically advanced medicines

WOCKHARDT'S TRANSFORMATION CONTINUES...



JOY OF PERFORMING
TEAM WOCKHARDT

JOY OF PERFORMING GLOBALLY

Mankind. Humanity. People. A singular treatment of a collective concept.

That sums up our philosophy and approach to healing. A universal approach that doesn't draw a distinction between developed and emerging economies. A philosophy that, regardless of country and continent, holds quality supreme.

Wockhardt's global vision is derived from this core thought that allows for integration of diverse strengths and capabilities across geographies. Over 8,600 people across 21 nationalities make up Team Wockhardt worldwide, backed by 3 state-of-the-art Research and Development Centres in India, UK and USA.

And the results speak for themselves with 83% of our revenues in FY 2012-13 being generated from our global business. With 502 products sold across US and Europe, we're one of the leading generic pharma companies in UK and Ireland.

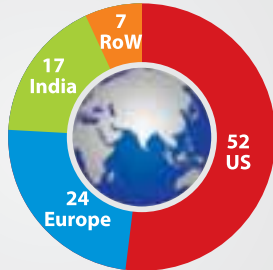
At Wockhardt, the joy of performing resonates globally.

And Team Wockhardt is set to do it again.

SALES REVENUE

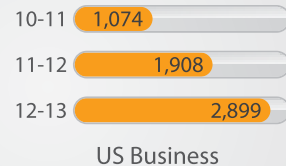
76%

from USA and EU



OUR USA EDGE
US Business Grows

52%



₹ Cr

OUR EUROPEAN EDGE

No.1 in UK

Largest Indian and third largest generic pharma company in UK

No.1 in Ireland

Largest branded generic pharma company in Ireland

OUR INDIA EDGE

5 Brands

Among Top 300 brands in India

3rd Position

In pain management segment in India

WOCKHARDT'S TRANSFORMATION CONTINUES...



JOY OF PERFORMING
TEAM WOCKHARDT

JOY OF EXCELLING

12 comprehensive, multi-technology manufacturing facilities across India, USA and Europe have emerged as centres of excellence complying with demanding and exacting international standards and regulatory requirements.

Our world-class manufacturing facilities include a fully automated unit for manufacturing sterile lyophilised injectable products. Our state-of-the-art Biotech Park serves world markets with dedicated facilities for manufacturing biopharmaceutical bulk and recombinant formulations.

Wockhardt follows the stringent protocols laid down by Current Good Manufacturing Practice (cGMP) regulations that ensure proper design, monitoring, and control of manufacturing processes and facilities.

Various audit approvals by international drug regulators from the United States and the European Union merely amplify our joy of performing.

And Team Wockhardt is committed to keep performing.

Manufacturing Facility	No. of Units	Countries	Dosage Forms
Sterile Injectable & Ophthalmic products	5	UK, India	Vials, Ampoules, Large Volume Parenteral, Pre-filled Syringes, Cartridges, Lyophilised, Dry fill
Solid products	6	India	Tablets, Capsules, Powders, Sachets
Liquid products	4	USA, Ireland, India	Liquids, Suspensions, Drops
Topical products	5	Ireland, USA, India	Ointments, Creams, Gels
API (Active Pharmaceutical Ingredients)	2	India	API (Pharmaceuticals), API (Biotechnology)

12

manufacturing plants world over

(9 in India and one each in USA / UK / Ireland)

Compliant with US FDA & EU,
besides other international regulatory standards

979

Products

Manufactured in India, US, UK and Ireland... sold worldwide

WOCKHARDT'S TRANSFORMATION CONTINUES...



JOY OF PERFORMING

TEAM WOCKHARDT

JOY OF SERVING

An anonymous quote goes thus, "If everyone cares enough, and everyone shares enough, there will always be enough". And that sums up Wockhardt Foundation's approach towards Corporate Social Responsibility. Not an occasional or seasonal activity but a constant endeavour backed by a well-defined and thoroughly planned mission.

Wockhardt Foundation seeks to care and provide for the marginalised and underprivileged sections of society in the areas of preventive and corrective healthcare. With the aim of ensuring healthy communities, the Foundation has screened and treated over 3 million people across urban slums and remote rural villages. Every warrior and associate of Wockhardt Foundation firmly believes in the concept of Individual Social Responsibility as an extension of our corporate credo and strives to achieve it.

Every smile of every individual that we have touched, expresses our joy of performing.

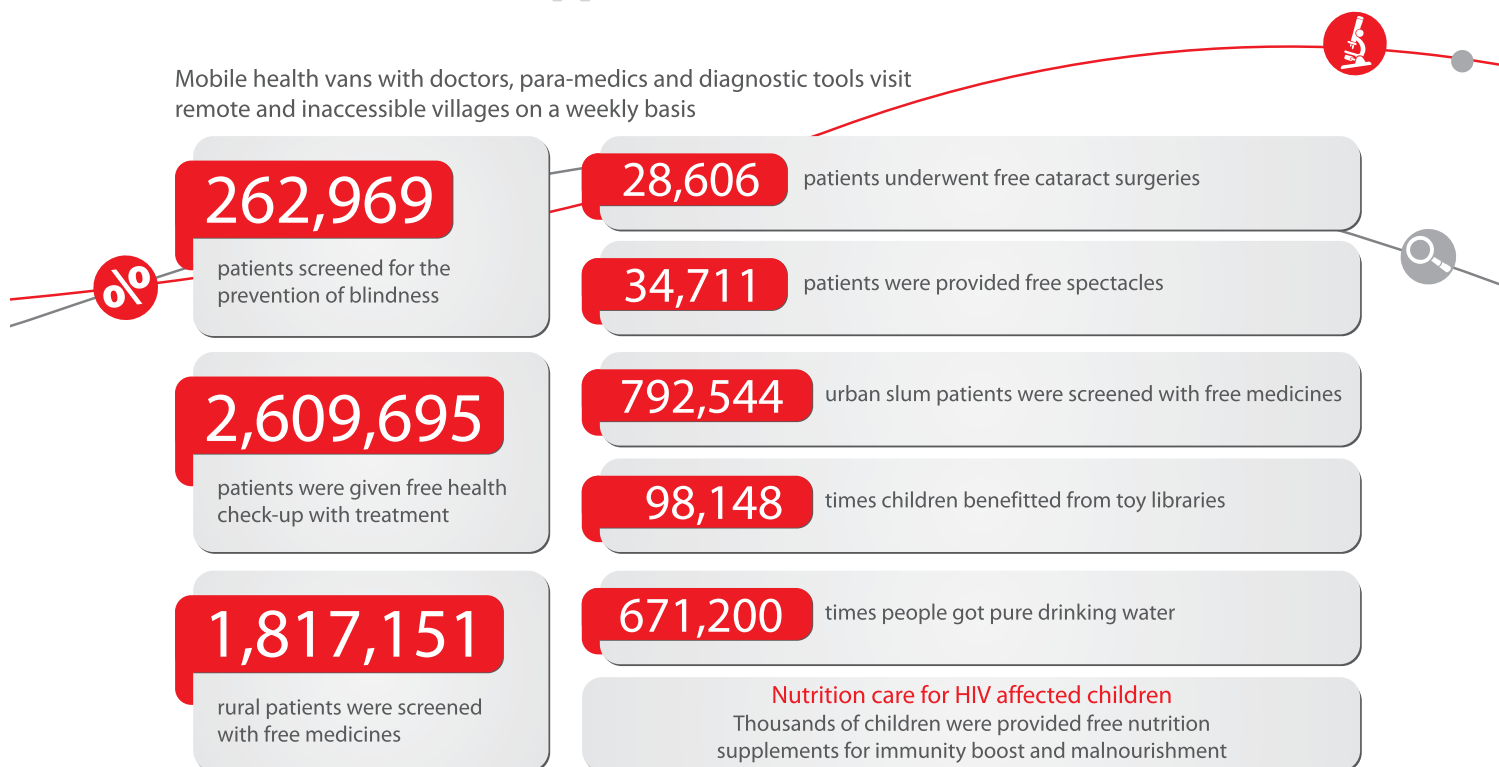
And Team Wockhardt will continue to reach out and touch lives.



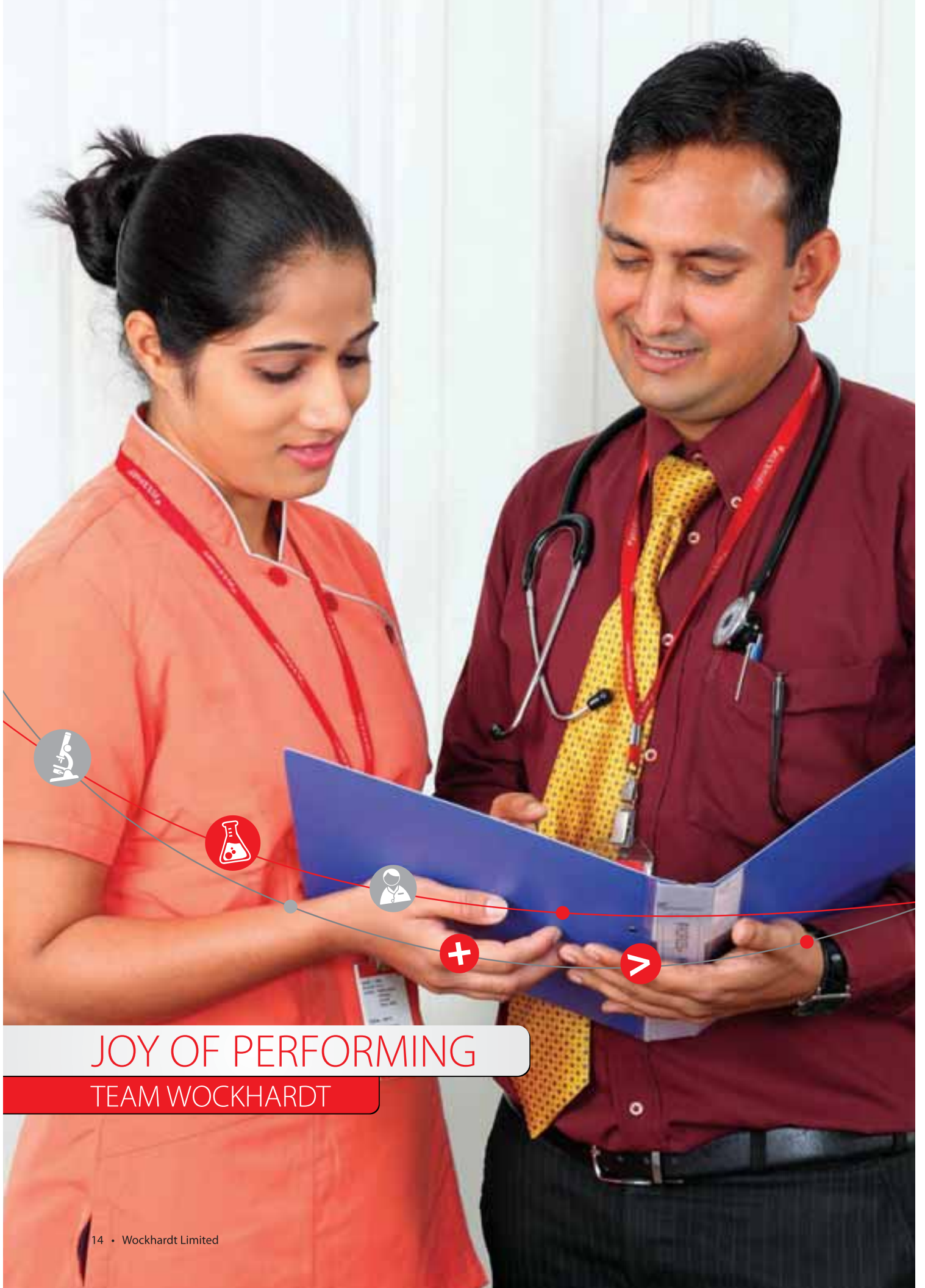
Dr. Huzaifa Khorakiwala
Executive Director, Wockhardt
CEO, Wockhardt Foundation

“ Making a difference in other people's lives makes a difference in ours too. ”

Mobile health vans with doctors, para-medics and diagnostic tools visit remote and inaccessible villages on a weekly basis



WOCKHARDT'S TRANSFORMATION CONTINUES...



JOY OF PERFORMING
TEAM WOCKHARDT

JOY OF CARING

Providing medical care is one of the most satisfying vocations ever. The joy that results is reflected on each and everyone at Wockhardt Hospitals*, a super-speciality chain of eight hospitals.

Wockhardt Hospitals offer world-class comprehensive, end-to-end care in Cardiology, Cardiac Surgery, Neurology, Neurosurgery, Orthopaedics and Joint Replacement Surgery. Other key specialties include Minimal Access Surgery, Nephrology, Urology, Critical Care, Medical & Surgical Oncology and Emergency Services & Trauma Care.

With a vision of establishing state-of-the-art medical facilities and clinical centres of excellence, Wockhardt Hospitals forged a strategic alliance with Partners Medical International in Boston, USA. This exclusive association gives Wockhardt Hospitals access to a network of Harvard-affiliated hospitals around the world. This translates into enabling us to implement global standards in technology and clinical expertise in disease management and tertiary care. The alliance also helps us in setting up and developing hospitals at par with global standards.

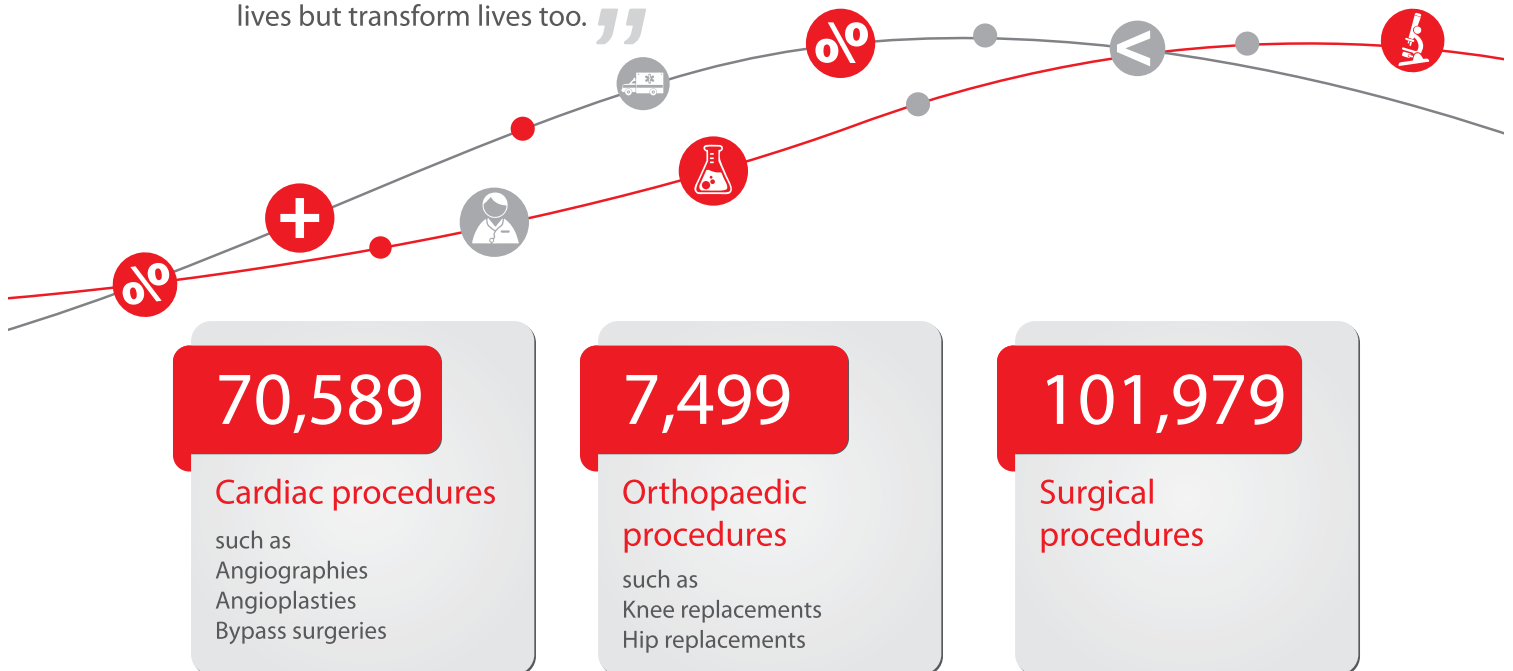
At Wockhardt Hospitals, we all mirror the joy of performing.

And Team Wockhardt will continue to inspire hope.



Zahabiya Khorakiwala,
Managing Director,
Wockhardt Hospitals

“ The advances in modern medicine result in miracles everyday that not only save lives but transform lives too. ”



* Wockhardt Hospitals, an unlisted company, is part of the Wockhardt Group

WOCKHARDT'S TRANSFORMATION CONTINUES...



BOARD OF DIRECTORS



DR. HABIL KHORAKIWALA
Founder Chairman & Group CEO

Dr. Habil Khorakiwala founded Wockhardt in 1967. He has gone on to build a multinational enterprise active in the fields of pharmaceuticals, biotechnology and hospitals, and created one of India's leading healthcare businesses. Besides being a highly successful entrepreneur, he has also held many senior positions as an industry representative and is highly respected, both in India and abroad. As a former president of FICCI (Federation of Indian Chambers of Commerce & Industry) Dr. Khorakiwala represented India's business interests to many

Presidents, Prime Ministers and Heads-of-State. He is currently the Chairman of the Board of Governors at the Centre for Organisation & Development in Hyderabad, a non-profit scientific and industrial research organisation, and a recognised doctoral research centre.

He received the Shiromani Vikas Award in 1992 from Mother Teresa for his 'Outstanding and Inspiring Contribution to National Development'. A Harvard alumni, Dr. Habil Khorakiwala is a member of the World Economic Forum and was a distinguished speaker at its 2008 Davos meeting. A graduate of Purdue University in the US, in 2010 he was awarded an honorary doctorate by his alma mater. He has also served as the Honorary Consul General of Sweden in Mumbai.



MR. R A SHAH
Director

Mr. R A Shah has been a director of the Company since 2000. He is a senior partner of M/s Crawford Bayley & Co., a leading Mumbai firm of solicitors & advocates. He is on the boards of various other multinational and Indian companies. He has rich experience in the field of law and corporate affairs with special focus on foreign investments, joint ventures, technology and license agreements, intellectual property rights, mergers and acquisitions, industrial licensing, anti-trust laws, company law and taxation.



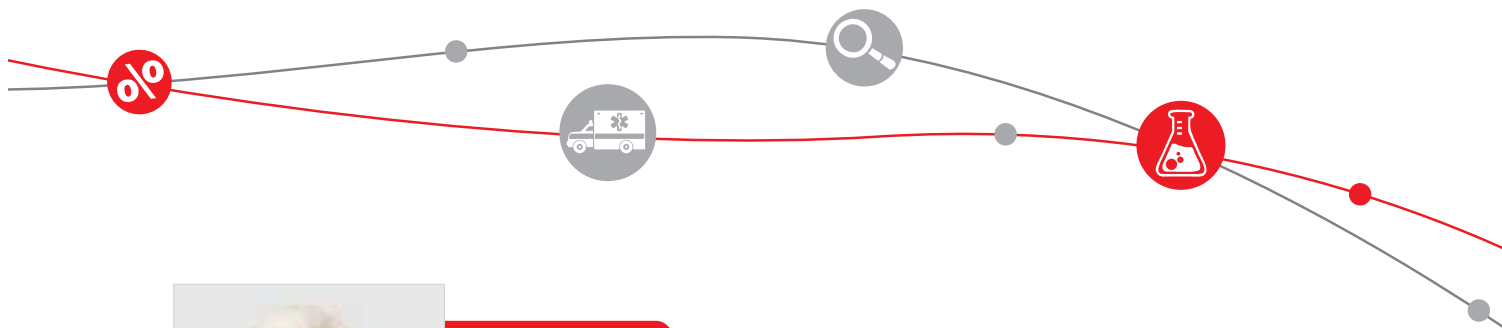
MR. SHEKHAR DATTA
Director

Mr. Shekhar Datta has been a director of the Company since 2000. A mechanical engineering graduate, Mr. Datta has held directorships with Greaves Cotton Limited and Industrial Development Bank of India Ltd. He is a former member of the International Business Advisory Council of UNIDO. Mr. Datta is a former president of the Confederation of Indian Industry (CII), Bombay Chamber of Commerce & Industry and Indo-Italian Chamber of Commerce & Industry.



MR. AMAN MEHTA
Director

Mr. Aman Mehta has been a director of the Company since 2004. An economics graduate, he has over 35 years of experience in various positions with the HSBC Group. He headed HSBC operations in the Middle East, America, Australia and Asia Pacific.



MR. D S BRAR

Director

Mr. D S Brar was inducted as a director on the board of Wockhardt in April 2012. He has a B.E. (Electrical) degree from Thapar Institute of Engineering & Technology, Patiala, and a Masters in Management (Gold Medallist) from Faculty of Management Studies, University of Delhi.

He has been associated with the pharmaceutical industry for over three decades. In the past, he has also served as director of the Reserve Bank of India (RBI) and is presently a member of the Board of Governors of the Indian Institute of Management, Lucknow (IIML).



DR. SANJAYA BARU

Director

Dr. Sanjaya Baru was inducted as a director on the board of Wockhardt in April 2012. He holds a PhD and Masters Degree in economics from Jawaharlal Nehru University, New Delhi. Dr. Baru is director for Geo-economics and Strategy at the International Institute for Strategic Studies (IISS), London, and a Honorary Senior Fellow and member of the Governing Board, Centre for Policy Research, New Delhi.

In the past, he has been the official spokesman and media advisor to the Prime Minister of India.



DR. HUZAIFA KHORAKIWALA

Executive Director

Dr. Huzaifa Khorakiwala is a Commerce graduate from Mumbai University. He holds a Masters degree in Business Management from Yale University School of Management, USA. He joined the company in July 1996 and over the years, has run various Wockhardt businesses and served in Corporate Administration. He devotes a significant part of his time to Wockhardt's corporate social responsibility activities. He serves as CEO of the Wockhardt Foundation.



DR. MURTAZA KHORAKIWALA

Managing Director

Dr. Murtaza Khorakiwala joined Wockhardt in 2000. He graduated in medicine from GS Medical College, Mumbai and also holds an MBA degree from the University of Illinois, USA.

He is responsible for the overall management and operations of the company. A driving force behind Wockhardt's Global Strategic Planning, his young and dynamic leadership has been the springboard for various corporate initiatives in the transformation of Wockhardt. He is a member of the executive committee of the Indian Pharmaceutical Association (IPA).

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report of the Company along with the Audited Accounts for the financial year ended March 31, 2013.

FINANCIAL PERFORMANCE

	Year ended March 31, 2013	Year ended March 31, 2012
(` in crore)		
Consolidated		
Income	5,772	4,637
Profit Before Depreciation, Interest & Tax	2,139	1,442
Profit/(Loss) Before Exceptional Items & Tax	1,799	1,051
Exceptional Items (Expense)/Income	61	(474)
Profit/(Loss) Before Tax	1,860	577
Provision for Taxation (Expense)/Credit	(265)	(235)
Share of Profit/(Loss) from Associates	(1)	1
Net Profit/(Loss)	1,594	343
Standalone		
Income	2,628	2,581
Profit Before Depreciation, Interest & Tax	660	827
Profit/(Loss) Before Exceptional Items & Tax	425	545
Exceptional Items (Expense)/Income	288	(162)
Profit/(Loss) Before Tax	713	384
Provision for Taxation (Expense)/Credit	(91)	(200)
Profit/(Loss) After Tax	623	184

The Company registered a 24% growth in consolidated income to ` 5,772 crore and 2% growth in standalone income to ` 2,628 crore for the year ended March 31, 2013, on a year on year basis. The Profit before depreciation, interest and tax on a consolidated basis grew from ` 1,442 crore to ` 2,139 crore thereby registering a healthy growth of 48% and profit after tax on consolidated basis grew from ` 343 crore to ` 1,594 crore thereby registering a growth of 365%. On a standalone basis, the profit after tax stood at ` 623 crore against ` 184 crore for the previous year, thereby registering a growth of 239%.

In the Month of May 2013, the Company has received an Import Alert from the US FDA on its manufacturing unit located at Waluj near Aurangabad. The impact of the Import Alert on the consolidated revenues is expected to be approximately US\$ 100 million on an annualised basis. The Company is taking all steps to address the concerns raised by US FDA and is also working on various measures to mitigate the above impact.

DIVIDEND AND RESERVES

An amount of ` 62 crore is proposed to be transferred to the General Reserves of the Company out of the profits of the Company for the year. Further, an amount of ` 463 crore is transferred to Capital Redemption Reserve towards redemption of preference shares.

The Board recommends a Dividend @ 0.01% (` 0.0005 per Preference Share of ` 5/- each) on 47,56,59,941 Non-Convertible Cumulative Redeemable Preference shares of ` 5/- each and 12,14,54,927 Optionally Convertible Cumulative Redeemable Preference Shares of ` 5/- each absorbing a sum of ` 298,557/- and dividend distribution tax of ` 50,740/-.

Your Board has recommended a Dividend @ 100% (` 5/- per equity share of ` 5/- each) on 10,95,83,403 equity shares of the Company for the year ended March 31, 2013. The dividend if approved by the members at the Annual General Meeting, will absorb a sum of ` 55 crore and dividend distribution tax of ` 9 crore.

CHANGES IN CAPITAL STRUCTURE

During the year under review, the issued, subscribed and paid-up equity share capital increased to ₹ 54,79,17,015/- pursuant to the allotment of 1,47,500 equity shares of ₹ 5/- each against exercise of employee stock options granted to the employees of the Company under Wockhardt Employee Stock Option Scheme - 2011 ("ESOP Scheme").

The issued, subscribed and paid-up preference share capital reduced from ₹ 7,61,37,44,685/- to ₹ 2,98,55,74,340/- due to redemption of 92,56,34,069 preference shares of ₹ 5/- each during the year.

EMPLOYEE STOCK OPTIONS

During the year under review, the Compensation Committee of the Board granted 3,58,500 stock options convertible into 3,58,500 equity shares of the Company of face value of ₹ 5/- each under Wockhardt Employee Stock Option Scheme - 2011 ("ESOP Scheme") to various employees and Independent Directors of the Company. Pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, the details of employee stock options are provided in Annexure to this report.

DIRECTORS

Dr. Sanjaya Baru and Mr. Davinder Singh Brar, were appointed as Additional Directors w.e.f. August 6, 2012 and were appointed as Directors of the Company in the Annual General Meeting held on September 13, 2012. Mr. Bharat Patel ceased to be a Director of the Company w.e.f. September 13, 2012.

Mr. Shekhar Datta and Mr. Aman Mehta retire by rotation as Directors at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

A brief resume and other details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49(IV)(G) of the Listing Agreement are provided in the Notice of Annual General Meeting and forms part of this Annual Report.

STATUTORY AUDITORS

M/s. Haribhakti & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

The Independent Auditor's Report issued by the Statutory Auditors to the shareholder does not contain any qualifications. We draw your attention to note no. 5 of the Independent Auditor's Report regarding matters of emphasis and for clarification request you to refer Note No. 37(i) of the Notes to Accounts of the Standalone Financial Statements.

COST AUDITORS

The Company had appointed M/s. Kirit Mehta & Co., Cost Accountants as Cost Auditors for the Audit of Cost Accounts relating to Pharmaceutical activity for the year ended March 31, 2012 and March 31, 2013. The full particulars of Cost Auditors are as under:

M/s. Kirit Mehta & Co.
Membership No. 4105
3, 423-424, Ramjharukha,
71, S. V. Road, Andheri (West),
Mumbai 400 058

The Cost Audit Reports for the financial year ended March 31, 2012 were duly filed with Central Government on February 28, 2013 (Due Date: February 28, 2013).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management, confirm that:

- in the preparation of annual accounts, the applicable accounting standards have been followed;
- in order to provide a true and fair view of the state of affairs of the Company as on March 31, 2013 and the profits for the year ended on that date, reasonable and prudent judgments and estimates have been made and generally accepted accounting policies have been selected and consistently applied;
- for safeguarding the assets of the Company and for preventing and detecting any material fraud and irregularities, proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956;
- the annual accounts presented to the members have been prepared on a going concern basis.

FIXED DEPOSITS

During the year under review, no fixed deposits were accepted by the Company.

PARTICULARS OF EMPLOYEES

Information as prescribed under Section 217(2A) of the Companies Act, 1956 ("the Act"), read with the Companies (Particulars of Employees) Rules, 1975, amended from time to time forms part of this report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders of the Company excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement or inspection may write to the Company Secretary at the Registered Office of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are provided in Annexure to this report.

SUBSIDIARY COMPANIES

The Company has 32 subsidiaries as on 31st March 2013. During the year 2012-2013, Laboratories Lerads S.A.S. was merged with Wockhardt France (Holdings) S.A.S., the holding Company. Further, Haripar S.C. (a subsidiary of Laboratories Pharma 2000 S.A.S.) and S.C.I. Salome (a subsidiary of Laboratories Negma S.A.S.) were liquidated. Further, 2 subsidiaries were incorporated in Mexico namely Wockhardt Farmaceutica SA DE CV and Wockhardt Services SA DE CV.

LEGAL COMPLIANCE

The Ministry of Corporate affairs vide its circular dated February 8, 2011 granted general exemption under Section 212(8) of the Companies Act, 1956 to the Companies with regard to attaching of the balance sheet, profit and loss account and other documents of the Subsidiary Companies. Accordingly, the annual accounts and other documents of Company's subsidiaries for the year ended March 31, 2013 are not attached to this Annual Report. The annual accounts of subsidiaries will be available for inspection by any member of the Company at the registered office of the Company and also at the registered office of the concerned subsidiaries. The annual accounts of the subsidiary companies and detailed information will be made available to the members of the Company and subsidiaries upon receipt of request from them. A statement pursuant to the provisions of Section 212(1)(e) of the Companies Act, 1956 and the summary of the key financials of the Company's subsidiaries are included in this Annual Report. Pursuant to Clause 32 of the Listing Agreement and Accounting Standard AS -21, the Audited Consolidated Financial Statements for the financial year ended March 31, 2013 forms part of this Annual Report.

SECRETARIAL AUDIT

The Company has voluntarily carried out Secretarial Audit for the year ended March 31, 2013 from V. G. Bhatt & Associates, Practising Company Secretary.

The said Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Listing Agreements with stock exchanges and all the requirements of Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (erstwhile Regulation of 1997) and the SEBI (Prohibition of Insider Trading) Regulations, 1992.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Report on Corporate Governance along with a certificate from the Practising Company Secretary on compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement and Management Discussion and Analysis Report are given separately in this Annual Report.

ACKNOWLEDGEMENTS

Your Directors acknowledge the significant contribution made by the employees of the Company at all levels towards its overall success. The Directors also take this opportunity to place on record their appreciation to all the stakeholders, bankers and members of medical profession for their continued support to the Company.

For and on behalf of the Board

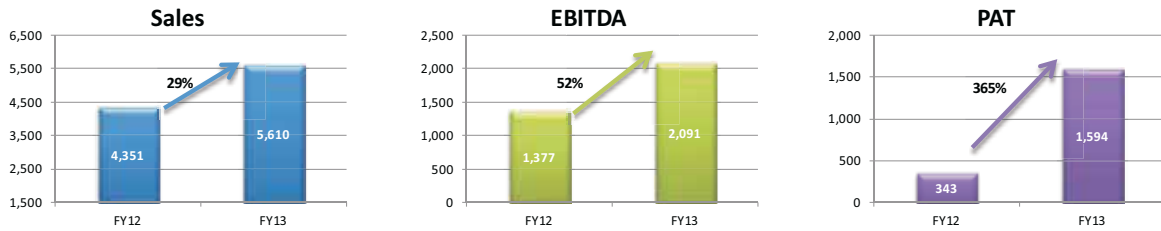
DR. H. F. KHORAKIWALA
Chairman

Mumbai, May 27, 2013

MANAGEMENT DISCUSSION & ANALYSIS

DRAMATIC TURNAROUND CONTINUES

The Dramatic Turnaround of the previous year continued in the current year 2012-13 with Wockhardt achieving newer heights across all levels of operations. The company joined the Billion Dollar club by scaling \$1 billion in Sales. The year also witnessed introduction of several niche products in the US market, and completion of the Nutrition business sale. The company saw betterment across all financial parameters with increased focus on R&D, manufacturing and efficient supply chain management.



REVENUES

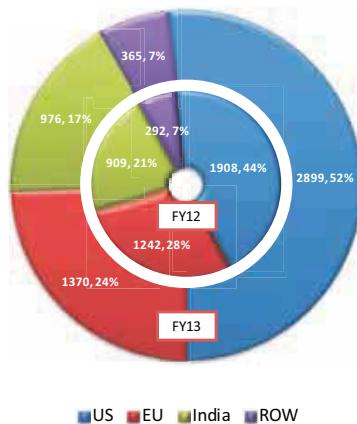
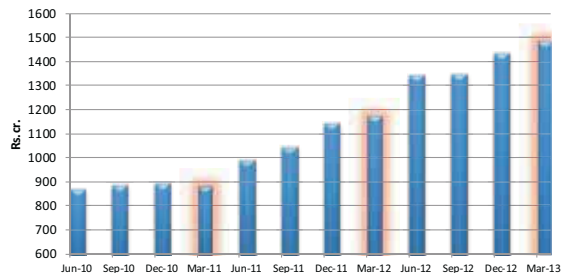
Net Sales grew by 29% to ` 5,610 crore from ` 4,351 crore achieved during the previous year.

	in crore			
	FY 13	FY 12	Change	% Change
Revenue from operations	5,610	4,351	1,259	29%

Sequential growth in Sales continued in the current year as well with the latest quarter being the 8th consecutive quarter of sequential growth.

The revenue growth in FY 2013 is higher by 29% over FY 2012 driven by 52% growth in US market, 12% growth in India and Emerging markets and 22% growth in European market (excluding France).

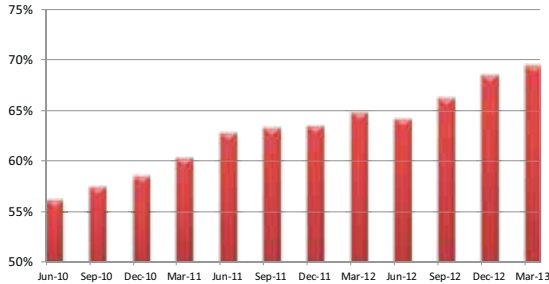
Quarterly Sales Excluding Nutrition



The revenue split was lead by US operations at 52% (compared to 44% as in FY 2012) while European Business contributed 24% (compared to 28% in FY 2012) & India and Rest of the World contributing 24 % (compared to 28% in FY 2012).

PROFITABILITY

TTM Gross Margin % Normalized



The Gross Margins have consistently stayed above 60% from March-11 onwards.

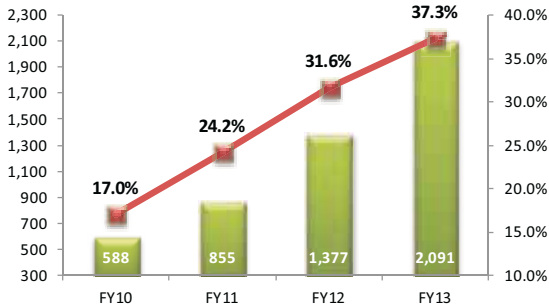
The strong sales growth in US Operation and continued emphasis on cost control ensured substantial increase in EBITDA – rising by 51.9% to ₹ 2,091 crore (vs ₹ 1,377 crore in previous year).

The Company has recorded thirteen successive quarters of sequential growth in EBITDA.

Quarterly EBITDA



EBITDA & EBITDA Margins

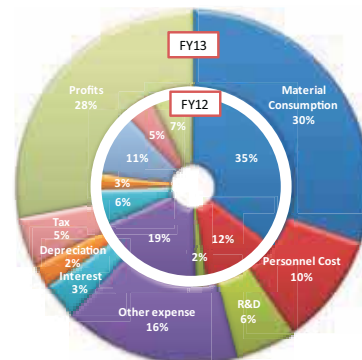


Company's EBITDA margins went up to 37.3% compared to 31.6% in the previous year.

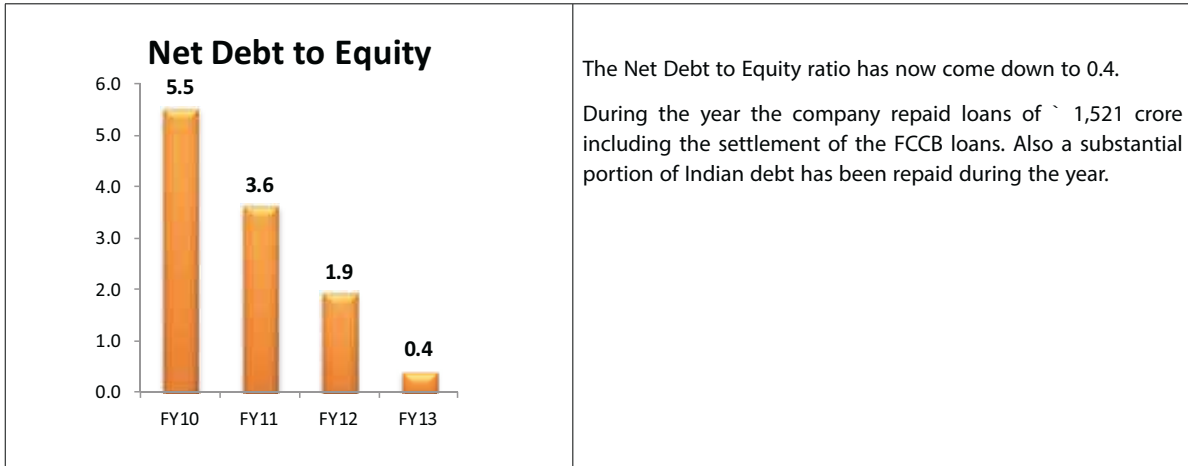
Material consumption for FY13 stood at 30% of sales compared to 35% in FY12, largely due to improved realizations. US being a better margin geography and higher contribution in sales from US business resulted in better Gross Margins for the company.

During the year the company applied the revised criteria of recognition to its development costs and accordingly product development expenses from Q2FY13 were expensed to P&L. As a result the R&D costs for FY13 stood at 5.6% of sales compared to 1.7% in FY12, showing a growth of 317%. On a like to like basis the R&D costs showed a growth of 56%.

Other expenses were under control at 16% of sales for FY13 compared to 19% for FY12. Interest costs also reduced in FY13 compared to FY12 due to reduction in Debt during the year.



DEBT AND LEVERAGE



Debt Position

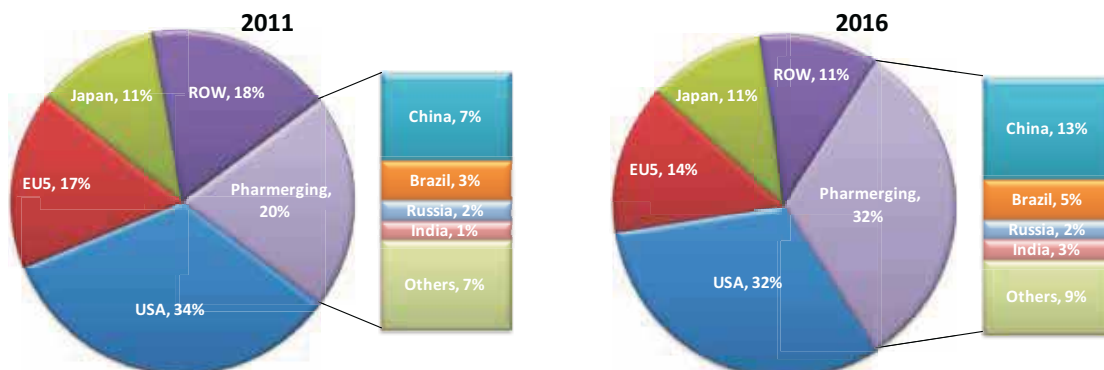
in crores

	FY 13	FY 12	Change	% Change
Secured	2,062	3,271	(1,209)	(37%)
Unsecured	8	221	(213)	(96%)
Total	2,070	3,492	(1,422)	(41%)

GLOBAL OUTLOOK

The Global Market for Pharmaceuticals is expected to breach the \$ 1 Trillion mark in 2013 and go to \$1.2 Trillion by 2016.

Geographical Spread



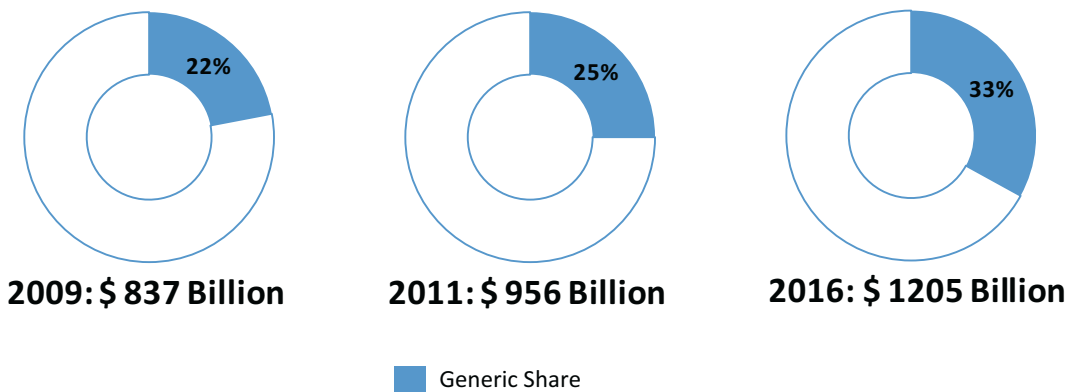
Geographywise, USA will continue to hold the top position but its share will decline and countries like China will increase their presence.

- USA had been in the sub 10% growth trajectory since 2007 will be growing at an even lower growth rate of 1-4% per year range between 2012-16. The expected market size of US is set to grow to \$ 350-380 Billion by 2016. Though Patent expiries will impact strongly till 2013, health reforms may provide a positive impact as will the brand products price increases.

- EU5, however, finds itself in a difficult territory with mounting national debts, healthcare spending cuts being implemented on providers including pharmaceutical companies and an overall slow or negative growth rates. Market does carry a risk of degrowth for a certain period of time while the overall economy manages to claw back. Pharmaceutical market growth (CAGR) is expected to be in -1 to 2% range with almost flattish revenue at \$150-155 Billion in 2016.
- China expectedly will be leading the charge and will be the highest growing region. The growth is expected to be 15-18% CAGR between 2012-16 and the Market size is expected to reach \$161 Billion by 2016 making it world's second largest market after US & beating Japan to no. 3.
- India is expected to register second highest growth after China at 14-17% CAGR and is expected to more than double its market size to \$29 Billion by 2016.

Generic Penetration

The potential for the Generics market to grow globally is immense considering patent expiries, cuts in healthcare spending and increasing importance of pharma emerging economies.



Generics market will continue the momentum across the world and particularly in the USA. The Shift from Branded to Generics will gather further pace as total Global sales of generics will increase from \$ 242 Billion in 2011 to \$415 Billion by 2016, a large component of which will be outside USA. The Generics market growth will be way ahead of the growth curve of the overall growth. A large component of this value, \$230 Billion, will be from Pharmerging countries.

OPPORTUNITIES

As mentioned in the outlook, there are very significant opportunities in the Regulated and Pharmerging Countries' Generics and Branded Generics markets and the company is well poised to strengthen its position by leveraging on its multidisciplinary Research capabilities and wide global Reach.

The company has been performing well in most of the geographies it operates upon, even including the ones where the overall economic and pharmaceutical market growth has been significantly subdued thereby displaying a well-planned strategic thought process.

Company's strong research background in attaining higher degree of complexity in products technologies has benefited it with the dividends of better product offerings, higher sales and margins and lower competition. The company intends to continue on this path and move up the technology pyramid to continue exploiting these benefits.

RESEARCH

The company's Research and development forays into Complex Technology Generics and Biotechnology places it in among a select few Hybrid Organizations which have multidimensional research facets. Over the period of time it has significantly scaled up its R&D talent and facilities as per the requirements of its future plans. It has R&D centers in India, US and Europe to cater to the technological needs of the products. The senior/top management takes a keen view and direct involvement in the product development program and has a stringent set of norms in identifying the potential products for development.

Building upon the technological base it has already achieved in NDDS, Nasal device etc. technologies, the company looks forward to enhance its scale and product offerings in complex technology generics. Company's current pipeline consists of 46 filings with US FDA and intends to gradually increase the number of filings for sustained business returns.

The company has very focused approach to its Biotechnology. In Biotechnology the company has made significant progress in developing biosimilars of Insulin and its analogs. Regulated markets are currently underway in developing biosimilar launch guidelines, 2 products (Insulin and Glargine) have already been launched in India as well as have product registrations in 34 countries for Insulin and 5 for Glargine.

The Company spent ₹ 376 crore on R& D activities, representing 6.7% of sales (previous year ₹ 248 crore; 5.7% of sales)

CHALLENGES

During the last decade, the number of companies entering the lucrative Regulated Generics markets has increased. This has typically created the scenario of very high competition in simple products which are lower in technological intensity, thus significantly affecting the sales and margins of such products. It is thus the endeavor of the company to ensure higher complexity in its product portfolio which offers a challenging proposition in fast adaptation and throughput of such technologies and products.

Cost control is another area which needs a careful review while ensuring that the research and development as well as manufacturing requirements are met as per the demands of products development. The company has successfully met this challenging scenario and has brought forward many viable measures for cost control.

India represents a strong business opportunity with its growth potential second to none barring China. However these opportunities are laden with price increase challenges on a host of products due to government initiatives on National Pricing Policy on certain critical drugs. The challenge will be to ensure alignment to the growth parameters and growing ahead of the market with the help of new product development, higher volume sales while adhering to the Pricing regulations where applicable.

SEGMENT-WISE PERFORMANCE

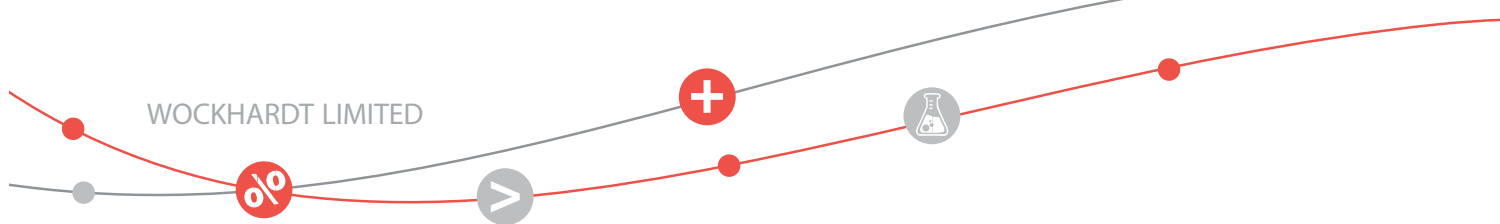
The company is exclusively into pharmaceutical business segment.

COMPANY OUTLOOK

The company's long term outlook continues to be promising given the following

- a. Overall growth in the global pharmaceutical industry
- b. Wockhardt's continued focus on R&D
- c. Increasing pipeline of niche & complex technology generic products
- d. Encouraging progress on Bio-similars and NCE programs.

The short term outlook however is constrained by the recent FDA import alert on its manufacturing site at Waluj. The company is in the process of initiating several mitigating measures and is determined to resolve the issue at the earliest.



INTERNAL CONTROL SYSTEMS AND ADEQUACY

The company has set up internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-defined policies, guidelines and authorizations and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

HUMAN RESOURCES

The dynamics of a vibrant and growing organization thus requires a significant management interest, investment and skill development of the employees to take the organization on the aspired path of success. At Wockhardt, the Human Resources function has initiated a coordinated effort spanning multiple initiatives and programs to ensure all its associates live the corporate mantra of “Joy of Performance”.

One of the major dynamics of these initiatives is the identification of high potential candidates and charting out their future path to sustain the organization’s momentum. Furthermore the organization has formulated a strong Leadership Development Program to ensure that the future leaders of the organization are not only identified early but presented with personality and leadership development scenarios which thus expand their capabilities to take higher and newer challenges.

The organization is strongly aligned to nurture competencies in its associate and all the way from the field sales to R&D to Manufacturing domains. This is a critical component of its success and will play a significant part in organization’s journey into higher echelons of a superior hybrid organization.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wockhardt Limited

1. We have audited the accompanying Consolidated Financial Statements of Wockhardt Limited ("the Company") and its subsidiaries and associate companies, hereinafter referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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

4. In our opinion, based on our audit and on consideration of reports of other auditors on separate financial statements and on other financial information of the components and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

5. We draw attention to Note no. 29 of the Financial Statements regarding reassessment and revision thereof of recognition criteria for capitalization of product development costs incurred by the Group, which being technical in nature has been relied upon by us. Consequently, the Group has (a) expensed off carried forward cost of products under development as at June 30, 2012 amounting to ₹ 436.88 crore to the Statement of Profit and Loss under the head 'Exceptional Items' and (b) charged off product development expenditure incurred during the period July 2012 to March 2013 amounting to ₹ 216.17 crore to the Statement of Profit and Loss under respective expense heads. Our opinion is not qualified in respect of this matter.

Other Matter

6. The values in the Consolidated Financial Statements are also stated in United States Dollars translated at the closing year end rates. We have not reviewed the translations of the amounts mentioned in United States Dollar in the financial statements, and accordingly do not express an opinion on such amounts.
7. We did not audit the financial statements and other financial information of 27 subsidiaries included in these Consolidated Financial Statements, whose financial statements together comprise total net assets of ₹ 2,322.40 crore as at March 31, 2013, total net revenues of ₹ 1,566.03 crore and net cash inflows amounting to ₹ 389.76 crore for the year then ended and 1 Associate Company included in these Consolidated Financial Statements which constitute net loss of ₹ 0.57 crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our audit opinion on the Consolidated Financial Statements, to the extent they have been derived from such financial statements is based solely on the reports of such auditors.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Shailesh Haribhakti
Partner
Membership No. 30823

Place : Mumbai
Date : May 27, 2013

CONSOLIDATED BALANCE SHEET

As at March 31, 2013

	Note No.	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share capital	3	353.34	65.10	816.09	160.55
Reserves and surplus	4	2,350.84	433.14	654.93	128.85
		2,704.18	498.24	1,471.02	289.40
NON-CURRENT LIABILITIES					
Long-term borrowings	5	1,475.15	271.80	2,706.39	532.44
Deferred tax liabilities (Net)	6	-	-	101.00	19.88
Long-term provisions	7	69.85	12.87	84.49	16.61
		1,545.00	284.67	2,891.88	568.93
CURRENT LIABILITIES					
Short-term borrowings	8	182.00	33.53	260.80	51.31
Trade payables	9	634.15	116.84	540.80	106.39
Other current liabilities	10	789.96	145.53	978.38	192.48
Short-term provisions	11	184.76	34.04	110.96	21.83
		1,790.87	329.94	1,890.94	372.01
TOTAL		6,040.05	1,112.85	6,253.84	1,230.34
ASSETS					
NON-CURRENT ASSETS					
FIXED ASSETS					
	12				
Tangible assets		1,150.38	211.95	1,103.86	217.16
Intangible assets		839.22	154.63	1,467.48	288.70
Capital work-in-progress		490.94	90.45	498.75	98.12
Intangible assets under development		-	-	403.54	79.39
Non-current investments	13	2.63	0.48	90.75	17.86
Deferred tax assets (net)	6	24.20	4.45	-	-
Long-term loans and advances	14	200.74	36.99	207.95	40.91
Other non-current assets	15	5.01	0.92	-	-
		2,713.12	499.87	3,772.33	742.14
CURRENT ASSETS					
Inventories	16	1,058.83	195.10	888.56	174.81
Trade receivables	17	958.46	176.59	758.69	149.26
Cash and bank balances	18	1,096.06	201.94	699.99	137.71
Short-term loans and advances	19	213.58	39.35	134.27	26.42
		3,326.93	612.98	2,481.51	488.20
TOTAL		6,040.05	1,112.85	6,253.84	1,230.34
Significant accounting policies	2				
The notes from 1 to 43 form an integral part of the Financial statements.					

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta

D. S. Brar

Sanjaya Baru

Aman Mehta

R. A. Shah

Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2013

	Note No.	For the year ended March 31, 2013 ₹ in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 ₹ in crore	For the year ended March 31, 2012 USD in million
Revenue from operations	20	5,615.19	1,034.58	4,354.34	856.64
Less: Excise duty		(5.77)	(1.06)	(3.84)	(0.76)
Revenue from operations (net)		5,609.42	1,033.52	4,350.50	855.88
Other income	21	51.21	9.44	23.31	4.59
TOTAL REVENUE		5,660.63	1,042.96	4,373.81	860.47
Expenses:					
Cost of materials consumed		1,290.77	237.80	1,060.88	208.71
Purchases of stock-in-trade		637.06	117.40	574.14	112.95
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(180.27)	(33.22)	(100.64)	(19.79)
Employee benefits expense	23	655.90	120.85	572.91	112.71
Finance costs	24	215.37	39.67	269.02	52.92
Depreciation and amortization expense	12	122.14	22.50	115.07	22.64
Exchange fluctuation loss/(gain), net		27.88	5.14	21.46	4.22
Other expenses	25	1,115.61	205.53	866.01	170.36
TOTAL EXPENSES		3,884.46	715.67	3,378.85	664.72
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1,776.17	327.29	994.96	195.75
Exceptional items (gains)/loss [including profit on sale of Nutrition business ₹ 1,195.27 crore]	29 & 30	(61.52)	(11.33)	473.77	93.21
PROFIT BEFORE TAX		1,837.69	338.62	521.19	102.54
Tax expense:					
Current tax		(371.65)	(68.48)	(98.38)	(19.35)
MAT credit		-	-	49.64	9.77
Deferred tax		113.44	20.90	(173.00)	(34.04)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		1,579.48	291.04	299.45	58.92
PROFIT FROM DISCONTINUED OPERATIONS	41	22.51	4.15	55.53	10.92
Tax expense of discontinued operations	41	7.30	1.35	13.39	2.63
PROFIT FROM DISCONTINUED OPERATIONS (AFTER TAX)	41	15.21	2.80	42.14	8.29
PROFIT AFTER TAX		1,594.69	293.84	341.59	67.21
Add: Share in Profit/(Loss) of Associate Companies		(0.57)	(0.11)	1.12	0.22
NET PROFIT FOR THE YEAR		1,594.12	293.73	342.71	67.43
Earnings per equity share of face value of ₹ 5/- each:	28				
(1) Basic		145.61	2.68	31.31	0.62
(2) Diluted		143.34	2.64	31.15	0.61
Significant accounting policies	2				

The notes from 1 to 43 form an integral part of the Financial statements.

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta

D. S. Brar

Sanjaya Baru

Aman Mehta

R. A. Shah

Directors

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended March 31, 2013

	For the year ended March 31, 2013 in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 in crore	For the year ended March 31, 2012 USD in million
A. CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:				
Net Profit Before Tax (including profit from discontinued operations)	1,860.20	342.74	576.72	113.47
Adjustments for:				
Expense on Employee Stock Option Scheme (ESOS)	25.82	4.76	10.20	2.01
Depreciation / amortisation	124.84	23.00	122.51	24.10
Product development expenses written off	1.49	0.27	53.79	10.58
Exchange fluctuation, net	27.86	5.13	21.46	4.22
Liabilities no more payable	(6.44)	(1.19)	(3.05)	(0.60)
Provision for doubtful debts, bad debts written off & One time charge backs	1.46	0.27	1.88	0.37
Provision for doubtful advances	(15.06)	(2.77)	29.36	5.78
Bad debts	(0.80)	(0.15)	(2.03)	(0.40)
(Profit)/Loss on sale of fixed assets, net	2.79	0.51	(1.10)	(0.22)
Write off of development cost	471.61	86.89	-	-
Impairment of goodwill	621.21	114.46	333.50	65.61
Profit on divestment of nutrition business	(1,195.27)	(220.22)	-	-
Actuarial gain on pension scheme	(11.69)	(2.15)	-	-
Impairment of investments	18.77	3.46	-	-
Other exceptional items	22.16	4.08	-	-
Gain on settlements	-	-	(13.73)	(2.70)
Wealth tax expense	-	-	0.01	-
CDR recompense provision	-	-	105.56	20.77
Finance costs	215.37	39.68	268.87	52.90
Interest income	(30.81)	(5.68)	(9.64)	(1.90)
Dividend income	(0.001)	-	-	-
Operating profit before working capital changes	2,133.51	393.09	1,494.31	293.99
Movement in working capital				
(Increase)/Decrease in inventories	(204.86)	(37.74)	(174.84)	(34.40)
(Increase)/Decrease in trade receivables	(207.73)	(38.28)	(104.25)	(20.51)
(Increase)/Decrease in loans and advances and other assets	(80.01)	(14.74)	(33.61)	(6.61)
Increase/(Decrease) in trade payables, other liabilities and provisions	149.66	27.57	23.27	4.58
Adjustment for translation difference in working capital	75.95	13.99	159.49	31.38
Cash generated from operations	1,866.52	343.89	1,364.37	268.43
Income taxes paid	(334.12)	(61.56)	(20.54)	(4.04)
Net cash from Operating Activities (A)	1,532.40	282.33	1,343.83	264.39
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:				
Purchase of fixed assets, additions to capital work in progress and intangibles under development	(341.43)	(62.91)	(317.54)	(62.49)
Proceeds from sale of fixed assets	79.63	14.67	1.21	0.24
Proceeds from sale of investments	68.78	12.67	-	-
Proceeds from sale of nutrition business	1,288.31	237.37	-	-
Repayment by/(Loans to) companies	-	-	(1.22)	(0.24)
Margin money and fixed deposits under lien	(40.73)	(7.50)	2.46	0.48
Interest received	30.81	5.68	9.64	1.90
Dividend received	0.001	-	-	-
Net cash from/(used in) Investing Activities (B)	1,085.37	199.98	(305.45)	(60.11)

	For the year ended March 31, 2013 ₹ in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 ₹ in crore	For the year ended March 31, 2012 USD in million
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:				
Proceeds from issuance of share capital	0.07	0.01	-	-
Premium on issue of shares	1.57	0.29	-	-
Redemption of preference share capital	(317.15)	(58.43)	-	-
Premium on redemption of preference shares	(33.72)	(6.21)	-	-
Proceeds from long term borrowings	1.18	0.22	1.98	0.39
Repayment of long term borrowings	(1,442.67)	(265.81)	(523.66)	(103.02)
Short term borrowings (net)	(78.80)	(14.52)	(129.26)	(25.43)
Interest paid	(375.76)	(69.23)	(175.50)	(34.53)
Dividend paid (including Dividend distribution tax)	(0.47)	(0.09)	(0.12)	(0.02)
Net cash used in Financing Activities (C)	(2,245.75)	(413.77)	(826.56)	(162.61)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	372.02	68.54	211.82	41.67
CASH AND CASH EQUIVALENTS, beginning of year	689.66	127.07	470.10	92.48
Unrealised gain/(loss) on foreign currency cash and cash equivalents	(11.67)	(2.15)	7.74	1.52
CASH AND CASH EQUIVALENTS, end of year	1,050.01	193.46	689.66	135.67
Components of cash and cash equivalents, as at March 31, 2013				
Cash	0.10	0.02	0.11	0.02
Balance with banks:				
- on current accounts (excluding unclaimed dividend accounts)	997.96	183.87	688.51	135.45
- on Unpaid Dividend Account (Refer note 4)	0.83	0.15	1.04	0.20
- on fixed deposit accounts	51.12	9.42	-	-
	1,050.01	193.46	689.66	135.67

Notes:

- All figures in bracket are outflow.
- Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Cash flow in respect of ordinary activities attributable to discontinued operations:
 - Operating activities - ₹ 19.02 crore (Previous Year - ₹ 58.66 crore)
 - Investing activities - ₹ Nil (Previous Year - ₹ Nil)
 - Financing activities - ₹ 0.04 crore (Previous Year - ₹ 0.15 crore)
- These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner
Place : Mumbai
Date : May 27, 2013
V. R. Khetan
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta
D. S. Brar
Sanjaya Baru
Aman Mehta
R. A. Shah

} Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended March 31, 2013

(All amounts in crore of ₹, unless otherwise stated)

1. (a) Background

Wockhardt Limited ('WL' or 'Company') is a subsidiary of Khorakiwala Holdings and Investments Private Limited. The Company has controlling interest, directly or through subsidiaries, step down subsidiaries, associates in the following entities during the year ended March 31, 2013:

Entity	Country of Incorporation	Name of Parent	Percentage of holding (%)
Subsidiaries			
1. Wockhardt Biopharm Limited	India	Wockhardt Limited	100%
2. Vinton Healthcare Limited	India	Wockhardt Limited	100%
3. Wockhardt Infrastructure Development Limited	India	Wockhardt Limited	100%
4. Wockhardt UK Holdings Limited	England & Wales	Wockhardt Limited	100%
5. Wockhardt Bio AG [formerly, Wockhardt EU Operations (Swiss) AG]	Switzerland	Wockhardt Limited	100%
6. Wockhardt Europe Limited	British Virgin Islands	Wockhardt Limited	100%
Step-down subsidiaries			
1. CP Pharmaceuticals Limited	England & Wales	Wockhardt UK Holdings Limited	100%
2. Wallis Group Limited	England & Wales	Wockhardt UK Holdings Limited	100%
3. The Wallis Laboratory Limited	England & Wales	Wallis Group Limited	100%
4. Wallis Licensing Limited	England & Wales	Wallis Group Limited	100%
5. Wockhardt Farmaceutica Do Brasil Ltda	Brazil	The Wallis Laboratory Limited	90%
		Wockhardt Europe Limited	10%
6. Z & Z Services GmbH (formerly, Esparma GmbH)	Germany	Wockhardt Bio AG	100%
7. Esparma AG	Switzerland	Wockhardt Bio AG	100%
8. Wockhardt Cyprus Limited	Cyprus	Wockhardt Bio AG	100%
9. Wockhardt UK Limited	England & Wales	Wockhardt Bio AG	100%
10. CP Pharma (Schweiz) AG	Switzerland	Wockhardt Bio AG	100%
11. Wockpharma Ireland Limited	Ireland	Wockhardt Bio AG	100%
12. Pinewood Laboratories Limited	Ireland	Wockpharma Ireland Limited	100%
13. Nonash Limited	Ireland	Pinewood Laboratories Limited	100%
14. Wockhardt France (Holdings) S.A.S.	France	Wockhardt Bio AG	100%
15. Niverpharma S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
16. Laboratoires Pharma 2000 S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
17. Hariphar S.C.#	France	Laboratoires Pharma 2000 S.A.S.	90%
		Laboratoires Negma S.A.S.	10%
18. Laboratoires Negma S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
19. S.C.I. Salome#	France	Laboratoires Negma S.A.S.	100%
20. Negma Beneulex S.A.	Belgium	Wockhardt France (Holdings) S.A.S.	53.97%
		Laboratoires Negma S.A.S.	46.03%
21. Phytex S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
22. Laboratoires Lerads S.A.S.#	France	Wockhardt France (Holdings) S.A.S.	100%
23. Wockhardt Holding Corp.	USA	Wockhardt Bio AG	100%
24. Morton Grove Pharmaceuticals Inc.	USA	Wockhardt Holding Corp.	100%
25. MGP Inc.	USA	Morton Grove Pharmaceuticals Inc.	100%
26. Wockhardt USA LLC	USA	Morton Grove Pharmaceuticals Inc.	100%
27. Wockhardt Farmaceutica SA DE CV w.e.f. June 21, 2012	Mexico	Wockhardt Bio AG	100%
28. Wockhardt Services SA DE CV w.e.f. November 9, 2012	Mexico	Wockhardt Bio AG	100%
29. Wockhardt Nigeria Limited	Nigeria	Wockhardt Europe Limited	100%
Associate			
1. Swiss Biosciences AG	Switzerland	Wockhardt Bio AG	45%

During the year, Laboratories Lerads S.A.S. was merged with Wockhardt France (Holdings) S.A.S., the Holding Company on November 28, 2012. S.C.I. Salome (a subsidiary of Laboratories Negma S.A.S.) and Hariphar S.C. (a subsidiary of Laboratories Pharma 2000 S.A.S.) were liquidated as on November 14, 2012 and November 28, 2012 respectively.

The Company together with its subsidiaries Wockhardt Europe Limited ('WEL'), Wockhardt Biopharm Limited ('WBL'), Wockhardt Infrastructure Development Limited ('WIDL'), Consolidated Wockhardt UK Holdings Limited ('WUK'), Vinton Healthcare Limited ('VHL') and Consolidated Wockhardt Bio AG (collectively, 'the Group') is primarily engaged in the business of manufacture and marketing of pharmaceutical products. The Group has twelve manufacturing locations and there are five locations where research and development activities are carried out.

(b) Basis of consolidation

The consolidated financial statements have been prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("IGAAP") under the historical cost convention on the accrual basis. IGAAP comprise mandatory accounting standards notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India.

(c) Principles of consolidation

The consolidated financial statements includes the financial statements of Wockhardt Limited ('WL' or 'Company'), the parent company and all of its subsidiaries in which the company has more than one-half of the voting power of an enterprise or where the Company controls the composition of the board of directors.

The consolidated financial statements have been prepared on the following basis:

- (a) The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the financial statements of Wockhardt Limited and its subsidiaries using uniform accounting policies for like transactions and other events in similar circumstances. All material inter-company balances and transactions are eliminated on consolidation. Wockhardt Limited and all the subsidiaries have closed books of accounts as at March 31, 2013 as year-end for the purpose of preparing the consolidated financial statements of the Group.
- (b) Investment of the company in associates is accounted as per the equity method prescribed under notified Accounting Standard 23 – "Accounting for Investment in Associates in Consolidated Financial Statements" under Company (Accounting Standard) Rules, 2006.
- (c) The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognised as 'Goodwill (on Consolidation)' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve (on Consolidation)' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- (d) Assets and liabilities of subsidiaries are translated into Indian rupees at the rate of exchange prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian rupees at average of twelve months closing rates and the resulting net translation adjustment aggregating ₹ 26.60 crore (USD 4.90 million) [Previous Year – ₹ 159.11 crore (USD 31.30 million)] has been adjusted to Reserves.
- (e) The operations of the Company's subsidiaries are considered as non-integral operations for the purpose of consolidation.
- (f) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- (g) Convenience translation
The accompanying financial statements have been prepared in Indian rupees, the national currency of India. Solely for the convenience of the reader, the financial statements as of and for the 12 months ended March 31, 2013 and March 31, 2012 have been translated into United States dollars at the closing rate [USD 1 = ₹ 54.275 (Previous Year – USD 1 = ₹ 50.83)]. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate.

(d) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Summary of Group's Significant Accounting Policies

The consolidated financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous period. These consolidated financial statements have been prepared to meet the requirements of clause 32 of the listing agreement with the stock exchanges. The significant accounting policies of the Group are as follows:

(a) Fixed assets and depreciation/amortization

Tangible assets:

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

Depreciation/amortization:

Depreciation is provided, using the straight-line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV to the Companies Act, 1956 or useful life of the assets estimated by the management, whichever is higher.

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

Intangible assets:

Intangible assets except goodwill are amortised on a straight line basis up to the period of ten years, which is based on their estimated useful life.

Goodwill is tested for impairment.

(b) Foreign currency translations

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Foreign currency monetary items are reported using closing foreign exchange rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Premium or discount on forward exchange contracts arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

Translation of Non-integral foreign operation:

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non integral foreign operation are translated at the closing rate; income and expenses item of the non-integral operation are translated at exchange rates at the date of the transaction; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of the non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expense in the same period in which the gain or loss on disposal is recognised.

Translation of Integral foreign operations:

In respect of representative offices and branches, monetary items are translated using the closing rate; non-monetary items are translated using the monthly average rate which is expected to approximate the actual rate on the date of transaction; items of income and expenses are translated at the respective monthly average rates; and the net exchange difference resulting from the translation of items in the financial statements of foreign integral operations is recognised as income or as expense for the year.

(c) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments.

Investments in associates, accounted under the equity method of accounting, are initially recorded at cost, identifying any goodwill/capital reserve at the time of acquisition. The carrying amount of such investments is adjusted thereafter for the post acquisition change in the Group's share of net assets of the investee unless there is an agreement to the contrary. The carrying amount of investment in an associate is reduced to recognise a decline, other than temporary, in the value of the investment, such reduction being determined and made for each investment individually.

(d) 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 are 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. Excise and customs duty 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.

(e) Employee benefits

Employee benefits in the form of Provident Fund, Family Pension Fund, Super annuation Schemes and non-contributory money purchase scheme, which are defined contribution schemes, are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds accrue. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability, which is a defined benefit scheme, is provided for, on the basis of an actuarial valuation made using Projected Unit Credit Method at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation made using Projected Unit Credit Method at the end of each financial year.

Actuarial gains and losses are immediately taken to the Statement of Profit and Loss and are not deferred.

WUK operates defined contribution pension scheme. Till February 2004, WUK operated defined benefit pension scheme. The assets of schemes are held separately from those of the WUK in an independently administered fund.

Pinewood Laboratories Limited operates defined contribution pension schemes. Pension rights are secured by contributions to independent insurance schemes. The pension cost charge represents contributions by the company to the insurance schemes.

Wockhardt USA LLC. (WUSA) and Morton Grove Pharmaceuticals Inc., maintains 401(k) retirement contribution plans that cover all regular employees on their payroll. The Companies make a matching contribution on the first 6% and employee participation is allowable as per US Government laws. The assets of the plan are held separately from those of the company in an independently administered fund.

Employee stock option schemes

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of shares, at the date of grant of options under the Employee stock option schemes, over the exercise price is treated as employee compensation and amortised over the vesting period.

(f) 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 excise duty, sales tax, value added tax (VAT), returns and trade discounts. Also, revenue from sales are net of charge backs and rebates.

Sale of Services

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

Export Incentive

Benefit on account of entitlement to import duty free materials under the "Duty Entitlement Pass Book Schemes" is recognized in the year of export.

Duty drawback

Duty drawback is recognized at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognized as and when goods are imported against them.

Royalties

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

Dividend and Interest

Dividend income is recognized when the right to receive the payment is established. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Research and development (R&D)

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 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.

(h) Impairment of Assets

The carrying values of assets/cash generating units at each Balance Sheet date, are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

(i) Income tax

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax rules as applicable to the financial year. A deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent it has timing differences, the reversal of which will result in sufficient income. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Minimum Alternative Tax (MAT) credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified year.

Income tax charge is the simple aggregation of the tax charge appearing in the group companies.

(j) Leases

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the lease term are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance Lease

The 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 terms and the useful lives of equivalent owned assets.

(k) Financing/Borrowing cost

Financing/Borrowing costs attributable to acquisition and/or construction of qualifying asset are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other financing/borrowing costs are charged to the Statement of Profit and Loss. Initial direct costs are recognised immediately as an expense.

Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

(l) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

(n) Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the Statement of Profit and Loss over the expected useful life of the relevant assets. Grants of revenue nature are credited to income in the year to which they relate.

(o) Derivative Financial Instruments

The Company uses derivative financial instruments such as option contracts and interest rate swaps to hedge its risk associated with foreign currency fluctuations and interest rates.

As per the Institute of Chartered Accountants of India (ICAI) Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the loss is charged to the income statement. Net gains are ignored.

(p) Operating Cycle

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Act.

	As at March 31, 2013			As at March 31, 2012		
	Number of shares	Amount in crore	Amount USD in million	Number of shares	Amount in crore	Amount USD in million
3. SHARE CAPITAL						
AUTHORISED						
Equity shares of ` 5/- each	250,000,000	125.00	23.03	250,000,000	125.00	24.59
Preference shares of ` 5/- each	2,000,000,000	1,000.00	184.25	2,000,000,000	1,000.00	196.73
		1,125.00	207.28		1,125.00	221.32
ISSUED, SUBSCRIBED & PAID UP						
Equity shares of ` 5/- each fully paid up						
Shares outstanding as at the beginning of the Year	109,435,903	54.72	10.08	109,435,903	54.72	10.77
Add: Shares Issued during the Year pursuant to ESOS	147,500	0.07	0.01	-	-	-
Shares outstanding as at the end of the Year	109,583,403	54.79	10.09	109,435,903	54.72	10.77
Optionally Convertible Cumulative Redeemable Preference shares of ` 5/- each fully paid up:						
Shares outstanding as at the beginning of the Year	446,549,949	223.27	41.14	446,549,949	223.27	43.92
Add: Shares Issued during the Year	-	-	-	-	-	-
Less: Shares redeemed during the year	325,095,022	162.55	29.95	-	-	-
Shares outstanding as at the end of the Year	121,454,927	60.72	11.19	446,549,949	223.27	43.92
Non Convertible Cumulative Redeemable Preference shares of ` 5/- each fully paid up:						
Shares outstanding as at the beginning of the Year	1,076,198,988	538.10	99.14	1,043,883,858	521.94	102.68
Add: Shares Issued during the Year	-	-	-	32,315,130	16.16	3.18
Less: Shares redeemed during the year	600,539,047	300.27	55.32	-	-	-
Shares outstanding as at the end of the Year	475,659,941	237.83	43.82	1,076,198,988	538.10	105.86
TOTAL		353.34	65.10		816.09	160.55

Notes:

- (a) The Company has only one class of equity shares having a par value of ` 5/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (b) **Issue of Preference Shares as per Corporate Debt Restructuring (CDR) Scheme:**
During the year under review, Nil (Previous Year – 32,315,130) preference shares of ` 5/- each fully paid up were issued pursuant to approved CDR package against various liabilities of the Company to Banks/Financial Institutions.
The terms and conditions of Preference shares are as follows:
- (i) Nil (Previous Year – 208,555,274) 0.01% Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 1), on the following terms and conditions:
The Preference Share holders shall have the right to convert OCCRPS Series 1, along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing October 25, 2015 till December 31, 2018, at conversion price as per the then applicable SEBI formula on the date of conversion. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. The Deemed Date of allotment is October 25, 2009.
Pursuant to the modifications in the terms in line with CDR Scheme, the above shares were redeemed during the year at premium amounting to ` 16.86 crore.
- (ii) 121,454,927 (Previous Year – 237,994,675) 0.01% Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2) issued bilaterally to various banks, on the following terms and conditions:
The Preference Share holders shall have the right to convert OCCRPS Series 2 along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the then applicable SEBI formula on the date of conversion. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium.

- Of the above, pursuant to the modification in the terms in line with the CDR Scheme, 116,539,748 shares has been redeemed during the year at 25% of its face value.
- (iii) Nil (Previous Year – 208,555,274) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 1), redeemable at a premium of 38% of the face value along with cumulative dividend on December 31, 2018. Pursuant to the modifications in the terms in line with the CDR Scheme, the above shares were redeemed during the year at premium amounting to ₹ 16.86 crore.
- (iv) 32,265,110 (Previous Year – 32,265,110) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 2), redeemable at a premium of 20% of the face value along with cumulative dividend on December 31, 2018.
- (v) 283,394,831 (Previous Year – 555,320,909) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 3) issued bilaterally to various banks, redeemable at a redemption premium calculated at 4% p.a. on simple basis along with cumulative dividend on December 31, 2018.
- Of the above, pursuant to the modifications in the terms in line with the CDR Scheme, 271,926,078 shares has been redeemed during the year at 25% of its face value.
- (vi) Nil (Previous Year – 120,057,695) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 4), redeemable along with cumulative dividend on September 30, 2018. However, in case the Company exits CDR, the Preference Shares shall be redeemed at the point of exit.
- Pursuant to the modifications in the terms in line with the CDR Scheme, the above shares were redeemed during the year.
- (vii) 160,000,000 (Previous Year – 160,000,000) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 5), redeemable at a premium of 20% of the face value along with cumulative dividend on March 31, 2019.

(c) **Shares held by holding company:**

69,716,132 (Previous Year – 69,716,132) Equity Shares are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

- (d) 160,000,000 (Previous Year – 160,000,000) Non Convertible Cumulative Redeemable Preference shares – Series 5 are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

(e) **Details of equity shares held by each shareholders holding more than 5% of total equity shares:**

Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	69,716,132	63.62	69,716,132	63.70
Dartmour Holdings Private Limited	6,828,325	6.23	6,828,325	6.24

(f) **Details of Non Convertible Cumulative Redeemable preference shares (NCRPS) held by each shareholders holding more than 5% of total Non Convertible Cumulative Redeemable preference shares:**

Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	160,000,000	33.64	160,000,000	14.87
Indian Overseas Bank	104,563,437	21.98	106,533,189	9.90
Union Bank of India	74,397,151	15.64	75,624,553	7.03
Corporation Bank	50,929,498	10.71	–	–
HDFC Bank Limited	43,233,260	9.09	–	–
Punjab National Bank	29,778,521	6.26	–	–
State Bank of India	–	–	497,255,832	46.20

(g) **Details of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) held by each shareholders holding more than 5% of total OCCRPS:**

Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indian Overseas Bank	39,888,348	32.84	39,888,348	8.93
Union Bank of India	31,884,492	26.25	31,884,492	7.14
Corporation Bank	21,826,928	17.97	–	–
HDFC Bank Limited	18,528,540	15.26	–	–
Punjab National Bank	9,326,619	7.68	–	–
State Bank of India	–	–	325,095,022	72.80

(h) **Shares reserved for issue under options:**

Equity shares of 1,593,000 (Previous Year – 1,540,000) of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme-2011.

	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
4. RESERVES AND SURPLUS				
Capital Reserve				
Opening Balance	-	-	-	-
Add: Addition during the Year [Refer note (a) below]	145.67	26.84	-	-
Closing Balance	145.67	26.84	-	-
Capital Redemption Reserve				
Opening Balance	26.53	4.89	26.53	5.22
Add: Transferred from surplus [Refer note (b) below]	462.82	85.27	-	-
Closing Balance	489.35	90.16	26.53	5.22
Securities Premium Account				
Opening Balance	13.41	2.47	13.41	2.64
Add: Securities premium credited on Share issue pursuant to ESOS	6.04	1.11	-	-
Less: Utilised for premium on redemption of Preference shares	(13.41)	(2.47)	-	-
Closing Balance	6.04	1.11	13.41	2.64
Capital Reserve on Consolidation				
Opening Balance	18.11	3.34	18.11	3.56
Closing Balance	18.11	3.34	18.11	3.56
General Reserve				
Opening Balance	175.28	32.29	175.28	34.48
Add: Transferred from debenture redemption reserve	12.50	2.30	-	-
Add: Transferred from Surplus	62.27	11.47	-	-
Closing Balance	250.05	46.06	175.28	34.48
Debenture Redemption Reserve				
Opening Balance	12.50	2.30	-	-
Add: Addition during the year	-	-	12.50	2.46
Less: Transferred to general reserve upon redemption	12.50	2.30	-	-
Closing Balance	-	-	12.50	2.46
Share Options Outstanding Account (Refer note 35)				
Opening Balance	58.47	10.77	-	-
Add: Addition during the year (net)	23.03	4.24	58.47	11.50
	81.50	15.01	58.47	11.50
Less: Deferred Employee Compensation expense	(49.96)	(9.20)	(48.27)	(9.50)
Closing Balance	31.54	5.81	10.20	2.00
Foreign Currency Translation Reserve				
Opening Balance	(24.20)	(4.46)	(183.31)	(36.06)
Add/(Less): Effect of Foreign exchange rate variation during the year	26.60	4.90	159.11	31.30
Closing Balance	2.40	0.44	(24.20)	(4.76)
Surplus				
Opening balance	423.10	77.95	93.15	18.33
Add: Net Profit for the current year	1,594.12	293.73	342.71	67.43
Less: Transferred to Capital Redemption Reserve	(462.82)	(85.27)	-	-
Less: Premium on redemption of Preference shares [Refer note 3 (b) (i) and (iii)]	(20.31)	(3.74)	-	-
Less: Proposed dividend on preference shares	(0.03)	(0.01)	(0.22)	(0.04)
Less: Tax on proposed preference shares dividend	(0.01)	-	(0.04)	(0.01)
Less: Transferred to debenture redemption reserve	-	-	(12.50)	(2.46)
Less: Transferred to general reserve	(62.27)	(11.47)	-	-
Less: Proposed dividend on equity shares [amount per share ` 5 (Previous Year - Nil)]	(54.79)	(10.09)	-	-
Less: Tax on proposed equity shares dividend	(9.31)	(1.72)	-	-
Closing Balance	1,407.68	259.38	423.10	83.25
TOTAL	2,350.84	433.14	654.93	128.85

Notes:

- (a) The Company had issued 116,539,748 Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2) and 271,926,078 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 3) to one of the CDR lenders amounting to ₹ 194.22 crore.

As per the original terms, the Preference Share holders had the right to convert OCCRPS Series 2 along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the then applicable SEBI formula on the date of conversion. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. NCRPS Series 3 was redeemable at redemption premium calculated at 4% p.a. on simple basis along with cumulative dividend on December 31, 2018.

During the year, pursuant to modification in the terms, the Company has redeemed the aforesaid shares at 25% of its face value. The difference between the face value and redemption value of ₹ 145.67 crore has been credited to capital reserve.

- (b) During the year, the Company has created capital redemption reserve of ₹ 462.82 crore against redemption of following preference shares of ₹ 5 each:

- (1) 208,555,274 Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 1).
- (2) 116,539,748 Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2).
- (3) 208,555,274 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 1).
- (4) 271,926,078 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 3).
- (5) 120,057,695 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 4).

	As at March 31, 2013 ₹ in crore	As at March 31, 2013 USD in million	As at March 31, 2012 ₹ in crore	As at March 31, 2012 USD in million
5. LONG TERM BORROWINGS				
SECURED				
10% Redeemable Non-convertible Debentures (Refer note I and A below)	-	-	150.00	29.51
Term Loans:				
from banks/financial institutions (Refer note I to IV and B below)	1,465.63	270.04	2,470.46	486.03
from others (Refer note V and B below)	1.88	0.35	76.88	15.12
	1,467.51	270.39	2,547.34	501.15
	1,467.51	270.39	2,697.34	530.66
UNSECURED				
Deferred payment liabilities				
Sales tax deferral loan (Refer note VI below)	3.10	0.57	3.91	0.77
Loans from Others (Refer note VII below)	4.54	0.84	5.14	1.01
	7.64	1.41	9.05	1.78
TOTAL	1,475.15	271.80	2,706.39	532.44

- (I) The CDR EG approved the Company's exit from the CDR vide its letter dated March 14, 2013 which was subject to payment of recompense to all lenders till the date of exit. The Company has repaid to CDR lenders, all the loans along with full recompense on loans till the date of repayment. The process to obtain the No Dues and No Objection Certificates for releasing the securities provided to CDR lenders under the CDR Scheme (as stated in A and B below) is currently under progress.

- (II) Term loan of Euro 91.1 million (₹ 632.61 crore) [Previous Year – Euro 91.7 million (₹ 622.32 crore)] availed by Wockhardt France (Holdings) S.A.S. is secured by pledge of shares of Negma Group of companies. The loan with interest of EURO LIBOR plus 1.75% p.a. is fully restructured and repayable in 17 half yearly installments by November 2020.

- (III) Term loan of Euro 25.4 million (₹ 176.37 crore) [Previous Year – Euro 30.8 million (₹ 209.13 crore)] availed by Wockpharma Ireland Limited is secured by pledge of shares of Pinewood Laboratories Limited and Nonash Limited, all movable and immovable properties of Pinewood Laboratories Limited situated at Unit at M50, Business Park, Ballymount, Dublin 12 and Deerpark, Ballymacarbry, Co. Waterford by way of first fixed charge.

The loan with interest of EURO LIBOR plus 3.67% p.a. is repayable in 5 installments by January 2015.

- (IV) Loan availed by Wockhardt Bio AG of USD 196.88 million (₹ 1,068.54 crore) [Previous Year – USD 250 million (₹ 1,270.75 crore)] is secured as under:

- (i) first ranking pari passu charge on immovable properties of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh
- (ii) second ranking pari passu charge by way of hypothecation on all the current assets, movables, inventories and book debts of Wockhardt Limited

Further, out of loan of ₹ 1,068.54 crore (Previous Year – ₹ 1,270.75 crore), term loan of USD 79.54 million (₹ 431.69 crore) [Previous Year – USD 101 million (₹ 513.38 crore)], in addition to aforesaid security, is also secured by:

- (i) subservient charge on movable properties of Wockhardt Limited situated at Bhipore in Daman, Ankleshwar, L-1, D-4, Chikhalthana and Biotech Park, Waluj in Aurangabad (except book debts and current assets).
- (ii) subservient charge on movable properties of Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.

Further, the Company has made an application to Reserve Bank India for obtaining its approval to create a subservient charge on fixed assets of the Company situated at all locations except Baddi and Kadaiya in Daman.

The said loan has been rescheduled and lenders aggregating 97.95% (Previous Year – 86.8%) of the loan value have acceded to the reschedulement. The management is of the opinion that the remaining lenders will also accede to the reschedulement and accordingly, has treated the loan as long term borrowing.

The loan carries an interest of LIBOR plus 2.15% p.a.

During the year, Wockhardt Bio AG has prepaid USD 37.50 million out of the proceeds of nutrition business divestment. Post this prepayment the balance loan of USD 212.50 million of the loan is repayable in quarterly installments from February 2013 to May 2016.

- (V) The rupee denominated term loan from others amounting to ` 1.88 crore (Previous Year – ` 1.88 crore) is secured by first charge on pari passu basis by hypothecation of movable properties of the company (except book debts) at all locations. This term loan from others with interest rate of 2% p.a. is repayable in 10 equal half yearly installments beginning 1 year after completion of the project.
- (VI) Interest free sales tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2019.
- (VII) Loans from others with interest rate of 3% p.a. is repayable in 10 annual installment. Loans amounting ` 1.32 crore (Previous Year – ` 1.89 crore) is repayable by June 2019 and the balance ` 3.82 crore (Previous Year – ` 4.24 crore) by October 2021.

During the previous year:

- (A) Debentures were redeemable at par in four annual installments of ` 50 crore each starting from August 7, 2012.
Debentures were secured by first charge on pari-passu basis:
 - (i) by way of mortgage of immovable properties and hypothecation of movable assets at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.
and by way of second charge on pari passu basis on current assets of the company at all locations.
- (B) Term Loans of Wockhardt Limited were secured as under:
 - (i) Pursuant to the approved Corporate Debt Restructuring Package, the rupee denominated term loans from banks/ financial institutions amounting to ` 482.98 crore as on March 31, 2012 were secured by first charge on pari passu basis and rupee denominated term loans from banks/financial institutions amounting to ` 130.78 crore were secured by third charge on pari passu basis:
 - (i) by way of mortgage of immovable properties and hypothecation of movable assets at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.
Further, loans amounting to ` 482.98 crore as on March 31, 2012 were secured by second charge on pari passu basis and loans amounting to ` 130.78 crore as on March 31, 2012 were secured by third charge on pari passu basis on current assets of the company at all locations.
 - (ii) Pursuant to the approved Corporate Debt Restructuring Package, the rupee denominated term loans from banks amounting to ` 17.47 crore as on March 31, 2012 were secured by third charge on pari passu basis:
 - (i) by way of mortgage of immovable properties at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad and hypothecation of current assets of the Company at all locations.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.
 - (iv) the Company was in the process of creating charge on immovable property at Plot No. 138, Ankleshwar in Gujarat and movable assets of the Company at all locations.
 - (iii) Pursuant to the approved Corporate Debt Restructuring Package, the rupee denominated loans from others amounting to ` 75.00 crore as on March 31, 2012 were secured by third charge on pari passu basis:
 - (i) by way of mortgage of immovable properties at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 87A, Bhimpore in Daman, Plot No. 138, Ankleshwar and Biotech Park H-14/2, MIDC Waluj in Aurangabad and by way of hypothecation of current assets of the company at all locations.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.
 - (iv) the Company was in the process of creating charge on movable assets of the Company at all locations.
 - (iv) Terms of repayment of term loans were as under:
 - (i) Rupee term loans and Working capital term loans from banks with interest rate of 10% p.a. were repayable in 24 quarterly installments by April 2016.
 - (ii) Priority loans from banks with interest rate of 12% p.a. were repayable in 8 quarterly equal installments, by June 2012.
 - (iii) Short term loans from banks with interest rate of 10% p.a. were repayable in 20 quarterly equal installments by October 2018.
 - (v) Terms of repayment of rupee denominated term loans from others are as under:
Term loan from others amounting ` 75.00 crore as on March 31, 2012 with interest rate of 10% p.a. were repayable in 20 quarterly installments by October 2018 as per CDR scheme.
 - (vi) Loans amounting to ` 906.22 crore as on March 31, 2012 were also secured by irrevocable personal guarantee by H.F. Khorakiwala, Chairman and corporate guarantee by Palanpur Holdings and Investments Private Limited.
 - (vii) As against the above secured loans taken, the promoters/promoter group have pledged shares numbering 70,158,917 as on March 31, 2012.

	As at March 31, 2013 ₹ in crore	As at March 31, 2013 USD in million	As at March 31, 2012 ₹ in crore	As at March 31, 2012 USD in million
6. DEFERRED TAX (ASSET)/LIABILITIES (Net)				
Deferred tax liabilities				
Difference between depreciation on block of assets	160.87	29.64	129.66	25.51
Research and development cost	-	-	109.39	21.52
Pension scheme	-	-	6.70	1.32
TOTAL (A)	160.87	29.64	245.75	48.35
Deferred tax assets				
Provision for Gratuity	5.44	1.00	5.05	0.99
Provision for Leave Encashment	7.40	1.36	5.94	1.17
Deferred expenses	149.63	27.57	83.18	16.36
Unabsorbed losses	2.08	0.38	34.53	6.79
Provision for Bonus	0.30	0.06	0.24	0.05
Lease rent equalisation	0.98	0.18	-	-
Provision for Doubtful Debts	19.24	3.54	15.81	3.11
TOTAL (B)	185.07	34.09	144.75	28.47
Net deferred tax (asset)/liability as of the year end (A-B)	(24.20)	(4.45)	101.00	19.88
7. LONG TERM PROVISIONS				
(1) Provision for employee benefits (Refer note 33)				
Leave encashment (unfunded)	14.39	2.65	14.80	2.91
Gratuity (unfunded)	11.69	2.15	14.10	2.77
Provision for pension/other benefits	21.04	3.88	33.31	6.55
	47.12	8.68	62.21	12.23
(2) Other provisions				
Provision for other expenses (Refer note below)	22.73	4.19	22.28	4.38
	22.73	4.19	22.28	4.38
TOTAL	69.85	12.87	84.49	16.61

Note:

Provision for other expenses mainly includes claims for damages due to loss of margin on generic of ART 50 in earlier years.

	As at March 31, 2013 ₹ in crore	As at March 31, 2013 USD in million	As at March 31, 2012 ₹ in crore	As at March 31, 2012 USD in million
8. SHORT TERM BORROWINGS				
SECURED				
Loans repayable on demand				
Working capital facilities from banks	182.00	33.53	260.80	51.31
TOTAL	182.00	33.53	260.80	51.31

- (A) The working capital facilities amounting to ₹ 163.17 crore as on March 31, 2013 availed by Wockhardt Limited are secured by way of:
- First charge on pari passu basis on present and future stock of raw materials, consumables, spares, semi-finished goods, finished goods and book debts.
 - Second charge on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets, both present and future, at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, B-15/2, both at MIDC Waluj, and E-1/1 at MIDC, Shendra in Aurangabad and Jagraon in Punjab.
- (B) Working capital loan of Euro 2.71 million (₹ 18.83 crore) [Previous Year – Euro 5.67 million (₹ 38.52 crore)] availed by Pinewood Laboratories Limited is secured by charge over all of its assets.
- (C) During previous year:
- Pursuant to the approved Corporate Debt Restructuring Package, the working capital facilities amounting to ₹ 222.28 crore as on March 31, 2012 availed by Wockhardt Limited were secured by way of second charge on pari passu basis:
 - by way of mortgage of immovable properties and hypothecation of movable assets at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad.
 - by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.

- (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad; and by way of first charge on pari passu basis on current assets of the Company at all locations.
- (b) Loans were also secured by irrevocable personal guarantee by H.F. Khorakiwala, Chairman and corporate guarantee by Palanpur Holdings and Investments Private Limited.
- (c) As against the above secured loans taken, the promoters/promoter group have pledged shares numbering 70,158,917 as on March 31, 2012 in their personal capacity.

	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
9. TRADE PAYABLES				
Trade Payables	634.15	116.84	540.80	106.39
TOTAL	634.15	116.84	540.80	106.39
10. OTHER CURRENT LIABILITIES				
Current maturities of long-term debt (Refer note 5)	413.32	76.14	314.21	61.82
Current maturities of finance lease obligations	–	–	0.06	0.01
Interest accrued but not due on borrowings	4.71	0.87	5.08	1.00
Interest accrued and due on borrowings	–	–	0.02	–
Unpaid dividends	0.83	0.15	1.04	0.20
Zero Coupon Foreign Currency Convertible Bonds – Unsecured [Refer note (a) below]	–	–	211.04	41.52
Other payables				
Security Deposit	18.23	3.36	15.33	3.02
Provision for Recompense	–	–	160.00	31.48
Other liabilities	251.55	46.34	195.52	38.46
Employee liabilities	43.35	7.99	25.10	4.94
Creditors for Statutory dues	31.04	5.72	6.66	1.31
Creditors for Capital goods	26.93	4.96	44.32	8.72
TOTAL	789.96	145.53	978.38	192.48

Note:

- (a) In accordance with the orders passed by Hon'ble High Court of Bombay, the Company has repaid entire amount outstanding along with interest to the FCCB holders in August 2012 and has complied with the orders of Hon'ble High Court of Bombay. Accordingly, the winding-up petition filed by the Trustees to the FCCB before the Hon'ble Bombay High Court has been withdrawn.
- Further, under the directions of the Hon'ble High Court of Bombay, the Company has deposited USD 2.29 million (₹ 12.12 crore) in the UK Court towards the disputed portion of the claim by the FCCB holders primarily pertains to the Withholding Tax deducted by the Company on the default interest paid to the FCCB holders u/s 196C of Income Tax Act, 1961. This amount has been included under "Note 19 – Short term Loans and Advances".

	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
11. SHORT TERM PROVISIONS				
Provision for employee benefits				
Gratuity (unfunded) (Refer note 33)	5.06	0.93	1.47	0.29
Leave Encashment (unfunded)	8.08	1.49	2.47	0.49
	13.14	2.42	3.94	0.78
Other provisions				
Provision for date expiry [Refer note (a) below]	10.05	1.85	24.41	4.80
Provision for tax, net of advance tax [Refer note (b) below]	94.98	17.50	82.35	16.20
Proposed dividend on preference shares	0.03	0.01	0.22	0.04
Tax on preference shares dividend	0.01	–	0.04	0.01
Proposed dividend on equity shares	54.79	10.09	–	–
Tax on equity shares dividend	9.31	1.72	–	–
Provision for others	2.45	0.45	–	–
	171.62	31.62	107.02	21.05
TOTAL	184.76	34.04	110.96	21.83

Notes:

- (a) Provision for Sales Return on Date Expiry – opening balance ₹ 24.41 crore (Previous Year – ₹ 18.09 crore), additions during the year ₹ 3.71 crore (Previous Year – ₹ 14.70 crore), utilised/reversed during the year ₹ 18.07 crore (Previous Year – ₹ 8.38 crore), closing balance ₹ 10.05 crore (Previous Year – ₹ 24.41 crore).
- Provision has been recognised for expected sales return on date expiry of products sold during last two years. It is expected that all of this would be incurred within two years of the balance sheet date.
- (b) Provision for tax after netting off advance tax of ₹ 395.71 crore (Previous Year – ₹ 183.29 crore). Tax assets and liabilities are in accordance with respective countries Tax Legislations.

12. FIXED ASSETS

PARTICULARS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK				
	As at April 1, 2012	Additions	Disposals	Exchange Gain/(Loss)	As at March 31, 2013	As at April 1, 2012	Depreciation charge for the year*	Impairment Losses	Deduction/Transfer	Exchange Gain/(Loss)	As at March 31, 2013	As at March 31, 2013		As at March 31, 2012	
	in crore	in crore	in crore	in crore	in crore	in crore	in crore	in crore	in crore	in crore	in crore	in crore	USD in million	in crore	USD in million
Tangible Assets															
Freehold Land	71.19	-	-	0.49	71.68	-	-	-	-	-	-	71.68	13.21	71.19	14.01
Leasehold land	22.40	-	(2.44)	0.08	20.04	1.66	0.23	-	-	-	1.89	18.15	3.34	20.74	4.08
Buildings	330.48	20.01	(15.60)	5.24	340.13	101.64	8.82	-	(15.58)	2.04	96.92	243.21	44.81	228.84	45.02
Electrical Fittings	0.11	-	-	-	0.11	0.07	0.01	-	-	-	0.08	0.03	0.01	0.04	0.01
Plant and Equipment	1,258.36	107.59	(11.05)	6.82	1,361.72	518.40	66.43	-	0.32	4.28	589.43	772.29	142.29	739.96	145.57
Furniture and Fixtures	40.28	3.00	-	0.46	43.74	21.88	2.80	-	-	0.40	25.08	18.66	3.44	18.40	3.62
Vehicles	5.13	2.19	(0.25)	0.02	7.09	4.15	0.43	-	(0.22)	0.02	4.38	2.71	0.50	0.98	0.19
Office equipment	63.34	2.67	(1.64)	1.96	66.33	39.89	3.73	-	(1.56)	1.56	43.62	22.71	4.18	23.45	4.61
Information Technology Equipments	52.77	5.70	(9.97)	0.70	49.20	52.51	4.73	-	(9.61)	0.63	48.26	0.94	0.17	0.26	0.05
TOTAL	1,844.06	141.16	(40.95)	15.77	1,960.04	740.20	87.18	-	(26.65)	8.93	809.66	1,150.38	211.95	1,103.86	217.16
Previous Year	1,866.58	209.13	(307.25)	75.60	1,844.06	908.17	76.25	-	(296.19)	51.97	740.20	1,103.86	217.16		
Intangible Assets															
Goodwill	1,935.71	-	-	14.60	1,950.31	602.55	-	621.21	-	0.20	1,223.96	726.35	133.83	1,333.16	262.28
Brands/Trademarks/Technical know-how	400.73	48.70	(143.35)	26.42	332.50	276.59	31.86	-	(75.00)	9.01	242.46	90.04	16.59	124.14	24.42
Computer software	31.10	18.16	2.82	0.82	52.90	20.92	5.81	-	2.59	0.75	30.07	22.83	4.21	10.18	2.00
TOTAL	2,367.54	66.86	(140.53)	41.84	2,335.71	900.06	37.67	621.21	(72.41)	9.96	1,496.49	839.22	154.63	1,467.48	288.70
Previous Year	2,182.07	27.83	(64.24)	221.88	2,367.54	560.26	46.26	333.50	(62.39)	22.43	900.06	1,467.48	288.70		
Capital work-in-progress (Refer note (a) below)												490.94	90.45	498.75	98.12
Intangible assets under Development (Refer note (a) below and note 29)												-	-	403.54	79.39
TOTAL	4,211.60	208.02	(181.48)	57.61	4,295.75	1,640.26	124.85	621.21	(99.06)	18.89	2,306.15	2,480.54	457.03	3,473.63	683.37
TOTAL (Previous Year)	4,048.65	236.96	(371.49)	297.48	4,211.60	1,468.43	122.51	333.50	(358.58)	74.40	1,640.26	3,473.63	683.37		

* Includes amount ₹ 2.71 crore (Previous Year ₹ 7.44 crore) attributed to discontinued operations.

Note:

(a) Addition to capital work-in-progress and intangibles under development includes expenditure incurred during construction period pending allocation aggregating ₹ 0.11 crore (Previous Year ₹ 161.36 crore). These expenses include Material Consumption ₹ Nil (Previous Year ₹ 5.44 crore), Employee cost aggregating ₹ Nil (Previous Year ₹ 29.53 crore), Interest expenses ₹ 0.11 crore (Previous Year ₹ 17.32 crore), Depreciation ₹ Nil (Previous Year ₹ 5.11 crore) and Operating expenses aggregating ₹ Nil (Previous Year ₹ 103.96 crore) [Stores and spares ₹ Nil (Previous Year ₹ 1.71 crore), Power ₹ Nil (Previous Year ₹ 3.81 crore), Repairs and Maintenance ₹ Nil (Previous Year ₹ 1.24 crore), Clinical trial expenses ₹ Nil (Previous Year ₹ 55.04 crore), Legal and professional charges ₹ Nil (Previous Year ₹ 20.29 crore), General Expenses ₹ Nil (Previous Year ₹ 21.87 crore)].

	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
13. NON CURRENT INVESTMENTS				
Other than trade (unquoted)				
443,482 (Previous Year – 443,482) Shares of Bharuch Eco-Aqua Infrastructure Limited of ₹ 10 each fully paid-up	0.44	0.08	0.44	0.09
6,300 (Previous Year – 6,300) Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid-up	0.01	-	0.01	-
Nil (Previous Year – 1,000) Shares of Saraswat Co-operative Bank Limited of ₹ 10 each fully paid-up	-	-	0.001	-
Nil (Previous Year – 300) Shares of SKR 100 each Shares of Jedersturm, Swiss [Refer note 30]	-	-	1.61	0.32
Investment in associate				
755,000 (Previous Year – 19,215,000) Equity Shares of Swiss Bio Sciences AG [Refer note 37]	2.18	0.40	88.69	17.45
TOTAL	2.63	0.48	90.75	17.86

	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
14. LONG-TERM LOANS AND ADVANCES				
Capital Advances				
Unsecured, considered good	42.73	7.87	32.68	6.43
	42.73	7.87	32.68	6.43
Security Deposits				
Unsecured, considered good [includes deposits with Related parties ` 49.25 crore (Previous Year - ` 49.25 crore)] – Refer note 32	62.39	11.50	59.98	11.80
	62.39	11.50	59.98	11.80
Loans and advances to related parties				
Unsecured, considered good				
Loan to Fellow subsidiary (Refer note 32)	21.05	3.88	20.04	3.94
	21.05	3.88	20.04	3.94
Minimum Alternative Tax (MAT) credit entitlement	37.36	6.88	69.55	13.68
Other advances	37.21	6.86	25.70	5.06
TOTAL	200.74	36.99	207.95	40.91
15. OTHER NON-CURRENT ASSETS				
Margin money*	5.01	0.92	-	-
TOTAL	5.01	0.92	-	-

* Margin on Letter of Credits (LCs) and Guarantees under lien ` 5.01 crore (Previous Year - ` Nil).

	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
16. INVENTORIES				
Raw Materials and components	314.99	58.04	278.76	54.84
Goods-in transit	11.76	2.17	37.63	7.40
Total Raw Materials and components	326.75	60.21	316.39	62.24
Work-in-progress	121.03	22.30	94.38	18.57
Stock-in-trade	79.51	14.65	110.22	21.68
Finished goods	503.33	92.74	343.19	67.52
Stores and spares	28.21	5.20	24.38	4.80
TOTAL	1,058.83	195.10	888.56	174.81

Note:

Inventories are valued at cost or net realizable value, whichever is lower.

	As at March 31, 2013 in crore	As at March 31, 2013 USD in million	As at March 31, 2012 in crore	As at March 31, 2012 USD in million
17. TRADE RECEIVABLES				
Trade receivables outstanding for a period less than six months				
Unsecured, considered good	935.63	172.38	723.16	142.27
Unsecured, considered doubtful	1.85	0.34	4.24	0.83
	937.48	172.72	727.40	143.10
Trade receivables outstanding for a period exceeding six months				
Unsecured, considered good	22.83	4.21	35.53	6.99
Unsecured, considered doubtful	46.98	8.66	49.05	9.65
	69.81	12.87	84.58	16.64
Less: Provision for doubtful debts	(48.83)	(9.00)	(53.29)	(10.48)
	20.98	3.87	31.29	6.16
TOTAL	958.46	176.59	758.69	149.26

	As at March 31, 2013 ₹ in crore	As at March 31, 2013 USD in million	As at March 31, 2012 ₹ in crore	As at March 31, 2012 USD in million
18. CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks				
On current account	997.96	183.87	688.51	135.45
Deposits with original maturity of less than 3 months	51.12	9.42	–	–
Unpaid dividend accounts	0.83	0.15	1.04	0.20
Cash on hand	0.10	0.02	0.11	0.02
	1,050.01	193.46	689.66	135.67
Other bank balances				
Deposits with original maturity more than 3 months but less than 12 months	0.27	0.05	0.79	0.16
Margin money (Refer note below)	45.78	8.43	9.54	1.88
	46.05	8.48	10.33	2.04
TOTAL	1,096.06	201.94	699.99	137.71

Note:

Margin money of ₹ 45.78 crore (Previous Year – ₹ 9.54 crore) are under lien being margin on Letter of Credits (LCs) and guarantees.

	As at March 31, 2013 ₹ in crore	As at March 31, 2013 USD in million	As at March 31, 2012 ₹ in crore	As at March 31, 2012 USD in million
19. SHORT-TERM LOANS AND ADVANCES				
(1) Loans and advances to related parties (refer note below)	4.35	0.80	1.28	0.25
Unsecured, considered good	4.35	0.80	1.28	0.25
(2) Other short term loans and advances				
Advances recoverable in cash or in kind or for value to be received				
Unsecured, considered good (Refer note 10(a))	72.61	13.38	43.85	8.63
Unsecured, considered doubtful	14.30	2.63	29.36	5.78
Less: Provision for doubtful advances	(14.30)	(2.63)	(29.36)	(5.78)
	72.61	13.38	43.85	8.63
Advances to suppliers	65.97	12.15	49.39	9.72
Balances with statutory/government authorities	67.29	12.40	36.12	7.11
Other short term advances (including loans to employees)	3.36	0.62	3.63	0.71
	209.23	38.55	132.99	26.17
TOTAL	213.58	39.35	134.27	26.42

Note:

The Ministry of Corporate Affairs had approved a remuneration of ₹ 1.76 crore per annum during the three year period commencing from January 1, 2009, based on the application made by the Company to the Central Government for payment of remuneration in excess of limits specified in Schedule XIII of the Companies Act, 1956, to Dr. H. F. Khorakiwala – Chairman. As the said approval was not in line with remuneration proposed and approved by the shareholders, the Company had once again made an application to the Central Government for re-consideration of the same which is pending. Accordingly, the remuneration paid to Dr. H. F. Khorakiwala in excess of the above approval for earlier years amounting to ₹ 1.28 crore (Previous Year – ₹ 1.28 crore) has been shown as recoverable.

Further, the applications for approval of payment of managerial remuneration to Dr. H.F. Khorakiwala – Chairman, Dr. M.H. Khorakiwala – Managing Director and Dr. H.H. Khorakiwala – Executive Director amounting to ₹ 4.50 crore, ₹ 2.40 crore and ₹ 2.40 crore per annum respectively have been made to the Central Government during the year. Pending approval, the Company has shown the excess payment, during current year, over the permissible limits specified in Schedule XIII of the Companies Act amounting to ₹ 3.07 crore as recoverable.

	For the year ended March 31, 2013 ₹ in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 ₹ in crore	For the year ended March 31, 2012 USD in million
20. REVENUE FROM OPERATIONS				
Sale of products	5,612.18	1,034.03	4,338.87	853.60
Less: Excise duty	(5.77)	(1.06)	(3.84)	(0.76)
	5,606.41	1,032.97	4,335.03	852.84
Sale of services	3.01	0.55	15.47	3.04
TOTAL	5,609.42	1,033.52	4,350.50	855.88
21. OTHER INCOME				
Dividend Income*	-	-	-	-
* ₹ 9,450 (Previous Year – ₹ 6,300)				
Profit/(Loss) on sale of assets	(2.79)	(0.51)	1.10	0.22
Interest Income	30.81	5.68	9.64	1.90
Miscellaneous income (Refer note below)	23.19	4.27	12.57	2.47
TOTAL	51.21	9.44	23.31	4.59
Note:				
Miscellaneous income includes liabilities no more payable of ₹ 6.44 crore (Previous Year – ₹ 3.05 crore).				
	For the year ended March 31, 2013 ₹ in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 ₹ in crore	For the year ended March 31, 2012 USD in million
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (INCREASE)/DECREASE IN INVENTORIES				
Opening Inventories				
Finished goods/Stock-in-trade	428.06	78.87	366.31	72.07
Work-in-progress	94.38	17.39	55.40	10.90
Less: Excise duty on opening stock	(0.92)	(0.17)	(0.83)	(0.16)
	521.52	96.09	420.88	82.81
Closing Inventories				
Finished goods/Stock-in-trade	(582.84)	(107.39)	(428.06)	(84.21)
Work-in-progress	(121.03)	(22.30)	(94.38)	(18.57)
Less: Excise duty on closing stock	2.08	0.38	0.92	0.18
	(701.79)	(129.31)	(521.52)	(102.60)
TOTAL	(180.27)	(33.22)	(100.64)	(19.79)
Note: Inventory of Finished goods pertaining to Discontinued Operations and excluded from above:				
Opening Inventories (Gross of excise)	25.37	4.67	19.51	3.84
Less: Excise duty on opening stock	(0.17)	(0.03)	(0.02)	-
	25.20	4.64	19.49	3.84
Closing Inventories (Gross of excise)	-	-	(25.37)	(4.99)
Less: Excise duty on closing stock	-	-	0.17	0.03
	-	-	(25.20)	(4.96)
23. EMPLOYEE BENEFIT EXPENSES				
Salaries and wages (Refer note 33)	511.02	94.15	466.55	91.78
Contribution to provident and other funds (Refer note 33)	53.88	9.93	42.13	8.29
Expense on Employee Stock Option Scheme (ESOS) (Refer note 35)	25.82	4.76	10.20	2.01
Staff welfare expenses	65.18	12.01	54.03	10.63
TOTAL	655.90	120.85	572.91	112.71

	For the year ended March 31, 2013 in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 in crore	For the year ended March 31, 2012 USD in million
24. FINANCE COSTS				
Interest expense				
on term loans	117.90	21.72	170.70	33.58
on debentures	17.43	3.21	26.24	5.16
others (Refer note below)	48.97	9.02	70.24	13.82
	184.30	33.95	267.18	52.56
Other borrowing costs	31.07	5.72	1.84	0.36
TOTAL	215.37	39.67	269.02	52.92

Note:

Interest others for the year ended March 31, 2012, includes premium on Zero Coupon Foreign Currency Convertible Bonds ₹ 12.46 crore pertaining to earlier years.

	For the year ended March 31, 2013 in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 in crore	For the year ended March 31, 2012 USD in million
25. OTHER EXPENSES				
Travelling and conveyance charge	71.91	13.25	61.58	12.11
Freight and forwarding	96.39	17.76	72.74	14.31
Sales promotion and other selling cost	159.45	29.38	112.62	22.17
Commission on sales	35.90	6.61	29.39	5.78
Power and fuel	97.08	17.89	80.38	15.81
Rent (Refer note 27)	60.05	11.06	12.73	2.50
Rates and taxes	13.14	2.42	20.00	3.93
Repairs and maintenance				
Buildings	6.05	1.11	6.53	1.28
Plant and machinery	21.52	3.96	18.21	3.58
Others	12.16	2.24	14.89	2.93
Stores and spare parts consumed	69.58	12.82	50.73	9.98
Insurance	25.88	4.77	19.08	3.75
Manufacturing expenses	32.03	5.90	24.67	4.85
Consultancy charges	76.16	14.03	79.64	15.67
Bad debts	(0.80)	(0.15)	(2.03)	(0.40)
Product development expenses written off	1.49	0.27	53.79	10.58
Directors' sitting fees	0.11	0.02	0.13	0.03
Material for test batches	30.73	5.66	-	-
Provision for doubtful debts	1.48	0.27	1.81	0.36
(Reversal of provision)/provision for doubtful advances	(15.06)	(2.77)	29.36	5.78
Miscellaneous expenses	320.36	59.03	179.76	35.36
TOTAL	1,115.61	205.53	866.01	170.36
26. EXPENDITURE ON RESEARCH AND DEVELOPMENT				
Capital*	21.84	4.02	172.77	33.99
Revenue (charged to Statement of Profit and Loss during the year)	353.97	65.22	75.27	14.81
	375.81	69.24	248.04	48.80

* Previous year includes revenue expenditure capitalised as 'Intangible assets under Development'.

	For the year ended March 31, 2013 ₹ in crore	For the year ended March 31, 2013 USD in million	For the year ended March 31, 2012 ₹ in crore	For the year ended March 31, 2012 USD in million
27. (a) Annual commitments for lease payments under non-cancellable operating leases for certain office premises and plant and machinery:				
Less than 1 year	51.92	9.57	9.90	1.95
More than 1 year but less than 5 years	64.38	11.86	7.65	1.50
More than 5 years	1.73	0.32	0.08	0.02
	118.03	21.75	17.63	3.47
(b) Annual commitments for lease payments under finance leases are:				
Less than 1 year	–	–	0.06	0.01
More than 1 year but less than 5 years	–	–	–	–
More than 5 years	–	–	–	–
	–	–	0.06	0.01
28. EARNINGS PER SHARE				
The calculations of earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:				
Reconciliation of earnings				
Profit after tax	1,594.12	293.73	342.71	67.43
Less: Dividend (including tax on dividend) payable on preference shares	(0.04)	(0.01)	(0.09)	(0.02)
Net Profit for calculation of basic/diluted EPS	1,594.08	293.72	342.62	67.41
Reconciliation of number of shares	No. of Shares		No. of Shares	
Weighted average number of shares in calculating Basic EPS	109,475,239		109,435,903	
<i>Add:</i>				
Weighted average number of shares under option ESOS	1,737,512		544,730	
Weighted average number of equity shares in calculating diluted EPS	111,212,751		109,980,633	
Earnings per share (face value ₹ 5/- each)				
Earnings per share – Basic ₹/USD	145.61	2.68	31.31	0.62
Earnings per share – Diluted ₹/USD	143.34	2.64	31.15	0.61

Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) are not considered for calculating diluted earnings per share since conversion of shares is contingent in nature and number of shares cannot be currently ascertained, being dependent on price of equity shares as per SEBI formula prevailing on the date on which the holders of OCCRPS are entitled to convert.

29. Hitherto, the Group had recognized product development cost as an intangible asset as and when incurred. The management has reassessed the recognition criteria for capitalization of development cost based on its most recent experience of regulatory approvals, clinical trials, economic uncertainties, industry experience and business plans. This review indicates that the recognition criteria may not be met till the time regulatory approvals are received. Hence, the Group has revised its recognition criteria for development costs and auditors have relied on the management judgment being technical in nature. Accordingly, the Group:
- has expensed off the carried forward cost of products under development as at June 30, 2012, amounting to ₹ 436.88 crore, to the Statement of Profit and Loss under the head 'Exceptional Item'.
 - has charged to the Statement of Profit and Loss, product development expenditure incurred during the period July 2012 to March 2013 amounting to ₹ 216.17 crore under respective expense heads.

30. Exceptional items other than mentioned above for the year ended March 31, 2013 mainly comprises of Profit on divestment of nutrition business amounting to ` 1,195.27 crore, impairment of Goodwill on consolidation of ` 621.21 crore, impairment of intangible assets of ` 34.73 crore, impairment of investment in associate Swiss Biosciences AG of ` 17.16 crore and other investment of ` 1.61 crore and other expenses including redundancy in France amounting to ` 22.16 crore.

Exceptional items of previous year mainly comprises of settlement of loans and disputed derivatives liabilities ` 133.67 crore, provision for CDR recompense ` 105.56 crore for period April 15, 2009 to March 31, 2011, impairment of goodwill on consolidation ` 333.5 crore and gain on restructuring of Wockhardt France (Holdings) S.A.S. and its subsidiaries ` 100 crore.

Recompense provision made in previous year has been reclassified as interest ` 54.44 crore being interest pertaining to FY 11-12 and balance provision of ` 105.56 crore has been considered as exceptional item being, pertaining to period earlier to FY 11-12.

31. SEGMENT INFORMATION

(i) Information about Primary Segments

The Group is primarily engaged in pharmaceutical business which is considered as the only reportable business segment as per Accounting Standard – AS 17 ‘Segment Reporting’ notified by Companies (Accounting Standards) Rules, 2006.

(ii) Information about Secondary Segments

Sales by market – The following is the distribution of the Group’s sale (including discontinued operations) by geographical market regardless of where the goods were produced:

Geographical segment	For the year ended March 31, 2013		For the year ended March 31, 2012	
	` in crore	USD in million	` in crore	USD in million
India	1,101.61	202.97	1,172.42	230.66
USA	2,897.87	533.92	1,908.02	375.37
Europe	1,370.74	252.55	1,241.57	244.26
Rest of the World and CIS	350.45	64.57	291.79	57.40
TOTAL	5,720.67	1,054.01	4,613.80	907.69

The following table shows the carrying amount of segment assets and addition to fixed assets by geographical area in which the assets are located:

	For the year ended March 31, 2013		For the year ended March 31, 2012	
	` in crore	USD in million	` in crore	USD in million
Carrying amount of segment assets				
India	2,435.43	448.71	2,669.86	525.25
USA	1,218.82	224.56	833.78	164.03
Europe	2,286.68	421.31	2,678.48	526.95
Rest of the World and CIS	99.12	18.26	71.72	14.11
TOTAL	6,040.05	1,112.84	6,253.84	1,230.34
Additions to tangible and intangible assets				
India	172.53	31.79	216.04	42.50
USA	22.22	4.09	8.68	1.71
Europe	13.27	2.44	0.02	–
Rest of the World and CIS	–	–	0.02	–
TOTAL	208.02	38.32	224.76	44.21

(iii) Notes:

Geographical segments:

Secondary segmental reporting is performed on the basis of the geographical location of customers. The management views the Indian market and export markets as distinct geographical segments.

Segment assets:

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets, net of allowances.

32. RELATED PARTY DISCLOSURES

(a) **Parties where control exists**
Holding Company

Khorakiwala Holdings and Investments Private Limited

(b) **Other related party relationships where transactions have taken place during the year**
Enterprises over which Key Managerial Personnel exercise significant influence

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Wockhardt Foundation

Fellow Subsidiary

Carol Info Services Limited

Associate Company

Swiss Biosciences AG

Key managerial personnel

Dr. Habil Khorakiwala, Chairman

Dr. Huzaifa Khorakiwala, Executive Director

Dr. Murtaza Khorakiwala, Managing Director

(c) **Transactions with related parties during the year**

	31.03.2013 ₹ in crore	31.03.2013 USD in million	31.03.2012 ₹ in crore	31.03.2012 USD in million
Fellow Subsidiary				
Loan Licensee charges paid	7.64	1.41	17.98	3.54
Rent paid	51.13	9.42	5.34	1.05
Loan Given	1.58	0.29	1.22	0.24
Loan Repaid	0.57	0.11	–	–
Interest Received	1.75	0.32	1.35	0.27
Key managerial personnel				
Remuneration paid	1.77	0.33	5.75	1.13
[Remuneration paid to Chairman ₹ 0.57 crore (Previous Year – ₹ 1.85 crore), Remuneration paid to Managing Director ₹ 0.60 crore (Previous Year – ₹ 1.95 crore), Remuneration paid to Executive Director ₹ 0.60 crore (Previous Year – ₹ 1.95 crore)]				
Irrevocable personal guarantee given by Chairman	–	–	1,128.50	222.01
Enterprise over which Key Managerial Personnel exercise significant influence				
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 0.08 crore (Previous Year – ₹ 0.08 crore), Merind Limited ₹ 0.01 crore (Previous Year – ₹ 0.09 crore)]	0.09	0.02	0.17	0.03
Reimbursement of Expenses to Merind Limited	1.76	0.32	2.06	0.40
Corporate guarantee given by Palanpur Holdings and Investments Private Limited	–	–	1,128.50	222.01
Donation given to Wockhardt Foundation	0.64	0.12	–	–
(d) Related party balances				
Payable to fellow subsidiary	(39.10)	(7.20)	(3.85)	(0.76)
Receivable from fellow subsidiary	67.55	12.45	66.54	13.09
Payable to enterprise over which key managerial personnel exercise significant influence				
Payable to Merind Limited	(1.85)	(0.34)	(1.47)	(0.29)
Enterprises over which Key Managerial Personnel exercise significant influence				
Security Deposit given to Palanpur Holdings and Investments Private Limited	2.75	0.51	2.75	0.54
Receivable from Key managerial personnel				
[Chairman ₹ 3.39 crore (Previous Year – ₹ 1.28 crore), Managing Director ₹ 0.48 crore (Previous Year – ₹ Nil), Executive Director ₹ 0.48 crore (Previous Year – ₹ Nil)]	4.35	0.80	1.28	0.25

33. EMPLOYEE BENEFITS

(A) Disclosure in respect of Wockhardt Limited

Defined Benefit Plans:	2013 in crore Gratuity (Non-funded)	2012 in crore Gratuity (Non-funded)
I. Expenses recognized during the year:		
1. Current Service Cost	2.78	2.32
2. Interest cost	1.36	1.16
3. Actuarial Losses/(Gains)	(0.77)	(0.24)
Total Expenses	3.37	3.24
II. Net Asset/(Liability) recognized as at balance sheet date:		
1. Present value of defined benefit obligation	16.75	15.57
2. Net Asset/(Liability)	(16.75)	(15.57)
III. Reconciliation of Net Asset/(Liability) recognized as at balance sheet date:		
1. Net Asset/(Liability) at the beginning of year	(15.57)	(14.04)
2. Expense as per I above	3.37	3.24
3. Net transfer out due to discontinuance of Nutrition business	(0.94)	-
4. Employer contributions	1.25	1.71
5. Net asset/(liability) at the end of the year	(16.75)	(15.57)
IV. Actuarial Assumptions:		
1. Discount rate	7.75%	8.75%
2. Expected rate of salary increase	8.00%	8.00%
3. Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

Notes:

- (a) Amounts recognized as an expense in the Statement of Profit and Loss and included in note 23 under "Salaries and Wages" and note 41 under "Total expenses" of Discontinued Operations:
"Salaries and Wages" includes gratuity ₹ 3.37 crore (Previous Year – ₹ 2.96 crore), Leave Encashment ₹ 9.80 crore (Previous Year – ₹ 7.84 crore).
- (b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	April 2012- March 2013	April 2011- March 2012	April 2010- March 2011	January 2009- March 2010	January 2008- December 2008
(c) Details of gratuity for the current and previous four years are as follows:					
Defined benefit obligation	16.75	15.57	14.04	11.00	11.28
Surplus/(deficit)	(16.75)	(15.57)	(14.04)	(11.00)	(11.28)
Experience adjustment on plan liabilities (gain)/loss	(0.30)	0.54	0.74	(0.69)	0.01

(d) Defined contribution plan:

Amount recognized as an expense in the Statement of Profit and Loss and included in the note 23 – "Contribution to provident and other funds" and note 41 under "Total expenses" of Discontinued Operations of ₹ 12.86 crore (Previous Year – ₹ 10.13 crore).

(B) Defined Benefit Pension Scheme (In respect of Consolidated Wockhardt UK Holdings Limited)

The group operates a funded defined benefit pension scheme. The assets of the scheme are held separately from those of the group. Members contributed at a rate of 7% of pensionable salaries.

An actuarial valuation of the pension scheme was carried out as at balance sheet date. The amount recognized as gain by the company is ₹ 4.60 crore (Previous Year – gain ₹ 27.73 crore). Amount recognized as liability ₹ 21.04 crore (Previous Year – ₹ 33.31 crore).

(C) Defined Contribution Pension Scheme (In respect of Consolidated Wockhardt UK Holdings Limited, Wockhardt UK Limited and Consolidated Wockpharma Ireland Limited)

During the 12 month period, the group operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to ₹ 4.49 crore (Previous Year – ₹ 4.03 crore) and the outstanding pension liability as at March 31, 2013 was ₹ 0.57 crore (Previous Year – ₹ 0.52 crore).

34. DISCLOSURE REGARDING UNHEDGED CURRENCY EXPOSURE

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	As at March 31, 2013		As at March 31, 2012	
		Amt. in Foreign Currency (in million)	in crore	Amt. in Foreign Currency (in million)	in crore
Trade Receivables	ACU	0.17	0.92	0.37	1.66
	AUD	0.01	0.08	0.01	0.07
	EUR	3.34	23.20	2.70	18.35
	GBP	7.16	58.87	7.16	58.32
	USD	17.02	92.38	19.75	100.37
Loans and Advances	EUR	5.59	38.80	2.86	19.45
	USD	6.08	32.98	2.87	14.58
	CHF	5.09	29.00	-	-
	GBP	2.69	22.10	25.03	203.86
	JPY	12.23	0.70	6.43	0.40
	AED	0.23	3.40	-	-
Trade Payables and Other Liabilities	ACU	-	-	0.001	0.01
	SGD	-	-	0.001	0.005
	CAD	-	-	0.003	0.01
	CHF	12.50	71.22	1.70	9.56
	EUR	6.66	46.23	5.26	35.74
	GBP	6.24	51.26	39.41	321.01
	JPY	3.07	0.18	35.11	2.18
	USD	16.60	90.09	14.40	73.20
	AED	-	-	0.001	0.002
Foreign Currency Convertible Bonds	USD	-	-	41.52	211.04

35. EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Compensation Committee of the Board of directors of Wockhardt Limited has, under Wockhardt Stock Option Scheme-2011 ('the Scheme') approved the grant of Stock options convertible into equity shares of ₹ 5/- each as per the following:

- at its meeting held on November 12, 2011, 1,540,000 Stock Options convertible into 1,540,000 equity shares.
- at its meeting held on June 27, 2012, 350,000 Stock Options convertible into 350,000 equity shares.
- at its meeting held on March 7, 2013, 8,500 Stock Options convertible into 8,500 equity shares (Options granted to Independent Directors).

As per the Scheme, the Compensation committee has granted 60,000 options @ ₹ 397/- per option (Grant 1), another 60,000 options @ ₹ 365/- per option (Grant 2), 1,420,000 options @ ₹ 5/- per option (Grant 3), 350,000 options @ ₹ 5/- per option (Grant 4) and 8,500 options @ ₹ 5/- per option (Grant 5) in accordance with the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to the selected employees (including Independent Directors) of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees (including Independent Directors) who have accepted the options.

The Scheme provides that these options would vest in tranches over a period as follows:

Period within which options will vest unto the participant	Quantity
1 year from the date of grant of Options	185,000
1 year 5 months from the date of grant of Options	202,500
2 year 5 months from the date of grant of Options	442,250
2 year 9 months from the date of grant of Options	87,500
3 year 5 months from the date of grant of Options	640,500
4 year 3 months from the date of grant of Options	87,500
4 year 5 months from the date of grant of Options	78,250
5 year 9 months from the date of grant of Options	87,500
7 year 3 months from the date of grant of Options	87,500
	1,898,500

The selected employees can exercise the stock options from the date of vesting during such period not exceeding 7 years. The scheme shall be administered by the compensation committee of Board of directors.

Employee stock option activity under Scheme 2011 is as follows:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Outstanding at beginning of the year	1,540,000	-
Granted during the year	358,500	1,540,000
Lapsed during the year (re-issuable)	158,000	-
Exercised during the year	147,500	-
Outstanding at the end of the year	1,593,000	1,540,000
Vested and exercisable at the end of the year	29,000	-
No option have been forfeited during the year or in the previous year		
Weighted average fair value of options on the date of grant:		
Grant 1	-	106.47
Grant 2	-	142.60
Grant 3	-	410.14
Grant 4	894.56	-
Grant 5	1,949.76	-

The Guidance Note on 'Accounting for employee share based payments' issued by ICAI ('Guidance Note') establishes financial accounting and reporting principles for share based payment plans for employees. The Guidance Note applies to employee share based payments, the grant date in respect of which falls on or after 1st April, 2005. The Company follows the intrinsic value method to account compensation expense arising from issuance of stock options to the employees. Had compensation cost been determined under the fair value approach described in the Guidance Note using the Black Scholes pricing model, the Company's net income and basic and diluted earnings per share (as restated) would have been increased to the proforma amounts as set out below:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Net profit as reported in Statement of Profit and Loss	1,594.12	342.71
Add: Stock-based employee compensation expense (intrinsic value method)	19.48	9.84
Less: Stock-based employee compensation expense (fair value method)	(20.23)	(9.49)
Proforma net profit	1,593.37	343.06
Basic earnings per share as reported (₹)	145.61	31.31
Proforma basic earnings per share (₹)	145.54	31.34
Diluted earnings per share as reported (₹)	143.34	31.15
Proforma diluted earnings per share (₹)	143.27	31.18

The key assumptions used to estimate the fair value of options are:

(a) Grant 1, Grant 2 and Grant 3		
Stock price at the time of option grant (₹ Per share)	414.00	414.00
Expected life		
First vesting	1.50	1.50
Second vesting	1.88	1.88
Third vesting	2.88	2.88
Fourth vesting	3.88	3.88
Fifth vesting	4.88	4.88
Risk free interest rate	8.00%	8.00%
Volatility	36%	36%
Weighted average exercise price (₹ Per share)	37.65	34.30
(b) Grant 4		
Stock price at the time of option grant (₹ Per share)	897.75	-
Expected life		
First vesting	3.25	-
Second vesting	4.75	-
Third vesting	6.25	-
Fourth vesting	7.75	-
Risk free interest rate	8.35%	-
Volatility	51%	-
(c) Grant 5		
Stock price at the time of option grant (₹ Per share)	1,954.20	-
Expected life		
First vesting	1.50	-
Risk free interest rate	7.86%	-
Volatility	38%	-
Weighted average exercise price for Grant 4 and Grant 5 is ₹ 5/-.		
Dividend yield has not been separately built in, as the stock prices for one year has been considered which factors for the price movement on account of the dividend.		

36. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for ` 150.12 crore (Previous Year – ` 61.92 crore) after deducting advance on capital account of ` 40.93 crore (Previous Year – ` 16.02 crore).

37. INVESTMENT IN ASSOCIATE COMPANIES

In accordance with buyback of shares done by Swiss Biosciences AG during December 2012, Wockhardt Bio AG has surrendered 18,460,000 shares for consideration of CHF 11.70 million.

Also, the Company has accounted for impairment loss of ` 17.16 crore due to reduction in net worth of Swiss Biosciences AG.

Swiss Biosciences AG continues to be an associate company with holding interest of Wockhardt Bio AG @45%.

38. CONTINGENT LIABILITIES NOT PROVIDED FOR

- Demands by Central Excise authorities in respect of Classification/Valuation/Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands which have been confirmed ` 9.62 crore (Previous Year – ` 5.18 crore). Further, demand from State Excise Authorities for excise duty on certain inputs disputed by the Company, ` 12.55 crore (Previous Year – ` Nil). Customs duty demand of ` 0.35 crore (Previous Year – ` 0.35 crore) which has been disputed.
 - Demand by Income tax authorities ` 47.32 crore (Previous Year – ` 41.65 crore) disputed by the Company.
 - Demand in respect of Sales tax matters ` 0.08 crore (Previous Year – ` 0.08 crore) which has been disputed.
 - Claims against Company not acknowledged as debt in respect of local body tax ` 10.28 crore (Previous Year – ` Nil).
 - Under the directions of the Hon'ble High Court of Bombay, the Company has deposited USD 2.29 million (` 12.12 crore) in the UK Court towards the disputed portion of the claim by the FCCB holders that primarily pertains to the Withholding Tax deducted by Wockhardt Limited on the default interest paid to the FCCB holders u/s 196C of Income Tax Act, 1961.
 - The Group is involved in other disputes, lawsuits, claims, inquires and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.
39. Wockhardt France (Holdings) S.A.S. including its subsidiaries were out of safeguard proceedings during previous year, but will be under review till 2018. The syndicated loan of EUR 91.1 million (` 632.61 crore) has been fully restructured during previous year. Further, a new product is under development and the launch is now expected in 2014, which is expected to improve performance and cash flows. The Company has tested carrying value of goodwill on consolidation at Wockhardt France (Holdings) S.A.S. for impairment. The impairment testing indicated that the carrying value of goodwill was higher than its recoverable value and accordingly, the Company has recorded an impairment loss with respect to entire balance goodwill amounting to ` 621.21 crore at Wockhardt France (Holdings) S.A.S.
40. Wockhardt Bio AG has outstanding loan of USD 196.88 million (` 1,068.54 crore) [Previous Year – USD 250 million (` 1,270.75 crore)]. The said loan has been rescheduled and currently lenders aggregating to 97.95% (Previous Year – 86.80%) of the total loan value have acceded to the reschedulement. The management is of the opinion that the remaining lenders will also accede to the reschedulement and accordingly, has treated the loan as long term borrowing.

41. DISCONTINUED OPERATIONS

Pursuant to Business Transfer Agreement (BTA) dated August 2, 2011, the divestment of Nutrition business on a slump sale basis to Danone was completed on July 26, 2012. The Company along with its wholly owned subsidiary has received the entire consideration of ` 1,288.31 crore (including purchase price adjustment) towards this divestment. The profit on account of the aforesaid transaction amounting ` 1,195.27 crore has been shown as 'exceptional item'.

Details of profit/(loss) from continuing and discontinued operations:

	Continuing operations		Discontinued operations		Total	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013*	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Revenue from Operations	5,609.42	4,350.50	111.25	263.30	5,720.67	4,613.80
Other Income	51.21	23.31	0.09	0.15	51.30	23.46
Total Revenue	5,660.63	4,373.81	111.34	263.45	5,771.97	4,637.26
Total expenses other than finance costs	3,669.09	3,109.83	88.87	208.07	3,757.96	3,317.90
Finance costs	215.37	269.02	(0.04)	(0.15)	215.33	268.87
Total expenses	3,884.46	3,378.85	88.83	207.92	3,973.29	3,586.77
Profit before exceptional items and tax	1,776.17	994.96	22.51	55.53	1,798.68	1,050.49
Less: Exceptional items (gain)/loss	(61.52)	473.77	–	–	(61.52)	473.77
Profit before tax	1,837.69	521.19	22.51	55.53	1,860.20	576.72
Tax expense:	258.21	221.74	7.30	13.39	265.51	235.13
Profit after tax	1,579.48	299.45	15.21	42.14	1,594.69	341.59

* Turnover, Expenses and profit before tax upto July 25, 2012.

The carrying amount of assets and liabilities pertaining to the discontinued business are as follows:

	As at July 25, 2012	As at March 31, 2012
Total Assets	111.86	86.92
Total Liabilities	18.82	27.59

42. Premium on redemption of preference shares will be provided for before redemption of the preference shares.

43. Previous year figures have been regrouped where necessary to conform to this year's classification.

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta

D. S. Brar

Sanjaya Baru

Aman Mehta

R. A. Shah

} *Directors*

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of Wockhardt Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Wockhardt Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

5. We draw attention to Note no. 37(i) of the Financial Statements regarding reassessment and revision thereof of recognition criteria for capitalization of product development costs incurred by the Company, which being technical in nature has been relied upon by us. Consequently, the Company has (a) expensed off carried forward cost of products under development as at June 30, 2012 amounting to ₹ 319.05 crore to the Statement of Profit and Loss under the head 'Exceptional Items' and (b) charged off product development expenditure incurred during the period July 2012 to March 2013 amounting to ₹ 121.05 crore to the Statement of Profit and Loss under respective expense heads. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Shailesh Haribhakti
Partner
Membership No. 30823
Place : Mumbai
Date : May 27, 2013

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 6 of the Auditors' Report of even date to the members of **WOCKHARDT LIMITED** on the financial statements for the year ended March 31, 2013.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has a program for phased physical verification of all its fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as informed, no material discrepancies were noticed on such physical verification carried out.
- (iii) (a) As informed, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b), (c) and (d) of the Order are not applicable.
- (b) As informed, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weakness in the aforesaid internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the end of the year, for more than six months from the date they became payable.
- (c) According to the records of the Company and as informed to us, there are no dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess that have not been deposited on account of any dispute, except as follows:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Reversal of CENVAT credit	0.04	April 1999 to August 1999	Commissioner Appeal
	Penalty for classification	0.37	February 2001 to February 2003	CESTAT
	Differential Duty	2.19	November 1996 to April 1998	Commissioner
	Education Cess	0.03	July 2004 to August 2004	Deputy Commissioner
	Penalty for Valuation	0.35	December 2001 to January 2004	Commissioner Appeals
	Demand and Penalty for classification	2.20	September 1991 to July 1993	CESTAT
	Demand and penalty for fire at Ankleshwar.	4.44	April 2005 to March 2009	CESTAT

Name of the statute	Nature of dues	Amount (` in crore)	Period to which the amount relates	Forum where the dispute is pending
Himachal Pradesh Excise Act	Duty demand notice under M&TP Act.	12.55	July 2012 to December 2012	Shimla High Court
Aurangabad Municipal Corporation	Demand under Local Body Tax	10.28	July 2011 to August 2011	Bombay High Court
Income Tax Act, 1961	Demand under Section 143(3)	4.05	FY 2003-04	High Court
	Demand under Section 143(3)	12.80	FY 2006-07	Income Tax Appellate Tribunal
	Demand under Section 143(3)	0.46	FY 2007-08	Commissioner of Income Tax (Appeals)
	TDS Assessment order u/s 201/201(IA)	3.79	April 2007 to March 2011	Commissioner of Income Tax (Appeals)
	Penalty under Section 271(1)(c)	3.08	FY 2003-04	Commissioner of Income Tax (Appeals)
	Penalty under Section 271(1)(c)	2.59	FY 2004-05	Commissioner of Income Tax (Appeals)

Note: Out of the above, amount paid under protest by the Company for Income-tax is ` 17.13 crore.

- (x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. Further, the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) (a) In our opinion and according to the information and explanations given to us, considering the loan liabilities being restructured under the aegis of Corporate Debt Restructuring (CDR) Scheme, there has been no default in repayment of principal and interest to CDR lenders as per the terms of CDR Scheme.
- (b) With respect to the amount due towards Zero Coupon Foreign Currency Convertible Bonds which were due for repayment in October 2009, the Company has filed a consent decree in the Hon'ble High Court of Bombay and has agreed to pay the FCCB holders, the amounts outstanding along with interest on reducing balance by August, 2012. In accordance with the orders passed by Hon'ble High Court of Bombay, the Company has repaid entire amount along with interest on reducing balance to the FCCB holders by August 2012 and has complied with the orders of Hon'ble High Court of Bombay.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and as explained in Note 46(c) to the financial statements, the terms and conditions of the guarantees given by the Company, for loans taken by its subsidiaries from banks or financial institutions are not prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis to the tune of ` 325.56 crore have been used for long-term investment by way of capital expenditure, Research & Development and repayment of borrowings.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company has created security in respect of debentures outstanding during the year.
- (xx) The Company has not raised any money by public issue during the year covered under our audit.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Shailesh Haribhakti
Partner
Membership No. 30823
Place : Mumbai
Date : May 27, 2013

BALANCE SHEET

As at March 31, 2013

(All amounts in crore of Indian `)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share capital	2	353.34	816.09
Reserves and surplus	3	763.38	65.49
		1,116.72	881.58
NON-CURRENT LIABILITIES			
Long-term borrowings	4	9.52	741.52
Deferred tax liabilities (net)	5	120.55	205.14
Long-term provisions	6	26.08	28.90
		156.15	975.56
CURRENT LIABILITIES			
Short-term borrowings	7	163.17	222.28
Trade payables	8	469.30	369.53
Other current liabilities	9	1,174.65	694.33
Short-term provisions	10	87.33	21.15
		1,894.45	1,307.29
TOTAL		3,167.32	3,164.43
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	11		
Tangible assets		876.86	821.25
Intangible assets		59.76	34.71
Capital work-in-progress		481.79	473.66
Intangible assets under development		-	337.14
Non-current investments	12	307.95	307.95
Long-term loans and advances	13	342.92	294.16
Other non-current assets	14	4.92	-
		2,074.20	2,268.87
CURRENT ASSETS			
Inventories	15	527.59	453.07
Trade receivables	16	206.63	260.84
Cash and bank balances	17	183.93	75.94
Short-term loans and advances	18	174.97	105.71
		1,093.12	895.56
TOTAL		3,167.32	3,164.43
Significant accounting policies	1		

The notes from 1 to 48 form an integral part of the Financial statements.

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta
D. S. Brar

Sanjaya Baru
Aman Mehta

R. A. Shah

Directors

STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2013

(All amounts in crore of Indian `)

	Notes	For the year ended March 31, 2013	For the year ended March 31, 2012
REVENUE			
Revenue from operations (gross)	19	2,476.95	2,300.94
Less: Excise duty		(5.77)	(3.84)
Revenue from operations (net)		2,471.18	2,297.10
Other income	20	45.50	19.97
TOTAL		2,516.68	2,317.07
EXPENSES			
Cost of materials consumed	32	859.30	670.29
Purchases of stock-in-trade	33	261.43	236.53
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(82.95)	(84.39)
Employee benefits expense	22	301.07	218.29
Finance costs	23	154.37	215.36
Depreciation and amortization expense	11	80.77	66.31
Exchange fluctuation loss/(gain), net		(19.84)	27.05
Other expenses	24	560.97	481.23
TOTAL		2,115.12	1,830.67
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		401.56	486.40
Less: Exceptional items – (Gain)/Loss (including profit on sale of Nutrition business ` 607.23 Crore)	37	(288.18)	161.65
PROFIT BEFORE TAX		689.74	324.75
Tax expense:			
Current tax		(167.57)	–
MAT credit entitlement of earlier years, net		–	18.82
Deferred tax credit/(charge)		84.59	(205.14)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		606.76	138.43
PROFIT FROM DISCONTINUED OPERATIONS (BEFORE TAX)		23.60	58.96
Tax expense of discontinued operations	42	(7.66)	(13.39)
PROFIT FROM DISCONTINUED OPERATIONS (AFTER TAX)		15.94	45.57
PROFIT AFTER TAX		622.70	184.00
Earnings per equity share of face value of ` 5/- each			
Basic `	36	56.88	16.81
Diluted `	36	55.99	16.72
Significant accounting policies	1		
The notes from 1 to 48 form an integral part of the Financial statements.			

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta

D. S. Brar

Sanjaya Baru

Aman Mehta

R. A. Shah

Directors

CASH FLOW STATEMENT

For the Year Ended March 31, 2013
(All amounts in crore of Indian `)

	For the year ended March 31, 2013	For the year ended March 31, 2012
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Net profit before taxation (including profit before tax from discontinued operations)	713.34	383.71
Adjustments for:		
Depreciation and amortization expense	80.79	66.37
Liabilities no more payable	(5.78)	(3.05)
Provision for doubtful debts	1.55	2.37
Provision for doubtful advances	(15.06)	29.36
Bad Debts written off	-	0.46
Exchange fluctuation, net	(19.84)	27.05
Loss on assets sold/write off of fixed assets (net)	-	3.43
Finance costs	154.33	215.21
Wealth tax expense	-	0.01
Interest Income	(34.25)	(11.42)
Dividend Income (Refer note 20)	-	-
Investment written off (Refer note 12 (B))	-	-
Exceptional item – gain on settlements	-	(13.73)
Exceptional item – others	-	0.78
Exceptional items – CDR recompense provision	-	105.56
Exceptional items – Write off of Development costs	319.05	-
Exceptional items – Sale of Nutrition business	(607.23)	-
Product development expenses written off	1.49	53.79
Expense on Employee Stock Option Scheme (ESOS)	25.82	10.20
Operating profit before Working Capital changes	614.21	870.10
Movement in working capital:		
(Increase)/Decrease in Inventories	(109.11)	(148.00)
(Increase)/Decrease in Trade receivables	66.17	96.15
(Increase)/Decrease in Loans and Advances and other assets	(73.71)	(29.94)
Increase/(Decrease) in Liabilities and provisions	1,022.82	42.57
Increase/(Decrease) in Trade payables	115.86	62.61
Cash Generated from Operations	1,636.24	893.49
Income taxes paid	(207.31)	(0.82)
Net cash from Operating Activities (A)	1,428.93	892.67
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	(180.70)	(248.99)
Proceeds from sale of fixed assets	(0.01)	1.20
Proceeds from sale of nutrition business	648.31	-
Repayment by/(Loans to) companies/subsidiaries	23.55	(0.40)
Margin money under lien and Fixed deposits with original maturity of more than 3 months	(43.05)	0.54
Interest Received	34.25	11.42
Dividend Received (Refer note 20)	-	-
Net cash from/(used in) Investing Activities (B)	482.35	(236.23)

		For the year ended March 31, 2013	For the year ended March 31, 2012
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:			
Proceeds from issuance of share capital		0.07	-
Premium on issue of shares		1.57	-
Preference shares redeemed		(317.15)	-
Premium on redemption of preference shares		(33.72)	-
Proceeds from long-term borrowings		1.18	2.17
Repayment of long-term borrowings		(1,114.59)	(602.39)
Short-term borrowings (net)		(59.11)	-
Finance costs		(318.62)	(142.37)
Dividend paid (including dividend distribution tax)		(0.47)	(0.09)
Net cash used in Financing Activities	(C)	(1,840.84)	(742.68)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C)	70.44	(86.24)
CASH AND CASH EQUIVALENTS, at beginning of year		72.85	158.03
Unrealised gain/(loss) on Foreign Currency Cash and Cash equivalents		(0.58)	1.06
CASH AND CASH EQUIVALENTS, at end of year		142.71	72.85
Component of cash and cash equivalents, as at March 31, 2013			
Cash		0.10	0.11
Balance with banks:			
- on current account (excluding unclaimed dividend accounts)		91.35	71.70
- on unclaimed dividend account (Refer note 4 below)		0.83	1.04
Deposits with original maturity of less than 3 months		50.43	-
		142.71	72.85

1. All figures in bracket are outflow.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Cash flow in respect of ordinary activities attributable to discontinued operations:
Cash generated from Operating activities - ` 17.42 crore (Previous Year - ` 54.70 crore)
Cash flow provided by Investing activities - ` Nil (Previous Year - ` Nil)
Cash flow from Financing activities - ` 0.04 crore (Previous Year - ` 0.15 crore)
4. These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta

D. S. Brar

Sanjaya Baru

Aman Mehta

R. A. Shah

} Directors

NOTES TO ACCOUNTS

For the Year Ended March 31, 2013

(All amounts in crore of Indian ` , unless otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES

(i) *Basis of preparation*

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(a) Fixed assets and depreciation/amortisation

Tangible assets:

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

Depreciation/amortization:

Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the useful life of the assets estimated by the management, whichever is higher. The rates used by the Company 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 and Fixtures	6.33%
Office Equipments	25%
Information Technology Equipments	20 – 33.33%
Vehicles	20 – 33.33%

Fixed assets whose aggregate cost is ` 5,000 or less are depreciated fully in the year of acquisition.

Intangible assets:

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

The cost relating to Intangible assets, which are acquired, are capitalized and amortised on a straight line basis upto the period of ten years, which is based on their estimated useful life.

(b) Foreign currency translations

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Foreign currency monetary items are reported using closing foreign exchange rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(c) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments.

(d) 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. Excise and customs duty 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.

(e) Employee benefits

Employee benefits in the form of Provident Fund, Family Pension Fund and Superannuation Schemes, which are defined contribution schemes, are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds accrue. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability, which is a defined benefit scheme is provided for on the basis of an actuarial valuation made using Projected Unit Credit Method at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation made using Projected Unit Credit Method at the end of each financial year.

Actuarial gains and losses are immediately taken to Statement of Profit and Loss and are not deferred.

(f) 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 excise duty, sales tax, returns and trade discounts.

Sale of Services

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

Out licensing fees and Assignment of New Chemical Entity

Out licensing fees and Assignment of New Chemical Entity is recognized in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers.

Duty Drawback

Duty drawback is recognized at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognized as and when goods are imported against them.

Export Incentive

Benefit on account of entitlement to import duty free materials under the "Duty Entitlement Pass Book Schemes" is recognized in the year of export.

Royalties

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

Dividend and Interest

Dividend income is recognized when the right to receive the payment is established. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Research and development

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 amortised 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 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.

(h) Impairment of Assets

The carrying values of assets/cash generating units at each Balance Sheet date, are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

(i) Taxation

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax charge is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent it has timing differences the reversal of which will result in sufficient income. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(j) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(k) Financing/Borrowing cost

Financing/Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other financing/borrowing costs are charged to Statement of Profit and Loss. Initial direct costs are recognised immediately as an expense.

Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

(l) Employees Stock Option Cost

The Company measures compensation cost relating to employee stock options using the intrinsic value method. In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of shares, at the date of grant of options under the Employee Stock Option Schemes over the exercise price is treated as employee compensation and amortised over the vesting period.

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

(n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

(o) Derivative Financial Instruments

The Company uses derivative financial instruments such as option contracts and interest rate swaps to hedge its risk associated with foreign currency fluctuations and interest rates.

As per the Institute of Chartered Accountants of India (ICAI) Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss is charged to the income statement. Net gains are ignored.

(p) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Act.

	As at March 31, 2013		As at March 31, 2012	
	Number of shares	Amount	Number of shares	Amount
2. SHARE CAPITAL				
AUTHORISED				
Equity shares of ` 5/- each	250,000,000	125.00	250,000,000	125.00
Preference shares of ` 5/- each	2,000,000,000	1,000.00	2,000,000,000	1,000.00
		1,125.00		1,125.00
ISSUED, SUBSCRIBED AND PAID UP				
Equity shares of ` 5/- each fully paid up:				
Shares outstanding as at the beginning of the Year	109,435,903	54.72	109,435,903	54.72
Add: Shares Issued during the Year pursuant to ESOS	147,500	0.07	-	-
Shares outstanding as at the end of the Year	109,583,403	54.79	109,435,903	54.72
Optionally Convertible Cumulative Redeemable Preference shares of ` 5/- each fully paid up:				
Shares outstanding as at the beginning of the Year	446,549,949	223.27	446,549,949	223.27
Add: Shares Issued during the Year	-	-	-	-
Less: Shares redeemed during the Year	325,095,022	162.55	-	-
Shares outstanding as at the end of the Year	121,454,927	60.72	446,549,949	223.27
Non-Convertible Cumulative Redeemable Preference shares of ` 5/- each fully paid up:				
Shares outstanding as at the beginning of the Year	1,076,198,988	538.10	1,043,883,858	521.94
Add: Shares Issued during the Year	-	-	32,315,130	16.16
Less: Shares redeemed during the Year	600,539,047	300.27	-	-
Shares outstanding as at the end of the Year	475,659,941	237.83	1,076,198,988	538.10
TOTAL	706,698,271	353.34	1,632,184,840	816.09

Notes:

(a) The Company has only one class of equity shares having a par value of ` 5/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Issue of Preference Shares as per Corporate Debt Restructuring (CDR) Scheme:

During the year under review, Nil (Previous Year – 32,315,130) preference shares of ` 5/- each fully paid up were issued pursuant to approved CDR package against various liabilities of the Company to Banks/Financial Institutions. The terms and conditions of Preference Shares are as follows:

(i) Nil (Previous Year – 208,555,274) 0.01% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS Series 1), on the following terms and conditions:

The Preference Share holders shall have the right to convert OCCRPS Series 1, along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing October 25, 2015 till December 31, 2018, at conversion price as per the then applicable SEBI formula on the date of conversion. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. The Deemed Date of allotment is October 25, 2009.

Pursuant to the modifications in the terms in line with CDR scheme, the above shares were redeemed during the year at premium amounting to ` 16.86 crore.

(ii) 121,454,927 (Previous Year – 237,994,675) 0.01% Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2) issued bilaterally to various Banks, on the following terms and conditions:

The Preference Share holders shall have the right to convert OCCRPS Series 2 along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the then applicable SEBI formula on the date of conversion. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium.

Of the above, pursuant to the modification in the terms in line with CDR scheme, 116,539,748 shares has been redeemed during the year at 25% of its face value.

(iii) Nil (Previous Year – 208,555,274) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 1), redeemable at a premium of 38% of the face value along with cumulative dividend on December 31, 2018.

Pursuant to the modifications in the terms in line with CDR scheme, the above shares were redeemed during the year at premium amounting to ` 16.86 crore.

- (iv) 32,265,110 (Previous Year – 32,265,110) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 2), redeemable at a premium of 20% of the face value along with cumulative dividend on December 31, 2018.
- (v) 283,394,831 (Previous Year – 555,320,909) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 3) issued bilaterally to various Banks, redeemable at a redemption premium calculated at 4% p.a. on simple basis along with cumulative dividend on December 31, 2018.
Of the above, pursuant to the modification in the terms in line with CDR scheme, 271,926,078 shares has been redeemed during the year at 25% of its face value.
- (vi) Nil (Previous Year – 120,057,695) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 4), redeemable along with cumulative dividend on September 30, 2018. However, in case the Company exits CDR, the Preference Shares shall be redeemed at the point of exit.
Pursuant to the modifications in the terms in line with CDR scheme, the above shares were redeemed during the year.
- (vii) 160,000,000 (Previous Year – 160,000,000) 0.01% Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 5), redeemable at a premium of 20% of the face value along with cumulative dividend on March 31, 2019.

(c) **Shares held by holding company:**

69,716,132 (Previous Year – 69,716,132) Equity Shares are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

160,000,000 (Previous Year – 160,000,000) Non-Convertible Cumulative Redeemable Preference shares – Series 5 are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

(d) **Details of equity shares held by each shareholders holding more than 5% of total equity shares:**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	69,716,132	63.62	69,716,132	63.70
Dartmour Holdings Private Limited	6,828,325	6.23	6,828,325	6.24

(e) **Details of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) held by each shareholders holding more than 5% of total NCRPS:**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	160,000,000	33.64	160,000,000	14.87
Indian Overseas Bank	104,563,437	21.98	106,533,189	9.90
Union Bank of India	74,397,151	15.64	75,624,553	7.03
Corporation Bank	50,929,498	10.71	–	–
HDFC Bank Limited	43,233,260	9.09	–	–
Punjab National Bank	29,778,521	6.26	–	–
State Bank of India	–	–	497,255,832	46.20

(f) **Details of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) held by each shareholders holding more than 5% of total OCCRPS:**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indian Overseas Bank	39,888,348	32.84	39,888,348	8.93
State Bank of India	–	–	325,095,022	72.80
Union Bank of India	31,884,492	26.25	31,884,492	7.14
Corporation Bank	21,826,928	17.97	–	–
HDFC Bank Limited	18,528,540	15.26	–	–
Punjab National Bank	9,326,619	7.68	–	–

(g) **Shares reserved for issue under options:**

Equity shares of 1,593,000 (Previous Year – 1,540,000) of face value ` 5 each have been reserved for issue under Wockhardt Stock Option Scheme-2011.

	As at March 31, 2013	As at March 31, 2012
3. RESERVES AND SURPLUS		
Capital Reserves		
Opening Balance	-	-
Add: Addition during the year (Refer Note (a) below)	145.67	-
Closing Balance	145.67	-
Capital Redemption Reserve		
Opening Balance	26.53	26.53
Add: Addition during the year (Refer Note (b) below)	462.82	-
Closing Balance	489.35	26.53
Securities Premium Account		
Opening Balance	13.41	13.41
Add: Securities premium credited on Share issue pursuant to ESOS	6.04	-
Less: Utilised for premium on redemption of Preference shares	13.41	-
Closing Balance	6.04	13.41
Debenture Redemption Reserve		
Opening Balance	12.50	-
Add: Addition during the year	-	12.50
Less: Transferred to General Reserve upon redemption	12.50	-
Closing Balance	-	12.50
Share Options Outstanding Account (Refer note 41)		
Opening Balance	58.47	-
Add: Addition during the year (net)	23.03	58.47
Closing Balance	81.50	58.47
Less: Deferred Employee Compensation expense	49.96	48.27
	31.54	10.20
General Reserve		
Opening Balance	175.28	175.28
Add: Transferred from Debenture Redemption Reserve	12.50	-
Add: Transferred from Surplus	62.27	-
Closing Balance	250.05	175.28
Surplus		
Opening balance	(172.43)	(343.67)
Add: Net Profit for the current year	622.70	184.00
Less: Premium on redemption of Preference shares (refer note 2 (b) (i) and (iii))	(20.31)	-
Less: Transferred to Capital Redemption Reserve	(462.82)	-
Less: Transferred to General Reserve	(62.27)	-
Less: Transferred to Debenture Redemption Reserve	-	(12.50)
Less: Proposed Dividend on Preference shares	(0.03)	(0.22)
Less: Tax on Proposed Preference shares dividend	(0.01)	(0.04)
Less: Proposed Dividend on Equity shares (amount per share ` 5 (Previous Year ` Nil))	(54.79)	-
Less: Tax on Proposed Equity shares dividend	(9.31)	-
Closing Balance	(159.27)	(172.43)
TOTAL	763.38	65.49

Notes:

- (a) The Company had issued 116,539,748 Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2) and 271,926,078 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 3) to one of the CDR lenders amounting to ₹ 194.22 crore.

As per the original terms, the Preference Share holders had the right to convert OCCRPS Series 2 along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the then applicable SEBI formula on the date of conversion. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. NCRPS Series 3 was redeemable at redemption premium calculated at 4% p.a. on simple basis along with cumulative dividend on December 31, 2018.

During the year, pursuant to modification in the terms, the Company has redeemed the aforesaid shares at 25% of its face value. The difference between the face value and redemption value of ₹ 145.67 crore has been credited to capital reserve.

- (b) During the year, the Company has created capital redemption reserve of ₹ 462.82 crore against redemption of following preference shares of ₹ 5 each:
- (1) 208,555,274 Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 1).
 - (2) 116,539,748 Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2).
 - (3) 208,555,274 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 1).
 - (4) 271,926,078 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 3).
 - (5) 120,057,695 Non-Convertible Cumulative Redeemable Preference shares (NCRPS Series 4).

	As at March 31, 2013	As at March 31, 2012
4. LONG-TERM BORROWINGS		
SECURED		
10% Redeemable Non-convertible Debentures (Refer note (1 a), (2 a) below)	-	150.00
Rupee Denominated Term Loans (Refer note (1 a), (1 b), (2 b), (2 c), (2 d) below)		
from banks/financial institutions	-	505.59
from others	1.88	76.88
	1.88	732.47
UNSECURED		
Deferred payment liabilities		
Sales tax deferral loan (Refer note (3) below)	3.10	3.91
Loans from Others (Refer note (4) below)	4.54	5.14
	7.64	9.05
TOTAL	9.52	741.52

Notes:

- (1) During the current year:
- (a) The CDR EG approved the Company's exit from the CDR vide its letter dated March 14, 2013 which was subject to payment of recompense to all lenders till the date of exit. The Company has repaid to CDR lenders, all the loans along with full recompense on loans till the date of repayment. The process to obtain the No Dues and No Objection Certificates for releasing the securities provided to CDR lenders under the CDR Scheme as stated below is currently under progress.
 - (b) The rupee denominated term loan from others amounting to ₹ 1.88 crore (Previous Year – ₹ 1.88 crore) is secured by first charge on pari passu basis by hypothecation of movable properties of the company (except book debts) at all locations. This term loan from others with interest rate of 2% p.a. is repayable in 10 equal half yearly installments beginning 1 year after completion of the project.
- (2) During the previous year:
- (a) The debentures which were redeemable at par in four annual installments of ₹ 50 crore each starting from August 7, 2012 were secured by first charge on pari-passu basis:
 - (i) by way of mortgage of immovable properties and hypothecation of movable assets at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad;
 and by way of second charge on pari passu basis on current assets of the company at all locations.
 - (b) Further, during previous year, Term Loans were secured as under:
 - (i) Pursuant to the approved Corporate Debt Restructuring Package, the rupee denominated term loans from banks/ financial institutions amounting to ₹ 482.98 crore as on March 31, 2012 were secured by first charge on pari passu

basis and rupee denominated term loans from banks/financial institutions amounting to ₹ 130.78 crore were secured by third charge on pari passu basis:

- (i) by way of mortgage of immovable properties and hypothecation of movable assets at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad.
- (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
- (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.

Further, loans amounting to ₹ 482.98 crore as on March 31, 2012 were secured by second charge on pari passu basis and loans amounting to ₹ 130.78 crore as on March 31, 2012 were secured by third charge on pari passu basis on current assets of the Company at all locations.

- (II) Pursuant to the approved Corporate Debt Restructuring Package, the rupee denominated term loans from banks amounting to ₹ 17.47 crore as on March 31, 2012 were secured by third charge on pari passu basis:
 - (i) by way of mortgage of immovable properties at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad and hypothecation of current assets of the Company at all locations.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.
 - (iv) the Company was in the process of creating charge on immovable property at Plot No. 138, Ankleshwar in Gujarat and movable assets of the Company at all locations.
- (III) Pursuant to the approved Corporate Debt Restructuring Package, the rupee denominated loans from others amounting to ₹ 75.00 crore as on March 31, 2012 were secured by third charge on pari passu basis:
 - (i) by way of mortgage of immovable properties at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 87A, Bhimpore in Daman, Plot No. 138, Ankleshwar in Gujarat and Biotech Park H-14/2, MIDC Waluj in Aurangabad and by way of hypothecation of current assets of the Company at all locations.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.
 - (iv) the Company was in the process of creating charge on movable assets of the Company at all locations.
- (IV) Terms of repayment as per CDR scheme of rupee denominated term loans from banks/financial institutions were as under:
 - (i) Rupee term loans and Working capital term loans from banks with interest rate of 10% p.a. were repayable in 24 quarterly installments by April 2016.
 - (ii) Priority loans from banks with interest rate of 12% p.a. were repayable in 8 quarterly equal installments, by June 2012.
 - (iii) Short term loans from banks with interest rate of 10% p.a. were repayable in 20 quarterly equal installments by October 2018.
- (V) Term loan from others amounting ₹ 75.00 crore as on March 31, 2012 with interest rate of 10% p.a. were repayable in 20 quarterly installments by October 2018 as per CDR scheme.
- (c) Loans amounting to ₹ 906.22 crore as on March 31, 2012 were also secured by irrevocable personal guarantee by H.F. Khorakiwala, Chairman and corporate guarantee by Palanpur Holdings and Investments Private Limited.
- (d) As against the above secured loans taken, the promoters/promoter group have pledged shares numbering 70,158,917 as on March 31, 2012.

All the aforesaid loans have been repaid fully during the year.

- (3) Interest free sales tax tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2019.
- (4) Loans from others with interest rate of 3% p.a. is repayable in 10 annual installment. Loans amounting ₹ 1.32 crore (Previous Year – ₹ 1.89 crore) is repayable by June 2019 and the balance ₹ 3.82 crore (Previous Year – ₹ 4.24 crore) by October 2021.

	As at March 31, 2013	As at March 31, 2012
5. DEFERRED TAX LIABILITIES (net)		
Deferred tax liabilities		
Difference between depreciation on block of assets	148.64	120.23
Research and development cost	-	109.39
Gross deferred tax liabilities	148.64	229.62
Deferred tax assets		
Provision for Gratuity	5.44	5.05
Provision for Leave Encashment	7.29	5.60
Provision for Bonus	0.30	0.24
Lease rent equalisation	0.98	-
Provision for Doubtful Debts	14.08	13.59
Gross deferred tax assets	28.09	24.48
TOTAL	120.55	205.14

	As at March 31, 2013	As at March 31, 2012
6. LONG-TERM PROVISIONS		
Provision for employee benefits (Refer note 40)		
Gratuity (unfunded)	11.69	14.10
Leave Encashment (unfunded)	14.39	14.80
TOTAL	26.08	28.90
7. SHORT-TERM BORROWINGS		
SECURED		
Loans repayable on demand		
Working capital facilities from banks	163.17	222.28
TOTAL	163.17	222.28

Notes:

- (a) Working capital facilities from Banks are secured by way of:
- (i) First charge on pari passu basis on present and future stock of raw materials, consumables, spares, semi-finished goods, finished goods and book debts.
 - (ii) Second charge on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets, both present and future at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, B-15/2, both at MIDC Waluj, and E-1/1 at MIDC, Shendra, in Aurangabad, and Jagraon in Punjab.
- (b) During previous year:
- 1) Pursuant to the approved Corporate Debt Restructuring Package, the working capital facilities were secured by way of second charge on pari passu basis:
 - (i) by way of mortgage of immovable properties and hypothecation of movable assets at Plot No. L-1, D-4, Chikhalthana in Aurangabad, Plot No. 138, Ankleshwar in Gujarat, Plot No. 87A, Bhimpore in Daman and Biotech Park H-14/2, MIDC Waluj in Aurangabad.
 - (ii) by way of mortgage of immovable properties and hypothecation of movable assets situated at Jagraon in Punjab.
 - (iii) by way of mortgage of immovable properties and hypothecation of movable assets of Company's wholly owned subsidiary i.e. Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad;
 and by way of first charge on pari passu basis on current assets of the Company at all locations.
 - 2) Loans were also secured by irrevocable personal guarantee by H.F. Khorakiwala, Chairman and corporate guarantee by Palanpur Holdings and Investments Private Limited.
 - 3) As against the above secured loans taken, the promoters/promoter group have pledged shares numbering 70,158,917 as on March 31, 2012.

	As at March 31, 2013	As at March 31, 2012
8. TRADE PAYABLES		
Trade Payables (Refer note 35)		
Trade payables	469.30	369.53
TOTAL	469.30	369.53
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer note 4)	1.43	176.87
Interest accrued but not due on borrowings	0.43	2.11
Interest accrued and due on borrowings	-	0.02
Unpaid dividends	0.83	1.04
Zero Coupon Foreign Currency Convertible Bonds – Unsecured (Refer note (a) below)	-	211.04
Other payables		
Security deposits	18.23	15.33
Employee liabilities	34.00	35.37
Provision for Recompense	-	160.00
Creditors for Statutory dues	11.30	0.53
Creditors for Capital goods	23.16	16.30
Advance received from Customers	1,051.96	33.80
Other liabilities	33.31	41.92
TOTAL	1,174.65	694.33

Note:

- (a) In accordance with the orders passed by Hon'ble High Court of Bombay, the Company has repaid entire amount along with interest to the FCCB holders in August 2012 and has complied with the orders of Hon'ble High Court of Bombay. Accordingly, the winding-up petition filed by the Trustees to the FCCB before the Hon'ble Bombay High Court has been withdrawn. Further, under the directions of the Hon'ble Bombay High Court, the Company has deposited USD 2.29 million (` 12.12 crore) in the UK Court towards the disputed portion of the claim by the FCCB holders that primarily pertains to the Withholding Tax deducted by the Company on the default interest paid to the FCCB holders u/s 196 C of Income Tax Act, 1961. This amount has been included under "Note 18 – Short term Loans and Advances".

	As at March 31, 2013	As at March 31, 2012
10. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 40)		
Gratuity (unfunded)	5.06	1.47
Leave Encashment (unfunded)	8.08	2.47
	13.14	3.94
Other provisions:		
Provision for sales return on date expiry (Refer note (a) below)	10.05	16.15
Provision for tax, net of advance tax (Refer note (b) below)	–	0.80
Proposed dividend on preference shares	0.03	0.22
Tax on proposed preference shares dividend	0.01	0.04
Proposed dividend on equity shares	54.79	–
Tax on proposed equity shares dividend	9.31	–
	74.19	17.21
TOTAL	87.33	21.15

Notes:

- (a) Provision for Sales Return on Date Expiry – opening balance ` 16.15 crore (Previous Year – ` 10.84 crore), additions during the year ` 3.81 crore (Previous Year – ` 13.68 crore), utilised during the year ` 9.91 crore (Previous Year – ` 8.37 crore), closing balance ` 10.05 crore (Previous Year – ` 16.15 crore). Provision has been recognised for expected sales return on date expiry of products sold during last two years. It is expected that all of this would be incurred within two years of the balance sheet date.
- (b) During previous year, provision for tax is net off advance tax of ` 185.81 crore.

11. FIXED ASSETS (At cost)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1.4.2012	Additions	Deduction/ Other Adjustments	As at 31.3.2013	As at 1.4.2012	For the Year*	Deduction/ Other Adjustments	As at 31.3.2013	As at 31.3.2013	As at 31.3.2012	
Tangible Assets											
Freehold land	63.06	–	–	63.06	–	–	–	–	63.06	63.06	
Leasehold land	8.34	–	–	8.34	1.02	0.11	–	1.13	7.21	7.32	
Buildings	144.15	19.01	–	163.16	28.42	5.08	–	33.50	129.66	115.73	
Plant and Equipment	916.02	94.26	10.74	999.54	299.53	44.29	(0.33)	344.15	655.39	616.49	
Furniture and Fixtures	23.53	0.70	–	24.23	11.18	1.41	–	12.59	11.64	12.35	
Vehicles	3.78	2.11	–	5.89	2.93	0.32	–	3.25	2.64	0.85	
Office equipment	5.93	1.12	0.01	7.04	5.49	0.30	0.01	5.78	1.26	0.44	
Information Technology Equipments	30.78	4.81	6.92	28.67	25.77	3.81	6.91	22.67	6.00	5.01	
TOTAL	1,195.59	122.01	17.67	1,299.93	374.34	55.32	6.59	423.07	876.86	821.25	
Previous Year	1,063.17	139.46	7.04	1,195.59	329.20	43.45	(1.69)	374.34	821.25		
Intangible Assets											
Trademarks/Technical know-how	73.65	47.93	–	121.58	45.44	24.08	–	69.52	52.06	28.21	
Computer software	11.52	2.59	–	14.11	5.02	1.39	–	6.41	7.70	6.50	
TOTAL	85.17	50.52	–	135.69	50.46	25.47	–	75.93	59.76	34.71	
TOTAL	1,280.76	172.53	17.67	1,435.62	424.80	80.79	6.59	499.00	936.62	855.96	
Previous Year	75.01	30.16	20.00	85.17	46.53	22.92	18.99	50.46	34.71		
Capital work-in-progress [Refer note (a)]	–	–	–	–	–	–	–	–	481.79	473.66	
TOTAL	–	–	–	–	–	–	–	–	481.79	473.66	
Intangible assets under Development (Refer note (a) and (b) below and note 37)	–	–	–	–	–	–	–	–	–	337.14	
TOTAL	–	–	–	–	–	–	–	–	–	337.14	
TOTAL	–	–	–	–	–	–	–	–	481.79	810.80	
TOTAL	1,280.76	172.53	17.67	1,435.62	424.80	80.79	6.59	499.00	1,418.41	1,666.76	

* includes amount ` 0.02 crore (Previous Year – ` 0.06 crore) attributed to discontinued operations.

Notes:

- (a) Addition to Capital work-in-progress and Intangible assets under Development includes expenditure incurred during construction period pending allocation aggregating ` 0.11 crore (Previous Year – ` 129.62 crore). Additions during the year consists of interest expense ` 0.11 crore. During previous year these expenses include Material Consumption ` 5.44 crore, Employee cost aggregating ` 29.53 crore, Interest expenses ` 17.32 crore, Depreciation ` 5.11 crore and Operating expenses aggregating ` 72.22 crore [Stores and spares ` 1.71 crore, Power ` 3.81 crore, Repairs and Maintenance ` 1.24 crore, Clinical trial expenses ` 23.30 crore, Legal and professional charges ` 20.29 crore, General Expenses ` 21.87 crore].
- (b) Product Development Expenses of ` Nil (Previous Year – ` 111.96 crore) incurred during the year are considered as capital expenditure to be capitalized as intangible assets.

	As at March 31, 2013	As at March 31, 2012
12. NON-CURRENT INVESTMENTS – at cost		
A. In Wholly owned subsidiary companies (unquoted)		
1,307,368 (Previous Year – 1,307,368) Equity Shares of Wockhardt Europe Limited of par value £1 each fully paid up (including two fully paid-up shares held in the name of nominees of the Company)	8.38	8.38
27,504,823 (Previous Year – 27,504,823) Equity Shares of Wockhardt UK Holdings Limited [formerly Wockhardt UK Limited] of 1p each fully paid-up	75.27	75.27
18,000,000 (Previous Year – 18,000,000) Equity Shares of Wockhardt Biopharm Limited of ` 10 each fully paid-up (including six fully paid-up shares of par value held in the name of the nominees of the Company)	9.00	9.00
44,600,000 (Previous Year – 44,600) shares of Wockhardt Bio AG (formerly Wockhardt EU Operations (Swiss) AG of CHF 1 each (Previous Year – CHF 1000 each) fully paid-up	209.62	209.62
2,000,000 (Previous Year – 2,000,000) Equity Shares of ` 10 each fully paid-up in Wockhardt Infrastructure Development Limited (including one fully paid-up share of par value held in the name of the nominees of the Company)	3.50	3.50
982,819 (Previous Year – 982,819) 7% Non-cumulative Redeemable Preference Shares of ` 100 each fully paid-up of Vinton Healthcare Limited	0.64	0.64
10,000,000 (Previous Year – 10,000,000) Equity Shares of ` 10 each fully paid-up of Vinton Healthcare Limited (including eighty fully paid-up shares of par value held in the name of nominees of the Company)	1.09	1.09
	307.50	307.50
B. Other than trade (unquoted)		
443,482 (Previous Year – 443,482) Equity Shares of Bharuch Eco-Aqua Infrastructure Limited of ` 10 each fully paid-up	0.44	0.44
6,300 (Previous Year – 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ` 10 each fully paid-up	0.01	0.01
Nil (Previous Year – 1,000) Equity Shares of Saraswat Co-operative Bank Limited of ` 10 each fully paid-up*	–	–
* ` Nil (Previous Year – ` 10,000)	–	–
	0.45	0.45
TOTAL	307.95	307.95
13. LONG-TERM LOANS AND ADVANCES		
Capital Advances		
Unsecured, considered good	40.87	15.97
	40.87	15.97
Security Deposits		
Unsecured, considered good (includes deposits with Related parties ` 49.72 crores (Previous Year – ` 49.72 crores – (Refer note 43))	62.04	57.37
	62.04	57.37
Loans and advances to related parties (Refer note 30 and note 43)		
Loans to Subsidiaries – Unsecured, considered good	103.23	128.40
	103.23	128.40
Advance tax, net of provision for tax (Refer note below)	61.25	–
Minimum Alternative Tax (MAT) credit entitlement	37.36	69.56
Other advances	38.17	22.86
TOTAL	342.92	294.16

Note:

Advance tax after netting off provision for tax in current year ` 331.89 crore.

	As at March 31, 2013	As at March 31, 2012
14. OTHER NON-CURRENT ASSETS		
Margin money*	4.92	-
	4.92	-

* margin on Letter of Credits (LCs) and Guarantees under lien ` 4.92 crore (Previous Year - ` Nil).

	As at March 31, 2013	As at March 31, 2012
15. INVENTORIES		
Raw Materials and components	188.19	149.97
Goods-in-transit	11.76	37.63
	199.95	187.60
Work-in-progress	106.89	86.17
Finished goods	160.31	125.28
Stock-in-trade	39.69	36.70
Stores and spares	20.75	17.32
TOTAL	527.59	453.07

Note:

Inventories are valued at cost or net realizable value, whichever is lower.

	As at March 31, 2013	As at March 31, 2012
16. TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	167.41	236.20
Unsecured, considered doubtful	1.61	-
	169.02	236.20
Less: Provision for doubtful debts	(1.61)	-
	167.41	236.20
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	39.22	24.64
Unsecured, considered doubtful	41.81	41.87
	81.03	66.51
Less: Provision for doubtful debts	(41.81)	(41.87)
	39.22	24.64
TOTAL	206.63	260.84

	As at March 31, 2013	As at March 31, 2012
17. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
On current account	91.35	71.70
Deposit with original maturity of less than 3 months	50.43	–
Unpaid dividend accounts	0.83	1.04
Cash on hand	0.10	0.11
	142.71	72.85
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months	0.22	0.22
Margin money*	41.00	2.87
	41.22	3.09
TOTAL	183.93	75.94

* margin on Letter of Credits (LCs) and Guarantees under lien ₹ 41.00 crore (Previous Year – ₹ 2.87 crore).

	As at March 31, 2013	As at March 31, 2012
18. SHORT-TERM LOANS AND ADVANCES		
Loans and advances to related parties (Refer note (a) and (b) below)		
Unsecured, considered good	16.43	11.74
	16.43	11.74
Other short-term loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	45.57	38.87
Unsecured, considered doubtful	14.30	29.36
Less: Provision for doubtful advances	(14.30)	(29.36)
	45.57	38.87
Advances to suppliers	34.08	21.05
Balances with statutory/government authorities	65.97	33.05
Other short-term advances (Refer note 9(a))	12.92	1.00
	158.54	93.97
TOTAL	174.97	105.71

Notes:

- (a) Loans and advances to related parties include ₹ 12.08 crore (Previous Year – ₹ 10.46 crore) given to Subsidiaries (Refer note 30 and note 43).
- (b) The Ministry of Corporate Affairs had approved a remuneration of ₹ 1.76 crore per annum during the three year period commencing from January 1, 2009, based on the application made by the Company to Central Government for payment of remuneration in excess of limits specified in Schedule XIII of the Companies Act, 1956, to Dr. H.F. Khorakiwala – Chairman. As the said approval was not in line with remuneration proposed and approved by the shareholders, the Company had once again made an application to the Central Government for re-consideration of the same which is pending. Accordingly, the remuneration paid to Dr. H.F. Khorakiwala in excess of the above approval for earlier years amounting to ₹ 1.28 crore (Previous Year ₹ 1.28 crore) has been shown as recoverable.

Further, the applications for approval of payment of managerial remuneration to Dr. H.F. Khorakiwala – Chairman, Dr. M.H. Khorakiwala – Managing Director and Dr. H.H. Khorakiwala – Executive Director amounting to ₹ 4.50 crore, ₹ 2.40 crore and ₹ 2.40 crore per annum respectively have been made to the Central Government during the year. Pending approval, the Company has shown the excess payment, during current year, over the permissible limits specified in Schedule XIII of the Companies Act amounting to ₹ 3.07 crore as recoverable.

	For the year ended March 31, 2013	For the year ended March 31, 2012
19. REVENUE FROM OPERATIONS		
Revenue from operations (Refer note 31)		
Sale of products	2,196.81	2,136.96
Less: Excise duty	(5.77)	(3.84)
	2,191.04	2,133.12
Sale of services	12.37	23.98
Outlicensing fees	167.77	140.00
Assignment of New Chemical Entity	100.00	-
TOTAL	2,471.18	2,297.10
20. OTHER INCOME		
Interest Income	34.25	11.42
Dividend Income*	-	-
* ₹ 9,450 (Previous Year – ₹ 6,300)		
Miscellaneous income (Refer note below)	11.25	8.55
TOTAL	45.50	19.97

Note:

Miscellaneous income includes liabilities no more payable of ₹ 5.78 crore (Previous Year – ₹ 3.05 crore).

	For the year ended March 31, 2013	For the year ended March 31, 2012
21. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Refer note 34)		
Opening Inventories		
Finished goods	99.91	60.69
Work-in-progress	86.17	44.03
Stock-in-trade	36.70	33.58
Less: Excise duty on opening stock	(0.92)	(0.83)
	221.86	137.47
Closing Inventories		
Finished goods	(160.31)	(99.91)
Work-in-progress	(106.89)	(86.17)
Stock-in-trade	(39.69)	(36.70)
Less: Excise duty on closing stock	2.08	0.92
	(304.81)	(221.86)
(Increase)/Decrease in inventories	(82.95)	(84.39)
Note:		
Inventory of Finished goods pertaining to Discontinued operations and excluded from above:		
Opening Inventories (Gross of excise)	25.37	19.51
Closing Inventories (Gross of excise)	-	(25.37)
Opening Inventories (Net of excise)	25.20	19.49
Closing Inventories (Net of excise)	-	(25.20)

	For the year ended March 31, 2013	For the year ended March 31, 2012
22. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages (Refer note 40)	206.84	152.93
Contribution to provident and other funds (Refer note 40)	12.62	9.47
Expense on Employee Stock Option Scheme (ESOS) – (Refer note 41)	25.82	10.20
Staff welfare expenses	55.79	45.69
TOTAL	301.07	218.29
23. FINANCE COSTS		
Interest expense		
on term loans	71.76	112.86
on debentures	17.43	26.24
others (Refer note below)	34.74	75.02
	123.93	214.12
Other borrowing costs	30.44	1.24
TOTAL	154.37	215.36

Note:

Interest expenses for the year ended March 31, 2012 includes premium on Zero Coupon Foreign Currency Convertible Bonds ` 12.46 crore pertaining to earlier years.

	For the year ended March 31, 2013	For the year ended March 31, 2012
24. OTHER EXPENSES		
Travelling and conveyance	56.38	48.14
Freight and forwarding charges	53.95	40.32
Sales promotion and other selling cost	33.66	42.06
Commission on sales	21.29	17.56
Power and fuel	78.68	66.16
Rent (Refer note 44)	55.63	9.11
Rates and taxes	3.03	6.47
Repairs and maintenance		
– to Building	2.99	4.24
– to Plant and machinery	14.85	11.84
– to Others	8.60	7.82
Stores and spare parts consumed	28.32	19.49
Insurance	5.35	4.32
Provision for doubtful debts	1.57	2.76
(Reversal of provisions)/ provision for doubtful advances	(15.06)	29.36
Product development expenses written off	1.49	53.79
Legal and Professional Charges	16.16	21.72
Directors' sitting fees	0.11	0.13
Material for test batches	30.73	–
Miscellaneous expenses	163.24	95.94
TOTAL	560.97	481.23

	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Value	%	Value	%
25. BREAK-UP OF RAW MATERIAL, PACKING MATERIAL AND STORES AND SPARE PARTS CONSUMED				
(i) Materials				
Imported	247.12	27.43	198.05	24.06
Indigenously Procured (Includes ₹ 41.55 crore (Previous Year – ₹ 152.90 crore) pertaining to Discontinued operations)	653.73	72.57	625.14	75.94
	900.85	100.00	823.19	100.00
(ii) Stores and Spare Parts				
Imported	3.28	11.58	3.71	19.02
Indigenously Procured (Includes ₹ 0.01 crore (Previous Year – ₹ 0.01 crore) pertaining to Discontinued operations)	25.05	88.42	15.79	80.98
	28.33	100.00	19.50	100.00

	For the year ended March 31, 2013	For the year ended March 31, 2012
26. AUDITOR'S REMUNERATION (INCLUDING SERVICE TAX)		
Audit Fees*	0.40	0.47
Tax Audit Fees	0.19	0.18
Other services*	0.43	0.65
Out of pocket expenses	0.01	0.01
	1.03	1.31

* Audit remuneration for the year ended March 31, 2012 includes ₹ 0.08 crore towards audit fees and ₹ 0.12 crore towards other services pertaining to prior year.

	For the year ended March 31, 2013	For the year ended March 31, 2012
27. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials and Packing Materials	253.82	231.49
Components and spares	4.49	21.79
Capital Goods	26.02	36.64
	284.33	289.92
28. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Travelling	0.63	0.34
Professional fees	15.03	26.21
Royalty	1.59	3.96
Interest	3.77	22.29
Others	57.01	61.32
	78.03	114.12
29. EARNING IN FOREIGN EXCHANGE (ACCRUAL BASIS)		
Exports of goods on F.O.B. basis	1,174.04	1,209.44
Management and Technical fees	5.78	12.81
Outlicensing fees	167.77	140.00
Royalty	3.11	0.73
Interest	3.48	3.14
Research and Development Services	4.06	10.19
Assignment of New Chemical Entity	100.00	–
Others	–	2.60
	1,458.24	1,378.91

30. INFORMATION PURSUANT TO CLAUSE 32 OF LISTING AGREEMENTS WITH STOCK EXCHANGES:

Loans and advances to subsidiaries in the nature of loans comprises of amounts recoverable from Wockhardt Infrastructure Development Limited ` 52.68 crore (Previous Year - ` 52.63 crore) [maximum amount outstanding during the year ` 56.19 crore (Previous Year - ` 57.95 crore)], Wockhardt Bio AG ` 0.21 crore (Previous Year - ` 27.78 crore) [maximum amount outstanding during the year ` 30.63 crore (Previous Year - ` 29.00 crore)], Wockhardt Holding Corp. ` 62.42 crore (Previous Year - ` 58.45 crore) [maximum amount outstanding during the year ` 64.49 crore (Previous Year - ` 61.04 crore)].

Out of the above loans, interest on loan given to Wockhardt Holding Corp. and Wockhardt Bio AG are based on spread plus LIBOR, as applicable. Hence, it is lower than the interest rate specified u/s 372A of the Companies Act, 1956.

	For the year ended March 31, 2013	For the year ended March 31, 2012
31. REVENUE FROM OPERATIONS CONSISTS OF:		
Sale of products		
Injections	293.96	269.58
Liquids and Solutions	174.60	179.48
Tablets and Capsules	1,425.28	1,419.38
Ointments	42.59	34.16
Powder	4.05	3.77
Bulk Drugs	175.36	188.01
Other goods	67.25	18.90
Export Incentive	13.72	23.68
	2,196.81	2,136.96
Sale of services		
Research and Management services	6.01	10.66
Distribution Income	0.59	0.51
Management Fees	5.77	12.81
	12.37	23.98
Outlicensing fees	167.77	140.00
Assignment of New Chemical Entity	100.00	-
TOTAL	2,476.95	2,300.94
32. COST OF MATERIALS CONSUMED CONSISTS OF:		
Cyclohexenylethylamine	18.03	13.07
Lisinopril	18.39	14.08
Ropinirole Hcl	3.90	5.52
P-Methoxy Phenyl Acetic Acid	16.01	12.42
7-Amino Cephalosporanic Acid	6.83	8.35
Povidone Iodine	8.00	5.09
Paracetamol	19.14	15.67
D-Mandelic Acid	5.82	4.64
Gliciazide BP	1.18	2.87
Dexamethasone	8.34	6.34
Azithromycin	3.36	3.98
Product B	7.54	8.62
Isopropyl alcohol	4.89	4.83
Metoprolol Succinate	12.59	7.70
Prosolv Smcc	7.86	6.13
Valproic Acid	14.24	15.78
Venlafaxine Hcl	8.22	8.41
Valacyclovir Hcl	8.24	7.62
Others	686.72	519.17
TOTAL	859.30	670.29

	For the year ended March 31, 2013	For the year ended March 31, 2012
33. PURCHASE OF STOCK-IN-TRADE CONSISTS OF:		
Injections	74.71	77.45
Liquids and Solutions	46.13	55.61
Tablets and Capsules	124.58	95.58
Ointments	5.40	2.94
Powder	1.18	0.99
Other goods	9.43	3.96
TOTAL	261.43	236.53
34. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE CONSISTS OF:		
Opening inventories:		
Finished goods		
Injections	6.47	9.73
Liquids and Solutions	3.97	2.79
Tablets and Capsules	29.10	21.16
Ointments	1.18	1.30
Bulk Drugs	59.19	25.71
Work-in-progress	86.17	44.03
Stock-in-trade		
Injections	11.72	8.74
Liquids and Solutions	8.69	7.52
Tablets and Capsules	14.36	14.91
Ointments	0.57	0.54
Powder	0.16	0.41
Bulk Drugs	0.03	0.03
Other goods	1.17	1.43
Less: Excise Duty on opening stock	(0.92)	(0.83)
	221.86	137.47
Closing inventories:		
Finished goods		
Injections	(19.57)	(6.47)
Liquids and Solutions	(4.65)	(3.97)
Tablets and Capsules	(44.60)	(29.10)
Ointments	(2.94)	(1.18)
Powder	(0.03)	-
Bulk Drugs	(88.28)	(59.19)
Other goods	(0.24)	-
Work-in-progress	(106.89)	(86.17)
Stock-in-trade		
Injections	(8.09)	(11.72)
Liquids and Solutions	(8.44)	(8.69)
Tablets and Capsules	(18.20)	(14.36)
Ointments	(1.29)	(0.57)
Powder	(0.21)	(0.16)
Bulk Drugs	(0.06)	(0.03)
Other goods	(3.40)	(1.17)
Less: Excise Duty on closing stock	2.08	0.92
	(304.81)	(221.86)
TOTAL	(82.95)	(84.39)

	As at March 31, 2013	As at March 31, 2012
35. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:		
(a) Principal amount due to suppliers under MSMED Act, 2006	13.46	6.53
(b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.24	0.13
(c) Payment made to suppliers (other than interest) beyond the appointed day during the year	80.52	84.07
(d) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(e) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.24	0.13
The above information is given to the extent available with the Company and relied upon by the auditor.		

	For the year ended March 31, 2013	For the year ended March 31, 2012
36. EARNINGS PER SHARE		
The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:		
Reconciliation of earnings		
Profit after tax	622.70	184.00
Less: Dividend (including tax on dividend) payable on preference shares	(0.04)	(0.09)
Net profit for calculation of basic/diluted EPS	622.66	183.91
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic EPS	No. of Shares 109,475,239	No. of Shares 109,435,903
Add: Weighted average number of shares under ESOS	1,737,512	544,730
Weighted average number of equity shares in calculating Diluted EPS	111,212,751	109,980,633
Earnings per share (face value ` 5/- each)		
Earnings per share – Basic in `	56.88	16.81
Earnings per share – Diluted in `	55.99	16.72

Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) are not considered for calculating diluted earnings per share since conversion of shares is contingent in nature and number of shares cannot be currently ascertained, being dependant on price of equity shares as per SEBI formula prevailing on the date on which the holders of OCCRPS are entitled to convert.

37. EXCEPTIONAL ITEMS

- (i) Hitherto, the Company had recognised product development cost as an intangible asset as and when incurred. The management has reassessed the recognition criteria for capitalization of development cost based on its most recent experience of regulatory approvals, clinical trials, economic uncertainties, industry experience and business plans. This review indicates that the recognition criteria may not be met till the time regulatory approvals are received. Hence, the Company has revised its recognition criteria for developments costs and auditors have relied on the management judgment being technical in nature. Accordingly, the Company:
 - (a) has expensed off the carried forward cost of products under development as at June 30, 2012, amounting to ` 319.05 crore, to the Statement of Profit and Loss under the head 'Exceptional Item'.
 - (b) has charged to the Statement of Profit and Loss, product development expenditure incurred during the period July 2012 to March 2013 amounting to ` 121.05 crore under respective expense heads.
- (ii) Exceptional items for the year ended March 31, 2013 also includes profit on sale of Nutrition business ` 607.23 crore (also refer note 42).
- (iii) Exceptional items of previous year mainly comprises of settlement of loan/disputed derivative liabilities ` 55.30 crore and provision for recompense ` 105.56 crore for period April 15, 2009 to March 31, 2011.

Recompense provision made in previous year has been reclassified as interest ` 54.44 crore being interest pertaining to Financial Year 2011-12 and balance provision of ` 105.56 crore has been considered as exceptional item being pertaining to period earlier to Financial Year 2011-12.

38. SEGMENTAL REPORTING

As the Company's annual report contains both Consolidated and Standalone Financial Statements, segmental information is presented only on the basis of Consolidated Financial Statement. (Refer note 31 of Consolidated Financial Statements).

	For the year ended March 31, 2013	For the year ended March 31, 2012
39(a). Capital expenditure on Research and Development*	18.50	129.15

* Previous year includes revenue expenditure capitalised as 'Intangible asset under Development'.

39(b). The aggregate amount of revenue expenditure incurred on Research and Development and charged to Statement of Profit and Loss is as under:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Chemicals and consumables	34.33	6.38
Employee cost	57.66	17.59
Travelling expenses	4.97	3.72
Power and fuel	7.75	2.70
Repair and maintenance	3.91	1.37
Printing and stationery	0.78	0.58
Communication expenses	0.65	0.68
Clinical trial expenses	4.05	5.45
Analysis expenses	4.03	0.24
Legal and professional expenses	15.33	0.88
Other Research and Development expenses	67.51	5.08
TOTAL	200.97	44.67

	For the year ended March 31, 2013 Gratuity (Non-funded)	For the year ended March 31, 2012 Gratuity (Non-funded)
40. EMPLOYEE BENEFITS		
(A) Defined benefit plans:		
I. Expenses recognised during the year		
1. Current Service Cost	2.78	2.32
2. Interest cost	1.36	1.16
3. Actuarial Losses/(Gains)	(0.77)	(0.24)
Total Expenses	3.37	3.24
II. Net Asset/(Liability) recognised as at balance sheet date		
1. Present value of defined benefit obligation	16.75	15.57
2. Net Asset/(Liability)	16.75	(15.57)
III. Reconciliation of Net Asset/(Liability) recognised as at balance sheet date		
1. Net Asset/(Liability) at the beginning of year	(15.57)	(14.04)
2. Expense as per (I) above	3.37	3.24
3. Net transfer out due to discontinuance of Nutrition business	(0.94)	-
4. Employer contributions	(1.25)	(1.71)
5. Net Asset/(Liability) at the end of the year	(16.75)	(15.57)
IV. Actuarial Assumptions		
1. Discount rate	7.75%	8.75%
2. Expected rate of salary increase	8.00%	8.00%
3. Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

Notes:

- (a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 22 under "Salaries and wages" and Note 42 under "Total expenses" of Discontinued operations:
Gratuity ` 3.37 crore (Previous Year - ` 2.96 crore) and Leave encashment ` 9.80 crore (Previous Year - ` 7.84 crore)
- (b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	April 2012- March 2013	April 2011- March 2012	April 2010- March 2011	January 2009- March 2010	January 2008- December 2008
(B) Details of gratuity for the current and previous four years are as follows:					
Defined benefit obligation	16.75	15.57	14.04	11.00	11.28
Surplus/(deficit)	(16.75)	(15.57)	(14.04)	(11.00)	(11.28)
Experience adjustment on plan liabilities (gain)/loss	(0.30)	0.54	0.74	(0.69)	0.01

(C) Defined contribution plan:

Amount recognised as an expense in the Statement of Profit and Loss – included in the Note 22 – “Contribution to provident and other funds” and Note 42 under “Total expenses” of Discontinued operations ` 12.86 crore (Previous Year – ` 10.13 crore).

41. EMPLOYEES STOCK OPTION SCHEME [ESOS]

The Compensation Committee of the Board of directors has, under Wockhardt Stock Option Scheme -2011 (‘the Scheme’) approved the grant of Stock Options convertible into equity shares of ` 5/- each as per the following:

- at its meeting held on November 12, 2011, 1,540,000 Stock Options convertible into 1,540,000 equity shares.
- at its meeting held on June 27, 2012, 350,000 Stock Options convertible into 350,000 equity shares.
- at its meeting held on March 7, 2013, 8,500 Stock Options convertible into 8,500 equity shares (Options granted to Independent Directors).

As per the Scheme, the Compensation committee has granted 60,000 options @ ` 397/- per option (Grant 1), another 60,000 options @ ` 365/- per option (Grant 2), 1,420,000 options @ ` 5/- per option (Grant 3), 350,000 options @ ` 5/- per option (Grant 4) and 8,500 options @ ` 5/- per option (Grant 5) in accordance with the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to the selected employees (including Independent Directors) of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees (including Independent Directors) who have accepted the options.

The Scheme provides that these options would vest in tranches over a period as follows:

Period within which options will vest unto the participant	Quantity
1 year from the date of grant of Options	185,000
1 year 5 months from the date of grant of Options	202,500
2 year 5 months from the date of grant of Options	442,250
2 year 9 months from the date of grant of Options	87,500
3 year 5 months from the date of grant of Options	640,500
4 year 3 months from the date of grant of Options	87,500
4 year 5 months from the date of grant of Options	78,250
5 year 9 months from the date of grant of Options	87,500
7 year 3 months from the date of grant of Options	87,500
	1,898,500

The selected employees can exercise the stock options from the date of vesting during such period not exceeding 7 years. The scheme shall be administered by the compensation committee of Board of directors.

Employee stock option activity under Scheme 2011 is as follows:

	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Outstanding at beginning of the year	1,540,000	–
(b) Granted during the year	358,500	1,540,000
(c) Lapsed during the year (re-issueable)	158,000	–
(d) Exercised during the year	147,500	–
(e) Outstanding at the end of the year:	1,593,000	1,540,000
of which Options vested and exercisable at the end of the year	29,000	–

No option have been forfeited during the year or in the previous year.

Weighted average fair value of options on the date of grant:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Grant 1	–	106.47
Grant 2	–	142.60
Grant 3	–	410.14
Grant 4	894.56	–
Grant 5	1,949.76	–

The Guidance Note on 'Accounting for employee share based payments' issued by ICAI ('Guidance Note') establishes financial accounting and reporting principles for share based payment plans for employees. The Guidance Note applies to employee share based payments, the grant date in respect of which falls on or after April 1, 2005. The Company follows the intrinsic value method to account compensation expense arising from issuance of stock options to the employees. Had compensation cost been determined under the fair value approach described in the Guidance Note using the Black Scholes Pricing Model, the Company's net income and basic and diluted earnings per share (as restated) would have been increased/decreased to the proforma amounts as set out below:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Net profit as reported in Statement of Profit and Loss	622.70	184.00
Add: Stock-based employee compensation expense (intrinsic value method), net of tax	19.48	9.84
Less: Stock-based employee compensation expense (fair value method), net of tax	(20.23)	(9.49)
Proforma net profit	621.95	184.35
Basic earnings per share as reported (₹)	56.88	16.81
Proforma basic earnings per share (₹)	56.81	16.84
Diluted earnings per share as reported (₹)	55.99	16.72
Proforma diluted earnings per share (₹)	55.92	16.75
The key assumptions used to estimate the fair value of options are:		
(a) Grant 1, Grant 2 and Grant 3		
Stock price at the time of option grant (₹ Per share)	414.00	414.00
Expected life		
First vesting	1.50	1.50
Second vesting	1.88	1.88
Third vesting	2.88	2.88
Fourth vesting	3.88	3.88
Fifth vesting	4.88	4.88
Risk free interest rate	8%	8%
Volatility	36%	36%
Weighted average exercise price (₹ Per share)	37.65	34.30
(b) Grant 4		
Stock price at the time of option grant (₹ Per share)	897.75	-
Expected life		
First vesting	3.25	-
Second vesting	4.75	-
Third vesting	6.25	-
Fourth vesting	7.75	-
Risk free interest rate	8.35%	-
Volatility	51%	-
(c) Grant 5		
Stock price at the time of option grant (₹ Per share)	1,954.20	-
Expected life		
First vesting	1.50	-
Risk free interest rate	7.86%	-
Volatility	38%	-

Weighted average exercise price for Grant 4 and Grant 5 is ₹ 5/-

Dividend yield has not been separately built in, as the stock prices for one year has been considered which factors for the price movement on account of the dividend.

42. DISCONTINUED OPERATIONS

Pursuant to Business Transfer Agreement (BTA) dated August 2, 2011, the divestment of Nutrition business on a slump sale basis to Danone was completed on July 26, 2012. The Company has received the entire consideration of ₹ 648.31 crore (including purchase price adjustment) on the aforesaid divestment. The profit on account of the aforesaid transaction amounting to ₹ 607.23 crore has been shown as 'Exceptional item'.

Details of profit/(loss) from continuing and discontinued operations:

	Continuing operations		Discontinued operations		Total	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013*	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Revenue from Operations	2,471.18	2,297.10	111.25	263.30	2,582.43	2,560.40
Other Income	45.50	19.97	0.09	0.15	45.59	20.12
Total Revenue	2,516.68	2,317.07	111.34	263.45	2,628.02	2,580.52
Total expenses other than Finance costs	1,960.75	1,615.31	87.78	204.64	2,048.53	1,819.95
Finance costs	154.37	215.36	(0.04)	(0.15)	154.33	215.21
Total expenses	2,115.12	1,830.67	87.74	204.49	2,202.86	2,035.16
Profit before exceptional items and tax	401.56	486.40	23.60	58.96	425.16	545.36
Less: Exceptional items (Gain)/Loss	(288.18)	161.65	-	-	(288.18)	161.65
Profit before tax	689.74	324.75	23.60	58.96	713.34	383.71
Tax expense	82.98	186.32	7.66	13.39	90.64	199.71
Profit after tax	606.76	138.43	15.94	45.57	622.70	184.00

* Turnover, Expenses and Profit before tax upto July 25, 2012

The carrying amount of assets and liabilities pertaining to the discontinued business are as follows:

	As at July 25, 2012	As at March 31, 2012
Total Assets	60.23	53.60
Total Liabilities	19.15	27.59

43. RELATED PARTY DISCLOSURES

(a) Parties where control exists

Wholly owned subsidiary companies (including step down subsidiaries)

1 Wockhardt UK Holdings Limited (formerly, Wockhardt UK Limited)	21 Laboratoires Negma S.A.S. (formerly, Negma Lerads S.A.S.)
2 CP Pharmaceuticals Limited	22 Wockhardt France (Holdings) S.A.S.
3 CP Pharma (Schweiz) AG	23 Esparma AG.
4 Wallis Group Limited	24 Wockhardt Holding Corp.
5 The Wallis Laboratory Limited	25 Morton Grove Pharmaceuticals, Inc.
6 Wockhardt Farmaceutica Do Brasil Ltda	26 MGP Inc.
7 Wallis Licensing Limited	27 Girex S.A.S. (liquidated on October 6, 2011).
8 Wockhardt Biopharm Limited	28 Mazal Pharmaceutique S.A.R.L. (liquidated on October 6, 2011)
9 Vinton Healthcare Limited	29 Laboratoires Pharma 2000 S.A.S. (formerly, Pharma 2000 S.A.S.)
10 Wockhardt Infrastructure Development Limited	30 Hariphar S.C. (liquidated on November 28, 2012)
11 Z&Z Services GmbH (formerly, esparma GmbH)	31 Niverpharma S.A.S.
12 Wockhardt Europe Limited	32 Negma Beneulex S.A.
13 Wockhardt Nigeria Limited	33 S.C.I. Salome (liquidated on November 14, 2012).
14 Wockhardt USA LLC w.e.f. October 3, 2008 (formerly, Wockhardt USA Inc.)	34 Phytex S.A.S.
15 Wockhardt Bio AG (formerly Wockhardt EU Operations (Swiss) AG)	35 Scomedica S.A.S. (sold on May 16, 2011).
16 Wockhardt UK Limited	36 Laboratoires Lerads S.A.S. (merged on November 28, 2012).
17 Wockhardt Cyprus Limited	37 Wockhardt Farmaceutica SA DE CV. (w.e.f. November 9, 2012)
18 Wockpharma Ireland Limited	38 Wockhardt Services SA DE CV. (w.e.f. June 21, 2012)
19 Pinewood Laboratories Limited	
20 Nonash Limited	

Holding Company

Khorakiwala Holdings and Investments Private Limited

Associate Company

Swiss Biosciences AG

(b) Other related party relationships where transactions have taken place during the year

Enterprises over which Key Managerial Personnel exercise significant influence

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Wockhardt Foundation

Fellow Subsidiary

Carol Info Services Limited

Key managerial personnel

Dr. H. F. Khorakiwala, Chairman

Dr. Huzaifa Khorakiwala, Executive Director

Dr. Murtaza Khorakiwala, Managing Director

	For the year ended March 31, 2013	For the year ended March 31, 2012
(c) Transactions with related parties during the year		
Subsidiary Companies		
Purchase of Raw material [Wockhardt Bio AG ` 0.24 crore (Previous Year - ` Nil), Pinewood Laboratories Limited ` 0.76 crore (Previous Year - ` 2.28 crore), Morton Grove Pharmaceuticals, Inc. ` Nil (Previous Year - ` 0.01 crore)]	1.00	2.29
Purchase of fixed assets from Pinewood Laboratories Limited	-	0.81
Return of fixed assets purchased from CP Pharmaceuticals Limited	0.54	-
Management and Technical fees [CP Pharmaceuticals Limited ` 0.20 crore (Previous Year - ` 0.88 crore), Wockhardt USA LLC ` 0.57 crore (Previous Year - ` 4.93 crore), Wockhardt Bio AG ` 2.85 crore (Previous Year - ` 1.42 crore), Pinewood Laboratories Limited ` 0.80 crore (Previous Year - ` 1.55 crore), Wockhardt Farmaceutica SA DE CV. ` 0.05 crore (Previous Year - ` Nil), Morton Grove Pharmaceuticals, Inc. ` 1.31 crore (Previous Year - ` 4.03 crore)]	5.78	12.81
Royalty expense [Wockhardt Biopharm Limited ` 2.33 crore (Previous Year - ` 1.73 crore), Wockhardt Bio AG ` 1.59 crore (Previous Year - ` 3.96 crore)]	3.92	5.69
Sales [Wockhardt USA LLC ` 6.32 crore (Previous Year - ` 697.16 crore), CP Pharmaceuticals Limited ` 1.31 crore (Previous Year - ` 1.97 crore), Wockhardt Bio AG ` 951.70 crore (Previous Year - ` 293.32 crore), Pinewood Laboratories Limited ` 11.67 crore (Previous Year - ` 0.31 crore), Laboratoires Negma S.A.S. ` 3.40 crore (Previous Year - ` 6.40 crore)]	974.40	999.16
Interest Income [Wockhardt Holding Corp. ` 2.77 crore (Previous Year - ` 2.35 crore), Wockhardt Bio AG ` 0.71 crore (Previous Year - ` 0.79 crore), Wockhardt Infrastructure Development Limited ` 3.26 crore (Previous Year - ` 3.32 crore)]	6.74	6.46
Utility and facility fees to Wockhardt Infrastructure Development Limited	13.32	12.18
Out licensing fees to Wockhardt Bio AG	167.77	140.00
Assignment of New Chemical Entity to Wockhardt Bio AG	100.00	-
Research and Development Services received from Pinewood Laboratories Limited	0.76	-
Lease Rent paid to Wockhardt Infrastructure Development Limited	0.09	0.09
Maintenance expenses paid to Wockhardt Infrastructure Development Limited	0.01	0.01
Land Premium to Wockhardt Infrastructure Development Limited	0.13	-
Sale of Raw materials to Pinewood Laboratories Limited	0.05	-
Capital expenditure recovered [Morton Grove Pharmaceuticals, Inc. ` 0.93 crore (Previous Year - ` 0.62 crore), Wockhardt USA LLC ` Nil (Previous Year - ` 1.10 crore), Wockhardt Farmaceutica SA DE CV. ` 0.25 crore (Previous Year - ` Nil)]	1.18	1.72

	For the year ended March 31, 2013	For the year ended March 31, 2012
Expenses recovered [Morton Grove Pharmaceuticals, Inc. ` 0.74 crore (Previous Year - ` 0.02 crore), Pinewood Laboratories Limited ` 0.01 crore (Previous Year - ` Nil), Wockhardt USA LLC ` 0.01 crore (Previous Year - ` 0.64 crore), Wockhardt Bio AG ` 0.08 crore (Previous Year - ` 0.03 crore), Wockhardt Farmaceutica SA DE CV. ` 0.68 crore (Previous Year - ` Nil), CP Pharmaceuticals Limited ` 0.04 crore (Previous Year - ` 0.05 crore), Wockhardt UK Limited ` 0.05 crore (Previous Year - ` 0.10 crore)]	1.61	0.84
Reimbursement of expenses [Morton Grove Pharmaceuticals, Inc. ` 0.17 crore (Previous Year - ` 0.01 crore), Wockhardt Bio AG ` 0.74 crore (Previous Year - ` 0.53 crore), CP Pharmaceuticals Limited ` 1.61 crore (Previous Year - ` 0.85 crore), Wockhardt UK Limited ` 1.00 crore (Previous Year - ` 0.81 crore), Wockhardt USA LLC ` Nil (Previous Year - ` 0.75 crore)]	3.52	2.95
Loans/Advances given to Wockhardt Infrastructure Development Limited	13.43	9.44
Loans/Advances recovered [Wockhardt Infrastructure Development Limited ` 13.37 crore (Previous Year - ` 10.39 crore), Wockhardt Bio AG ` 29.74 crore (Previous Year - ` Nil)]	43.11	10.39
Advances received against Export of Goods and Services from Wockhardt Bio AG	2,002.60	-
Advances adjusted against export of Goods and Services pertaining to Wockhardt Bio AG	980.62	-
Fellow Subsidiary		
Loan Licensee charges paid	7.64	17.98
Rent paid	51.13	5.34
Key managerial personnel		
Remuneration paid	1.77	5.75
[Remuneration to Chairman ` 0.57 crore (Previous Year - ` 1.85 crore), Remuneration paid to Managing Director ` 0.60 crore (Previous Year - ` 1.95 crore), Remuneration paid to Executive Director ` 0.60 crore (Previous Year - ` 1.95 crore)]		
Irreversible personal guarantee given by Chairman	-	1,128.50
Enterprise over which Key Managerial Personnel exercise significant influence		
Rent paid [Palanpur Holdings and Investments Private Limited ` 0.08 crore (Previous Year - ` 0.08 crore), Merind Limited ` 0.01 crore (Previous Year - ` 0.09 crore)]	0.09	0.17
Donation given to Wockhardt Foundation	0.64	-
Reimbursement of expenses to Merind Limited	1.76	2.06
Corporate guarantee given by Palanpur Holdings and Investments Private Limited	-	1,128.50
(d) Related party balances		
Receivable from wholly owned subsidiary companies [Z&Z Services GmbH ` 0.07 crore (Previous Year - ` 0.07 crore), Wockhardt USA LLC ` 0.56 crore (Previous Year - ` 10.10 crore), Vinton Healthcare Limited ` 0.66 crore (Previous Year - ` 0.40 crore), Wockhardt Bio AG ` Nil (Previous Year - ` 65.10 crore), Wockhardt Infrastructure Development Limited ` 52.68 crore (Previous Year - ` 52.63 crore), Pinewood Laboratories Limited ` 11.06 crore (Previous Year - ` 1.65 crore), Morton Grove Pharmaceuticals, Inc. ` 7.01 crore (Previous Year - ` 3.96 crore), Wockhardt Holding Corp. ` 63.58 crore (Previous Year - ` 59.53 crore), Laboratoires Negma S.A.S. ` 2.52 crore (Previous Year - ` 4.64 crore), Wockhardt Farmaceutica SA DE CV ` 1.01 crore (Previous Year - ` Nil)]	139.15	198.08
Payable to wholly owned subsidiary companies [Wockhardt Biopharm Limited ` 10.42 crore (Previous Year - ` 8.37 crore), CP Pharmaceuticals Limited ` 13.69 crore (Previous Year - ` 12.67 crore), Wockhardt Bio AG ` 1,019.99 crore (Previous Year - ` Nil), Wockhardt UK Limited ` 4.01 crore (Previous Year - ` 3.00 crore), Wockhardt France (Holdings) S.A.S ` 1.25 crore (Previous Year - ` 1.22 crore)]	(1,049.36)	(25.26)
Security deposit given to Wockhardt Infrastructure Development Limited	0.47	0.47
Payable to fellow subsidiary	(39.10)	(3.85)
Security deposit given to fellow subsidiary	46.50	46.50
Payable to Merind Limited	(1.85)	(1.47)
Security Deposit given to Palanpur Holdings and Investments Private Limited	2.75	2.75
Receivable from Key managerial personnel [Chairman ` 3.39 crore (Previous Year - ` 1.28 crore), Managing Director ` 0.48 crore (Previous Year - ` Nil), Executive Director ` 0.48 crore (Previous Year - ` Nil)]	4.35	1.28

44. The Company has taken office premises on operating lease. These lease and license agreements are generally for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. There are no restrictions imposed by lease arrangements. There are no subleases.

	For the year ended March 31, 2013	For the year ended March 31, 2012
Annual commitments for lease payments under non-cancellable operating leases are as follows:		
Less than one year	46.91	5.12
More than 1 year but less than five years	51.53	1.44
More than five years	0.04	0.08

45. DISCLOSURE REGARDING UNHEDGED CURRENCY EXPOSURE

- (a) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	As at March 31, 2013		As at March 31, 2012	
		Amount in Foreign Currency (in million)	in crore	Amount in Foreign Currency (in million)	in crore
Trade Receivables	ACU	0.17	0.76	0.20	0.88
	AUD	0.01	0.08	0.01	0.07
	CHF	1.67	9.53	1.17	6.59
	EUR	2.84	19.75	2.51	17.04
	GBP	0.26	2.12	1.29	10.49
	USD	38.04	206.48	34.36	174.66
Loans and Advances	EUR	5.53	38.42	2.15	14.58
	USD	17.14	93.03	19.34	98.30
	CHF	0.04	0.24	0.05	0.26
	GBP	0.17	1.42	0.05	0.38
	JPY	12.23	0.70	6.43	0.40
Trade payables and Other Liabilities	ACU	-	-	0.001	0.01
	SGD	-	-	0.001	0.005
	CAD	-	-	0.003	0.01
	CHF	2.68	15.30	2.46	13.91
	EUR	5.50	38.16	5.07	34.40
	GBP	19.53	160.54	1.92	15.68
	JPY	3.07	0.18	35.11	2.18
	USD	209.59	1,137.55	15.86	80.64
Foreign Currency Convertible Bonds	USD	-	-	41.52	211.04

46. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

- (a) Demands by Central Excise authorities in respect of Classification/Valuation/Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands which have been confirmed ` 9.62 crore (Previous Year - ` 5.18 crore). Further, demand from State excise authorities for excise duty on certain inputs disputed by the Company ` 12.55 crore (Previous Year - ` Nil).
- (b) Demand by Income tax authorities ` 47.30 crore (Previous Year - ` 41.63 crore) disputed by the Company.
- (c) Corporate Guarantee given on behalf of various subsidiaries in respect of credit facilities amounts to ` 1,068.54 crore (Previous Year - ` 1,270.75 crore).

This comprises corporate guarantee given by the Company and Wockhardt UK Holdings Limited against loan of USD 196.88 million (Previous Year - USD 250 million) amounting to ` 1,068.54 crore (Previous Year - ` 1,270.75 crore) taken by Wockhardt Bio AG in earlier years. The said loan has been rescheduled and lenders aggregating 97.95% (Previous Year - 86.8%) of the loan value have acceded to the reschedulement.

This loan availed by the subsidiary is secured by:

- (i) first ranking pari passu charge on immovable properties of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh.
- (ii) second ranking pari passu charge by way of hypothecation on all the current assets, movables, inventories and book debts of Wockhardt Limited.

Further, out of loan of ₹ 1,068.54 crore (Previous Year – ₹ 1,270.75 crore), term loan of ₹ 431.69 crore (Previous Year – ₹ 513.38 crore), in addition to aforesaid security, is also secured by :

- (i) subservient charge on movable properties of Wockhardt Limited situated at Bhimpore in Daman, Ankleshwar, L-1, D-4, Chikhalthana and Biotech Park, Waluj in Aurangabad (except book debts and current assets).
- (ii) subservient charge on movable properties of Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad.

Also, the Company has made an application to Reserve Bank of India for obtaining its approval to create a subservient charge on fixed assets of the Company situated at all locations except Baddi in Himachal Pradesh and Kadaiya in Daman.

- (d) Comfort to extend financial support, subject to certain approvals, to one of its subsidiaries towards credit facilities availed by the subsidiary, the impact of which is currently not ascertainable.
- (e) Claims against Company not acknowledged as debt in respect of local body tax ₹ 10.28 crore (Previous Year – Nil).
- (f) The Group is involved in other disputes, lawsuits, claims, inquiries and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.
- (g) Under the directions of the Hon'ble Bombay High Court, the Company has deposited USD 2.29 million (₹ 12.12 crore) in the UK Court towards the disputed portion of the claim by the FCCB holders that primarily pertains to the Withholding Tax deducted by the Company on the default interest paid to the FCCB holders u/s 196 C of Income Tax Act, 1961.
- (h) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 116.82 crore (Previous Year – ₹ 55.91 crore) after deducting advance on capital account of ₹ 40.87 crore (Previous Year – ₹ 15.97 crore).

47. Premium on redemption of preference shares will be provided for before redemption of the preference shares.

48. Previous year figures have been regrouped where necessary to conform to current year's classification.

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta

D. S. Brar

Sanjaya Baru

Aman Mehta

R. A. Shah

} Directors

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

CONSOLIDATED FINANCIAL HIGHLIGHTS

(` in crore)

YEAR-END FINANCIAL POSITION	2012-13	2011-12	2010-11	2009-10	2008	2007	2006	2005	2004	2003
Net Fixed Assets (incl. CWIP)	2,523	3,506	3,468	3,237	3,630	3,071	1,707	788	660	536
Deferred Tax Assets/(Liabilities)	24	(101)	73	47	41	(92)	(92)	(61)	(60)	(45)
Investments	3	91	90	95	93	71	-	-	-	-
TOTAL	2,550	3,496	3,631	3,379	3,764	3,050	1,615	727	600	491
Current Assets	3,490	2,656	2,073	2,172	2,964	2,011	2,002	1,361	1,254	577
Current Liabilities	1,265	1,189	912	862	1,475	887	581	365	346	275
Net Current Assets	2,225	1,467	1,161	1,310	1,489	1,124	1,421	996	908	302
Sub-Total	4,775	4,963	4,792	4,689	5,253	4,174	3,036	1,723	1,508	793
Foreign Currency Translation Reserve	(2)	24	183	158	144	26	(7)	(8)	(12)	(14)
Profit & Loss Account	-	-	-	6	-	-	-	-	-	-
TOTAL CAPITAL EMPLOYED	4,773	4,987	4,975	4,853	5,397	4,200	3,029	1,715	1,496	779
Capital										
- Equity	55	55	55	55	55	55	55	55	55	36
- Preference	298	761	745	668	-	-	-	-	-	-
TOTAL	353	816	800	723	55	55	55	55	55	36
Reserves	2,349	679	326	112	1,107	1,245	1,004	753	550	412
Net Worth	2,702	1,495	1,126	835	1,162	1,300	1,059	808	605	448
Borrowings										
- Secured	2,054	3,271	3,379	3,552	3,161	2,344	1,475	412	408	325
- Unsecured	17	221	470	466	1,074	556	495	495	483	6
TOTAL	2,071	3,492	3,849	4,018	4,235	2,900	1,970	907	891	331
TOTAL SOURCES	4,773	4,987	4,975	4,853	5,397	4,200	3,029	1,715	1,496	779
Summary of Operations (including discontinued operations)										
Sales (Excluding Excise)	5,721	4,614	3,751	4,501	3,590	2,491	1,729	1,413	1,252	942
Other Income	51	23	16	30	35	208	19	18	15	8
TOTAL INCOME	5,772	4,637	3,767	4,531	3,625	2,699	1,748	1,431	1,267	950
Material Consumed	1,814	1,682	1,516	1,973	1,360	993	668	577	522	413
Personnel Cost	663	589	550	735	632	458	269	210	189	134
Other expenses	1,128	903	776	970	812	563	392	297	270	216
EBIDTA	2,167	1,463	925	853	821	685	419	347	286	187
Interest Expense/(Income)	243	290	130	395	378	132	3	10	(2)	-
Depreciation	125	122	117	149	113	79	61	42	37	27
Profit Before Tax & Exceptional Items	1,799	1,051	678	309	330	474	355	295	251	160
Exceptional Items - loss/(gain)	(62)	474	574	1,295	581	-	61	-	-	-
PBT	1,861	577	104	(986)	(251)	474	294	295	251	160
Tax (Expense)/Credit	(266)	(235)	(8)	(16)	92	(91)	(53)	(38)	(38)	(17)
PAT	1,595	342	96	(1,002)	(159)	383	241	257	213	143
Share in Profit of Associate Companies	(1)	1	(5)	2	21	3	-	-	-	-
IMPORTANT RATIOS										
Current Assets : Liabilities	2.76	2.23	2.27	2.50	2.01	2.27	3.45	3.73	3.62	2.10
Debt : Equity	0.77	2.34	3.42	4.81	3.65	2.23	1.86	1.12	1.47	0.74
PBT/Turnover %	32.5%	12.5%	2.8%	(21.9%)	(7.0%)	19.0%	17.0%	20.8%	20.0%	17.0%
Return (PBIT) on Capital Employed %	44.1%	17.5%	4.9%	(12.6%)	2.4%	14.5%	9.8%	17.6%	16.5%	20.2%
No. of Equity Shares (in crore)	10.96	10.94	10.94	10.94	10.94	10.94	10.94	10.94	10.90	3.63
Dividend (per share)	5.00	-	-	-	-	11.25	5.00	5.00	5.00	7.50
Basic Earnings (per share)	145.6	31.3	8.3	(91.4)	(12.7)	35.3	22.0	23.5	19.6	39.3
Net Worth (per share)	246.6	136.6	102.9	76.3	106.1	118.8	96.8	73.8	55.3	123.5

Notes: (1) In the year 2004 each equity share of ` 10/- each was sub-divided into 2 equity shares of ` 5/- each and bonus shares in the ratio of 1 share for every two shares held were issued.

(2) The Figures for 2009-10 are for 15 month period ended March 31, 2010.

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

For the Year Ended March 31, 2013

Sr. No.	Name of the Subsidiary	Currency	Closing Exchange rate against Indian as on March 31, 2013	In Crore								
				Paid Up Capital	Reserves	Total Assets including investments	Total Liabilities	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend
1.	Wockhardt Biopharm Limited	`	–	18.00	(5.15)	13.04	0.19	2.33	2.13	(0.60)	2.73	–
2.	Vinton Healthcare Limited	`	–	19.83	1.51	22.47	1.13	–	1.56	0.52	1.04	–
3.	Wockhardt Infrastructure Development Limited	`	–	2.00	0.83	58.70	55.87	13.56	1.67	0.11	1.56	–
4.	Z&Z Services GmbH @	Euro (€)	69.44	0.17	(1.06)	0.80	1.69	0.07	(0.06)	–	(0.06)	–
5.	Wockhardt Europe Limited	STG (£)	82.18	10.74	(2.31)	8.44	0.01	–	(0.03)	–	(0.03)	–
6.	Wockhardt Nigeria Limited @	USD	54.28	0.43	(0.08)	0.36	0.01	–	0.31	–	0.31	–
7.	Wockhardt UK Holdings Limited	STG (£)	82.18	2.26	124.12	148.36	21.98	–	–	–	–	–
8.	CP Pharmaceuticals Limited @	STG (£)	82.18	19.99	103.71	227.07	103.37	243.10	11.93	0.64	11.29	–
9.	CP Pharmaceuticals (Schweiz) AG @	CHF	56.97	1.42	(0.30)	1.98	0.86	1.37	0.01	0.01	–	–
10.	Wallis Group Limited @	STG (£)	82.18	11.58	13.52	25.11	0.01	–	(0.04)	–	(0.04)	–
11.	The Wallis Laboratory Limited @	STG (£)	82.18	0.03	(0.03)	1.49	1.49	–	–	–	–	–
12.	Wockhardt Farmaceutica do Brazil Ltda @	USD	54.28	1.82	(1.85)	0.02	0.05	–	(0.06)	–	(0.06)	–
13.	Wallis Licensing Limited @	STG (£)	82.18	–	(7.67)	25.40	33.07	–	–	–	–	–
14.	Wockhardt USA LLC @	USD	54.28	10.86	(25.34)	1,638.79	1,653.27	2,803.62	51.03	–	51.03	–
15.	Wockhardt Bio AG# (Formerly known as Wockhardt EU Operations (Swiss) AG)	USD	54.28	263.46	3,027.84	4,786.11	1,494.81	3,872.78	1,714.28	96.45	1,617.83	–
16.	Wockhardt UK Limited @	STG (£)	82.18	0.41	55.33	383.01	327.27	679.82	10.32	2.55	7.77	–
17.	Wockhardt Cyprus Limited @	USD	54.28	0.01	(0.29)	–	0.28	–	(0.04)	–	(0.04)	–
18.	Wockpharma Ireland Limited @	Euro (€)	69.44	69.45	34.75	768.15	663.95	–	19.00	–	19.00	–
19.	Nonash Limited @	Euro (€)	69.44	0.32	19.40	19.71	–	–	(0.17)	0.89	(1.05)	0.50
20.	Pinewood Laboratories Limited @	Euro (€)	69.44	2.59	143.59	330.25	184.07	466.61	60.36	4.38	55.98	47.74
21.	Esparma AG @	CHF	56.97	0.57	(0.30)	0.28	0.01	–	(0.04)	0.01	(0.05)	–
22.	Wockhardt Holding Corp. @	USD	54.28	0.01	140.87	225.08	84.20	–	(0.01)	–	(0.01)	–
23.	Morton Grove Pharmaceuticals Inc. @	USD	54.28	185.40	173.73	474.23	115.10	354.00	32.16	31.80	0.36	–
24.	MGP Inc. @	USD	54.28	–	2.01	4.35	2.34	18.87	1.47	–	1.47	–
25.	Wockhardt France (Holdings) S.A.S. @	Euro (€)	69.44	417.32	(691.34)	453.24	727.26	–	(126.93)	(0.29)	(126.63)	–
26.	Laboratoires Pharma 2000 S.A.S. @	Euro (€)	69.44	1.27	(32.44)	30.33	61.50	34.57	(4.34)	–	(4.34)	–
27.	Laboratoires Negma S.A.S. @	Euro (€)	69.44	292.60	(0.68)	346.12	54.20	110.61	(31.61)	0.29	(31.90)	–
28.	Niverpharma S.A.S. @	Euro (€)	69.44	1.11	(25.53)	5.64	30.06	8.29	(14.36)	–	(14.36)	–
29.	Negma Beneulex S.A.S. @	Euro (€)	69.44	0.52	0.63	1.17	0.02	–	(0.01)	–	(0.01)	–
30.	Phytex S.A.S. @	Euro (€)	69.44	7.44	(6.47)	1.03	0.06	–	(0.04)	–	(0.04)	–
31.	Hariphar S.C. @★	Euro (€)	69.44	0.11	3.54	3.65	–	–	(3.95)	–	(3.95)	–
32.	S.C.I. Salome @★	Euro (€)	69.44	0.01	0.35	0.52	0.16	–	0.38	–	0.38	–
33.	Laboratoires Lerads S.A.S. @★	Euro (€)	69.44	0.26	(6.03)	1.36	7.13	0.85	(1.62)	–	(1.62)	–
34.	Wockhardt Farmaceutica SA DE CV @	USD	54.28	134.81	(12.85)	251.18	129.22	221.12	(0.55)	–	(0.55)	–
35.	Wockhardt Services SA DE CV @	USD	54.28	0.27	0.82	43.06	41.97	52.08	2.68	1.86	0.82	–

★ During the year, Laboratoires Lerads S.A.S. was merged with Wockhardt France (Holdings) S.A.S., the Holding Company, on November 28, 2012. Haripar S.C. (a subsidiary of Laboratoires Pharma 2000 S.A.S.) and S.C.I. Salome (a subsidiary of Laboratoires Negma S.A.S.) were liquidated on December 24, 2012 and December 27, 2012 respectively.

The investments made by Wockhardt Bio AG is ₹ 2.18 crore – 755,000 equity shares of Swiss Biosciences AG.

The investments made by all other subsidiary companies is only in their step-down subsidiaries, no other investments are made by these companies.

@ Inclusive of shares held through wholly owned subsidiaries.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of Subsidiary Company	Financial year to which accounts relates	Holding Company's interest as at the close of financial year of subsidiary company		Currency	Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, so far as it concerns members of Holding Company which are not dealt within the Company's accounts		Net Aggregate amount of the Profits/(Losses) of the Subsidiary so far as dealt with or provision is made for those losses in Holding Company's Accounts	
		(i) Shareholding	(ii) Extent of Holding (% age)		For the current financial year ended March 31, 2013 (in crore)	For the previous financial year/ period since it became a subsidiary (in crore)	For the subsidiary's financial year ended March 31, 2013 (in crore)	For the previous financial years till it became the subsidiary (in crore)
Wockhardt Biopharm Limited	31-Mar-13	18,000,000 Equity shares of ₹ 10/- each fully paid up	100%	₹	2.73	1.25	0.00	0.00
Vinton Healthcare Limited	31-Mar-13	10,000,000 Equity shares of ₹ 10/- each fully paid up 982,819 7% Non- Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up	100%	₹	1.04	0.23	0.00	0.00
Wockhardt Infrastructure Development Limited	31-Mar-13	2,000,000 Equity shares of ₹ 10/- each fully paid up	100%	₹	1.56	(1.73)	0.00	0.00
Z & Z Service GmbH @	31-Mar-13	Euro 3,625,000*	100%	Euro (€)	(0.06)	(0.07)	0.00	0.00
Wockhardt Europe Limited	31-Mar-13	1,307,368 Ordinary shares of £1 each	100%	STG (£)	(0.03)	(0.04)	0.00	0.00
Wockhardt Nigeria Limited @	31-Mar-13	1,500,000 Ordinary shares of Naira 10 each fully paid up	100%	USD	0.31	(0.28)	0.00	0.00
Wockhardt UK Holdings Limited	31-Mar-13	27,504,823 Ordinary shares of 1p each fully paid up	100%	STG (£)	0.00	0.00	0.00	0.00
CP Pharmaceuticals Limited @	31-Mar-13	570,000 Ordinary shares of £ 1 each 1,862,549 'A' Ordinary shares of £ 1 each	100%	STG (£)	11.29	8.51	0.00	0.00
CP Pharmaceuticals (Schweiz) AG @	31-Mar-13	250 shares of CHF 1000 each	100%	GBP	0.00	0.54	0.00	0.00
Wallis Group Limited @	31-Mar-13	1,408,667 Ordinary shares of £ 1 each	100%	STG (£)	(0.04)	(0.06)	0.00	0.00
The Wallis Laboratory Limited @	31-Mar-13	4,040 Ordinary shares of £ 1 each	100%	STG (£)	0.00	0.00	0.00	0.00
Wockhardt Farmaceutica do Brasil Ltda @	31-Mar-13	798,583.38 quotas of Brazilian Ria 1 each	100%	USD	(0.06)	(0.06)	0.00	0.00
Wallis Licensing Limited @	31-Mar-13	1 Ordinary shares of £ 1 each	100%	STG (£)	0.00	0.00	0.00	0.00
Wockhardt USA LLC @	31-Mar-13	2,000,000 Equity shares of \$ 1 each	100%	USD	51.03	29.13	0.00	0.00
Wockhardt Bio AG (Formerly known as Wockhardt EU Operations (Swiss) AG)	31-Mar-13	44,600,000 shares of CHF 1 each	100%	CHF/USD	1,617.83	356.42	0.00	0.00
Wockhardt UK Limited @	31-Mar-13	50,000 Ordinary shares of £ 1 each	100%	STG (£)	7.77	5.88	0.00	0.00
Wockhardt Cyprus Limited @	31-Mar-13	1000 Ordinary shares of CY£1 each	100%	USD	(0.04)	(0.03)	0.00	0.00
Wockpharma Ireland Limited @	31-Mar-13	10,001,000 Ordinary shares of € 1 each	100%	Euro (€)	19.00	17.64	0.00	0.00
Nonash Limited @	31-Mar-13	1) 30,100 Ordinary Shares of Euro 1.27 each 2) 100 A Ordinary Shares of Euro 1.27 each 3) 100 B ordinary Shares of Euro 1.27 each 4) 500 C ordinary shares of Euro 1.27 each 5) 1000 D Ordinary Shares of Euro 0.63 each 6) 250 E Ordinary Shares of Euro 2.54 each 7) 100 F Ordinary Shares of Euro 6.35 each 8) 2000 G ordinary Shares of Euro 0.32 each 9) 2500 H Ordinary Shares of Euro 0.25 each 10) 50 I Ordinary Shares of Euro 12.69 each 11) 10 J Ordinary Shares of Euro 63.49 each 12) 25 K Ordinary Shares of Euro 25.39 each 13) 20 L Ordinary Shares of Euro 31.74 each 14) 125 M Ordinary Shares of Euro 5.08 each	100%	Euro (€)	(1.05)	2.60	0.00	0.00

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(Contd.)

Name of Subsidiary Company	Financial year to which accounts relates	Holding Company's interest as at the close of financial year of subsidiary company		Currency	Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, so far as it concerns members of Holding Company which are not dealt within the Company's accounts		Net Aggregate amount of the Profits/(Losses) of the Subsidiary so far as dealt with or provision is made for those losses in Holding Company's Accounts	
		(i) Shareholding	(ii) Extent of Holding (% age)		For the current financial year ended March 31, 2013 (in crore)	For the previous financial year/ period since it became a subsidiary (in crore)	For the subsidiary's financial year ended March 31, 2013 (in crore)	For the previous financial years till it became the subsidiary (in crore)
Pinewood Laboratories Limited @	31-Mar-13	2,985,128 Ordinary shares of € 0.125 each 120 "A" Ordinary shares of € 1.25 each	100%	Euro (€)	55.98	47.52	0.00	0.00
Esparma AG @	31-Mar-13	100,000 Shares of CHF 1 each	100%	CHF	(0.05)	(0.05)	0.00	0.00
Wockhardt Holding Corp. @	31-Mar-13	1,100 Ordinary Shares of US\$ 1 each	100%	USD	(0.01)	(0.22)	0.00	0.00
Morton Grove Pharmaceuticals Inc. @	31-Mar-13	100 Ordinary Shares of US\$ 0.01 each	100%	USD	0.36	0.21	0.00	0.00
MGP Inc. @	31-Mar-13	100 Ordinary Shares of US\$ 0.01 each	100%	USD	1.47	0.50	0.00	0.00
Wockhardt France (Holdings) S.A.S. @	31-Mar-13	601,000 Shares of € 100 each	100%	Euro (€)	(126.63)	(208.86)	0.00	0.00
Laboratoires Pharma 2000 S.A.S. @	31-Mar-13	11,400 Shares of € 16 each	100%	Euro (€)	(4.34)	(2.98)	0.00	0.00
Laboratoires Negma S.A.S. @	31-Mar-13	275,409 Shares of € 153 each	100%	Euro (€)	(31.90)	51.65	0.00	0.00
Niverpharma S.A.S. @	31-Mar-13	10,000 Shares of € 16 each	100%	Euro (€)	(14.36)	(3.65)	0.00	0.00
Negma Benulex S.A S. @	31-Mar-13	2,976 Shares of € 25 each	100%	Euro (€)	(0.01)	0.11	0.00	0.00
Phytex S.A.S.@	31-Mar-13	7,000 Shares of € 153 each	100%	Euro (€)	(0.04)	1.19	0.00	0.00
Hariphar S.C. @ ★ ★	31-Mar-13	100 shares of € 152.45 each	100%	Euro (€)	(3.95)	(0.43)	0.00	0.00
S.C.I. Salome @ ★ ★	31-Mar-13	100 shares of € 15 each	100%	Euro (€)	0.38	0.09	0.00	0.00
Laboratoires Lerads S.A.S. @ ★ ★	31-Mar-13	740 shares of € 50 each	100%	Euro (€)	(1.62)	(2.64)	0.00	0.00
Wockhardt Farmaceutica SA DE CV @	31-Mar-13	24,838,863 Shares of MXP 1 each	100%	USD	(0.55)	-	0.00	0.00
Wockhardt Services SA DE CV @	31-Mar-13	50,000 Shares of MXP 1 each	100%	USD	0.82	-	0.00	0.00

★ ★ During the year, Laboratories Lerads S.A.S. was merged with Wockhardt France (Holdings) S.A.S., the Holding Company on November 28, 2012. S.C.I. Salome (a subsidiary of Laboratories Negma S.A.S.) and Hariphar S.C. (a subsidiary of Laboratories Pharma 2000 S.A.S.) were liquidated on November 14, 2012 and November 28, 2012 respectively.

★ As per German law, there are no shares issued. Only capital is subscribed to, which is 25,000 euros and subscription to capital reserve is 3,600,000 euros..

@ Inclusive of shares held through wholly owned subsidiaries.

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta

D. S. Brar

Sanjaya Baru

Aman Mehta

R. A. Shah

Directors

Place : Mumbai
Date : May 27, 2013

V. R. Khetan
Company Secretary

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013.

I. CONSERVATION OF ENERGY:

(1) Energy conservation measures taken:

The Company has for many years now been laying great emphasis on the Conservation of energy and has taken several measures including regular monitoring of consumption, reduction of transmission losses and improved maintenance of systems. Some of the more significant projects implemented on a continuous basis are:

- Formation of Energy Task force under the leadership of Managing Director to assess and implement various measures for conservation of energy as well as non-polluting energy resources.
- Use of Briquette Boiler in place of Furnace Oil Boiler.
- Replacing Reciprocating Chiller to Screw Chiller.
- Installation of Condensing Economiser for 8 TPH (tonnes Per Hour) Boiler.
- Sodium Lamp replacement with LED (Light Emitting Diode) light in the service floors.
- Installation of lighting transformer for API Plant.
- Temperature Controller/ PLC (Programmable Logic Controller) for optimizing the performance of Cooling Tower fans.
- Replacement of Electrical operated pump to steam operated pump.
- Provision of Auto blow down system for Boiler.
- Effective control of Boiler operating pressure to improve operation efficiency.
- Monitoring & Measuring all key power & fuel intensive equipments to analyze the consumption pattern & to initiate corrective action.
- Use of synthetic lubricants to improve life of the components and low frictional losses to improve energy saving.

(2) Additional Investments and proposals being implemented for reduction of energy consumption:

- Additional APFC (Automatic Power Factor Control) panel installed to maintain consistent unity power.
- Condensate recovery pump installed and replacement of electrical operated pump to steam operated pump.
- Reduction of Airflow from 2VVM (Volume of air per Volume of liquid per minute) to 1VVM in Fermenter.
- Auto Blow system of Boiler implemented.

(3) Impact of measures taken at (1) and (2) above:

The adoption of Energy Conservation measures of the type indicated above have resulted in significant savings, which have been reflected in the cost of production over the years.

(4) Total energy consumption and Energy Consumption per unit of production:

	Year Ended 31-03-2013	Year Ended 31-03-2012
A. Power & Fuel Consumption		
1. Electricity		
a. Purchased		
Units (in Crore)	7.14	6.16
Total Amount (₹ in Crore)	48.70	37.13
Rate/Unit (₹)	6.82	6.03
b. Own Generation		
(i) Through Diesel Generator		
Units (in Crore)	0.10	0.08
Units per litre of Diesel oil	3.10	3.21
Cost/unit (₹)	13.90	13.84

	Year Ended 31-03-2013	Year Ended 31-03-2012
(ii) Through Gas Generator		
Units (in Crore)	0.09	0.43
Units per M ³ of Gas	2.94	2.94
Cost/unit (₹)	1.78	7.95
2. Furnace Oil, LSHS, LDO & HSD		
Quantity (Kilo-litres)	2,893.74	3,144.13
Total Amount (₹ in Crore)	13.54	13.44
Average Rate (in litres)	46.80	42.76
3. Natural Gas		
Quantity (unit NM ³)(in Crore)	0.46	0.15
Total Amount (₹ in Crore)	14.72	11.89
Average Rate (₹ / 100NM ³)	3,192.00	2,356.00
4. Others		
Quantity (MT)	1,428.00	0.00
Total Amount (₹ in Crore)	0.67	0.00
Average Rate in ₹ /MT	4,688.79	0.00

B. Consumption per unit of production:

The consumption per unit depends on the product mix since it consists of different types of products. Hence, there is no specific standard.

II. TECHNOLOGY ABSORPTION:

Research & Development (R & D):

1. Specific areas in which R & D is carried out by the Company:

Spearheading Research & Development

R&D has been the strategic core of Company's success and growth in the regulated and non-regulated markets across the globe. The multidisciplinary areas of research into Complex Technology driven generic products including New Drug Delivery System (NDDS) products, New Drug Discovery Program and Biosimilar research program make Wockhardt a true hybrid organization. The Company has dedicated a lot of focus, investments and initiatives to ensure that the R&D organization stays at the threshold of latest technological advancements in the areas it operates on.

Novel Drug Delivery Systems

The Company had in previous years successfully championed the development of Extended release versions of a number of products and had delivered a spate of products including Metoprolol ER, Divalproex ER, Tamsulocin ER, etc. Continuing the trend, last year Company received approvals for products like Lamotrigine XR, Bupropion SR, Bupropion XR (150mg), Ropinirole ER, etc. R&D's current and future efforts are aligned with this philosophy of complex technology and NDDS oriented products. Additionally Wockhardt's successes with Device based products has encouraged the Company to undertake a strong focus on device based products research.

Research Efforts for Unique ANDAs Pipeline

The Company's pipeline identification entails a keen analysis on parameters like First to file, competitive scope, technological complexity, etc. to ensure a sustained business generation from those products. The Company strongly believes in moving up the technology pyramid to differentiate itself from the mass competition products and thereby

attain better business margins and market share. The Company has always endeavored to identify the requisite talent and technological upgradation to match its aspirations. The key regulated markets – US and UK where Company has a strong standing have not only significantly benefited from the R&D initiatives but also retained its position in these highly competitive markets. Last year, the Company launched 2 FTF products in USA which had a significant impact on the US revenues. During the financial year ended March 31, 2013, the Company had received 12 approvals in US & 14 in UK and had filed for 20 products in US and 16 in UK. Currently the US business markets 130 products and the Company's pipeline include 46 products pending to be approved by US FDA.

Biotechnology & Genomics Research

As a first mover in India in the field of Biotechnology and Genomics Research, Wockhardt has attained several milestones particularly in the area of diabetes treatment. Wockhardt was the first Indian Company and first Company outside US and Europe to manufacture and market its own recombinant human insulin – Wosulin. This product is approved in 31 countries and is also available in form of reusable and disposable pen, a patented Wockhardt device. In a major breakthrough Wockhardt developed and launched the long acting Insulin Analog glargine by the brand name of Glaritus in India.

New Drug Discovery Programme

The Company is working on a portfolio of New Drug Discovery products, all directed towards Anti-Infective domain. The research and clinical studies has made steady progress with regards to the planned milestones.

The global Anti Infective space has seen very little activity on new drugs development/approvals and with the emergence of new infections which are difficult to treat with the current range of drugs, the Company sees a strong opportunity with its portfolio. The WCK 771 and WCK 2349 have completed Phase 1 studies (in US) and Phase 2 studies (in India) and will be initiating Phase 3 Clinical studies during the current year.

Patents

The Company has also taken strong position in developing Intellectual property and has filed for a large number of patents. Last year, the Company filed 162 patents and was granted 52 patents. The combined pool of Company's patents has reached 1,733 filings and 206 grants. The Company was honored by Pharmaceutical Export Promotion Council (PHARMXEL) for being a leader in Patent Filing for fourth year in row.

Technology Improvement in Chemical and Pharmaceuticals:

Major technology improvement on a continuous basis is undertaken, which has resulted in cost saving.

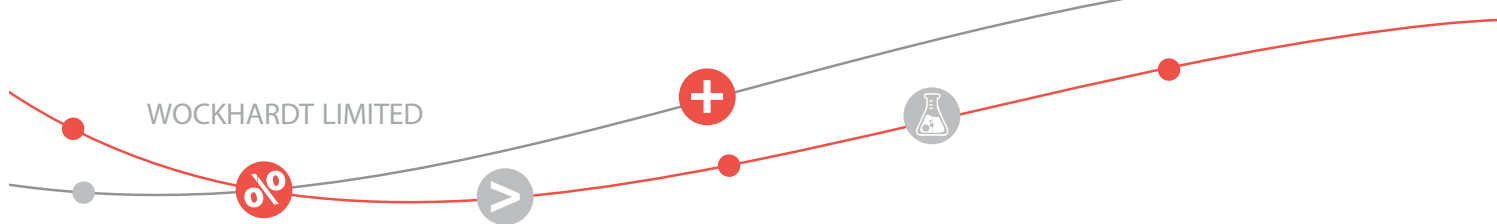
2. Benefits derived as a result of above R & D:

Manufacturing process developed in in-house R&D have commercialised at various manufacturing factories of the Company. R&D efforts have resulted in import substitution of various high value bulk drugs as well as formulations.

3. Expenditure on R & D:

(` in crore)

	Consolidated		Standalone	
	Year Ended 31-03-2013	Year Ended 31-03-2012	Year Ended 31-03-2013	Year Ended 31-03-2012
(a) Capital	21.84	20.15	18.50	17.19
(b) Revenue Expenditure Capitalised	0.00	152.62	0.00	111.96
(c) Revenue	353.97	75.27	200.97	44.67
(d) Total	375.81	248.04	219.47	173.82
(e) Total R&D expenditure as a percentage of turnover	6.70%	5.70%	8.88%	7.57%



III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company sets target for technology improvement based on global competition criteria. Wockhardt scientists undertake specific time-bound programmes to improve technology, which has upscaled gradually until desired results are achieved at the manufacturing level. The Research Scientists work in close relation with the manufacturing team to ensure smooth transfer of technology. Appropriate documents are created for quality control and this is monitored both by Wockhardt Quality control department and the Corporate Quality Assurance team.

2. Benefits derived as a result of above efforts:

- Cost reduction in an inflationary environment.
- The development of several new products and line developments.
- Substitution of imported raw materials.
- Product quality improvement and better stability.
- Export of APIs and finished formulations.

3. Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year):

The Company has not imported any technology.

IV. FOREIGN EXCHANGE EARNINGS & OUTGO:

The export income on FOB basis for the current year amounted to ₹ 1,174 crore (Previous year – ₹ 1,209 crore). The major export markets in which the Company is represented is USA and Western European countries.

(₹ in Crore)

	Year Ended 31-03-2013	Year Ended 31-03-2012
Foreign Exchange used		
(i) On input of raw materials, spare parts & capital goods	284.33	289.92
(ii) Expenditure in foreign currency for professional fees, business travels, books and periodicals membership subscription, commission on sales & R & D expenses	78.03	114.12
Total Foreign Exchange Earned	1,458.24	1,378.91
Net Foreign Exchange Earned	1,095.88	974.87

For and on behalf of the Board

DR. H. F. KHORAKIWALA
Chairman

Mumbai, May 27, 2013

ANNEXURE TO THE DIRECTORS' REPORT

DETAILS OF ESOP GRANTED AS ON MARCH 31, 2013

Your Company during the year has granted 358,500 options to 1,120 Employees/Independent Directors under the Employee Stock Option Scheme – 2011. In terms of Clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, details of options granted under the Employee Stock Option Scheme – 2011 are given below:

	Description	ESOP Grant – 2011	ESOP Grant – 2012
1.	Total number of options granted	1,540,000 options representing equal number of shares	358,500 options representing equal number of shares
2.	The pricing formula	The pricing of the options is based upon the closing market price of the shares prior to the date of grant and the performance rating of the employees. In view of this, the options had been granted at ` 5/-, at ` 365/- and ` 397/- per option.	The pricing of the options is based upon the closing market price of the shares prior to the date of grant and the performance rating of the employees. In view of this, the options had been granted at ` 5/- per option.
3.	Options Vested upto March 31, 2013	176,500	None of the options granted have been vested during the year.
4.	Options exercised upto March 31, 2013	147,500	As none of the options have been vested, no options have been exercised.
5.	Total number of shares arising as a result of exercise of option	147,500 shares of ` 5/- each. Each option entitles the holder thereof to 1 equity share.	Since no options have been exercised, this is not applicable.
6.	Options lapsed upto March 31, 2013	158,000	NIL
7.	Variations of terms of options	There has been no variation in the terms of options granted during the year.	There has been no variation in the terms of options granted during the year.
8.	Money realised by exercise of options	` 16,417,500/-	Nil
9.	Total number of options in force at the end of the year	1,234,500	358,500
10.	Details of options granted to Senior Management	No Corporate executive on the board has been granted any options.	Independent Directors on the Board have been granted 8,500 options in aggregate.
11.	Employees to whom options granted amounting to 5% or more of the total options granted during the year	Dr. Yatendra Kumar, Mr. Sirjiwan Singh, Mr. Sunil Khera and Mr. Sanjeev Mehta have each been granted 1,25,000 options @ ` 5/-, 15,000 options @ ` 365/- and 15,000 options @ ` 397 per option.	None of the employees have been granted options amounting to 5% or more of the total options granted during the year.
12.	Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	None	None
13.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Accounting Standard (AS-20)	55.99	

	Description	ESOP Grant – 2011	ESOP Grant – 2012
14.	Where the Company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	The Company has calculated employee compensation cost using the intrinsic value of the stock options. In case, the employee compensation cost would had been calculated using the fair value of the options based on Black-Scholes model, it would had been higher by ` 1 crore during the year 2012-2013 and accordingly the profit after tax would had been lower by ` 0.75 crores and Earning per share lower by ` 0.07.	
15.	Weighted Average Exercise Price and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	<p>Weighted Average Exercise Price is the same as the option exercise price.</p> <p>Weighted Average Fair value of options during the year:</p> <ul style="list-style-type: none"> • For 60,000 options having exercise price of ` 397 per option is ` 106.47/- • For 60,000 options having exercise price of ` 365 per option is ` 142.60/- • For 1,420,000 options having exercise price of ` 5 per option – ` 410.14/- 	<p>Weighted Average Exercise Price is the same as the option exercise price.</p> <p>Weighted Average Fair value of options during the year:</p> <ul style="list-style-type: none"> • For 350,000 options having exercise price of ` 5/- per option is ` 894.56/- • For 8,500 options having exercise price of ` 5/- per option is ` 1949.76/-

A description of the method and significant assumptions used during the year to estimate the fair value of options is given below:

- Fair value calculated by using Black-Scholes option pricing formula.
- Stock Price: The closing price on NSE as on the date prior to the date of grant has been considered for valuing the options granted.
- Volatility amount: This is the amount by which stock price is fluctuated or is expected to fluctuate. The method used in the model is the annualized Standard Deviation of the continuously compounded rates of return on the stock over a period of 12 months.
- Risk free interest rate: The yield on government securities at the time of grant of options, is the basis of this rate and has been taken as:
 - 8% – which was the then prevailing rate for 2011 grant
 - 8.35% – for grant dated 27th June 2012
 - 7.86% – for grant dated 7th March 2013
- Expected Life: The exercise period given for the option granted is one year from date of vesting. For the fair value determination, it has been assumed that on an average the exercise of options will take place at the end of six months from the date of vesting.
- Expected Dividend: As the stock prices for one year have been considered, the price movement on account of the dividend, is already factored in and hence not separately built in.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to do business in an efficient, responsible, honest and ethical manner. The core values of Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The Company is committed to learn and adopt the best practices of corporate governance. It is the Company's endeavour to attain highest level of governance to enhance the stakeholder's value.

2. BOARD OF DIRECTORS

(a) Composition and other related matters

The Board consists of an optimal combination of Executive and Independent Non-Executive Directors, representing a judicious mix of in-depth knowledge and experience.

During the year 2012-2013, following changes took place in the Board of Directors:

- Dr. Abid Hussain passed away on June 21, 2012
- Dr. Sanjaya Baru and Mr. Davinder Singh Brar were appointed as Non-Executive Independent Directors of the Company w.e.f. August 6, 2012
- Mr. Bharat Patel ceased to be a Director w.e.f. September 13, 2012.

The present strength of the Board is thus 8 (eight) Directors comprising 3 (three) Executive Directors and 5 (five) Non-Executive Independent Directors.

The composition of the Board, details of other directorships, committee positions as on March 31, 2013 and attendance of directors at the Board meetings and at the Annual General Meeting held during the year under review are given in the table below:

Name of the Director	Category of Directorship	Number of Directorships held in other companies ⁽¹⁾	Number of committee positions held in other companies ⁽²⁾		Attendance at	
			Chairman	Member	Board Meetings	Last Annual General Meeting (September 13, 2012)
Dr. H. F. Khorakiwala Chairman	Executive	2	None	None	5	Yes
Mr. Shekhar Datta	Non-Executive Independent	3	None	2	4	Yes
Dr. Sanjaya Baru**	Non-Executive Independent	1	None	None	2	No
Mr. Davinder Singh Brar**	Non-Executive Independent	2	None	4	3	Yes
Mr. Aman Mehta	Non-Executive Independent	5	3	1	5	Yes
Mr. R. A. Shah	Non-Executive Independent	14	4	4	5	Yes
Dr. Abid Hussain [#]	Non-Executive Independent	7	None	4	1	Not Applicable
Mr. Bharat Patel [@]	Non-Executive Independent	4	None	1	2	No
Dr. Huzaifa Khorakiwala Executive Director	Executive	4	None	1	5	Yes
Dr. Murtaza Khorakiwala Managing Director	Executive	4	3	None	5	Yes

[#] Dr. Abid Hussain passed away on June 21, 2012. Hence, the number of other directorships and committee positions given in the table are as on date of cessation.

^{**} Dr. Sanjaya Baru and Mr. Davinder Singh Brar were appointed as Additional (Non-Executive Independent) Directors of the Company w.e.f. August 6, 2012.

[@] Mr. Bharat Patel ceased to be a Director w.e.f. September 13, 2012. Hence, the number of other directorships and committee positions given in the table are as on date of cessation.

(1) The number of directorships excludes Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Alternate Directorships.

(2) This includes the Chairmanships/Memberships only in the Audit Committee and Shareholders' Grievance Committee of all listed and unlisted public limited companies.

As will be seen from the above table, none of the Directors hold directorships in more than 15 public limited companies nor any of them is a member of more than ten committees of the prescribed nature or holds Chairmanship of more than five such committees across all public limited companies in which they are directors.

Selection and appointment of new Directors

The Board takes decisions for selection and induction of any new member on the Board. The process of selection of new Directors on the Board is dependent on the various factors viz. expertise, skills, attributes, personal and professional backgrounds and their ability to attend meetings in India.

Inter-se relationships among directors

Dr. Huzaifa Khorakiwala and Dr. Murtaza Khorakiwala are sons of Dr. H. F. Khorakiwala. Except for this, there are no inter-se relationships among the directors.

(b) Board Meetings and Procedures

Board meetings are held at least once in every quarter and the time gap between two meetings is not more than four months, thereby complying with applicable statutory requirements. During the financial year ended March 31, 2013, Five (5) Board Meetings were held on May 22, 2012, August 6, 2012, September 13, 2012, November 14, 2012 and February 14, 2013.

The Board is regularly apprised and informed of important business-related information. The agenda papers are circulated in advance to all the Board members. The following information is furnished to the Board on periodic basis:

- Annual operating plans, budgets and capital budgets
- Quarterly, half yearly and annual results of the Company its operating divisions or business segments
- Minutes of the meetings of Audit Committee and other committees of the Board
- Detailed presentations of progress on Research and Developments and new drug discoveries
- Information on recruitment and remuneration of key managerial personnel and senior executives below the Board level
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company
- Issues which involve public or product liability claims of substantial nature
- Details of joint venture or collaboration agreements entered by the Company
- Transactions which involve substantial payment towards, or impairment of goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions or any significant development in Human Resource/ Industrial relations front
- Significant sale of investments, subsidiaries which are not in normal course of business
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Post meeting follow up mechanism

The important decisions taken at Board and Committee meetings are communicated to the respective departments after the meetings for the implementations of the decisions taken at the board.

(c) Details of Directors seeking re-appointment

The details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49(IV) (G) of the Listing Agreement are provided in the Notice of Annual General Meeting and forms part of this Annual Report.

3. AUDIT COMMITTEE

(a) Composition and Meetings

The composition of Audit Committee is in compliance with the requirements of Section 292A of the Companies Act and Clause 49 of the Listing Agreement.

As on March 31, 2013, the Audit Committee comprises of Five Non-Executive Independent Directors. During the year 2012-2013, consequent to the changes in Board of Directors referred above, the constitution of Audit Committee was also changed.

During the year 2012-2013, the Audit Committee met four (4) times on May 22, 2012, August 6, 2012, November 14, 2012 and February 14, 2013.

The constitution of the Committee and the particulars of attendance at the committee meetings are given below:

Name of the Director/ Member	Designation	Category	Profession	No. of Meetings Attended
Mr. Shekhar Datta	Chairman	Non-Executive Independent	Business Professional	3
Dr. Sanjaya Baru **	Member	Non-Executive Independent	Economist	2
Mr. Davinder Singh Brar **	Member	Non-Executive Independent	Business Professional	1
Mr. Aman Mehta	Member	Non-Executive Independent	Business Professional	4
Mr. R. A. Shah	Member	Non-Executive Independent	Solicitor	4
Dr. Abid Hussain #	Member	Non-Executive Independent	Consultant	1
Mr. Bharat Patel *	Member	Non-Executive Independent	Business Professional	2

** Dr. Sanjaya Baru and Mr. Davinder Singh Brar were appointed as members of the Committee w.e.f. September 13, 2012.

Dr. Abid Hussain passed away on June 21, 2012.

* Mr. Bharat Patel ceased to be member of the Committee w.e.f. September 13, 2012.

Mr. Vijay Khetan, Company Secretary acts as a Secretary to the Audit Committee.

The Chairman of the Audit Committee, Mr. Shekhar Datta was present at the Annual General Meeting of the Company held on September 13, 2012.

The statutory auditors, Head of Internal Audit and Head of Finance are invited to attend and participate at the meetings.

(b) Terms of reference

The terms of Reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the provisions of Clause 49(II) of the Listing Agreements with the Stock Exchanges which inter-alia includes oversight of financial reporting process, reviewing the quarterly results and annual financial statements, recommending appointment/re-appointment of auditors, fixation of audit fees, approval of payment to auditors for any other services, discussion of audit plan, reviewing accounting policies and practices, adequacy of internal controls and internal audit systems, discussions with internal auditors on any significant findings and follow up action, reviewing related party transactions, risk management policies and practices, investments made by subsidiaries and internal audit reports.

4. INVESTORS GRIEVANCE COMMITTEE

(a) Composition and meetings

The Investors Grievance Committee aims at redressing shareholders complaints such as transfer of shares, non-receipt of shares, non-receipt of dividends etc.

As on March 31, 2013, the Investors Grievance Committee comprises of Four (4) Non-Executive Independent Directors. During the year 2012-2013, consequent to the changes in Board of Directors referred above, the constitution of Investor Grievance Committee was also changed.

During the year 2012-2013, four meetings of the Committee were held on May 22, 2012, August 6, 2012, November 14, 2012 and February 14, 2013.

The constitution of the Committee and the particulars of attendance at the committee meetings are given below:

Name of the Director/ Member	Designation	Category	Profession	No. of Meetings Attended
Mr. Shekhar Datta	Chairman	Non-Executive Independent	Business Professional	3
Dr. Sanjaya Baru**	Member	Non-Executive Independent	Economist	2
Mr. Davinder Singh Brar**	Member	Non-Executive Independent	Business Professional	1
Mr. Aman Mehta@	Member	Non-Executive Independent	Business Professional	2
Mr. R. A. Shah	Member	Non-Executive Independent	Solicitor	4
Dr. Abid Hussain #	Member	Non-Executive Independent	Consultant	1
Mr. Bharat Patel *	Member	Non-Executive Independent	Business Professional	2

** Dr. Sanjaya Baru and Mr. Davinder Singh Brar were appointed as members of the Committee w.e.f. September 13, 2012.

Dr. Abid Hussain passed away on June 21, 2012.

* Mr. Bharat Patel ceased to be member of the Committee w.e.f. September 13, 2012.

@ Mr. Aman Mehta ceased to be member of the Committee w.e.f. November 14, 2012.

Mr. Vijay Khetan, Company Secretary is Secretary to the Committee as well as Compliance Officer pursuant to Clause 47(a) of the Listing Agreement.

(b) Investor Complaints and redressal

During the year 2012-2013, 124 complaints were received from the shareholders and the same were duly resolved as per the summary given below:

Nature of communication	Received	Resolved
Non-Receipt of Dividend Warrants	19	19
Non-Receipt of Share Certificates	98	98
Non-Receipt of Annual Report	5	5
Non-Receipt of Bonus Share Certificate	2	2

As on March 31, 2013, no complaint was pending.

The Company maintains continuous interaction with Link Intime India Private Limited, Registrar & Transfer Agent and takes proactive steps and action for resolving complaints/queries of the shareholders/investors and takes initiatives in solving critical issues.

5. REMUNERATION COMMITTEE

(a) Terms of reference, Composition

The terms of reference of Remuneration Committee includes review and recommendation for fixation and revision of remuneration packages of Executive Directors on the Board.

During the year 2012-2013, one meeting of Remuneration Committee was held on May 22, 2012.

The constitution of Committee and particulars of attendance at the meeting of the Committee are given below:

Name of the Director/Member	Designation	Category	No. of Meetings Attended
Mr. R. A. Shah *	Chairman	Non-Executive Independent	1
Mr. Shekhar Datta	Member	Non-Executive Independent	Nil
Dr. Sanjaya Baru **	Member	Non-Executive Independent	N.A
Mr. Davinder Singh Brar **	Member	Non-Executive Independent	N.A
Mr. Bharat Patel #	Member	Non-Executive Independent	1

* Mr. R. A. Shah was appointed as Chairman of the Committee w.e.f. September 13, 2012.

** Dr. Sanjaya Baru and Mr. Davinder Singh Brar were appointed as members of the committee w.e.f. September 13, 2012.

Mr. Bharat Patel ceased to be Chairman of the Committee w.e.f. September 13, 2012.

(b) Remuneration Policy

The Company's remuneration policy is structured in line with the trend in the Indian Pharmaceutical industry. The remuneration policy of the Company for managerial personnel is primarily based on the criteria like performance of the Company, potential, experience and performance of individual managerial personnel and external environment.

(c) Remuneration of Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the Remuneration Committee as per the Remuneration Policy of the Company, within the limits fixed and approved by the shareholders in the general meeting. The remuneration to Non-Executive Directors comprises of sitting fees and commission. The Non-executive Directors are paid sitting fees of ₹ 20,000/- for each meeting of the Board, Audit Committee and Investor Grievance Committee attended by them. The table below gives the details of the remuneration paid/payable to each director for the financial year ended March 31, 2013. During the financial year ended March 31, 2013, the Company did not advance any loans to the Directors.

Name of the Director	Material Pecuniary relationship with the Company, if any	Tenure	No. of equity shares held by non-executive director & their relatives	Remuneration for the financial year ended March 31, 2013 (₹ in crore)		
				Sitting fees	Salary & Perquisites	Total
Dr. H. F. Khorakiwala	Promoter	Upto February 28, 2015	N.A.	—	2.588	2.588
Mr. Shekhar Datta	None	N.A.	1,600	0.020	—	0.020
Dr. Sanjaya Baru	None	N.A.	Nil	0.012	—	0.012
Mr. Davinder Singh Brar	None	N.A.		0.010	—	0.010
Mr. Aman Mehta	None	N.A.	Nil	0.022	—	0.022
Mr. R. A. Shah	None	N.A.	73,000	0.026	—	0.026
Dr. Abid Hussain	None	N.A.	Nil	0.006	—	0.006
Mr. Bharat Patel	None	N.A.	Nil	0.012	—	0.012
Dr. Huzaifa Khorakiwala	Promoter	Upto March 30, 2014	N.A.	—	0.960	0.960
Dr. Murtaza Khorakiwala	Promoter	Upto March 30, 2014	N.A.	—	0.960	0.960

Notes:

1. No commission is being paid to Executive and Non-Executive Directors, in view of inadequate profits during the year ended March 31, 2013.
2. There is no provision for payment of severance fees and no performance linked incentives are paid to any director. The notice period is governed by service rules of the Company.
3. The remuneration of Dr. H. F. Khorakiwala, Dr. Huzaifa Khorakiwala and Dr. Murtaza Khorakiwala is exclusive of contribution to Provident Fund by the Company.
4. Under Wockhardt Employee Stock Option Scheme – 2011, the ESOS Compensation Committee has granted 8,500 stock options to five Non-Executive Independent Directors of the Company namely Mr. Shekhar Datta, Dr. Sanjay Baru, Mr. Davinder Singh Brar, Mr. Aman Mehta and Mr. R. A. Shah. Details of number of options granted to each Director is given in the Annexure to Director's Report. Each option is convertible into 1 fully paid up equity share of ₹ 5/- each. The options would be vested after one year from date of grant i.e. on March 7, 2014. The options can be exercised within a period of 1 year from date of vesting. The disclosure pursuant to SEBI (ESOS and ESPS) Guidelines, 2009 is annexed to Director's Report forming part of Annual Report.

6. OTHER COMMITTEES OF THE BOARD

Apart from committees statutorily required, the Board has formulated certain committees and has delegated some specific powers to the Committees. Each Committee has its role, composition, scope and powers. The Minutes of these Committee meetings are placed before the Board for their ratification and approval. The Board has constituted following three Committees:

- Credit Facilities Committee
- Share Allotment Committee
- ESOS Compensation Committee

— **CREDIT FACILITIES COMMITTEE**

The Board has constituted Credit Facilities Committee for availing, renewing, enhancing, restructuring and rescheduling fund based and non-fund based credit facilities including term loans from banks/financial institutions/bodies corporate. The Committee comprises of three Executive Directors viz. Dr. H. F. Khorakiwala – Chairman, Dr. Murtaza Khorakiwala – Managing Director and Dr. Huzaifa Khorakiwala – Executive Director. During the year 2012-2013, two meetings of the Credit Facilities Committee were held and the same were attended by all the Committee members.

— **SHARE ALLOTMENT COMMITTEE**

The Board has constituted Share Allotment Committee for allotment of preference shares pursuant to scheme of CDR, redemption of said preference shares, debentures and for allotment of equity shares pursuant to exercise of stock options. The Committee comprises of three Executive Directors viz. Dr. H. F. Khorakiwala – Chairman, Dr. Murtaza Khorakiwala – Managing Director and Dr. Huzaifa Khorakiwala – Executive Director. During the year 2012-2013, six meetings of the Share Allotment Committee were held and the same were attended by all the Committee members.

— **ESOS COMPENSATION COMMITTEE**

As per SEBI (Employee Stock Option Scheme and Employee Stock Option Purchase) Guidelines 1999, the Board has constituted ESOS Compensation Committee consisting of Dr. H. F. Khorakiwala, Chairman and two Non-Executive Independent Directors viz. Mr. Shekhar Datta and Mr. R. A. Shah. The role of ESOS Compensation Committee consists of administration and monitoring the implementation of Employee Stock Option Scheme – 2011 of the Company. The Committee is responsible for determining the employees eligible for participation in the scheme, number of options to be issued to the employees, directors, determination of vesting period and exercise period of the options issued under the Scheme and other incidental matters pertaining to the Employee Stock Option Scheme – 2011 of the Company. During the year 2012-2013, two meetings of ESOS Compensation Committee were held and the same were attended by all the members of the Committee.

7. GENERAL BODY MEETINGS

(a) Details of last three Annual General Meetings are as under:

Financial Year/ Period ended	Day, Date and Time of AGM	Location
March 31, 2012	Thursday, September 13, 2012 at 3.00 p.m.	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.
March 31, 2011	Monday, September 12, 2011 at 3.00 p.m.	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.
March 31, 2010	Monday, September 20, 2010 at 3.30 p.m.	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.

(b) Special Resolutions passed in the previous three Annual General Meetings:

Three special resolutions were passed unanimously by show of hands in the Annual General Meeting held on September 13, 2012 as per the details given below:

1. Approval of payment of remuneration to Dr. Habil F. Khorakiwala, Chairman for a period of three financial years starting from the financial year April 1, 2012.
2. Approval of payment of remuneration to Dr. Huzaifa Khorakiwala, Executive Director for a period of three financial years starting from the financial year April 1, 2012.
3. Approval of payment of remuneration to Dr. Murtaza Khorakiwala, Managing Director for a period of three financial years starting from the financial year April 1, 2012.

Two Special Resolutions were passed unanimously by show of hands in the Annual General Meeting held on September 12, 2011 to:

1. Grant, offer, issue and allot under Wockhardt Employee Stock Option Scheme-2011 (“**ESOP Scheme**”) not exceeding 25,00,000 (Twenty Five Lakh Only) options convertible into 25,00,000 (Twenty Five Lakh Only) equity shares of face value of ₹ 5/- each, to permanent employees and/or Directors of the Company.
2. Grant, offer, issue and allot under Wockhardt Employee Stock Option Scheme-2011 (“**ESOP Scheme**”) not exceeding 25,00,000 (Twenty Five Lakh Only) options convertible into 25,00,000 (Twenty Five Lakh Only) equity shares of face value of ₹ 5/- each, to eligible employees or Directors of Subsidiary Companies of the Company and/or Holding Company of the Company.

One Special Resolution was passed unanimously by show of hands in the Annual General Meeting held on September 20, 2010 for re-appointment of Dr. Habil F. Khorakiwala, as Whole-Time Director designated as “Chairman” of the Company, for a period of 5 (five) years with effect from March 1, 2010.

(c) Postal Ballot:

During the year 2012-2013, no resolution was passed through postal ballot.

No special resolutions are proposed to be passed through postal ballot at the ensuing Annual General Meeting.

8. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year ended March 31, 2013 is published separately in this Annual Report and forms part of the report.

9. DISCLOSURES

(a) Related party disclosures

During the year under review, there were no materially significant related party transactions i.e transactions of material nature with its promoters, directors, management or their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The Independent Directors on the Company’s Board, apart from receiving sitting fees and stock options, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board affect the independence of judgment of the Directors. The register of contracts/arrangements containing the transactions in which the Directors are interested is placed before the Board regularly for its approval and is signed by the Directors present at the meeting. Statement in summary form of transactions with related parties is placed before the audit committee for review. In compliance with Accounting Standard 18, transactions with related parties are disclosed in the notes to Accounts.

(b) Compliance

The Company has established procedures to enable its Board to periodically review compliance of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances. The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authorities relating to the above.

(c) Code of Business Conduct and Ethics

The Company has laid down a “Code of Business Conduct and Ethics” for the Directors and the senior management personnel. The Code has been posted on the website of the Company www.wockhardt.com. All Board members and senior management personnel have affirmed compliance with the Code for the year ended March 31, 2013. A declaration to this effect signed by Dr. Murtaza Khorakiwala, Managing Director forms part of this report as Annexure I.

(d) CEO/CFO Certification

In terms of requirements of clause 49(V) of the listing agreement, Dr. Murtaza H. Khorakiwala, Managing Director and Mr. Giridhar Sanjeevi, Chief Financial Officer have made certification to the Board in the prescribed format for the year under review. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on May 27, 2013.

(e) Risk Management Policy

The Company has defined and adopted a Risk Management Policy, and the Head of Internal Audit assesses the risks and lays down the procedure for mitigation of the risks. The above facilitates not only in risk assessment and timely rectification but also helps in minimization of risk associated with any strategic, operational, financial and compliance risk across all business operations. These control procedures and systems ensure that the Board and the audit committee are periodically informed on the material risks faced by the Company and the steps taken by the Company to mitigate those risks.

(f) Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements of clause 49 of the listing agreement relating to corporate governance. The Company has adopted the non-mandatory requirements of the clause 49 of the listing agreement pertaining to the constitution of remuneration committee, shareholders' rights and whistle blower policy.

(g) The Company has not raised any funds through any public, rights or preferential issue.

10. MEANS OF COMMUNICATION

- **Website:** The Company's website www.wockhardt.com contains the separate section for Investors wherein the updated information pertaining to quarterly, half-yearly, yearly, annual financial results, official press releases, the investor presentations, code of conduct, shareholding pattern is available in a user friendly and downloadable form.
- **Financial Results:** The quarterly, half yearly and annual results of the Company are submitted to the stock exchanges immediately after being approved by the Board. The results of the Company are published in one English daily newspaper (The Free Press Journal) and one Marathi newspaper (Navshakti) within 48 hours of approval thereof and are also posted on Company's website www.wockhardt.com.
- **Annual Report:** Annual Report containing inter-alia Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report is circulated to members and others entitled thereto.
- **Chairman's Communication:** The Chairman's speech is placed on the website of the Company.
- **Designated Exclusive Email ID:** The Company has designed Email ID investorrelations@wockhardt.com exclusive for shareholders/investor servicing.

11. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Mr. Virendra Bhatt, Practicing Company Secretary regarding compliance of conditions of corporate governance for the financial year ended March 31, 2013 forms part of this report.

12. VOLUNTARY GUIDELINES ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Ministry of Corporate Affairs (MCA) had constituted voluntary guidelines on Corporate Social Responsibility in 2009.

Dr. Huzaifa Khorakiwala is the backbone for the Corporate Social Responsibility activities carried out by the Company and his contribution towards society through Wockhardt Foundation is significant. Dr. Huzaifa Khorakiwala is also CEO and Founder of Wockhardt Foundation which is a national, secular, non-profit organization engaged in social service and human welfare activities. Wockhardt Foundation operates 14 social programmes through its dedicated group of people. Some of the major programmes are:

- **Mobile 1000** – To provide free primary health care to the doorsteps of the rural & remote India through mobile health vans.
- **Mobile 1000 eye** – Preventing avoidable blindness.
- **Mobile 1000 urban** – To provide primary health care in urban slum localities through mobile health vans.
- **Mobile 1000 ambulances** – To provide critical care in emergencies through ambulances.
- **HIV/AIDS(WHARF)** – To combat HIV/AIDS through awareness, capacity building & nutrition supplements.
- **Dr. Health** – To spread awareness on various social cause.
- **Swasthya Jaanch** – To provide low cost medical solutions with best quality and accuracy.
- **POSHAK** – To provide supplement to fight malnutrition in malnourished children, HIV Positive children, pregnant and lactating mothers.
- **Arogya Kendra** – To serve rural community through professional health care delivery.
- **SHUDHU** – It is water purification tablet and very economical which purifies 20 litres of water in 30 minutes.

Further, Wockhardt Foundation has received a certificate of “Commitment to Action” from President Bill Clinton for its Mobile 1000 programme. The Foundation has also won the Award – “India’s most admired Foundation in social innovation: Right to Vision Program” at the 4th Annual Pharmaceutical Leadership Awards 2011. Wockhardt Foundation has now been empanelled in the Tata Institute of Social Sciences (TISS) NCSR HUB and now is eligible to partner with all PSU Companies for their CSR projects. Dr. Huzaifa Khorakiwala also received “Rajiv Gandhi Global Excellence Award” for significant contribution in economic and social development of the Country.

GENERAL SHAREHOLDER INFORMATION

1. ANNUAL GENERAL MEETING

Day, Date and Time	Monday, September 2, 2013 at 3.00 p.m.
Venue	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.

2. FINANCIAL YEAR AND TENTATIVE FINANCIAL CALENDAR

The Financial Year of the Company is April 1 to March 31.

Tentative Financial reporting for the Financial Year 2013-14 is as under:

Results of Quarter ending June 30, 2013	On or before August 14, 2013
Results of Quarter ending September 30, 2013	On or before November 14, 2013
Results of Quarter ending December 31, 2013	On or before February 14, 2014
Results for year ending March 31, 2014	On or before May 30, 2014
Annual General Meeting for the year ending March 31, 2014	On or before September 30, 2014

3. BOOK CLOSURE DATE

The Register of Members (preference and equity) and the Share Transfer books (preference and equity) will remain closed from August 24, 2013 to September 2, 2013 (both days inclusive) for the purpose of declaration of preference and equity dividend.

4. DIVIDEND PAYMENT DATE

The preference and equity dividend, if declared, will be paid to the preference shareholders/members within 30 days from the date of Annual General Meeting.

5. LISTING ON STOCK EXCHANGES

(A) Equity Shares	1. Bombay Stock Exchange Limited (BSE) 2. National Stock Exchange of India Limited (NSE)
(B) Global Depository Receipts (GDRs)	Luxembourg Stock Exchange

The Company has paid the annual listing fees for the year 2013-2014 to all the above stock exchanges.

6. STOCK CODES

(a) Stock code

Bombay Stock Exchange Limited (BSE) : 532300
National Stock Exchange of India Limited (NSE) : WOCKPHARMA

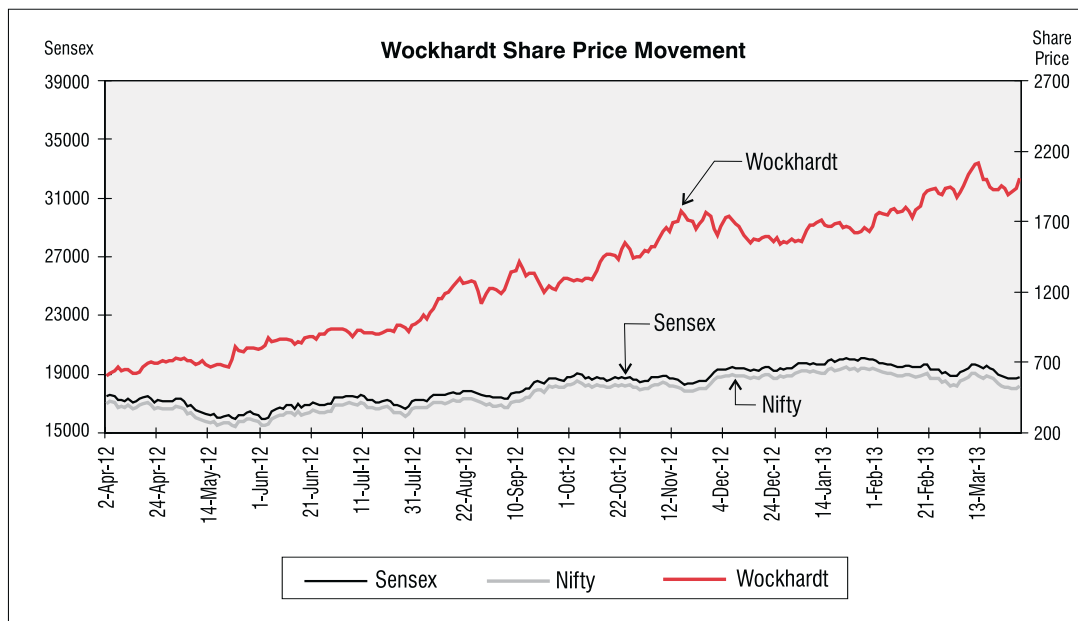
(b) Corporate Identity Number (CIN) : L24230MH1999PLC120720

7. MARKET PRICE DATA: High/Low and number of shares traded during each month in the financial year 2012-2013 on NSE and BSE

Month	NSE			BSE		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April 2012	732.00	597.00	5,145,933	732.40	597.65	2,425,648
May 2012	832.70	632.00	18,000,790	832.80	631.00	8,792,962
June 2012	941.70	795.00	11,433,224	940.00	793.40	5,749,351
July 2012	984.00	878.00	6,825,669	982.20	880.15	3,168,397
August 2012	1324.00	974.20	14,036,010	1325.00	974.45	5,836,594
September 2012	1439.70	1170.00	1,660,658	1437.85	1164.85	362,363
October 2012	1585.00	1255.00	1,537,926	1575.00	1251.00	445,784
November 2012	1830.00	1477.70	1,627,412	1827.00	1477.00	316,680
December 2012	1750.00	1510.10	1,049,655	1749.95	1504.00	227,114
January 2013	1746.50	1544.00	1,407,396	1747.55	1543.05	475,567
February 2013	1975.00	1682.35	1,452,891	1965.00	1677.85	274,542
March 2013	2168.80	1833.45	3,644,872	2166.05	1830.90	934,807

Source: website of BSE and NSE

8. Stock Price Performance Index in comparison with BSE Sensex and NIFTY



Source: website of BSE and NSE

9. REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400 078

Tel : (022) 25946970 -78

Fax : (022) 25946969

Email : wockhardt@linkintime.co.in

Website : www.linkintime.co.in

10. SHARE TRANSFER SYSTEM

The shares in dematerialized mode are transferable through depositories. The shares in physical mode lodged for transfer are processed by Registrar & Transfer Agents. In order to expedite the process of share transfers, the Board has delegated the powers severally to Chairman, Managing Director and Company Secretary. The Company Secretary looks after share transfer, transmission, issue of duplicate share certificates, split and consolidation of shares on weekly basis. The share transfer requests received at the Registrars & Transfer Agents are normally processed and delivered within 15 days from the date of lodgement if the documents are complete in all respects. Requests for dematerialization of shares are processed and the confirmation is given to depositories within 15 days from receipt if the documents are in order.

11. PROHIBITION OF INSIDER TRADING

The Company has formulated code for prohibition of insider trading in conformity with applicable regulations of SEBI. Necessary procedures has been laid down for Directors, officers, designated employees for dealing in the securities of the Company. The policies and procedures are periodically communicated to the employees who are considered as insiders of the Company. The Directors, employees are communicated well in advance for closure of trading windows/blackouts/quiet periods when they are not permitted to trade in the securities.

12. STATUTORY AUDITORS

The Board has recommended to the shareholders, the re-appointment of Haribhakti & Co. as auditors. Haribhakti & Co. has furnished declaration confirming their independence as well as the arm's length relationship with the Company as well as declaring that they have not taken up any non-audit assignments for the Company. The Company believes that Haribhakti & Co., Statutory Auditors has gained extensive knowledge of diversified business of the Company which is essential to ensure audit quality and objectivity. Robust internal control systems and risk management framework, review of Auditors' performance by Audit Committee and peer review of the Audit firm, are some of the important factors that prevent audit failures. Mr Shailesh Haribhakti has signed the audit report for 2012-13 on behalf of Haribhakti & Co.

13. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

Number of Equity Shares	No. of Shareholders	% of total Shareholders	Amount in `	% of total amount
1 – 500	30,952	86.51	14,494,795	2.65
501 – 1000	3,550	9.92	11,389,485	2.08
1001 – 2000	560	1.57	4,033,580	0.74
2001 – 3000	168	0.47	2,157,290	0.39
3001 – 4000	91	0.25	1,595,925	0.29
4001 – 5000	69	0.19	1,612,360	0.29
5001 – 10000	124	0.35	4,530,595	0.83
Above 10000	264	0.74	508,102,985	92.73
TOTAL	35,778	100.00	547,917,015	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2013

Categories	Number of shares	Amount in `	% to total paid-up capital
Promoters	80,585,382	402,926,910	73.54
Directors/relatives of Directors	121,600	608,000	0.11
Financial Institutions	11,478	57,390	0.01
Banks	11,030	55,150	0.01
Mutual Funds	1,128,142	5,640,710	1.03
Insurance Companies	2,407,548	12,037,740	2.20
Foreign Institutional Investors	9,943,671	49,718,355	9.07
Bodies Corporates	1,529,771	7,648,855	1.40
Non Resident Indians	261,878	1,309,390	0.24
Shares Representing GDRs	150,978	754,890	0.14
Public	13,196,564	65,982,820	12.04
Clearing Member	232,579	1,162,895	0.21
Trusts	2,782	13,910	0.00
TOTAL	109,583,403	547,917,015	100.00

Note: During the year, paid up share capital of the Company has been increased by 147,500 shares on account of allotment of shares pursuant to exercise of stock options.

The details of Top Ten shareholders (non-promoters) as on March 31, 2013 are as follows:

S. No.	Name of the Shareholder	No. of Shares	% of holding
1.	Life Insurance Corporation of India	2,231,148	2.04
2.	Laxmi Shivanand Mankekar	2,099,843	1.92
3.	Morgan Stanley Asia (Singapore) Pte	692,248	0.63
4.	Stichting Pensioenfond ABP	565,512	0.52
5.	Vanguard Emerging Markets Stock Index Funds	564,063	0.51
6.	Deutsche Securities Mauritius Limited	559,124	0.51
7.	Amal Niranjana Parikh	500,000	0.46
8.	Goldman Sachs Investments (Mauritius) Limited	499,477	0.46
9.	Amundi Funds Equity India	450,000	0.41
10.	Morgan Stanley Investment Management (Singapore) Pte	354,956	0.32

14. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are compulsorily traded in electronic form and are available for trading with both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2013, 108,377,698 equity shares representing 98.90% of the Company's total paid-up capital were held in dematerialized mode. Out of public holding of 28,847,043 equity shares, 27,657,238 equity shares representing 95.88% of public holding is in dematerialized mode. The International Securities Identification Number (ISIN) assigned to Company's equity shares is **INE049B01025**.

15. STATUS OF UNCLAIMED DIVIDENDS

Dividends of the Company for the financial years which remain unpaid were transferred to the Investor Education and Protection Fund (IEPF) as and when due, pursuant to relevant provisions of Companies Act, 1956. As per guidelines unpaid Dividend once transferred to Investor Education and Protection Fund (IEPF) cannot be claimed and accordingly dividend declared upto financial year 2004 have been transferred to IEPF Account.

The following are details of unpaid dividend which are still in unpaid Dividend account and will be transferred to the IEPF as per the details given in the table below:

Financial Year	Type of Dividend	Date of Declaration	Due date of transfer to IEPF
2005	Final	30-June-2006	04-August-2013
2006	Interim	08-Mar-2007	12-April-2014
2007	Interim	29-Oct-2007	27-Nov-2014
2007	Final	28-April-2008	02-June-2015

16. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

Number of outstanding Global Depository Receipts (GDRs) as on March 31, 2013 are 150,978 representing 150,978 equity shares of ` 5/- each constituting 0.14% of paid-up capital of the Company. As on March 31, 2013, 121,454,927 Optionally Convertible Redeemable Preference Shares (Series 2) allotted pursuant to the approved CDR package are outstanding. The Series-2 Preference Share holders shall have the right to convert the Optionally Convertible Cumulative Redeemable Preference shares, along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at a price to be calculated as per the SEBI pricing formula prevalent at the time when the Preference Shareholders are entitled for conversion. The Series-2 Optionally Convertible Cumulative Redeemable Preference shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. As regards to Optionally Convertible Cumulative Redeemable Preference Shares, it is not possible to ascertain the likely impact on equity, as the conversion will take place on the price of equity shares and SEBI pricing formula prevalent at the time when the Preference Shareholders are entitled for conversion. There will be no impact of conversion of GDR's as the Company has allotted the underlying shares.

17. EQUITY SHARE CAPITAL HISTORY OF THE COMPANY SINCE INCORPORATION UPTO 31ST MARCH 2013

Date of allotment	No. of equity shares	Cumulative No. of equity shares	Face value (in `)	Consideration	Nature of allotment	Cumulative share capital (in `)
11.02.2000	35,061,652	35,061,652	10	Allotted to the shareholders of Wockhardt Life Sciences Ltd. in the ratio of 1:1 i.e. one equity share of the Company for every one equity share Wockhardt Life Sciences Ltd. held by them	Pursuant to scheme of demerger of Wockhardt Life Sciences Limited and acquisition of pharmaceuticals division by the Company	350,616,520
22.04.2000	1,200,000	36,261,652	10	Allotted to the shareholders of Wockhardt Veterinary Limited in the ratio of 1:4 i.e. one equity share of the Company for every four equity shares of Wockhardt Veterinary Limited	Pursuant to amalgamation of Wockhardt Veterinary Limited with the Company	362,616,520
14.08.2002	3,600	36,265,252	10	Cash	ESOP allotment	362,652,520
07.01.2003	2,700	36,267,952	10	Cash	ESOP allotment	362,679,520
16.09.2003	16,700	36,284,652	10	Cash	ESOP allotment	362,846,520
14.10.2003	5,550	36,290,202	10	Cash	ESOP allotment	362,902,020
25.11.2003	1,700	36,291,902	10	Cash	ESOP allotment	362,919,020
31.12.2003	3,950	36,295,852	10	Cash	ESOP allotment	362,958,520
15.01.2004	15,350	36,311,202	10	Cash	ESOP allotment	363,112,020
23.02.2004	9,700	36,320,902	10	Cash	ESOP allotment	363,209,020
05.04.2004	9,450	36,330,352	10	Cash	ESOP allotment	363,303,520
24.04.2004	1,650	36,332,002	10	Cash	ESOP allotment	363,320,020

Date of allotment	No. of equity shares	Cumulative No. of equity shares	Face value (in `)	Consideration	Nature of allotment	Cumulative share capital (in `)
07.05.2004	—	72,664,004	5	Sub-division of 36,332,002 shares of Face Value ` 10/- each to Face Value ` 5/- each.	Sub-division of shares of Face Value ` 10/- each to Face Value ` 5/- each.	363,320,020
08.05.2004	36,332,002	108,996,006	5	Bonus shares	Allotment of bonus shares in the ratio of 1:2	544,980,030
21.01.2005	70,350	109,066,356	5	Cash	ESOP allotment	545,331,780
21.02.2005	29,550	109,095,906	5	Cash	ESOP allotment	545,479,530
14.03.2005	25,350	109,121,256	5	Cash	ESOP allotment	545,606,280
06.04.2005	17,250	109,138,506	5	Cash	ESOP allotment	545,692,530
09.06.2005	4,149	109,142,655	5	Cash	ESOP allotment	545,713,275
12.09.2005	13,299	109,155,954	5	Cash	ESOP allotment	545,779,770
13.10.2005	141,397	109,297,351	5	Cash	FCCB Conversion	546,486,755
09.11.2005	2,250	109,299,601	5	Cash	ESOP allotment	546,498,005
11.01.2006	81,000	109,380,601	5	Cash	ESOP allotment	546,903,005
28.02.2006	39,450	109,420,051	5	Cash	ESOP allotment	547,100,255
28.04.2006	5,850	109,425,901	5	Cash	ESOP allotment	547,129,505
16.08.2006	10,002	109,435,903	5	Cash	ESOP allotment	547,179,515
19.12.2012	122,200	109,558,103	5	Cash	ESOP allotment	547,790,515
21.01.2013	25,300	109,583,403	5	Cash	ESOP allotment	547,917,015

18. ADDRESS FOR CORRESPONDENCE

Shareholders should address their correspondence to the Company's Registrar, Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai 400 078; Tel Nos. 022 25946970-78; Fax No.: 022 25946969; Email: wockhardt@linkintime.co.in

Shareholders can also address their correspondence to Mr. Vijay Khetan, Company Secretary at the Registered Office of the Company at Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel No. 022 26534444; Fax: 022 2652 7860; Email: investorrelations@wockhardt.com

Shareholders holding shares in dematerialized form are requested to intimate their correspondence relating to their Bank details, ECS mandates, nominations, power of attorney, change of address etc. to their respective Depository Participant.

19. PLANT LOCATIONS

Formulation Plants		Bulk Drugs
L-1, MIDC Area Chikalthana, Aurangabad - 431210 Maharashtra	Plot No. 87-A, Silver Industrial Estate, Patiala Road, Bhimpore, Nani Daman - 396210	Plot No. 138, GIDC Industrial Estate, Ankleshwar - 393002, Dist. Bharuch, Gujarat, India (including Chepalosporin Bulk)
E-1/1, MIDC, Shendra Aurangabad - 431210 Maharashtra	Survey No. 106/4,5,7 Daman Industrial Estate, Kadaiya, Nani Daman - 396210	
Plot No. H-14/2 Waluj Industrial Area, MIDC, Waluj, Aurangabad - 431136 Maharashtra	57, Kunjhal, Barotiwala, Nalagarh, District Solan, Himachal Pradesh - 174103	

For and on behalf of Board of Directors

DR. H. F. KHORAKIWALA
Chairman

Mumbai, May 27, 2013

ANNEXURE TO CORPORATE GOVERNANCE REPORT**AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT AND BUSINESS ETHICS**

Pursuant to the requirements of clause 49(l) (D) of the listing agreement, I hereby confirm that the Company has received affirmations on compliance with code of conduct and business ethics for the financial year ended March 31, 2013 from all the Board Members and the Senior Management Personnel.

For **WOCKHARDT LIMITED**
DR. MURTAZA KHORAKIWALA
Managing Director

Mumbai, May 27, 2013

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members of **Wockhardt Limited**

We have examined the compliance of Corporate Governance by **Wockhardt Limited** for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

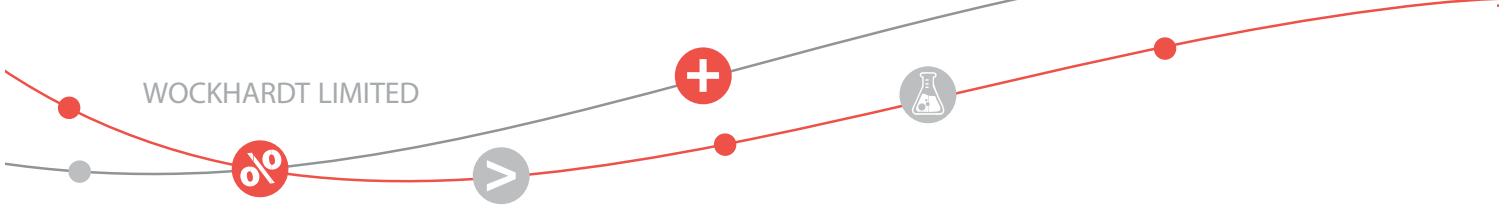
The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

In our opinion and to the best of our information and according to the explanation given to us and is based on the representations, made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreements.

We further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

VIRENDRA BHATT
Practicing Company Secretary
ACS No.: 1157; CP No.: 124

Place : Mumbai
Date : May 27, 2013



NOTES

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Company Secretary

- V R Khetan

Auditors

- Haribhakti & Co.

Solicitors

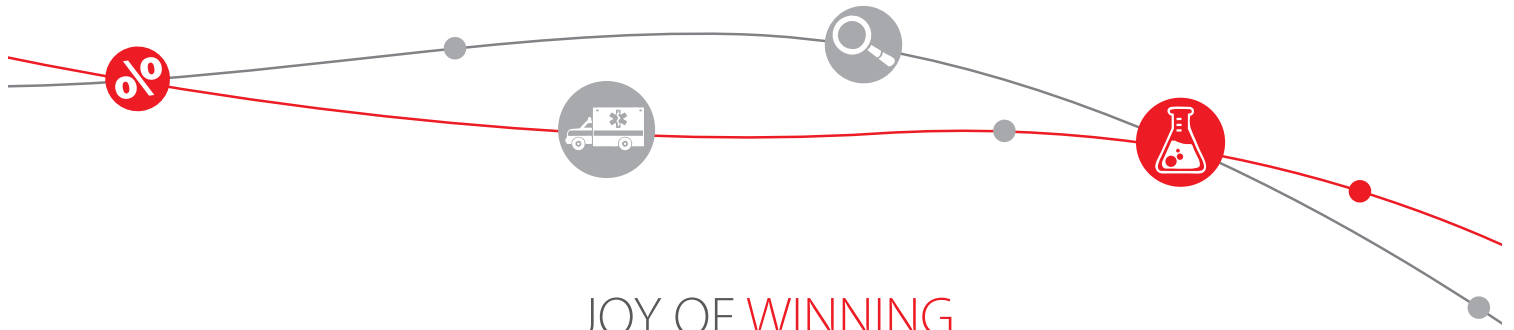
- Crawford Bayley & Co.
- Amarchand & Mangaldas & Suresh A. Shroff & Co.
- Majmudar & Partners

Bankers

- ICICI Bank
- State Bank of India

Registered Office

Wockhardt Limited,
Wockhardt Towers,
Bandra Kurla Complex
Bandra (East)
Mumbai 400051
India



JOY OF WINNING

Lifetime Achievement Award



▶ Dr. Habil Khorakiwala, Founder Chairman and Group CEO, Wockhardt, was conferred with the prestigious Frost & Sullivan 'Lifetime Achievement Award', in appreciation of his exemplary contribution in transforming the Indian Pharmaceutical and Healthcare Industry.

Best Enterprise Award



◀ Dr. Murtaza Khorakiwala, Managing Director, Wockhardt, received the 'Best Enterprise Award' by the Europe Business Assembly for Wockhardt's outstanding achievements in the Global Pharmaceutical Industry.

Rajiv Gandhi Global Excellence Award



▶ Dr. Huzaifa Khorakiwala, Executive Director, Wockhardt and CEO, Wockhardt Foundation, was bestowed with the 'Rajiv Gandhi Global Excellence Award' for playing a prominent role in the social development of the country.

Most Promising Young Woman Award



◀ Ms. Zahabiya Khorakiwala, Managing Director, Wockhardt Hospitals, was honoured as the 'Most Promising Young Woman in Indian Business' for blazing new trails in business and setting an example for others to follow.



Enhancing Quality of Life

WOCKHARDT WORLDWIDE

GLOBAL HEADQUARTERS

Wockhardt Limited
Wockhardt Towers,
Bandra Kurla Complex
Bandra (East) Mumbai - 400 051,
Maharashtra, India
Tel: +91 22 2653 4444
Fax: +91 22 2652 2929

RESEARCH CENTRES

Wockhardt Research Centre
D4, MIDC, Chikalthana,
Maharashtra - 431 210, India.
Tel: +91 240 6632222
Fax: +91 240 2485242
Morton Grove Pharmaceuticals Inc.
6451 Main Street
Morton Grove,
Illinois 60053-2633, USA
Tel: +1 847 9675600
Fax: +1 847 9672211
Wockhardt UK Ltd.
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF
Wales, UK
Tel: +44 1978 661261
Fax: +44 1978 660130

INTERNATIONAL GROUP COMPANIES

Wockhardt Bio AG.
Baarerstrasse 43
6300 ZUG, Switzerland
Tel: +41 41 7275220
Fax: +41 41 7275221
Wockhardt USA LLC
20 Waterview Boulevard, 3rd Floor
Parsippany NJ 07054 - 1271, USA
Tel: +1 973 2574960
Fax: +1 973 2574961
Wockhardt UK Ltd.
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261
Fax: +44 1978 660130
Pinewood Healthcare
Ballymacarbry, Clonmel
Co. Tipperary, Ireland
Tel: +353 52 6186000
Fax: +353 52 6136311
Laboratoires Negma
10 rue Paul Dautier
78141 Velizy Cedex, France
Tel: +33 1 39258080
Fax: +33 1 39258070
Morton Grove Pharmaceuticals Inc.
6451 Main Street
Morton Grove, Illinois 60053 - 2633, USA
Tel: +1 847 9675600
Fax: +1 847 9672211



MANUFACTURING PLANTS

Wockhardt Limited
B-15/2, MIDC Waluj,
Maharashtra - 431136, India.
Tel: +91 240 6636400
Fax: +91 240 6636444

Wockhardt Limited
H-14/2, MIDC,
Area Waluj,
Maharashtra - 431136, India.
Tel: +91 240 6626444
Fax: +91 240 6626333

Wockhardt Limited
L-1, MIDC, Chikalthana
Maharashtra - 431210, India.
Tel: +91 240 6637444
Fax: +91 240 6637333

Wockhardt Limited
E-1/1, MIDC, Shendra
Maharashtra - 431201, India.
Tel: +91 240 6617444
Fax: +91 240 6617333

Wockhardt Limited
87-A, Silver Industrial Estate,
Bhimpore, Nani Daman,
Daman 396210, India
Tel: +91 260 6610300/6610330

Wockhardt Limited
106-4/5/7, Daman Industrial Estate,
Kadaiya, Nani Daman,
Daman 396210, India.
Tel: +91 260 6531306

Wockhardt Limited
138, GIDC Estate,
Ankleshwar -393002,
Gujarat, India.
Tel: +91 2646 661444
Fax: +91 2646 661555

Wockhardt Limited
P.O. Barotiwala, District Solan,
Himachal Pradesh 174103, India.
Tel: +91 1795 664444
Fax: +91 1795 664242

Wockhardt UK Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261
Fax: +44 1978 660130

Pinewood Healthcare
Ballymacarbry, Clonmel
Co. Tipperary, Ireland
Tel: +353 52 6186000
Fax: +353 52 6136311

Morton Grove Pharmaceuticals Inc.
6451 Main Street
Morton Grove, Illinois 60053-2633,
USA
Tel: +1 847 9675600
Fax: +1 847 9672211