

# CHAIRMAN'S SPEECH

FIFTEENTH ANNUAL GENERAL MEETING

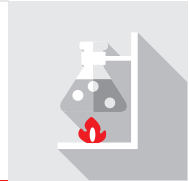
15<sup>th</sup> September, 2014

## INSIGHTS

LEAD TO OPPORTUNITIES



 **WOCKHARDT**  
Enhancing Quality of Life



**Dr. Habil Khorakiwala**  
Founder Chairman  
& Group CEO

My dear shareowners,  
friends and distinguished guests,

I welcome you to the 15th Annual General Meeting of Wockhardt Limited.

We have had a challenging year. And the fuller impact of the regulatory impositions on two of our manufacturing facilities in India will possibly trickle down to the current year.

However, as Albert Einstein said, "In the middle of difficulty lies opportunity." The insight that quality reigns supreme, has given us the opportunity to adopt quality as a culture across the organisation.

We have implemented comprehensive remedial measures at all levels to ensure regulatory compliance. These include a thorough review of processes and procedures, reexamining of strategies, recruitment of senior quality control professionals, training, automation and increasing the management bandwidth of the organisation. In fact, we are working towards a zero-defect manufacturing organisation.

We are confident that this approach towards our quality policy will ensure that we regain all regulatory approvals in the near future and set us back firmly on the path of growth.



Financial Year  
2013-14  
Some salient  
points

Consolidated revenues stood at ₹ 4830 crore and Profit After Tax at ₹ 841 crore. Also, your Company

has emerged stronger with Net Debt at ₹ 206 crore compared to ₹ 974 crore in FY 2012-13. Net Debt to Equity Ratio stands at 0.05 as against 0.36 as of March 31, 2013. Interest and financing cost has been pared down by 61% from ₹ 215 crore in FY 2012-13 to ₹ 83 crore in FY 2013-14.

Wockhardt's international business accounted for 79% of total revenues in FY 2013-14, validating your Company's insight into global markets as an opportunity. Our US business, where we filed 17 ANDAs with US FDA, accounted for 45% of total revenues. We launched 4 new products in UK, 12 new products in the Irish market, 26 new products in India.

Looking ahead, the outlook is positive, the mood upbeat and the enthusiasm infectious.

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R&D  
A fountainhead  
of ideas

To paraphrase eminent physicist and cosmologist Stephen Hawking's words, "Scientists are the torchbearers of discovery in our quest for

knowledge.” As a research-based organisation, Wockhardt has always focused strongly on and invested in talent and technology to build world-class Research & Development capabilities. Not surprisingly, we are amongst industry leaders in terms of R&D expenditure as a percentage of total sales. In FY 2013-14, our R&D expenditure of ₹ 450 crore at 9.3% of total sales is almost 20% higher over last year's R&D spend of ₹ 376 crore at 6.7% of total sales.

In three cutting-edge research facilities across India, UK and US, around 850 scientists are engaged in multi-disciplinary research programmes creating an asset base of Intellectual Property (IP). In FY 2013-14, we filed 271 patents and were awarded 50 patents. This takes our cumulative patents filed to 2001 and patents granted to 259. I am proud to say that we have won the Government of India and Pharmexcil award for maximum patents granted, for the 5th consecutive year.

R&D will remain critical to our long-term strategy for sustainable growth. At a recent in-company strategy meeting, we have decided the course of action and areas of focus for the next several years. Our R&D programmes will focus on unique pharmaceutical technology and

basic research in drug discovery, especially in antibiotics and biologicals. The future of these areas offers multi-billion dollar opportunities.

The course is set, the momentum rising, and the commitment passionate. R&D is and will remain at the core of your Company's business model.

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Social  
Commitment  
Rising above  
responsibility

I am motivated by Mahatma Gandhi's profound words, "The simplest acts of kindness are by far more powerful than a thousand heads bowing in prayer." At Wockhardt, a deep sense of social commitment drives its numerous initiatives to provide succour and relief to the needy sections of society. Leveraging its capital, human and knowledge resources, Wockhardt's social commitment is a voluntary mission based on the conviction that healthy communities are happy communities. Our year-round initiatives like Mobile Health Vans, Medical Screening and Treatment Camps, Health Education Programmes, Bio-Toilets, Water Purification

Tablets, Toy Libraries etc. have touched the lives of over 16.5 million people in the current year.

Team  
Wockhardt  
An inspiration

One of our biggest assets isn't reflected in our balance sheet. I refer to the committed and passionate, multi-ethnic workforce of over 8,600 people from 21 nationalities that comprises Team Wockhardt worldwide. I salute their spirit that motivates them to constantly deliver their best and surpass themselves. It is this work culture that enables Wockhardt to attract and retain talent across divisions, roles and functions all over the world. My appreciation of Team Wockhardt is aptly expressed by Helen Keller's beautiful words, "Alone we can do so little, together we can do so much."



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Insights  
lead to  
opportunities

I would like to conclude with some good news that validates an early insight that your Company acted upon. The global Anti-Infective Vacuum that now threatens developed and developing countries alike, was anticipated well before the world started to sit up and take notice. Based on this insight, we started our Anti-infective programme 17 years back in 1997, with a single-minded focus on developing next generation antibiotics targeting unmet medical needs.

I am proud to announce that your Company is the first Indian pharmaceutical company to have received the coveted Qualified Infectious Disease Product (QIDP) status from US FDA for two of its anti-infective drugs, WCK 771 and WCK 2349. The QIDP status allows for fast-track clinical trial protocol and review of the drug application by US FDA. It not only paves the way for an early launch but also grants a 5-year extension to the drug patents in USA. These two drugs will be conducting their global Phase-3 clinical trials early next year;



and are effective against life-threatening Methicillin-Resistant Staphylococcus Aureus (MRSA) gram positive organism.

In conclusion, we have all the right ingredients for a very bright future. Team Wockhardt is passionate and fully committed and raring to go. We certainly will cover new grounds and scale new peaks in the years to come. You would be proud to know that our subsidiary, Wockhardt Bio AG, is the first Indian company to be listed in Switzerland on the Berne Stock Exchange.

Finally, I and my Board of Directors would like to place on record our sincere thanks to all Wockhardt shareowners, associates, the medical and financial communities, and our vendor associates for the continued support, cooperation and good wishes.

God bless us all.



Dr. Habil Khorakiwala

Founder Chairman & Group CEO





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