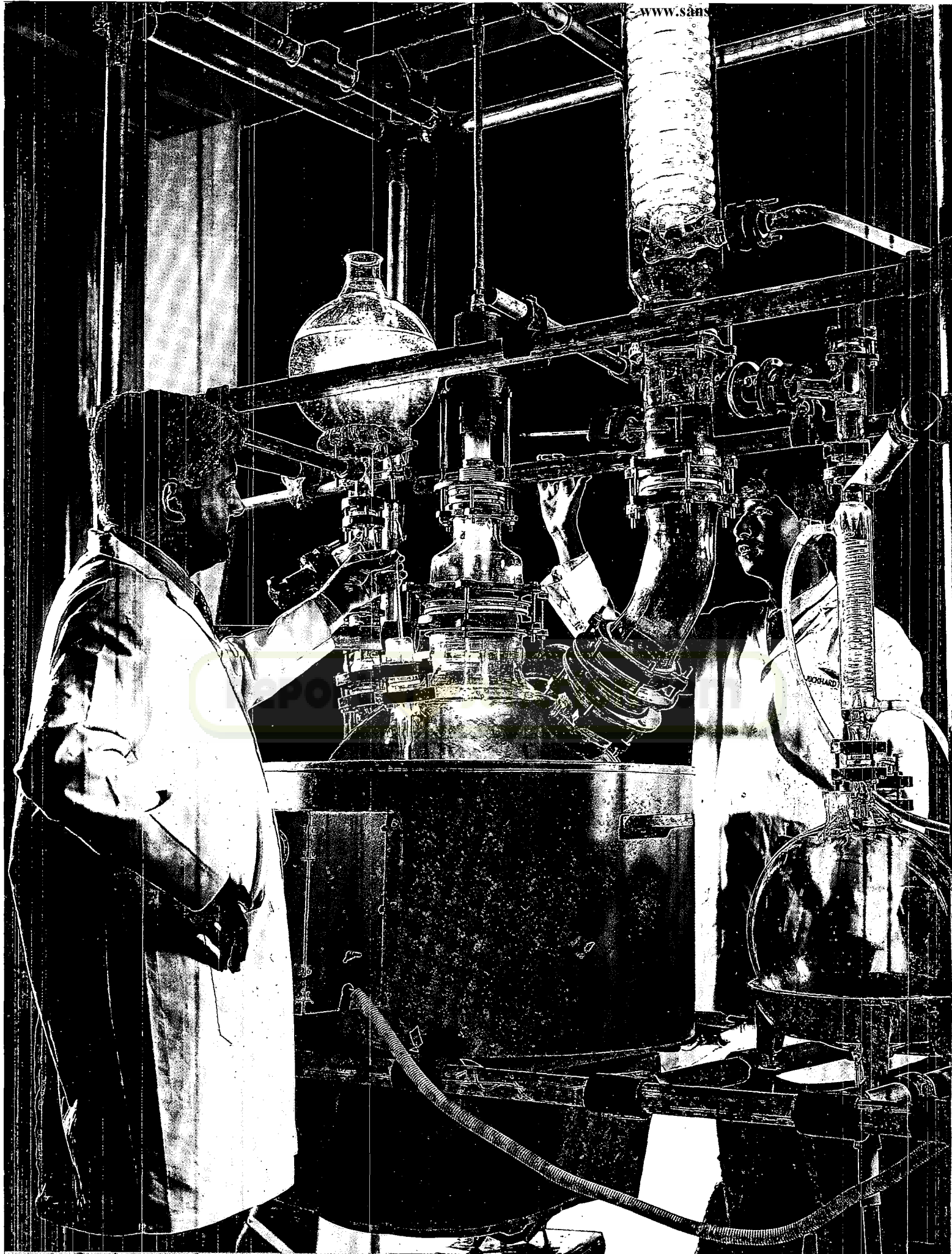




WOCKHARDT
A Picture of Health



Wockhardt's competitive edge in Bulk Pharmaceutical Chemicals comes from its innovative technology that makes high quality products at a low cost.



WOCKHARDT LIMITED

Registered Office: Ready Money Terrace, 2nd Floor, 167, Dr. Annie Besant Road, Worli, Mumbai 400 018

PROXY FORM

I/We
 of
 being a member/members of the above named Company, hereby appoint

 of
 or failing him
 of

as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at 3.30 p.m. on Wednesday, 17th December, 1997 and at any adjournment thereof.

Signed

Date :

Revenue
Stamp
of
30 Ps.

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

----- TEAR HERE -----

WOCKHARDT LIMITED

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (in Block Letters)	Member's Folio Number
Name of Proxy (in Block Letters) (To be filled in if the proxy attends instead of the Member)	

No. of Shares held

I hereby record my presence at the Seventeenth Annual General Meeting at the Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 on Wednesday, 17th December, 1997 at 3.30. p.m.

 Member's/Proxy's Signature

Note: The copy of the Annual Report may please be brought to the meeting hall.



WOCKHARDT LIMITED

Notice

Notice is hereby given that the Seventeenth Annual General Meeting of the members of WOCKHARDT LIMITED will be held at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021, on Wednesday, 17th December, 1997, at 3.30 pm. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1997, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference Shares and Equity Shares.
3. To appoint a Director in place of Dr. G B Parulkar who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Abid Hussain who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification/s, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company, be and is hereby accorded to the appointment of Mr. Habil F Khorakiwala as Chairman and Managing Director of the Company, for a period of 5 (five) years with effect from 1st October, 1997, on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment within the limits specified in Schedule XIII to the Companies Act, 1956, as existing or as modified or re-enacted from time to time by the Government of India and as may be agreed to between the Board of Directors and Mr. Habil F Khorakiwala.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year closing on or after 1st July, 1997, the Company shall pay Mr. Habil F Khorakiwala, in respect of such financial year, remuneration by way of salary,

dearness allowance, perquisites and any other allowances as the Board of Directors may deem fit within the limits prescribed in Section 2 of part II of Schedule XIII of the Companies Act, 1956, as existing or as modified or re-enacted from time to time by the Government of India.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution."

7. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary, from the appropriate authorities or bodies and subject to such terms, conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and subject to such terms, conditions and alterations which the Board of Directors of the Company (hereinafter referred to as the 'Board'), be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorised to issue, offer and allot Redeemable Preference Shares of the face value of Rs. 10/- each of an aggregate value of upto Rs. 30 crores (Rupees Thirty Crores), inclusive of such premium, if any, as may be determined by the Board, in one or more private offerings including private placement in Indian Markets to investors (whether institutions/banks and/or incorporated bodies (including companies) and/or other body corporate and/or trusts and/or mutual funds and/or local bodies and/or any combination thereof) and whether or not such investors are Members of the Company, on such terms and conditions and in such tranche as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to determine as to when the said Preference Shares are to be issued, the type or types of the Preference Shares to be issued, the types and classes of investors to whom the Preference Shares are to be offered, the number and value of the Preference Shares to be issued in each tranche, the terms or the combination of terms subject to which the Preference Shares are to be issued (including combination of terms for Preference Shares issued at various points of time), including but not limited to terms relating to dividend, premium on redemption or premature or early redemption at the option of the Company and/or the investors, terms and rate of dividend and all such terms as are provided in offerings of like nature.

WOCKHARDT LIMITED

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable, and pay any fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the Preference Shares and utilisation of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Wholtime Director or Directors or any other officer of the Company to give effect to the aforesaid Resolutions."

8. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorised share capital of the Company be and is hereby increased from Rs. 75,00,00,000/- (Rupees Seventy Five Crores) divided into 7,50,00,000 unclassified shares of Rs. 10/- each to Rs. 1,00,00,00,000/- (Rupees One Hundred Crores) divided into 10,00,00,000 unclassified shares of Rs. 10/- each by creation of 2,50,00,000 unclassified shares of Rs. 10/- each ranking *pari passu* with the existing unclassified shares and that in clause V of the Memorandum of Association of the Company for the words and figures "The Authorised Share Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five crores only) divided into 7,50,00,000 (Seven crore fifty lacs) unclassified shares of Rs. 10/- each." the following shall be substituted.

The authorised share capital of the Company is Rs. 1,00,00,00,000/- (Rupees One Hundred crores only) divided into 10,00,00,000 (Ten crores) unclassified shares of Rs. 10/- each."

9. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the

Articles of Association of the Company be and is hereby altered as follows:

By deleting the existing Article 3 and substituting in its place the following as Article 3:

The authorised share capital of the Company is Rs. 1,00,00,00,000/- (Rupees One Hundred crores) divided into 10,00,00,000 (Ten crores) unclassified shares of Rs. 10/- each."

10. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval from the Central Government the authority be and is hereby accorded to the Board of Directors to appoint Mr. Huzaifa H Khorakiwala, a relative of the Chairman and Managing Director, Mr. H F Khorakiwala, as Marketing Manager – International Business to hold an office of profit under the Company, for a period of five years with effect from 1st January, 1997 pursuant to the terms and conditions including remuneration as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified in the explanatory statement.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation or re-enactment by the Central Government to Section 314 of the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including the salary, perquisites, allowances, etc. within such prescribed limit or ceiling without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution."

BY ORDER OF THE BOARD

R. B. GANDHI
Company Secretary

Registered Office:
Ready Money Terrace,
167, Dr. Annie Besant Road,
Worli,
Mumbai 400 018

Mumbai, September 10, 1997.



WOCKHARDT LIMITED

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
2. If the dividend, as recommended by the Board of Directors is declared at the meeting, the payment will be made to those shareholders, whose names are on the Company's Register of Members as on 2nd December, 1997. The payment will be made on or after 18th December, 1997.
3. The explanatory statement as required under Section 173(2) of the Companies Act, 1956, in respect of item Nos. 6, 7, 8, 9 & 10 is annexed hereto.
4. Proxies in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
5. Members are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary atleast seven days before the date of the meeting, so that the information required by the Members can be made available at the meeting.
7. In terms of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, the Company has transferred the unpaid/unclaimed Interim and Final Dividend for the year 1992-93 to the General Revenue Account of the Central Government. Shareholders are requested to claim the same from the Registrar of Companies, Hakoba Mills Compound, Kalachowky, Mumbai 400 033.
8. **Due to the collapse of Poonam Chambers 'B' Wing, in which the Company had its registered office, the registered office has been changed to Ready Money Terrace, 167, Dr. Annie Besant Road, Worli, Mumbai-400 018. Members are requested to take a note of the above.**

Explanatory Statement

Pursuant to the Provisions of Section 173(2) of the Companies Act, 1956, in respect of item Nos. 6, 7, 8, 9 & 10.

In respect of Item No. 6

Mr. Habil F Khorakiwala is associated with the Company for several years and w.e.f. from 23rd September, 1985 he is on the Board of Directors of the Company. Mr. Habil F Khorakiwala has been instrumental in the success of the Company and the Board of Directors feel that it would be in the best interest of the Company to re-appoint Mr. Habil F Khorakiwala as Chairman and Managing Director of the Company.

Consequently, the Board of Directors at its meeting held on 10th September, 1997, has appointed Mr. Habil F Khorakiwala, as Chairman and Managing Director of the Company for a period of five years with effect from 1st October, 1997. In terms of Schedule XIII to the Companies Act, 1956, Mr. Habil F Khorakiwala is eligible for appointment as Chairman and Managing Director.

The remuneration of Mr. Habil F Khorakiwala, in respect of his appointment contains the following terms and conditions:

(A) REMUNERATION

The total remuneration payable to Mr. H F Khorakiwala shall not exceed 5% or 10% of the net profit of the Company during the year, as the case may be, as laid down in Section 309 of the Companies Act, 1956 and the overall limit of 11% of the net profits as laid down in Section 198 of the Companies Act, 1956.

Remuneration shall consist of any and/or all of the following:

- (a) Salary
- (b) Commission
- (c) Perquisites such as House Rent Allowance or Company owned furnished accommodation, provision/reimbursement of expenses incurred on gas, electricity, water, maintenance, Medical reimbursement for self and family, Leave Travel Concession for self and family, Club fees, premium towards personal accident insurance, provision of car with driver, telephone at residence, etc.

(B) PERQUISITES

In addition to the above Mr. H F Khorakiwala will also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in (A) above:

- (a) Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

WOCKHARDT LIMITED

- (b) Gratuity at a rate not exceeding half a month's salary for each completed year of service, and
- (c) encashment of leave at the end of the tenure.

Where in any financial year closing on or after 1st July, 1997, the Company has no profits or its profits are inadequate, the Company may pay Mr. Habil F Khorakiwala remuneration by way of salary, perquisites and other allowances, not exceeding the ceiling limit of Rs. 10,50,000/- per annum or Rs. 87,500/- per month and in addition thereto the perquisites not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Mr. Habil F Khorakiwala is deemed to be concerned or interested in the resolution which pertains to his appointment and remuneration payable to him.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

In Respect of Item No. 7

With a view to augmenting the Company's resources for its ongoing and future projects, it is proposed to raise an amount of upto Rs. 30 crores (inclusive of premium, if any) through a issue of Redeemable Preference Shares. Detailed terms and conditions of the issue will be determined by the Board depending of the then prevailing market conditions. In terms of the proposed Resolution, the Board is being empowered to issue and allot Preference Shares to investors who may not be Members of the Company. Consent of the Members in the General Meeting would therefore be necessary, pursuant to Section 81 of the Companies Act, 1956.

The Board of Directors recommend the Resolutions for the approval of the Members.

None of the Directors of the Company are concerned or interested in the said Resolutions.

In Respect of Item Nos. 8 & 9

The Authorised Share Capital of the Company, at present, is Rs. 75 crores consisting of 7,50,00,000 Unclassified Shares of Rs. 10/- each and the Paid-up Capital is 65.06 crores. The new Preference Shares to be allotted consequent to the issue of the same in terms of Resolution at Item No. 8 of this Notice, will increase the Issued and Paid-up Capital beyond Rs. 75 crores and therefore the Authorised Share Capital of the Company will have to be increased. In view of this and to meet any exigencies in future it is proposed to increase the Authorised Share Capital from Rs. 75 crores to Rs. 100 crores. The proposed increase in Authorised Share Capital requires the approval of the Members in the General Meeting. The alterations in the Memorandum and Articles of Association are only consequential changes to reflect the proposed change in the Authorised Share Capital of the Company.

The Board of Directors recommend the Resolutions for the approval of the Members.

None of the Directors of the Company are concerned or interested in the said Resolutions.

In respect of Item No. 10

Mr. Huzaifa H Khorakiwala is graduate in the field of commerce and has done his post graduation from the Yale University, New York, USA by completing his MBA in General Management.

As part of its globalisation strategy the Company is laying a great thrust on entering joint ventures in India and/or abroad, acquiring pharmaceutical manufacturing and marketing companies outside India and establishing representative offices in various countries. Considering the education and background of Mr. Huzaifa H Khorakiwala, the Board of Directors of the Company feel that it will be in the best interest of the Company to appoint him as Marketing Manager – International Business for a period of five years on a monthly pay scale including perquisites of Rs. 40,000-20,000-2,00,000 and the terms and conditions as applicable to other employees of the Company which among others includes:

- (1) The Company will contribute 10% of salary to a superannuation scheme.
- (2) Leave entitlement will be in accordance with the Company rules applicable from time to time.
- (3) During his employment with the Company, the Company will be entitled to terminate his services without assigning any reason, by giving one month's notice in writing or by payment of one month's salary in lieu of such notice. In the event of Mr. Huzaifa desiring to leave the services of the Company, he shall give to the Company one month's notice in writing.
- (4) During his employment with the Company, the Company may, at any time, at its sole discretion station him in any other location in/outside India.

The Board of Directors recommend the Resolution for the approval of the Members.

Mr. Habil F Khorakiwala being a relative of Mr. Huzaifa H Khorakiwala is deemed to be concerned or interested in the resolution.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

BY ORDER OF THE BOARD

R. B. GANDHI
Company Secretary

Registered Office:
Ready Money Terrace
167, Dr. Annie Besant Road,
Worli,
Mumbai 400 018

Mumbai, September 10, 1997.

WOCKHARDT LIMITED

Board of Directors

MD	✓			BKC	✓
CS	✓			DPY	✓
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	✓	✓		SH	✓
YE	✓	✓	✓		✓



H. F. Khorakiwala
Chairman & Managing Director



Felipe B. Alfonso
Director



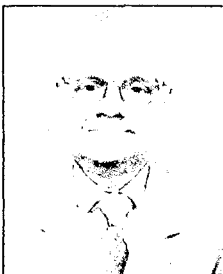
Dr. Abid Hussain
Director



Dr. G. B. Parulkar
Director



R. A. Shah
Alternate Director



D. M. Sukthankar
Director



A. H. Tobaccowala
Director



J. S. Khorakiwala
Executive Director

Company Secretary

Rajiv B. Gandhi

Solicitors

Crawford Bayley & Co.
Little & Co.

Bankers

State Bank of India
The British Bank of Middle East
Standard Chartered Bank
Banque Nationale de Paris

Registered Office

Readymoney Terrace, 2nd Floor
167, Dr. Annie Besant Road
Worli
Mumbai 400 018
India

Tel. : 91-22-4951116, 4964422, 4938550-55

Fax : 91-22-4952295, 4953090

Email : Wock@giasbm01.vsnl.net.in

Wockhard@giasbm01.vsnl.net.in

Auditors

Haribhakti & Co.

WOCKHARDT LIMITED

Ten Year Snapshot

(Rs. Mn.)

Year	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Sales & Other Income	3279	2548	2087	1827	1407	985	639	537	488	410
Profit After Tax	621	598	533	351	191	124	55	47	29	21
Operating Profit	527	401	231	130	137	114	43	32	29	17
OP % to Sales	17.8	18.4	14.8	10.2	10.1	11.7	6.9	6.2	6.1	4.2
R & D Expenses	268	156	113	80	24	18	14	12	10	8
R&D % sales	9.0	7.2	7.2	6.3	2.2	2.0	2.2	2.3	2.1	2.1
Gross Block	2241	1914	1284	807	613	520	482	398	239	123
Net Block	1837	1612	1065	638	478	414	242	216	132	60
Investment	680	606	1557	1438	247	1	1	0	0	0
Debt : Equity	0.16:1	0.06:1	0.06:1	0.02:1	0.15:1	0.72:1	1.32:1	1.33:1	1.14:1	0.84:1
Current Ratio	3.82	3.13	5.21	6.03	4.02	4.12	3.28	2.90	2.98	3.33
Net Worth	5631	4920	4411	4032	1247	523	237	185	138	111
Dividend (Rs. Total)	175	88	70	47	38	1	1	1	1	1
Dividend on Equity %	50	25	20*	30	30	1*	1	1	1*	1
Earning Per Share (Rs.)	17.71	17.05	15.20*	22.20	13.10	11.00*	9.79	8.45	5.13*	7.57
Book Value per share (Rs.)	161	140	126*	230	84	46*	42	33	25*	40

GRD issue in 1993-94

* After 1:1 bonus issue