RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated: January 17, 2008
100% Book Built Issue

Wockhardt Hospitals Limited

Our Company was incorporated on August 28, 1991 under the Companies Act, 1956 as a public limited company. The Company was originally named First Hospitals and Heart Institute Limited. On September 11, 2000 our name was changed to Wockhardt Health Sciences Limited and subsequently on October 19, 2000 our name was changed to Wockhardt Hospitals Limited. The registered office of the Company was Poonam Chambers, 5th Floor, Dr. A.B. Road, Worli, Mumbai – 400 018. Pursuant to a Board resolution dated August 30, 2000 the registered office was shifted to Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, which is the current Registered Office. For details in changes of name and registered office, see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Red Herring Prospectus.

Registered Office: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. **Tel:** +91 22 2653 4444. **Fax:** +91 22 2659 6814.
Contact Person: Mr. Bhavik Desai, Company Secretary and Compliance Officer. **Tel:** +91 22 2659 6222, **Fax:** +91 22 2659 6814.
E-mail: whlipo@wockhardthospitals.com. **Website**: www.wockhardthospitals.com.

PUBLIC ISSUE OF 25,087,097 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") OF WOCKHARDT HOSPITALS LIMITED ("THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF 24,587,097 EQUITY SHARES OF RS. 10 EACH ("THE NET ISSUE") AND A RESERVATION OF UPTO 500,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WILL CONSTITUTE 24.06% OF THE POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

PRICE BAND: RS. 280 TO RS. 310 PER EQUITY SHARE OF FACE VALUE RS. 10

THE FACE VALUE OF EQUITY SHARES IS RS.10 AND THE FLOOR PRICE IS 28 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 31 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("BRLMs") and at the terminals of the Syndicate. In accordance with Rule 19 (2) (b) of the Securities Contract (Regulation) Rules, 1957, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process whereby at least 60% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST PUBLIC ISSUE

This being the first issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times of the face value. The Issue Price (as determined by the Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of Book Building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does the SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page XII of this Red Herring Prospectus.

IPO GRADING

This Issue has been graded by Fitch Ratings India Private Limited as 4 (ind), indicating above average fundamentals of the issue relative to other listed equity securities in India. For details see the section titled "General Information" beginning on page 12 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated September 24, 2007 and October 3, 2007 respectively. For the purposes of this Issue, the BSE shall be the Designated Stock Exchange.

JOINT GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED 12th Floor, Bakhtawar, Nariman Point, Mumbai 400 021 Tel: +91 22 6631 9999 Fax: +91 22 6631 9803 E-mail: wockhardthospitals.ipo@citi.com Investor Grievance id : investors.cgmib@citi.com Website: www.citibank.co.in Contact Person: Mr. Rajiv Jumani	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED** 3rd Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021 Tel.: +91 22 6634 1100 Fax. : +91 22 2284 0492 E-mail: whl.ipo@kotak.com Investor Grievance id : kmccredressal@kotak.com Website: www.kotak.com Contact Person: Mr. Chandrakant Bhole	**INTIME SPECTRUM REGISTRY LIMITED** C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai – 400078 Tel: +91 22 2596 0320 (9 lines) Fax: +91 22 2596 0329 E-mail: whl.ipo@intimespectrum.com Website: www.intimespectrum.com Contact person: Mr. Vishwas Attawar

BID/ISSUE PROGRAMME	
BID/ISSUE OPENS ON : THURSDAY, JANUARY 31, 2008	**BID/ISSUE CLOSES ON : TUESDAY, FEBRUARY 05, 2008**

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
"Wockhardt Hospitals Limited", "WHL" or, "the Company", or "the Issuer"	Wockhardt Hospitals Limited, a public limited company incorporated under the Companies Act, 1956.
"We" or "Us" or "Our"	Unless the context otherwise requires, Wockhardt Hospitals Limited, and its subsidiary, namely, Kanishka Housing Development Company Limited.

Issue Related Terms

Term	Description
Allotment/ Allot	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue.
Allottee(s)	The successful Bidder to whom the Equity Shares are/have been issued.
Articles/Articles of Association	Articles of Association of the Company.
Auditors	The statutory auditors of the Company namely M/s Haribhakti & Co., Chartered Accountants.
BRLMs/ Book Running Lead Managers	Joint Global Co-ordinators, I-Sec and SBI Caps.
BSE	The Bombay Stock Exchange Limited, earlier known as The Stock Exchange, Mumbai.
Bankers to the Issue	ICICI Bank Limited, HDFC Bank Limited, Kotak Mahindra Bank Limited, Citibank N.A., Industrial Development Bank of India Limited, State Bank of India, Axis Bank Limited and Deutsche Bank AG.
BCCL	Bennett, Coleman & Co. Ltd.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid/Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which date shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation.
Bid/Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which date shall be notified in an English national newspaper,

Term	Description
	a Hindi national newspaper and a Marathi newspaper with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall make an indication to make an offer to subscribe to the Equity Shares and which will be considered as the application for the issuance of Equity Shares pursuant to the terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof.
Board of Directors/Board	The board of directors of the Company or a committee duly constituted thereof.
Book Building Process	The Book Building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
CGMMPL	Citigroup Global Markets Mauritius Private Limited.
CAN/ Confirmation of Allocation Note	The notes, advice or intimations of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Citi	Citigroup Global Markets India Private Limited.
Companies Act	The Companies Act, 1956 as amended from time to time.
Cut-off Price	Any price within the Price Band finalised by the Company in consultation with the BRLMs. A Bid submitted at the Cut-off Price is a valid Bid at all price levels within the Price Band.
Demat/Dematerialised	Refers to a process by which the physical share certificates of an investor are converted into or credited as, electronic balances maintained in the investor's account with the Depository.
Demat Account	The account held by a Depository, in which the physical share certificates of an investor are credited as electronic balances.
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account(s) to the Issue Account(s), which in no event shall be earlier than the date on which the Prospectus is filed with the RoC.

Term	Description
Designated Stock Exchange	Bombay Stock Exchange Limited, for the purposes of the Issue.
DHPL	Dartmour Holdings Private Limited.
Director(s)	Director(s) of the Company, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated August 21, 2007 issued in accordance with Section 60B of the Companies Act and SEBI Guidelines, which did not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. Upon filing with the RoC at least three days before the Bid/Issue Opening Date, it will be termed as the Red Herring Prospectus. It will become the Prospectus upon filing with the Registrar of Companies after the determination of the Issue Price.
Eligible Employees	Such permanent employees and Directors of the Company, except any Promoters or members of the Promoter Group, present in India as on the date of the submission of the Bid cum Application Form.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make a Bid in the Issue.
Employee Reservation Portion	The portion of the Issue being 500,000 Equity Shares available for allocation to the Eligible Employees.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Bidders will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement dated [●], to be entered into among the Company, the Registrar, the Escrow Collection Bank(s), the BRLMs and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders, on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI, acting as Banker(s) to the Issue at which the Escrow Accounts will be opened, in this case being ICICI Bank Limited, HDFC Bank Limited, Kotak Mahindra Bank Limited, Citibank N.A., Industrial Development Bank of India Limited, State Bank of India, Axis Bank Limited and Deutsche Bank AG.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.

Term	Description
Fitch	Fitch Ratings India Private Limited
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally accepted accounting principles in India.
I-SEC	ICICI Securities Limited, a company incorporated under the provisions of the Companies Act and having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020.
Issue	Public issue of 25,087,097 Equity Shares at a price of Rs. [●] each for cash aggregating up to Rs. [●] million under the Red Herring Prospectus and the Prospectus. The Issue comprises a Net Issue to the Public of 24,587,097 Equity Shares and a reservation of up to 500,000 Equity Shares for subscription by Eligible Employees.
Issue Account	Account opened with the Banker(s) to the Issue to receive funds from the Escrow Account for the Issue on the Designated Date.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus, as determined by the Company in consultation with the BRLMs, on the Pricing Date.
Joint Global Co-Ordinators	Citigroup Global Markets India Private Limited and Kotak Mahindra Capital Company Limited.
Kotak	Kotak Mahindra Capital Company Limited.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% or 100% of the Bid Amount; as applicable.
Memorandum / Memorandum of Association/MoA	The Memorandum of Association of the Company.
Monitoring Agency	SICOM Limited.
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the QIB Portion or 737,613 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion.
NSE	National Stock Exchange of India Limited
Net Issue	The Issue less the Employee Reservation Portion.
Non-Institutional Bidders	The Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Net Issue being not less than 2,458,710 Equity Shares available for allocation to Non-Institutional Bidders.

Term	Description
Non Residents	A person resident outside India, as defined under FEMA and the regulations framed hereunder, as amended from time to time.
NRI/ Non Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. OCBs are not allowed to participate in the Issue.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) With respect to QIBs the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Pre-IPO Investors	BCCL and CGMMPL
Pre-IPO Placement	Preferential allotment, after filing of the Draft Red Herring Prospectus with SEBI, of 4,912,903 Equity Shares to Pre-IPO Investors.
Price Band	The price band with a minimum price (Floor Price) of Rs. 280 and a maximum price (Cap Price) of Rs. 310, including any revisions thereof.
Pricing Date	The date on which the Company in consultation with the BRLMs finalises the Issue Price.
Promoter Group	The following natural persons, companies, HUFs and partnerships form a part of the Promoter group:a) Mr. Fakruddin T Khorakiwala; b) Mr. Khadijabai F Khorakiwala; c) Mr. Hunaid Khorakiwala; d) Mr. Taizoon Khorakiwala; e) Mrs. Nafisa Khorakiwala; f) Dr. Murtuza Khorakiwala; g) Mr. Huzaifa Khorakiwala; h) Ms. Zahabiya Khorakiwala; i) Mrs. Sugra Latif; j) Mr. Mannan Latif; k) Ms. Jumana Latif; l) Amadou Estate Development Private Limited; m) Denarius Estate Development Private Limited; n) Khorakiwala Holdings & Investments Private Limited; o) Palanpur Holdings & Investments Private Limited; p) Wockhardt Limited; q) Shravan Constructions Private Limited; r) Merind Limited; t) Medicaid Clinical Research Private Limited; t) Sharanya Chemicals & Pharmaceuticals Private Limited; and u) Merind Limited.
Promoters	Mr. H. F. Khorakiwala, Dartmour Holdings Private Limited, and Carol Info Services Limited.
Prospectus	The prospectus to be filed with the RoC after pricing, containing, among other things, the Issue Price that is determined at the end of the Book

Term	Description
	Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.
QIB Margin	An amount representing 10% of the Bid Amount submitted at the time of submission of Bid.
QIB Portion	The portion of the Net Issue being at least 14,752,258 Equity Shares available for allocation to QIBs.
RTGS	Real Time Gross Settlement.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable.
Refund Account (s)	Account(s) opened with an Escrow Collection Bank(s), from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Registered Office	Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
Registrar/ Registrar to the Issue	Registrar to the Issue in this case being Intime Spectrum Registry Limited.
Retail Individual Bidders	Individual Bidders (including HUFs applying through their *karta*) who have bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the bidding options in the Issue (including HUF applying through their kartas) and Eligible NRIs.
Retail Portion	The portion of the Net Issue being not less than 7,376,129 Equity Shares available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The Red Herring Prospectus dated January 17, 2008 to be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue, including any addenda or corrigendum thereof. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date.
RoC	Registrar of Companies, Mumbai, Maharashtra.
SBI Caps	SBI Capital Markets Limited, a company incorporated under the Companies Act and having its registered office at 202, Maker Towers 'E', Cuffe

Term	Description
	Parade, Mumbai 400 005
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of Bids in the Issue.
Syndicate Members	Kotak Securities Limited.
TRS/ Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement among the members of the Syndicate and the Company to be entered into on or after the Pricing Date.
VCF/Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

Industry Related Terms and Abbreviations

Abbreviation	Full Form
ICU	Intensive Care Unit
IPD	Inpatient department
OPD	Outpatient department

Abbreviations

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BPLR	Below prime lending rate.
CGHS	Central Government Health Scheme
DRT	Debt Recovery Tribunal
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
ECS	Electronic Clearing Services.
EGM	Extraordinary General Meeting.
EPS	Earnings per share.
FDI	Foreign direct investment.
FIPB	Foreign Investment Promotion Board.
Financial year /Fiscal	Period of twelve months ending March 31 of that particular year, unless otherwise stated.
GDR	Global Depository Receipts.
GoI	Government of India.
HMI	Harvard Medical International
IT Act	The Income Tax Act 1961, as amended from time to time.
JCI	Joint Commission International
LIBOR	London Interbank Offered Rate.
NAV	Net Asset Value.
NCR	National Capital Region.
NCT	National Capital Territory.
NSDL	National Securities Depository Limited.
p.a.	per annum.
PAN	Permanent Account Number.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
RBI	The Reserve Bank of India.

Abbreviation	Full Form
RoNW	Return on Net Worth.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SLR	Statutory Liquidity Ratio.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated consolidated financial statements prepared in accordance with Indian GAAP and the SEBI Guidelines, which are included in this Red Herring Prospectus.

All references to Fiscal with respect to our Company, our Subsidiary or any other entity refer to the twelve month period ended March 31 of that year (unless otherwise specified).

There are significant differences between Indian GAAP, IFRS and US GAAP. Although we have presented a summary of significant differences between Indian GAAP, IFRS and US GAAP, no attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements and the notes thereto. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

In this Red Herring Prospectus, the terms "we", "our" or "us" unless the context otherwise requires, refer to Wockhardt Hospitals Limited and its Subsidiary on a consolidated basis, and the terms "the Company", "our Company" or "Wockhardt Hospitals Limited" refer to Wockhardt Hospitals Limited on a stand alone basis.

Market Data

Market and industry data used in this Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable; however, they have not been verified by any independent sources.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue", "will likely result", " "contemplate", "seek to", "future", "goal", "should" or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Inability to identify expansion opportunities or delays experienced or other problems in implementing projects;
- Inability to manage the overall complexity of our business strategy consistently in all areas where our hospitals are located;
- Any adverse developments to our hospitals in Mumbai and Bangalore;
- Competition from other hospitals and healthcare service providers;
- Dependency on our doctors, nurses and other healthcare professionals and the loss of, or inability to attract or retain such persons.

For a further discussion of factors that could cause our actual results to differ, refer to "Risk Factors" on page XII of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Red Herring Prospectus. Neither we, our Directors, Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLMs and we will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prior to making a decision to invest in our Equity Shares, prospective investors and purchasers should carefully consider all the information contained in this Red Herring Prospectus, including the risks and uncertainties described below and the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Summary of Significant Differences Between Indian GAAP, U.S. GAAP and IFRS" beginning on pages 62, 206 and 146, respectively, of this Red Herring Prospectus as well as other financial information contained in this Red Herring Prospectus. Any potential investors in, and purchasers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in the United States, the European Union and other countries. If any of the following risks actually occurs, our business, results of operations, financial condition and prospects could suffer and the market price of our Equity Shares and the value of your investment in our Equity Shares could decline.

Internal Risk Factors

1. There is significant outstanding litigation against our directors and such litigation may adversely affect our reputation and cause the value of your Equity Shares to decline.

Mr. Anil Kamath, one of our Managing Directors, has been the subject of a criminal complaint filed by the Central Bureau of Investigation in 1996 before the Metropolitan Magistrate in Mumbai with respect to a complaint originally filed by the Bank of Maharashtra (the "Bank") for defaults in the repayment of loans amounting to Rs. 206.4 million. The complaint includes allegations of offences under Sections 120B (read with Section 420) of the Indian Penal Code, 1860, and Section 5(2) (read with Section 5(1)(d)) of the Prevention of Corruption Act, 1947. Mr. Kamath was subjected to these charges as the General Manager of Finance of Orson Electronic Private Limited, the parent company of Orson Distribution Limited (of which Mr. Kamath was a Director), to which company the Bank had granted the loans. The applications for the loans had been made under Mr. Kamath's signature. Mr. Kamath resigned from the said companies on October 31, 1986. The matter is currently pending before Metropolitan Magistrate in Mumbai.

In 2002, Mr. Anil Kamath was also served summons in a DRT matter. Jaguar Electronics Private Limited ("Jaguar") was granted certain loans from UCO Bank which were guaranteed by Chhabria Investments Private Limited (the "guarantor"). UCO Bank initiated recovery proceedings for Rs. 19 million with 16.5% interest from November 1, 1990 against Jaguar and the guarantor, and a Recovery Certificate was granted in the favour of UCO Bank. Mr. Anil Kamath, then an employee of the parent company of Jaguar, had subscribed to its Memorandum and Articles of Association. Mr. Kamath resigned from the parent company of Jaguar on October 31, 1986. By an order dated February 27, 2002, the DRT ordered a notice to be served upon the directors of Jaguar to disclose the assets of Jaguar and the guarantor. Mr. Kamath filed a petition contending that he had signed the Memorandum and Articles of Jaguar only as an employee and that he was never involved in its affairs, neither was he a party or signatory to any documentation regarding the loans to the company. Mr. Kamath sought that his name be deleted from the proceedings. The matter is currently pending before the DRT and judgment has been reserved.

In 1992, a criminal complaint was filed before the Judicial Magistrate, 1st Class, Yamuna Nagar against Mr. H. F. Khorakiwala, our Promoter Director, amongst others, under Sections 274 and 275 of the Indian Penal Code by Dr. Kuldip Singh, Medical Officer, Civil Hospital, Jagadhri, for the sale of spurious and contaminated medicines allegedly manufactured by Wockhardt Company Ltd. The complaint was dismissed due to the lack of evidence by an order dated March 30, 2007. As of the date of this Red Herring Prospectus, the complainant has not filed an appeal.

Two medical negligence claims have been brought against and one legal notice sent to Dr. Vivek Jawali, one of our directors. Mr. H. F. Khorakiwala has also been made party to a medical negligence case. The total amount claimed in these matters is Rs. 5.04 million.

Mr. H. F. Khorakiwala has also been made a party to a shareholder litigation concerning a hospital management agreement entered into with Dr. Bais Surgical and Medical Institute in respect of the Sterling Wockhardt Hospital.

Mr. Ram Gopal Patwari and others, (jointly referred to as the "Complainants"), filed a criminal complaint, (CC no. 148 of 2007), before the Court of Additional Chief Metropolitan Sessions Judge Cum Economic Offence Unit, at Hyderabad against M/s Sterlite Industries (I) Limited, ("Sterlite"), and its directors, (the "Respondents"), which include Mr. Berjis Desai who is an independent director. The Complainants alleged that they ought to have received duplicate share certificates of Sterlite, as applied for by them, and the dividend accrued thereon from 1996 onwards. The Office of the Additional Chief Metropolitan Magistrate, Hyderabad through directions had issued summons for all the directors of Sterlite to be present before the Court of Additional Chief Metropolitan Sessions Judge, at Hyderabad. The Respondents had filed a petition before the High Court of Andhra Pradesh for quashing the said directions. The High Court has heard the petition and has granted an interim stay in favour of the Respondents. The said criminal complaint is however pending hearing and final disposal.

Any adverse development in any of these cases or the perception of an adverse development could have a materially adverse impact on our reputation and the value of your Equity Shares could decline significantly.

For further details, see the section titled "Outstanding Litigation and Material Developments" beginning on page 235 of this Red Herring Prospectus.

2. ***SEBI has in the past issued orders and commenced investigations concerning some of our directors and Promoters.***

SEBI passed a general order on December 17, 1999 against directors of certain companies, including Mr. Berjis Desai as director of Efcon Securities Limited, due to non-compliance with the listing agreement by those companies. Pursuant to a personal hearing on February 4, 2000, SEBI pursuant to the order dated February 8, 2000 exonerated Mr. Berjis Desai.

SEBI pursuant to the notice dated October 15, 2003 (the "Notice") addressed to Mr. Habil Khorakiwala and Tahseel Hire Purchase Company ("THPC"), stated that the recipients of the Notice (the "Recipients") had, during the period under investigation, traded in shares of Wockhardt Limited, while being in possession of non-public price sensitive information, the date, time and manner of the transactions related to material events such as the date of board meeting, and the Recipients had made profit out of such transactions. The Notice further stated that consequent to the aforesaid; the Recipients had violated Regulation 3 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 ("ITR") and were guilty of insider trading in terms of Regulation 4, ITR. The Notice called upon Mr. Habil Khorakiwala to show-cause as to why action should not be initiated against him. Mr. Habil Khorakiwala responded to the contentions and allegations as contained in the Notice through letter dated November 24, 2003. SEBI pursuant to the letter dated April 29, 2005 advised Mr. Habil Khorakiwala and THPC to follow the provisions of ITR strictly in letter and in spirit. Subsequent to the said letter by SEBI, no further action has been taken by SEBI regarding this matter.

SEBI commenced an investigation against Mr. Rajiv Gandhi, his wife and his sister (the "accused") for allegedly engaging in insider trading in the shares of Wockhardt Limited. The investigation alleged that the accused had made a profit of approximately Rs. 0.5 million and averted a loss of Rs. 0.065 million. The Accused denied that they engaged in insider trading. The SEBI Adjudicating Officer passed an adjudication order against the Accused and ordered the payment of Rs. 0.5 million by each of them. The Accused filed an appeal before the Securities Appellate Tribunal on January 16, 2007, challenging the adjudication order. The appeal is currently pending. Further, a communication dated October 14, 2003 (the "Communication") was issued to the Accused in terms of Regulation 9, ITR, whereby the Accused were called upon to file a reply to the Communication and indicate why action under various provisions of SEBI Act and ITR cannot be taken against them. The Accused filed a reply through letter dated November 24, 2003 denying the allegations in the Communication and seeking a personal hearing, in case further action is contemplated in the matter. Subsequently, SEBI issued show cause notice dated May 6, 2005 wherein certain trades were excluded from the scope of investigations and the Accused were called upon to show cause as to why action should not be initiated against them under Sections 11 B and 11 (4) of the SEBI Act read with Regulation 11, ITR. The Accused through letters dated May 30, 2005 and July 11, 2005 replied to the show cause dated May 6, 2005. Thereafter, SEBI through letter dated April 25, 2006 granted a personal hearing to the Accused before the Whole-time Member of SEBI. Consequent to the hearing, no final order has been passed by the Whole-time Member.

For more information regarding regulatory proceedings involving directors and other members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 235 of this Red Herring Prospectus.

3. If we are unable to identify expansion opportunities or we experience delays or other problems in implementing such projects, including in small cities, our growth, financial condition and results of operations may be adversely affected.

Our growth strategy depends on our ability to build and manage additional greenfield and brownfield hospitals and also expand and improve our existing hospitals. We have several ongoing projects, and are continuously evaluating other projects. For more information, see the section titled "Our Business— Projects Under Development" beginning on page 86 of this Red Herring Prospectus.

We may not be able to identify suitable greenfield or brownfield opportunities or opportunities for expanding capacity at our existing hospitals. We may be unable to secure the necessary financing to implement expansion projects. Any new project we undertake could be subject to a number of risks. We may face challenges while building new hospitals or renovating, rebuilding or repositioning existing hospitals. We may also be unable to effectively integrate new facilities with our current operations. Undertaking new hospital projects requires significant managerial and financial resources and we may face difficulties in recruiting and retaining an adequate pool of doctors and other personnel for both our greenfield and brownfield projects. The costs and time required to integrate the additional hospitals with our business could cause the interruption of, or a loss of momentum in, the activities of such hospitals or our other facilities. All of these factors may adversely affect our business and growth.

Our ability to build and operate greenfield and brownfield hospitals is subject to various factors that may involve delays or problems, including the failure to receive or renew regulatory approvals, constraints on human and capital resources, the unavailability of equipment or supplies or other reasons, events or circumstances. Future projects may incur significant cost overruns and may not be completed on time or at all.

New hospital projects are characterized by long gestation periods and substantial capital expenditures, and hospitals we operate pursuant to revenue sharing or lease agreements may also involve significant investments. To date, our operating margins have been under pressure as we expand our operations. We may not achieve the operating levels that we expect from our projects and we may not be able to achieve our targeted return on investment in, or intended benefits from, our projects. Current and potential title uncertainties, including related litigation, regarding the lands on which our hospitals and potential greenfield and brownfield opportunities are or may be located, may also cause delays in, and may otherwise curtail, our expansion plans. Our planned projects to build hospitals in southern and northern Mumbai, Kolkata and Delhi, are among the largest that we have yet attempted, and the scale of these projects may exacerbate any or all of the abovementioned factors. We may experience delays in obtaining regulatory approvals regarding the use of our land for hospital purposes that may adversely affect our schedule for implementation of these projects. In addition, we are currently in various stages of negotiations, including in some cases having signed a non-binding memorandum of understanding or term sheet, with a number of parties to undertake greenfield or brownfield projects. Some or all of these projects may not be undertaken or, if undertaken, may be altered or take longer than anticipated to complete or may exceed our cost expectations. We cannot assure you that we have the required attributes and strengths to be successful in any of these expansion strategies and the cost of failure could be significant.

We are pursuing brownfield projects in a number of smaller ("Tier II") cities, such as Madgaon (Goa), Bhopal, Nashik, Ludhiana, Jabalbur, Hubli, Patna, Bhuj, Varanasi and Bhavnagar. Due to uncertainties regarding feasibility of operations in such areas, we may not be able to attract a sufficient number of patients and generate the income that we expect to recoup the substantial capital expenditures we make in connection with these projects.

To the extent we acquire any hospitals in the future, businesses that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past activities of such businesses. In addition, acquiring listed public or unlisted companies in India involves various legal requirements, including with respect to tender offers, as well as additional costs.

4. Our operations have been growing rapidly, with geographically dispersed hospitals throughout India and an increasing number of super-specialty care areas, and we may not be able to manage the overall complexity of our business or implement our business strategy consistently in all those areas.

Our rapid growth in terms of geographical presence, number of hospitals and super-specialty areas may lead to difficulties. Between fiscal 2005 and fiscal 2007, we added five hospitals to our network. During that period, our consolidated total income increased from Rs. 1,292.30 million to Rs. 2,367.04 million and our consolidated net profit increased from Rs. 13.08 million to Rs. 155.91 million. Due to our continuing rapid growth, our current and future financial results are not comparable to past financial results. In addition, our rapid growth has put pressure on our operating margins, due to the upfront costs associated with expansion. As our operations expand, there will be additional demands placed on our senior management, who may lose focus on our current operations, and it may be more difficult for us to integrate new facilities and new super-specialty areas into our network. Our performance at our hospitals will depend in part on our ability to manage the overall complexity of our business, requiring more comprehensive internal controls and greater personnel and other resources. We may also not be able to implement our business model and strategy in a consistent manner across all hospitals and all practice areas. If we are not successful in managing the growth of our hospital network, our business may be adversely affected.

We currently operate ten super-specialty hospitals and five regional specialty intensive care unit (“ICU”) hospitals in western, southern and eastern India. We are also undertaking a number of projects, which if successfully executed would add 16 hospitals to our network. The inherent challenges in integrating these facilities and centralizing certain functions such as equipment procurement and information technology (IT) systems may create problems for our operations. Furthermore, the culture and economic conditions in each of these regions are different, which may make it more difficult to maintain our brand recognition and reputation in such regions. We are also currently in various stages of negotiations, including in some cases having signed a non-binding memorandum of understanding, with a number of other parties to carry out greenfield or brownfield projects outside the regions in which we currently operate (e.g., Delhi). We may not be successful in operating such hospitals.

We currently focus on tertiary care super-specialty areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery and critical care, and we specialize in minimally invasive surgery. While continually developing our expertise in these areas, we may also seek to expand into other high-value super-specialty areas such as oncology. The development of expertise in both existing and new super-specialty areas will require significant investments in technology, equipment and infrastructure, and we may not realize the returns that we expect from these areas. Our investments into super-specialty areas are partially based on demographic predictions of increasing demand for sophisticated medical use procedures in the future, which may not materialize. Conversely, we may be slow to develop, or fail to develop further expertise in these super-specialty areas, and may not be able to supply the market with the level of care it demands.

5. We have made in the past and may make in the future acquisitions where the purchase price may exceed the equity share capital of the acquired company, resulting in goodwill which may be amortized on our balance sheet.

We acquired Kanishka Housing Development Company Ltd. ("KHDCL") pursuant to a share purchase agreement dated June 17, 2003, between the Company, KHDC and the then existing shareholders of KHDC, the members of the Shah family (the "KHDC Sellers"). Pursuant to the agreement, WHL acquired 10,000 equity shares of Rs. 100 each (amounting to Rs. 1 million of equity share capital) in KHDC, for a total consideration of Rs. 136.57 million. WHL also incurred expenses (including share transfer stamp duty and legal fees) of Rs. 2.82 million. The equity share capital of KHDCL was equal to Rs.1 million and WHL acquired KHDCL at a total cost of Rs. 139.39 million. Accordingly, pursuant to Accounting Standard AS-21, WHL recorded goodwill on consolidation in an amount of Rs. 138.39 million in its financial statements. In the future, we may make other acquisitions where the purchase price exceeds the equity share capital of the acquired company, resulting in goodwill which may be amortized on our balance sheet.

6. ***Our hospitals in Mumbai and Bangalore generate a significant portion of our income and EBITDA, and any adverse developments with respect to those hospitals could negatively impact our financial condition and results of operations.***

For the fiscal year ended March 31, 2007, Wockhardt Hospital, Mulund in Mumbai, and Wockhardt Hospital, Bannerghatta Road and Wockhardt Hospital and Heart Institute in Bangalore collectively generated Rs. 1,674 million in income, or 70.7% of our total income. For the nine months ended December 31, 2007, these hospitals collectively generated Rs. 1,771 million in income, or 68.3% of our total income. These three hospitals collectively have 483 beds, constituting 35.2% of our total hospital beds. Due to this concentration, any negative economic, regulatory, competitive or other developments concerning these hospitals may adversely impact our financial condition and results of operations.

7. ***We operate in a fragmented industry and face increasing competition from other hospitals and healthcare services providers, which may have adverse effects on our competitive position, expansion plans and results of operations.***

We compete with other private hospitals, government-owned hospitals, smaller clinics, hospitals owned or operated by non-profit and charitable organizations and hospitals affiliated with medical colleges. We will also have to compete with any future healthcare facilities located in the regions in which we operate. Moreover, some of these competitors may be more established and may have greater financial, personnel and other resources than our hospitals. In particular, our competitors include hospitals owned or managed by government agencies and trusts, which may be able to obtain financing or make expenditures on more favorable terms than private hospitals owned and managed by for-profit interests, such as ourselves. According to CRIS-INFAC Hospitals Annual Review published in February 2007, there are five major providers of private healthcare services in India in addition to Wockhardt: the Apollo Group, CARE Hospitals, Fortis Healthcare, Manipal Group and Max Healthcare. Set forth below is the number of beds for each of these healthcare services providers according to the CRIS-INFAC 2007 report:

	Number of beds
Apollo	6,952
CARE	1,020
Fortis Healthcare	~1,600
Max Healthcare	765
Manipal Group	7,629

For further detail, see the section titled "Industry" in page 52 of this Red Herring Prospectus.

New or existing competitors may price their services at a significant discount to ours or offer greater convenience or better services or amenities than we provide. Smaller hospitals, stand-alone clinics and other hospitals may exert pricing pressures on some or all of our services and also compete with us for doctors and other medical professionals. Some of our competitors also have plans to expand their hospital networks, which may exert further pricing and recruiting pressures on us. If we are forced to reduce the price of our services or are unable to attract patients and doctors and other healthcare professionals to our hospitals, our business and financial results may be adversely affected. The expansion of our competitors' hospital networks may also limit or hamper our ability to identify and expand into new markets. Some of these competitors also have planned "Medicities" with facilities offering various levels of healthcare services, as well as medical teaching institutions. Furthermore, there may, in the future, be regulatory changes which increase competition. The owners of the land or buildings in our brownfield projects may also establish their own hospitals in the future. For further details, see the section titled "Our Business—Competition" beginning on page 91 of this Red Herring Prospectus.

8. ***We are highly dependent on our doctors, nurses and other healthcare professionals and the loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations.***

Our performance and the execution of our growth strategy depend substantially on our ability to attract and retain leading doctors and other healthcare professionals in the fields and regions relevant to our growth plans. We compete for these personnel with other healthcare services providers, including providers located overseas.

The market for doctors is highly competitive, and according to "Hospitals—Annual Review," published in February 2007 by CRIS-INFAC, there is a shortage of physicians in India. The factors that doctors consider important before deciding where they will work include the level and structure of compensation, the reputation of the hospital and its owner, the quality of other medical staff, the quality and location of the facilities, research opportunities and community relations. We may not compare favorably with other healthcare services providers on these factors. Furthermore, in addition to our facilities in big cities, we intend to establish facilities in non-metropolitan areas. However, we may not be able to attract qualified doctors for our facilities in such areas.

It may be difficult to negotiate favorable terms and arrangements with our doctors. Our agreements with doctors typically include mutual termination provisions with prior notice of approximately two months. Our doctors may choose to join our competitors upon leaving us, and any non-compete provisions in our contracts with our doctors may not be enforceable.

Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including resident doctors and nurses, to support the multi-specialty and super-specialty practices at our hospitals. In particular, the nursing shortage in India and worldwide makes it difficult for us to attract and retain nurses who may choose to pursue positions at other institutions in India or overseas with more competitive compensation packages and may also cause salaries and wages for nurses to rise. In addition, we maintain a rigorous training program for our nurses, requiring us to dedicate additional time and resources in their training. For fiscal 2007 and the nine months ended December 31, 2007, our resident doctor attrition rate was approximately 20% and 25%, respectively, and our nurse attrition rate was approximately 26% and 18%, respectively.

If we are unable to attract or retain skilled consultants, the number of our patients and our income may decrease, as the quality of consultants is an important factor in patients' choices of hospitals. Our inability to attract and retain consultants and other medical personnel could result in a decrease in the quality of our services and we could be forced to admit fewer patients to our hospitals. We have incurred increased costs in recent years to retain and recruit medical personnel, and we expect such costs to continue to increase in the future. For further information on compensation paid to doctors and other medical professionals, see the section titled "Our Business—Personnel" beginning on page 94 of this Red Herring Prospectus.

9. ***We do not own the land or premises for our hospitals, some of which are owned by our Promoter Group companies, and our total income may decrease if our hospital contracts with other owners are not renewed, are renewed on terms that are unfavorable to us or are terminated.***

We do not own the land (and, in certain cases, the buildings) for our super-specialty hospitals and regional specialty ICU hospitals. Our greenfield hospitals are located on land owned by our Promoter group companies, such as Merind Limited and Carol Info Services Limited (except Wockhardt Hospital, Bannerghatta Road, the land for which is owned by our subsidiary, Kanishka Housing Development Company Private Limited). Our brownfield hospitals are located on land owned by various third parties. We operate these hospitals under either (i) revenue sharing agreements, pursuant to which we pay a fee, which is typically an identified percentage of total revenues of the hospital (often also subject to a minimum guaranteed fee), to the owner, or (ii) lease agreements pursuant to which we make regular lease payments to the owner. Most of the contracts may be terminated by one party if the other materially breaches its obligations under the contract. Accordingly, these relationships may not continue for the full term of the contract or may not be renewed, and the owner of a hospital may terminate its relationship with us, including after we have made improvements at the hospital. The owner may also sell the premises to a third party during the term of the agreement. Some of our agreements do not contain "right of first refusal" or similar clauses which would give us the right to acquire the premises from the owner if such an event occurs. The loss of one or more of these contracts or the renewal of any such contract on unfavorable terms could have a material adverse impact on our results of operations. Further, if a dispute occurs between us and the owner of a hospital or the owner encounters financial difficulties, there may be disruptions to our operations and we may not receive expected benefits or recoup the investments made by us in relation to the operation of the facilities. In addition, some of our revenue sharing agreements contain "lock-in" provisions which prevent the parties from terminating the agreement before a certain specified period. If negative developments occur regarding our hospital projects, such provisions may make it difficult for us to exit without incurring significant break costs. In addition, there may be conflicts of interest between us and the Promoter Group companies owning the land for our greenfield hospitals, which may make it more difficult to satisfactorily resolve difficulties that arise in the lease arrangements for the land.

For further details regarding our contracts with other proprietors, see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Red Herring Prospectus.

10. ***Our income is dependent on inpatient income and occupancy rates, and if we are unable to maintain and increase such rates, our results could be adversely affected.***

Our primary source of income is from inpatient treatments. Growth in inpatient income and occupancy rates at our hospitals is highly dependent on brand recognition, wider acceptance in the communities in which we operate, our ability to attract and retain well-known and respected doctors, our ability to offer the most desired services in the communities in which we operate, our ability to maintain and develop "super-specialty" practices and our ability to compete effectively with other hospitals and clinics. Growth in inpatient income and occupancy rates may be impaired by the absence of a developed health insurance sector and lack of adequate government programs. We have made and are currently making a significant amount of capital expenditures in adding new hospitals and bed capacity to our network. New hospital projects are characterized by long gestation periods and typically generate losses for the first several years. We need to improve occupancy rates and operating margins and decrease average length of stay in order to recoup our investments in these projects. Our inability to increase occupancy rates, improve profitability and decrease average length of stay may adversely affect our business and results of operations.

As part of our growth strategy, we also intend to increase the number of international patients treated at our hospitals. Despite our increased marketing efforts, we may not achieve success in this strategy and we may not be able to attract the number of overseas patients that we expect.

11. ***Our association with HMI and JCI accreditation of our hospital in Mulund, Mumbai are important assets and our business may be adversely affected if our contract with HMI is terminated or is not renewed, or if we lose the JCI accreditation.***

We have had a strategic relationship with HMI, a self-supporting not-for-profit subsidiary of Harvard Medical School, since 2000, whereby we receive advice and assistance from professionals in this organization regarding, among other things, the design of our facilities, clinical programs and talent pool management systems. We believe HMI helps us to improve the quality of our services, introduce new and innovative procedures for our patients and attract additional patients to our hospitals. We benefited significantly from the expertise of HMI in establishing the "Wockhardt Quality and Care Management System" at our hospitals and in satisfying the criteria for JCI accreditation of our hospital in Mulund, Mumbai. We also use the HMI name and logo next to the Wockhardt Hospitals name and logo at our greenfield facilities and on our stationery.

Although our current agreement with HMI expires in 2010, it can be terminated with prior notice by one party if the other materially breaches its obligations under the contract. In addition, HMI may also terminate the contract if we are unable to meet HMI's standards or if there is a material change in our ownership that is likely to have an adverse impact on our relationship with HMI. The loss or non-renewal of this contract or the renewal of the contract on unfavorable terms could have a material adverse impact on our results of operations.

In 2005, our super-specialty hospital in Mulund, Mumbai received international accreditation from JCI, part of the Joint Commission on Accreditation of Healthcare Organizations, a non-profit corporation that is the largest accreditor of healthcare organizations in the United States. The accreditation is for a period of three years, and the accreditation of our facility in Mumbai will be up for renewal in the second half of 2008. In addition, we intend for our hospital in Bannerghatta Road, Bangalore to undergo the survey for JCI accreditation by the first quarter of 2008. The loss or non-renewal of JCI accreditation of our hospital in Mumbai, or the refusal of accreditation of our hospital in Bangalore may adversely affect our reputation and our business.

12. The success of our business is substantially dependent upon our senior management team, and the loss of any member of our senior management team could adversely affect our business if we are unable to find equally skilled replacements.

We are highly dependent on members of our senior management team, including some who have been with our Company since its inception, to manage our current operations, develop new projects and meet future business challenges. In addition, our most senior doctors, who typically practice at individual hospitals, have been integral to the development and business of our Company. The loss of the services of any of these persons could have a material adverse impact on our business.

13. Our arrangements with some of our doctors may give rise to conflicts of interest and time-allocation constraints and adversely affect our operations.

Our contracts and other arrangements with our visiting consultants permit them to maintain their own private practices, as well as positions at a limited number of other hospitals. Certain of our senior doctors may also maintain positions at local clinics or affiliations with teaching hospitals. These arrangements may give rise to conflicts of interest, and such conflicts may adversely affect our operations.

14. Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to acquire more hospitals and increase growth.

As of December 31, 2007, we had Rs. 4,364.0 million of total consolidated debt, approximately 65.6% of which matures within the next twelve months. Our existing operations and our acquisition and development program require substantial capital resources. We intend to incur additional debt in the future, including as part of our expansion plans. However, we may be unable to obtain sufficient financing on terms satisfactory to us, or at all. Rising interest rates may make credit more difficult to obtain. Moreover, some of our debt bears interest at floating rates, and this may increase the cost of our borrowings to the extent interest rates rise. As a result, our acquisition and development activities may have to be curtailed or eliminated and our financial results may be adversely affected.

The terms of certain of our borrowings contain restrictive covenants, such as requiring lender consent for, among other things, creating encumbrances on our assets, or disposing of our assets. Certain of these borrowings also contain covenants which limit our ability to make any change or alteration in our capital structure, make investments, effect any scheme of amalgamation or restructuring or enlarge or diversify our scope of business. Certain of our short and long-term debt is secured by a charge over our fixed assets, land and buildings and our current assets, including, but not limited to, our inventory and receivables. Furthermore, pursuant to the terms of our agreements with our promoters, our debt obligations toward our promoters are payable on demand. Failure to comply with the terms of our debt agreements or obtain waivers thereunder could result in the acceleration of some or all of the debt, as well as the cross-acceleration of other debt, which could adversely affect our liquidity and restrict our expansion plans.

Our level of indebtedness could have other important consequences, including:

- requiring us to dedicate a substantial portion of our operating cash flow to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to healthcare services providers that have less debt;
- making it more difficult for us to satisfy our obligations with respect to our debt;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our businesses; and
- limiting our ability to borrow additional funds or to sell or transfer assets in order to fund future working capital, capital expenditures, any future acquisitions, research and development and technology processes and other general business requirements.

For further information regarding our substantial leverage and for more information about our outstanding indebtedness, see the section titled "Financial Indebtedness" beginning on page 233 of this Red Herring Prospectus.

15. We do not own the "Wockhardt" trademark, including the name and logo, and our use of the "Wockhardt Hospitals" trademark, along with the value of such intellectual property, may be impaired by the actions of others.

Our registered trademark (including the name and logo), "Wockhardt Hospitals", is an important asset of our hospitals and our business. However, we do not own the "Wockhardt" trademark, including name and logo, and our use of the "Wockhardt" name and logo in our own trademark is subject to a license from our affiliate, Wockhardt Ltd. The annual license fee is Rs. 10,000. The license is valid for 15 years from July 30, 2007 and can be renewed for a further period of 15 years by mutual consent. The agreement can be terminated by either party upon the occurrence of certain events, including the bankruptcy or insolvency of or a material breach of obligations by the other party. Furthermore, Wockhardt Ltd. may terminate the agreement if the Wockhardt group ceases to hold 50% or more of the equity shareholding of Wockhardt Hospitals Limited. If the license is revoked or if there is a change of control regarding the ownership of Wockhardt Hospitals Limited, we may no longer be able to use the "Wockhardt Hospitals" name and logo in connection with our business and, consequently, we may be unable to capitalize on our brand recognition. Maintaining and enhancing the reputation associated with the "Wockhardt Hospitals" trademark is integral to our success. Infringement of the "Wockhardt Hospitals" trademark, for which we may not have recourse, may adversely and materially affect our reputation, and, thereby, our business.

Furthermore, any adverse development concerning the pharmaceutical or other businesses of Wockhardt Ltd. may have an impact on the "Wockhardt" brand, therefore adversely affect our brand equity, reputation and business.

For further details, see the section titled "Our Business—Intellectual Property and Technology" beginning on page 92 of this Red Herring Prospectus.

16. We may not have clear title to some of our properties, and our usage of such properties may not meet legal requirements. Title uncertainties may also delay our greenfield and brownfield projects and other expansion plans.

Title records in India do not provide conclusive evidence of title, and title insurance is generally not available. Some of the property for our hospitals has been acquired in fragmented portions, and we may not have the same quality of title for all portions of property relevant to a particular hospital. Further, the lands on which some of our hospitals are situated and the lands on which some of our projects are proposed to be established are the subject of ongoing litigation. See Risk Factor no. 18 below. If the litigation in respect of such hospitals is not decided in our favor, we may lose title to the land or have to make substantial payments, or we may be unable to recover any investments made in such hospitals and may be unable to continue operating at these facilities. We may also have to relocate existing hospitals and incur additional costs. For further details, see the section titled “Outstanding Litigation and Material Developments” beginning on page 235 of this Red Herring Prospectus. Title uncertainties, including related litigation, may also cause delays in, and may otherwise curtail, the building of new hospitals, the acquisition of other hospitals and other expansion plans.

17. Leases for land on which our hospitals are located may not be renewed, and we may lose possession of the leased properties and related buildings and other improvements.

We together with our Promoters and other group companies, lease or license the land and buildings on which certain of our current hospitals are located, as well as the land on which some of our pending hospital projects are located. Theses leases and licenses have terms that expire between 3 and 99 years or are perpetual.

Moreover, the lessors of these properties may terminate the leases early in the event of any breach of the terms of allotment, including delay in payment of annual rent, usage of the property other than for the purpose for which it was allotted, or transfer or assignment of land without prior consent of the lessor. In addition, it is unclear whether the lessor of the property on which our Nagarbhavi hospital is located has clear title to that property. If any of these leases is terminated or expires and is not renewed, we may be unable to continue operations at the hospital located at the leased site, and we could lose our investments, including the hospital buildings, located on the leased sites.

18. The land on which some of our hospitals are situated or the contracts pursuant to which we manage some of our facilities are subject to litigation. In the event of an adverse ruling, we may be unable to operate and manage these hospitals and recover investments made in them.

In 1989, Kanishka Housing Development Company Limited, a subsidiary of Wockhardt Hospitals Limited purchased the land on which Wockhardt Hospital, Bannerghatta Road is located. A local church in the area (the Emaculate Conception Church) (the “Petitioner”) filed a suit in 2006, claiming ownership of the property through a sale deed dated August 13, 1878 and seeking for an injunction to stop construction in the property.The Petitioner filed an application in the said suit seeking an amendment to the plaint and relief claimed thereunder, *inter alia*, to the effect that (i) the Plaintiff be declared as the absolute owner of the Suit Property, (ii) the sale deeds in relation to the suit property executed in favour of the Respondents be cancelled, (iii) vacant possession of the suit property be handed over to the Petitioner and issuance of mandatory injunction directing the defendants to remove the structures existing on the suit property. The application was partly disallowed by the Trial Court vide order dated April 18, 2007. The Petitioner has filed a Writ Petition dated July 6, 2007, before the High Court of Karnataka at Bangalore, against the order dated April 18, 2007 seeking, *inter alia*, the issuance of a writ of certiorari, quashing of the impugned order April 18, 2007 and an interim order seeking stay of all the proceedings in the suit before the Trial Court. The Writ Petition and the suit before the Trial Court are currently pending.

In 2005, the Kolkata Metropolitan Development Authority (KMDA) allotted land to us in Kolkata for our greenfield hospital project, which is expected to commence operations in 2009. The land was acquired by KMDA under land acquisition proceedings pursuant to laws governing acquisitions in India and West Bengal. The plaintiffs filed two separate suits in 2005 claiming ownership over certain tracts of land and alleging that WHL trespassed on such tracts of land. The plaintiffs also sought to suspend construction by WHL on such tracts of land, claiming that they did not receive notice of intended acquisition by the KMDA and that the land was never acquired by KMDA. These two matters are pending before the Civil Judge in Alipore and High Court of Calcutta, respectively.

For our greenfield hospital project in South Mumbai, which will be located on a trust property, we have entered into a Memorandum of Understanding in 2004 with the Adam Wylie Memorial Foundation (the "Trust"), through its sole trustee, the Indian Red Cross Society, who was vested with the assets and property of the Trust in 1993. Prior to 1993, the official trustee of the State of Maharashtra (the "Official Trustee"), who was discharged pursuant to the order dated November 8, 1993 passed by the Bombay High Court, was vested with the property. In 2006, we signed a three-year license agreement with the Trust to construct the hospital, and upon completion of the construction, we intend to enter into a lease agreement with a term of 51 years. The Official Trustee filed a summons (chambers summons) in 2006 against the Indian Red Cross Society challenging the Bombay High Court Order dated November 8, 1993. The Official Trustee challenged the Memorandum of Understanding signed between the Indian Red Cross Society and us claiming that it was still the trustee of the property. The matter is still pending before the Bombay High Court.

In 1989, CISL entered into an agreement to lease the land on which the Wockhardt Medical Centre in Kolkata is located from Vasundra Properties Limited currently known as Sri Durga Agencies Limited. In 2006, the landlord requested an increase in the amount of lease payments from CISL, who refused to increase the amount, since the current lease agreement is valid until 2009. The landlord sought to terminate the agreement, and subsequently filed a suit for eviction, also claiming recovery of profits and damages along with interest. The landlord has refused to accept lease payments since 2006. The landlord alleges that the lease has been terminated and that a certain protection for tenants under the West Bengal tenancy law is no longer available to CISL because of a change in the aforementioned law. The matter is still pending before the Civil Judge of Alipore.

In 2006, we entered into an agreement with the Ashok Gondhia Memorial Trust to undertake a brownfield project in Rajkot. A public interest litigation was filed before the Deputy Charity Commissioner, Rajkot in 2006, challenging the agreement on the grounds that the requisite permissions and approvals for, among other things, obtaining loans and changing the name have not been obtained, and that the trust has resorted to mismanagement by entering into the management agreement with us. The matter is currently pending before the Deputy Charity Commissioner in Rajkot.

In 2003, we entered into an agreement with Dr. Bais Surgical and Medical Institute (BSMI) to undertake a brownfield project at Nagpur. In 2005, Mr. Dhananjay Pandey and certain other shareholders of BSMI, filed a petition in the Nagpur Bench of the Bombay High Court, alleging mismanagement and oppression against the majority shareholders of BSMI, and also challenged the allotment of shares of BSMI to certain respondents, including Wockhardt Hospitals Limited and Mr. H. F. Khorakiwala, through a capital increase. The petition also seeks that BSMI be restrained from entering into any agreement with Wockhardt Hospitals Limited. Wockhardt Hospitals Limited has since, entered into a management agreement with the Dr. Bais Surgical and Medical Institute Pvt. Limited. The court has referred the matter to the Company Law Board as it is a dispute among shareholders. The matter is presently pending before the Company Law Board.

In 2006, we entered into an agreement with Sterling Hospitals Limited to undertake a brownfield project at Vashi, Mumbai. Dr. Vithal Kasbekar, one of the shareholders and doctors of the Sterling Hospitals Limited by letters dated November 30, 2006 and February 28, 2007, advised us not to take any further steps with respect to the management agreement because the affairs of Sterling Hospitals Limited had been mismanaged by Dr. Prakash Kasbekar, a shareholder and Managing Director of the Sterling Hospitals Limited. We replied to the notice on January 15, 2007 and April 2, 2007. Subsequently, a petition has been filed by Dr. Vitthal Kasbekar before the Company Law Board, New Delhi. The Company Law Board, where this matter is presently pending, has ordered the parties to maintain status quo regarding the shareholding and fixed assets of Sterling Hospitals Limited.

In 2005, we signed a memorandum of understanding with the Khorakiwala Foundation ("KF") to develop a greenfield hospital in Versova, Mumbai. In 1997, Save Andheri Versova Environment Forum (“SAVE”) filed a writ petition before the Bombay High Court. The petition was filed as public interest litigation for protecting the mangroves in the Juhu Versova Creek and, among other things, sought to suspend construction or any other development activity on the land. The petitioners also sought investigation into the violations of coastal zone regulations (CRZ Notifications dated February 19, 1991) and action against the persons involved in such violations. KF was impleaded as one of the respondents, by the order dated October 8, 2003, and filed an affidavit in response to the petition. KF contends that its land falls under a different regulation (CRZ II, and not CRZ I). By its order dated April 24, 2006, the Bombay High Court directed the

Municipal Corporation to start the work in the area except on the disputed site belonging to KF. The matter is still pending before the Bombay High Court.

If any of these matters is resolved in a manner adverse to us, our contracts for the hospitals would no longer be effective, and we could lose our entire investment in respect of the license fees and improvements to the hospital buildings and pre-operative expenses, as well as the amount we have spent on medical and other equipment and other hospital infrastructure that is not movable. For further details regarding these proceedings, see the section titled "Outstanding Litigation and Material Developments" beginning on page 235 of this Red Herring Prospectus.

19. **There is outstanding litigation against us relating to customs and tax obligations, and such litigation may adversely affect our financial results.**

In 1991, we benefited from a customs exemption (Customs Exemption Certificate; Notification No. 64/88-Cus dated March 1, 1998) in importing a certain type of medical equipment (Cardiac Catherization Laboratory). The exemption required us to provide free treatment to a minimum of 40% of our outpatients and 10% of our inpatients, subject to the patients having monthly income lower than Rs. 500. We complied with this condition until 1997 when the medical equipment became non-functional. We discontinued using and dismantled the medical equipment in 1997 and stopped providing the free treatment. The Commissioner of Customs issued a show cause notice pursuant to which an order was passed on July 11, 2002, directing that the Cardiac Catherization Laboratory be confiscated. We were also ordered to pay a fine of Rs. 100,000 and a duty of Rs. 16,549,050 in order to redeem the confiscated equipment, along with a penalty of Rs. 25,000. We opted not to redeem the confiscated equipment and filed an appeal before the Customs Excise and Service Tax Appellate Tribunal, ("CESTAT"), against the order of the Commissioner of Customs. On February 13, 2004, the CESTAT rendered its decision, which upheld our contention that the duty was not payable since the confiscated equipment was not redeemed. The Commissioner of Customs filed an appeal against the order of CESTAT, which was allowed by the Bombay High Court in an order dated April 28, 2006. Subsequently, this order has been challenged by the Company before the Supreme Court of India, where this matter is currently pending.

In 2006, the Commercial Tax Officer of the state of Andhra Pradesh has issued a show cause notice on Kamineni Wockhardt Hospital for payment of value added tax (VAT) regarding the sale of certain consumables, implants and stents used by the hospital for which invoices were issued during that year. The total amount of the VAT claim is Rs. 2,914,146. We have filed a writ petition in 2006 alleging that VAT is not applicable on the sale of such consumables, implants and stents because such materials form part of the hospital treatment and medical service, and requested from the Andhra Pradesh High Court that the show cause proceedings be stayed. The Andhra Pradesh High Court has ordered that the Commercial Tax Department may deal with the proceedings based on merits. The matter is currently pending before the Andhra Pradesh High Court. The Commercial Tax Department also issued a show cause notice to us in April 2007 for production of certain accounts. The accounts have been produced by us and the matter is still pending with the Commercial Tax Department.

These legal proceedings may divert management attention from our hospitals, increase our expenses and adversely affect our business and financial results. For more information regarding these legal proceedings, see the section titled "Outstanding Litigation and Material Developments" beginning on page 235 of this Red Herring Prospectus.

20. **There is significant other outstanding litigation against us alleging, among other things, medical negligence and we may become subject to additional litigation in the future which may adversely affect our reputation and competitive position, as well as our liquidity and financial position.**

As of December 31, 2007, we (and our Directors) were subject to 15 claims filed by or on behalf of patients alleging medical negligence and seeking damages aggregating approximately Rs. 17.11 million. The claims are at various stages of litigation and the outcomes of these claims are uncertain.

The table below specifies the number of medical negligence cases, complaints and other legal proceedings relating to various specialty services provided at our hospitals involving us and our subsidiary as at December 31, 2007.

	Wockhardt Hospitals						
	Wockhardt Hospital, Bannerghatta Road	**Wockhardt Hospital, Mulund**	**Wockhardt & Hospital, Kidney Institute, Kolkata**	**Wockhardt Hospital and heart Institute, Cunningham Road, Bangalore**	**Wockhardt Hospital, Nagpur**	**Ekvira Heart Institute (Former name of Wockhardt Hospital, Nagpur)**	**Kamineni Wockhardt Hospital and Wockhardt Heart Centre, Hyderabad**
Cardiac Care	-		-	3	1	1	2
Orthopaedics	-	1	-	-	-		-
Ophthalmology	-	1	-	-	-		-
Nephrology	-		3	1	-		-
General Medical Care/ Billing/Other	1		-	-	-		1
Total	**1**	**2**	**3**	**4**	**1**	**1**	**3**

From time to time, we may be subject to additional litigation alleging, among other things, medical negligence and product liability for medical devices we use or pharmaceuticals we dispense. Damages awarded by Indian law and Indian courts may vary and tend to be unpredictable. Our insurance coverage also may be inadequate. If any of our current cases or future cases are not resolved in our favor, and if our insurance coverage or any applicable indemnity is insufficient to cover the damages awarded, we may be required to make substantial payments or modify or restrict our operations, which could have an adverse impact on our reputation and competitive position, as well as our business and financial results.

For more information regarding legal proceedings, see the sections titled "Outstanding Litigation and Material Developments" on page 235 of this Red Herring Prospectus.

21. There are certain legal and regulatory proceedings against us, our directors, Promoters and the Promoter Group.

We, our directors, Promoters and members of the Promoter Group are parties to certain legal proceedings initiated by or against such parties. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. A summary of the pending proceedings is set forth below:

A. Proceedings initiated against the Company

Type of Proceedings	**Number of Proceedings**	**Amount involved (Rs. in million)**
Notices	Twelve (12)[1]	7.87
Civil	Five (5)[2]	N.A.
Consumer Court Complaints	Ten (10)[3]	12.34
Income Tax	One (1)	N.A.
Customs	One (1)	16.55

[1] One of the notices has also been issued to a Director and has also been included in Table E below.
[2] In one case, a Promoter is a co-respondent and the case has also been included in Table C below.
[3] In two other cases, a Director is a co-respondent and the case has also been included in Table E below, while in another case, the Promoter is a co-respondent and the case has also been included in Table C below.

B. Proceedings initiated by the Company

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
Income Tax	One (1)	N.A.
Sales Tax/VAT	One (1)	2.9

C. Proceedings initiated against the Promoters

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
Civil	Two (2)	N.A.
Criminal	One (1)	N.A.
Income Tax	Thirteen (13)	314.11
Customs	One (1)	0.4
Consumer	One (1)	0.15
SEBI	One (1)	N.A.

D. Proceedings initiated by the Promoters

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
Arbitration	Two (2)	155.06 and US $ 1.7 million

E. Proceedings initiated against the Directors, other than the Promoters

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
Notices	One (1)	0.5
Civil	One (1)	19
Criminal	Three (3)	N.A.
Consumer Court	Two (2)	3.39
Income Tax	One (1)	N.A.
SEBI	One (1)	N.A.

F. Proceedings initiated against the Subsidiaries

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
Civil	One (1)	N.A.

G. Proceedings initiated against the Group Companies

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
Notices	Thirty (30)	170.29 & Euro 0.147 million
Civil	Thirteen (13)	2118.87
Criminal	Seven (7)	N.A.
Labour	Fifteen (15)	N.A.
Consumer	Three (3)	3.5
Income Tax	Seven (7)	408.53
Central Excise	Nine (9)	40.72
Customs	Three (3)	4.79
Monopolies and Restrictive Trade Practices	One (1)	N.A.

Drugs Price Liabilities Review Committee	One (1)	239.1

H. Proceedings initiated by the Group Companies

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
Civil	Two (2)	22.16
Criminal	Forty Seven (47)	45.58
Labour	Two	N.A.
Income Tax	Two (2)	7.52
Intellectual Property Rights	Twelve (12)	N.A.
Arbitration	One (1)	US$ 4

I. Proceedings initiated against the Directors of Group Companies

Type of Proceedings	Number of Proceedings	Amount involved (Rs. in million)
SEBI	One	0.5

For further details, please refer to the section titled "Outstanding Litigation and Other Material Developments" beginning on page 235 of this Red Herring Prospectus.

22. We have yet to obtain certain licenses, registrations and other regulatory or government approvals and renewals thereof required in the ordinary course of our business, and the failure to obtain these approvals in a timely manner or at all may materially adversely affect our operations.

We have applied for but have not received certain licenses, registrations and other approvals and renewals required in the ordinary course of our business as a result of the expiration of existing approvals. For further details on these licenses, registrations and other approvals see the section titled "Government and Other Approvals" beginning on page 261 of this Red Herring Prospectus. The litigations that we are currently involved in may also have an adverse effect on the process of obtaining of such approvals. If we do not receive such approvals, we may be unable to offer certain of our services or may be required to discontinue operations at one or more hospitals, and this may have a material adverse effect on our financial results.

We and our personnel in control positions and, in the case of the matters relating to hospitals we operate pursuant to contracts with other proprietors, the owners of such hospitals and their personnel in control positions could also face civil and criminal sanctions in connection with the operation of these hospitals in the absence of a nursing license.

We have yet to receive approvals from certain government agencies, including the Municipal Corporation, the Ministry of Environment and Forests, Government of India, Pollution Agency and Chief Fire Officer, that are required in order to begin construction of certain of our hospitals. Failure to receive such approvals in time or at all may cause delays or prevent us from constructing the hospital.

Furthermore, as part of the terms of our agreements regarding certain of our hospital facilities, we are required to provide discounted or free medical care each year for charitable purposes. For example, as part of the terms of the license granted to us regarding our greenfield project in southern Mumbai (which we expect will become operational in fiscal 2009), we are required to provide 10% of the inpatient beds at this facility for free treatment. If we do not comply with this condition, we may be subjected to litigation. Furthermore, there is no guarantee that our other facilities will not be subjected to such free or charitable treatment obligations in the future.

23. Our business is subject to extensive regulation, and compliance with applicable safety, health, environmental and other governmental regulations may be costly and adversely affect our competitive position and results of operations.

We are subject to central and local laws, rules and regulations governing, among other things, the:

- conduct of our operations;
- additions to facilities and services;
- adequacy of medical care;
- quality of medical equipment and services;
- discharge of pollutants to air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;
- qualifications of medical and support personnel;
- confidentiality, maintenance and security issues associated with health-related information and medical records; and
- screening, stabilization and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in India are stringent and it is possible that they will become significantly more stringent in the future. If we are held to be in violation of such regulatory requirements, including conditions in the permits required for our operations, by courts or governmental agencies, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make additional capital expenditures. Any public interest or class action litigation related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us. Any such costs could adversely affect our competitive position and results of operations.

For more information on the regulations applicable to us, see the section titled "Regulations and Policies in India" on page 101 of this Red Herring Prospectus.

24. We have certain export obligations which, if not fulfilled by 2015, could materially adversely affect our financial position.

We have imported certain equipment under the Export Promotion Capital Goods Scheme, ("EPCG Scheme"), pursuant to which we have obtained concessions on the duty of certain imports. As part of these concessions, we have certain export obligations under the EPCG Scheme, which we are required to fulfill within a period of eight years from the respective dates of the relevant 126 licenses. The total amount of the export obligations under the EPCG Scheme is estimated at US$26.2 million. Since we are not engaged in the business of exports, we have been satisfying our export obligations under the EPCG Scheme by setting off such obligations with exports made by our group companies in the past. We intend to satisfy our outstanding export obligations in the same manner. If we are unable to fulfill these export obligations in a timely manner, whether because of any future amendments to the EPCG Scheme or otherwise, we may be held liable to pay the amount of the duty concessions as granted to us, along with penalties, as prescribed by the EPCG Scheme.

25. A significant portion of our income is generated from certain corporate customers, and an adverse change in a customer relationship or in a customer's performance or financial position could harm the business and financial results of a particular hospital.

We have entered into service agreements on a hospital-by-hospital basis with a number of government enterprises, such as Oil & Natural Gas Corporation and Bharat Earth Movers Ltd., to provide healthcare services to their employees at negotiated or preferential rates, typically at discounts of 5% to 10% to our published rates. We also have similar arrangements with third party administrators and large private sector corporations. Further, we have an arrangement with the Indian central government, pursuant to which we provide healthcare services to government employees under the Central Government Health Scheme. These arrangements provide an important source of patients for us, and therefore impact our occupancy rates and our income. Set forth below is the number of corporate customers for each of our hospitals, as well as the income contributed by such customers as a percentage of total income, for fiscal 2005, 2006 and 2007, and for the nine months ended December 31, 2007:

(Income in Rs. millions)	For the nine months ended December 31, 2007			For the year ended March 31, 2007			For the year ended March 31, 2006			For the year ended March 31, 2005		
	No.	Income	As % of income	No.	Income	As % of income	No.	Income	As % of income	No.	Income	As % of income
Wockhardt Hospital, Mulund	147	100.4	11.8			22%			16%			14%
Wockhardt Hospital and Heart Institute	60	99.9	27.0			40%			38%			38%
Wockhardt Hospital, Bannerghatta Road	130	177.2	31.1			40%			-			-
Wockhardt Hospital & Kidney Institute and Wockhardt Medical Centre, Kolkata	163	57.7	31.8			30%			23%			19%
Wockhardt Heart Hospital, Nagpur	20	5.5	4.6			6%			6%			1%
Kamineni Wockhardt Hospital	29	24.5	12.4			19%			19%			-
Wockhardt Heart Centre, L B Nagar, Hyderabad	41	17.7	29.1			59%			62%			-
N.M. Virani Wockhardt Hospital, Rajkot	4	4.0	2.7			-			-			-
Sterling Wockhardt Hospital	5	0.3	2.0			-			-			-
Wockhardt Hospital, Chord Road	12	1.8	5.7			-			-			-
Wockhardt Hospital, Nagarbhavi	33	7.2	34.8			-			-			-
Total	644	496.2										

Our income from our major customers may vary from year to year and from quarter to quarter and any adverse development could affect our business, financial condition and results of operations on a consolidated or individual hospital basis. Our inability to renew such arrangements or negotiate similar arrangements in the future on terms favorable to us or any adverse change in our relationships with customers may also have an adverse impact on our business and financial results. Furthermore, certain government entities which we have arrangements with have long payment review times that can run for six or more months. The delays in receiving payments from those entities may increase our day's sales outstanding and have an adverse effect on our working capital and cash flow.

26. Rapid technological advances, technological failures and other challenges related to our medical equipment could adversely affect our business.

We use sophisticated and expensive medical equipment in our hospitals to provide services, including devices required for super-specialty procedures such as cardiac surgery, neuro-surgery and orthopedics. Medical equipment often needs to be replaced frequently as innovation can rapidly make existing equipment obsolete. Replacement of equipment may involve significant costs, as well as foreign currency risks, since some equipment is imported from other countries. We may not be able to replace such equipment in a timely manner due to the high costs of medical equipment. In addition, because of these costs, we may not maintain back-up equipment. Therefore, if such equipment is damaged or breaks down, our ability to provide services to our patients may be impaired. Our success in the future will depend significantly on our ability to take advantage of and adapt to technological developments to compete with the other healthcare services providers.

We may also incur impairment charges if our medical equipment becomes obsolete as a result of frequent product improvements and evolving technology. Following the adoption of a new accounting standard on the impairment of assets (Accounting Standard 28 published by the Institute of Chartered Accountants of India), we are required to record an asset impairment charge to reflect a reduced carrying value of our medical equipment. We may from time to time incur impairment charges, which may adversely affect our results of operations.

27. ***We are vulnerable to failures of our information technology systems, which could adversely affect our business.***

Our information technology systems are a critical part of our business and help us manage clinical systems, medical records, billing systems, healthcare services delivery contracts, accounting and financial reporting, compliance and inventory. Any technical failures associated with our information technology systems, including those caused by power failures and computer viruses and other unauthorized tampering, may cause interruptions in our ability to provide services to our patients and delay the collection of income. Corruption of certain information could also lead to delayed or inaccurate judgments or diagnoses in our treatment of patients and could result in damage to the welfare of our patients. In addition, we may be subject to liability as the result of any theft or misuse of personal information stored on our systems. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, or cessations in the availability of systems, any of which could have a material adverse effect on our financial position and results of operations and harm our business and reputation.

28. ***We may be subject to labor unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers related to retrenchment. Although our employees are not currently unionized, they may unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected.

29. ***We are vulnerable to natural disasters or other events that could disrupt our operations.***

Our operations are located in western, southern and eastern India. We are vulnerable to the effects of a natural disaster, such as a flood, earthquake or fire, or other calamity or event that disrupts our ability to conduct our business or that causes material damage to our property at these locations. For example, an occurrence of flood delayed the launch of our facility in Surat for two months. In the event of a significant disaster in one of our facilities, it could be difficult for us to maintain or quickly resume our operations. We do not have business interruption insurance, and our property insurance may not cover all loss or damage to our assets.

30. ***Our Promoters and our Promoter Group have equity interests in affiliated companies that manufacture products and offer services that are related to our business, which may create conflicts of interest.***

Our Promoters and our Promoter Group have equity interests or other investments in other companies that manufacture products that are related to our business, such as Wockhardt Ltd., which manufactures pharmaceuticals. There may be conflicts of interest in addressing business opportunities and strategies in circumstances where our interests differ from other companies in which one or more of our Promoters or one or more members of our Promoter Group has an interest. None of our Promoters or the members of our Promoter Group has undertaken to refrain from competing with our business. In addition, none of the Promoters or members of the Promoter Group is obligated to direct any opportunities in the healthcare industry to us. In some cases, we share members of management and key employees and other resources and office space with these affiliated companies, which may divert management attention and resources away from our business and create conflicts of interest. In addition, new business opportunities may be directed to these affiliated companies instead of our Company. Our Promoters and our Promoter Group may also keep us from entering into certain businesses related to our own, which may be important for our growth the in the future, as they may already have interests in other similar businesses.

In the past, our Promoters and our Promoter Group have undertaken projects independently of us and later contributed such projects to us. See "Our Business—Our Hospitals" on page 66 of this Red Herring Prospectus. Future projects developed by our Promoters and our Promoter Group may not be contributed to us or may be contributed on different terms and conditions than in the past. We have historically depended on guarantees and share pledges provided to our lenders by our Promoters and our Promoter Group in order to help fund our expansion projects, as well as improvements to our existing hospitals and other business requirements. The Promoters and other members of the Promoter Group have not committed to provide such forms of credit support on a going-forward basis. We may be unable to obtain future funds from lenders on favorable terms or at all without such support, and without such support our expansion plans may be curtailed. We have also obtained loans from our Promoters and other members our Promoter Group to finance our hospital projects. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Financing Arrangements" on page 229 of this Red Herring Prospectus. We may be unable to obtain such loans from our Promoters or other members our Promoter Group in the future.

31. Our Promoters will hold a majority of our Equity Shares after the Issue and can therefore determine the outcome of any shareholder voting.

After the completion of the Issue, our Promoters will hold approximately 71.20% of our paid up Equity Shares capital. So long as our Promoters own a majority of our Equity Shares, they will be able to elect our entire Board of Directors and control most matters affecting us, including the appointment and removal of our officers, our business strategy and policies, any determinations with respect to mergers, business combinations and acquisitions or dispositions of assets, our dividend policy and our capital structure and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to our other shareholders.

32. Your holdings may be diluted by additional issuances of Equity Shares, and sales of Equity Shares by our Promoters may adversely affect the market price of our Equity Shares.

Any future issuance of our Equity Shares by us, including pursuant to the exercise of stock options under any future employee stock option scheme or any other similar scheme in the future, may dilute the positions of investors in our Equity Shares, which could adversely affect the market price of our Equity Shares. We may issue Equity Shares in the future in order to help fund acquisitions and other expansion plans, as well as improvements to our existing hospitals and other business activities. Any such future issuance of Equity Shares, or the possibility of such sales, could negatively impact the market price of our Equity Shares. Such Equity Shares also may be issued at prices below the then-current market price.

Sales of a large number of our Equity Shares by our Promoters, or the possibility of such sales, may adversely affect the market price of our Equity Shares. Upon completion of the Issue, all Equity Shares that are outstanding prior to the Issue (including the Equity Shares allotted in the Pre-IPO Placement), approximately 76.42% of our post-Issue paid-up equity, will be subject to selling restrictions for a period of one year from the date of allotment of Equity Shares in the Issue. In addition, approximately 20% of our post-Issue paid-up capital held by certain of our Promoters will be subject to such selling restrictions for a period of three years. For further information relating to such selling restrictions, see the section titled "Capital Structure" beginning on page 22 of this Red Herring Prospectus.

33. We intend to use a portion of the net proceeds of the Issue to repay certain loans, and we have not entered into definitive agreements to utilize any of the net proceeds of the Issue and our expansion plans have not been appraised.

We intend to use the net proceeds of the Issue to build and operate new hospitals, expand existing hospitals, repay short-term indebtedness, meet general corporate purposes and pay Issue-related expenses. We intend to use approximately [●] % of the net proceeds of the Issue to repay indebtedness. For further information, see the section titled "Objects of the Issue" beginning on page 30 of this Red Herring Prospectus.

We have not entered into definitive agreements to utilize any of the net proceeds of the Issue, and we may not be able to conclude definitive agreements for such investments on terms favorable to us or at all. Our expenditure plans are based on management estimates and have not been appraised by any bank or financial institution or any other independent organization. Accordingly, our directors and management will have significant flexibility in applying the proceeds received by us from the Issue. In addition, our expenditure plans are subject to a number of variables, including possible cost overruns and changes in our management's views of the desirability of our current plans. Any unanticipated increase in the cost of our intended expansion plans could adversely affect our estimates of the cost of such expansion.

34. ***We may not have adequate insurance coverage for our current or future litigation, including claims against us outside of India, and adverse orders, judgments or other resolutions in such cases may adversely affect our financial condition and results of operations.***

We are exposed to potential liability risks that are inherent in the provision of healthcare services. Liabilities may exceed our available insurance coverage or arise from claims outside the scope of our insurance coverage. In addition, we are providing medical services to patients resident outside India, including countries such as the United Kingdom and United States. Claims under the laws in such foreign countries may expose us to far greater liability than exists in India, and we may not have adequate insurance to cover such liability. We are generally responsible for the losses that arise from the acts or omissions of our employees at our hospitals. In addition, our contracts with other proprietors for our brownfield hospitals do not generally require the proprietor to maintain insurance coverage (other than insurance for the premises, in most cases). If our arrangements for insurance or indemnification are not adequate to cover claims, including in the case of claims exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected.

For more information, see the section titled "Our Business—Insurance" on page 94 of this Red Herring Prospectus.

35. ***We may need additional capital in the future.***

As we continue to develop and expand our business, we may require additional capital to fund our capital expenditures, new projects, potential acquisitions and working capital needs, as well as our debt service requirements and cash flow deficits. In addition, we continually re-evaluate our business plan to adapt to our rapidly changing industry. Our business plan may change in material respects in the intermediate term. Any such change could result in unforeseen needs for additional financing. Our income and costs are dependent on factors such as patient inflow, changes in technology, increased competition, regulatory developments, fluctuation in interest or currency exchange rates and various other factors. Due to the uncertainty of these factors, our actual income and costs may vary significantly from our forecasts. Any such significant variation will affect our future capital requirements.

36. ***A significant portion of our outstanding debt is subject to fluctuations in interest rates, which may adversely affect our financial results.***

At December 31, 2007, approximately 27% of our outstanding debt was subject to interest payments based on floating rates. Interest rate fluctuations can be highly unpredictable, and can be further affected by a number of factors, including global economic trends and adverse events in the global financial markets. We have not invested in any instruments to hedge against interest rate risk (other than foreign currency hedging arrangements we entered into in connection with certain medical equipment purchases). Our failure to effectively manage our interest rate risk sensitivity could result in increased debt service costs and adversely affect our results of operations.

37. ***Some companies in the Promoter Group have incurred losses or have negative net worth.***

Companies in the Promoter Group that have incurred losses:

(Rs. millions)

Name of the Company in the Promoter Group	**Profit (loss) in the fiscal year ended March 31,**		
	2007	**2006**	**2005**
	(audited)		

Name of the Company in the Promoter Group	Profit (loss) in the fiscal year ended March 31,		
	2007	2006	2005
	(audited)		
Amadou Estate Development Private Limited	(0.02)	(0.01)	(0.02)
Denarius Estate Development Private Limited	(0.02)	(0.01)	(0.04)
DHPL	(12.71)	1.77	(0.45)
Palanpur Holdings & Investments Private Limited	(16.23)	(11.07)	(24.14)
Shravan Constructions Private Limited	(0.01)	0.03	(0.02)
Merind Limited	6.42	(2.57)	3.57
Medicaid Clinical Research Private Limited	(0.01)	(0.01)	(0.16)
Sharanya Chemicals & Pharmaceuticals Private Limited	(0.01)	0.01	(16.12)

Companies in the Promoter Group that have negative net worth:

(Rs. millions except where indicated)

Name of the Company in the Promoter Group	Positive / (Negative) Net Worth as of March 31		
	2007	2006	2005
	(audited)		
Dartmour Holdings Private Limited	(989.09)	(976.38)	20.05
Merind Limited	(145.11)	(151.53)	(148.96)
Palanpur Holdings & Investments Private Limited	(54.81)	(38.58)	(27.51)
Sharanya Chemicals & Pharmaceuticals Pvt Ltd	(16.02)	(16.02)	(16.02)
Wockhardt Maharashtra Hospitals Limited	(0.02)	(0.02)	(0.02)
Wallis Licensing Limited *	-£(1.02)	-£(1.02)	-£(0.86)

* Positive / (Negative) Net Worth for Wallis Licensing Limited is shown as of December 31 for each of the years.

38. We currently do not intend to pay dividends, and we may not pay dividends in the future.

We currently intend to retain all of our earnings to finance the development and expansion of our business and, therefore, do not intend to declare dividends on our Equity Shares in the foreseeable future. Our ability to pay dividends is subject to restrictive covenants contained in financing and loan agreements governing indebtedness we and our subsidiaries have incurred or may incur in the future.

39. We have in the last 12 months issued Equity Shares at a price which may be different than the Issue Price.

We have in the last 12 months made the following issuances of Equity Shares to the Promoters, employees and others at a price which may be different than the Issue Price:

Date of Allotment	Number of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (in Rs.)	Reasons for Allotment	Name of Allottee(s)	Price paid by Allottee(s) (in Rs.)
June 28, 2007	5,000,000	10.00	10.00	50,000,000	Allotted for cash	H F Khorakiwala	50,000,000

Date of Allotment	Number of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (in Rs.)	Reasons for Allotment	Name of Allottee(s)	Price paid by Allottee(s) (in Rs.)
July 3, 2007	15,749,965	10.00	Nil	Nil	Bonus shares	DHPL	Nil
July 3, 2007	1,750,000	10.00	Nil	Nil	Bonus shares	Carol Info Services Limited	Nil
July 3, 2007	1,750,000	10.00	Nil	Nil	Bonus shares	H F Khorakiwala (HFK)	Nil
July 3, 2007	7	10.00	Nil	Nil	Bonus shares	HFK as nominee of DHPL	Nil
July 3, 2007	7	10.00	Nil	Nil	Bonus shares	G B Parulkar as nominee of DHPL	Nil
July 3, 2007	7	10.00	Nil	Nil	Bonus shares	R B Gandhi as nominee of DHPL	Nil
July 3, 2007	7	10.00	Nil	Nil	Bonus shares	O H Cassubhoy as nominee of DHPL	Nil
July 3, 2007	7	10.00	Nil	Nil	Bonus shares	Vijaya Nair as nominee of DHPL	Nil
August 16, 2007	10,000	10.00	300.00	3,000,000	Allotted for Cash	Asgar Y Khorakiwala	3,000,000
August 16, 2007	5,000	10.00	10.00	50,000	Allotted for Cash	Vishal Bali	50,000
August 16, 2007	5,000	10.00	10.00	50,000	Allotted for Cash	Anil Kamath	50,000
August 16, 2007	3,000	10.00	10.00	30,000	Allotted for Cash	Vikram Raghuvanshi	30,000
August 16, 2007	1,000	10.00	10.00	10,000	Allotted for Cash	Lloyd Nazareth	10,000
August 16, 2007	1,000	10.00	10.00	10,000	Allotted for Cash	Ravindra Karanjekar	10,000
August 16, 2007	1,000	10.00	10.00	10,000	Allotted for Cash	Rupali Basu	10,000
August 16, 2007	500	10.00	10.00	5,000	Allotted for Cash	Sushas Aradhye	5,000
August 16, 2007	500	10.00	10.00	5,000	Allotted for Cash	P.K. Davison	5,000
August 16, 2007	500	10.00	10.00	5,000	Allotted for Cash	V Vijayrathna	5,000
August 16, 2007	500	10.00	10.00	5,000	Allotted for Cash	V Vishwanath	5,000
January 10, 2008	3,300,000	10.00	301.00	993,300,000	Allotted for Cash	CGMMPL	993,300,000
January 10, 2008	1,612,903	10.00	310.00	499,999,930	Allotted for Cash	BCCL	499,999,930
Total	**29,190,903**						

For more information on such issuances, see the section titled "Capital Structure" on page 22 of this Red Herring Prospectus.

40. ***We have undertaken pre-IPO placements to CGMMPL and BCCL at a price which may be different than the Issue Price.***

We have made pre-IPO placements to CGMMPL at Rs. 301 per Equity Share and to BCCL at Rs.310 per Equity Share. The price at which pre-IPO placements have been made may be at variance with the Issue Price. For more information the pre-IPO placements, see the sections titled "History and Certain Corporate Matters" and "Capital Structure" on page 106 and 22 respectively of this Red Herring Prospectus.

41. ***We have not provided information about certain relatives of our Promoters.***

Despite making request for providing the information to be incorporated in the Red Herring Prospectus, certain immediate relatives of some of the Promoters viz. Mr. Fakhruddin T Khorakiwala, Mrs. Khadijabai F Khorakiwala, Mr. Humaid Khorakiwala and Mr. Taizoon Khorakiwala have not provided the same. Consequently, in this Red Herring Prospectus, we have not been able to provide information about certain immediate relatives of some of the Promoters, which form part of our Promoter Group.

External Risk Factors

1. ***Challenges that affect the healthcare industry may also have an effect on our operations.***

We are impacted by the challenges currently facing the healthcare industry. We believe that the key ongoing industry-wide challenges are providing quality patient care in a competitive environment and managing costs.

In addition, our business and results of operations may also be affected by other factors that affect the entire industry, including us, such as:

- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;
- general economic and business conditions, both nationally and regionally; demographic changes; and
- changes in the distribution process or other factors that increase the cost of supplies.

In particular, the patient volumes and operating income at our hospitals are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;
- the business environment of local communities;
- the number of uninsured and underinsured patients in local communities; seasonal cycles of illness;
- climate and weather conditions; and
- physician recruitment, retention and attrition.

Any failure by us to effectively face these challenges could have a material adverse effect on our results of operations.

2. ***Our business could be adversely impacted by economic, political and social developments, including communal tensions or terrorist attacks, in India and in the regional markets where we operate.***

Our performance and growth are dependent on the state of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our patients to afford our services, which in turn would adversely impact our business and financial performance and the price of our Equity Shares.

3. ***Exchange rate instability may adversely affect our financial condition and results of operations.***

Our total income is denominated substantially in Indian Rupees and a part of our operating expenses, such as our expenses incurred in connection with certain medical equipment purchases, are denominated in, or linked to, currencies other than Indian Rupees, such as U.S. Dollars and Euros. We face exchange rate risks to the extent that our expenses are denominated in currencies other than Indian Rupees. In the year ended March 31, 2007 and the nine months ended December 31, 2007, we had total expenses (including capital expenditures) denominated in currencies other than Indian rupees of approximately Rs. 304.7 million and Rs. 209.7 million, respectively. These were predominantly in U.S. dollars.

As we do not hedge against exchange rate fluctuations, any decline in the value of the Indian Rupee relative to the U.S. dollar or other currencies may lead to a decrease in our profit margins, or to operating losses caused by increases in costs denominated in U.S. dollars and other currencies, increases in interest expense or exchange losses on fixed obligations and indebtedness denominated in currencies other than Indian Rupees.

4. There is no existing market for the Equity Shares, and a market with adequate liquidity may not develop. Our stock price may fluctuate after the Issue and, as a result, you may lose a significant part or all of your investment.

Prior to the Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after the Issue due to a wide variety of factors, including our results of operations and the performance of our business, competitive conditions and general economic, political and social factors, volatility in the Indian and global securities markets, the overall market for healthcare services, the performance of the Indian and global economy and significant developments in India's fiscal regime. The Issue Price will be determined by us in consultation with the Joint Global Co-ordinators and may differ significantly from the price at which the Equity Shares will trade subsequent to completion of the Issue. Even after the Equity Shares have been approved for listing on the Stock Exchanges, an active trading market for the Equity Shares may not develop or be sustained after the Issue. In addition, future sales of Equity Shares by current shareholders may cause the price of the Equity Shares to decline.

5. Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than the securities markets in the United States and Europe and have experienced volatility from time to time. The regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States and some European countries. Indian stock exchanges have experienced problems, including temporary closures, broker defaults, settlement delays and strikes by brokerage firm employees, which, if those or similar problems were to continue or recur, could adversely affect the market price and liquidity of the securities of Indian companies, including the Equity Shares.

6. If financial instability occurs in certain countries, particularly emerging market countries in Asia and other countries, our business and the price of our Equity Shares may be adversely affected.

Indian markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia and certain other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and may harm our business, our future financial performance and the price of our Equity Shares.

7. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

Under the SEBI Guidelines, we are permitted to allot Equity Shares within 15 days of the closure of a public issue. Consequently, the Equity Shares you purchase in the Issue may not be credited to your dematerialized account with Depository Participants until approximately 15 days after the allotment of the Equity Shares. You can begin trading in the Equity Shares only after they have been credited to your dematerialized account and after final listing and trading permissions have been received from the Stock Exchanges. Final trading permissions may not be received from the Stock Exchanges, the Equity Shares allocated to you may not be credited to your dematerialized account and trading in the Equity Shares may not commence within the time periods specified above.

Notes to Risk Factors:

Public Issue of 25,087,097 Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share aggregating Rs. [●] million. The Issue comprises a Net Issue to the public of 24,587,097 Equity Shares of Rs. 10 each and an Employee Reservation Portion of 500,000 Equity Shares of Rs. 10 each to the Eligible Employees. The Net Issue would constitute 23.58% of the post issue paid-up equity share capital of the Company. The Company completed Pre-IPO Placements (the "Pre-IPO Placements") to BCCL of 1,612,903 Equity Shares and to CGMMPL of 3,300,000 Equity Shares.

In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process whereby at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

The net asset value per Equity Share of Rs.10 each was Rs. 11.25 as at December 31, 2007 and Rs. 14.17 as at March 31, 2007, as per the restated consolidated financial statements of the Company prepared in accordance with Indian GAAP, and restated in accordance with SEBI Guidelines.

The net worth of the Company was Rs. 840.26 million as at December 31, 2007 and Rs. 712.95 million as at March 31, 2007, as per the restated consolidated financial statements of the Company prepared in accordance with Indian GAAP, and restated in accordance with SEBI Guidelines. For more information, see the section titled "Financial Statements" on page 158 of this Red Herring Prospectus.

The average cost of acquisition of our Equity Shares by each of our promoters is as follows:

Name of the Shareholder/ Promoter	No. of Shares Held	Average Price Per Share (Rs.)
DHPL	60,749,865	7.41
Carol Info Services Limited	6,750,000	7.41
H F Khorakiwala	6,750,000	7.41
H F Khorakiwala*	27	7.41
G B Parulkar*	27	7.41
R B Gandhi*	27	7.41
O H Cassubhoy*	27	7.41
Vijaya Nair*	27	7.41

* As nominee of DHPL.

For information on related party transactions, see the section titled "Financial Statements" beginning on page 158 of this Red Herring Prospectus.

For information on the interests of Promoters, Directors and key managerial personnel, other than reimbursement of expenses incurred or normal remuneration or benefits, see the section titled "Our Management" beginning on page 109 of this Red Herring Prospectus.

Except as disclosed in "Capital Structure" on page 22 of this Red Herring Prospectus, we have not issued any shares for consideration other than cash.

The Company has not made any loans and advances to any person(s)/ company in which the Directors are interested, except as disclosed in the section titled "Related Party Transactions" and "Financial Statements" beginning on pages 141 and 158 of the Red Herring Prospectus.

The Company issued the following Equity Shares before the date of the filing of the Red Herring Prospectus to Pre-IPO Investors:

S.No.	Pre-IPO investors	Number of Equity Shares	Price per Equity Share (Rs.)	Date of Allotment of Equity Shares
1.	CGMMPL	3,300,000	301.00	January 10, 2008
2.	BCCL	1,612,903	310.00	January 10, 2008

Under-subscription, if any, in the Non-Institutional Portion and Retail Individual Portion would be met with spillover from other categories at the sole discretion of our Company, in consultation with the BRLMs. Any under subscription in the Equity Shares under the Employee Reservation Portion would be treated as part of the Net Issue.

Except as disclosed in "Our Promoters and Promoter Group" and "Our Management" on pages 120 and 109 of this Red Herring Prospectus respectively, none of our Promoters, our Directors and our key managerial personnel have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

The Company was incorporated on August 28, 1991 as First Hospitals and Heart Institute Limited and was issued the Certificate of Incorporation bearing No. 11-63096 by the Registrar of Companies, Maharashtra, Mumbai. The registered office of our company was shifted from Poonam Chambers, 5th Floor, Dr. A.B. Road, Worli, Mumbai 400 018 to Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 with effect from August 30, 2000 by means of a resolution of our Board dated August 30, 2000.
Trading in Equity Shares of our Company for all investors shall be in dematerialized form only, after the Equity Shares are made fully paid-up.

Investors may note that in the event of over-subscription of the Issue, allotment to Qualified Institutional buyers, Non-Institutional Bidders, Retail Bidders and Eligible Employees shall be made on a proportionate basis. For more information, see "Issue Procedure – Basis of Allocation" on page 336 of this Red Herring Prospectus.

Any clarification or information relating to the issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs and the Syndicate Members for any complaints pertaining to the Issue.
Investors may contact the BRLMs and the Syndicate Members for any complaints pertaining to the Issue.
Investors are advised to see the section titled "Basis for Issue Price" beginning on page 41 of this Red Herring Prospectus.

Investors are advised to see “Risk Factors—Our Promoters and our Promoter Group have equity interests in affiliated companies that manufacture products and offer services that are related to our business, which may create conflicts of interest” beginning on page XXIX of this Red herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY

Overview

We are one of the largest private healthcare services companies in India, based on the number of hospital beds, according to information provided by CRIS-INFAC's report published in 2007. We have a super-specialty focus on core areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology and critical care, and we specialize in minimally invasive surgery. We have a pan-India presence with a network of ten super-specialty hospitals and five regional specialty intensive care unit ("ICU") hospitals providing healthcare services in western, southern and eastern India. Our regional specialty ICU hospitals act as referral centers and the first point of critical care for our larger super-specialty hospitals, but are also self-sustaining as they are strategically located to fulfill demand for basic tertiary care and higher secondary care.

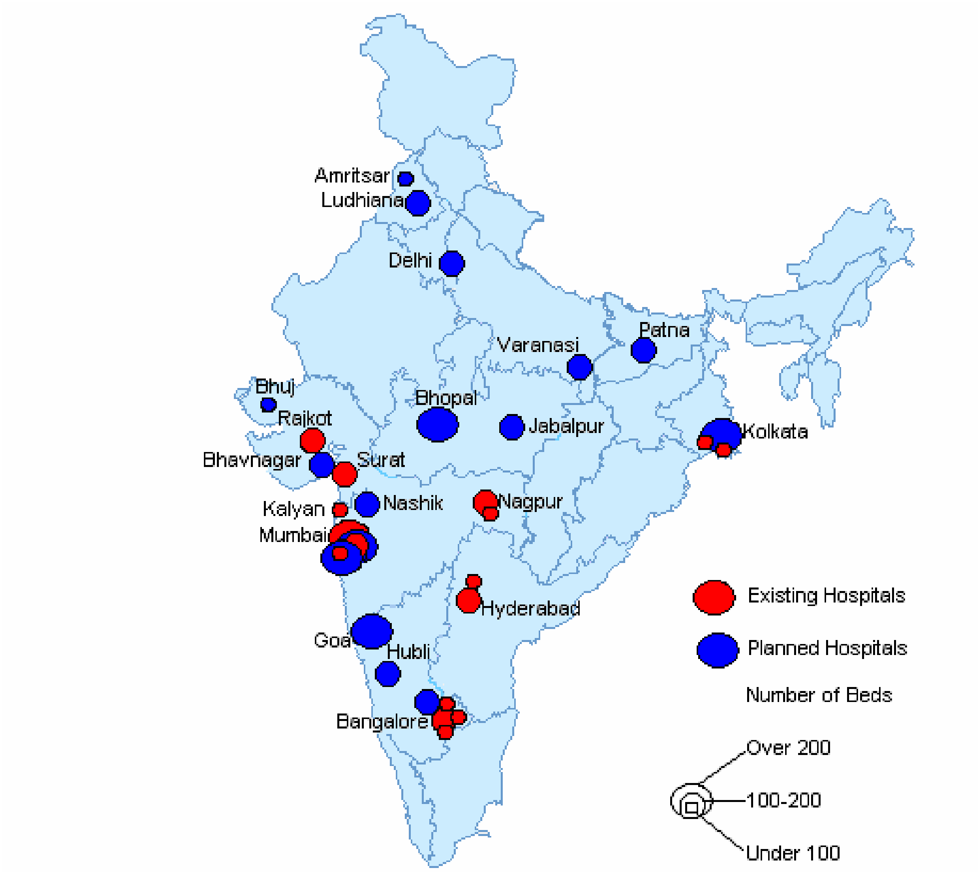
We established our first hospital, Wockhardt Medical Centre, in Kolkata in 1989. By 1993, we had opened the Wockhardt Hospital and Heart Institute in Bangalore and the Wockhardt Hospital and Kidney Institute in Kolkata, establishing our super-specialty focus. In 2000, having developed and refined our business model, we undertook a strategy to accelerate our growth, and have since become a leading private healthcare services provider in India, with a presence across the country. Our network consists of super-specialty hospitals, which provide advanced tertiary and higher secondary care, and regional specialty ICU hospitals, which include regional ICU hospitals that provide basic tertiary care and higher secondary care hospitals. Six of our existing facilities are "greenfield" facilities, which we or our group companies have constructed. We operate our remaining nine facilities as "brownfield" facilities, which means that we refurbish, equip and operate hospitals located on the premises of others pursuant to revenue sharing or lease arrangements. We also own and operate ten pharmacies located at our facilities.

In India, we are the only private hospital group associate of Harvard Medical International ("HMI"), a self-supporting not-for-profit subsidiary of Harvard Medical School. Our super-specialty hospital in Mumbai is one of the first hospitals in South Asia to have received international accreditation from Joint Commission International ("JCI"). JCI is part of the Joint Commission on Accreditation of Healthcare Organizations, a non-profit corporation that is the largest accreditor of healthcare organizations in the United States.

Our promoters are part of the Wockhardt group, a global pharmaceutical and biotechnology company with a presence in the world's leading markets. In January 2008, we completed Pre-IPO Placements (the "Pre-IPO Placements") to BCCL of 1,612,903 Equity Shares and to CGMMPL of 3,300,000 Equity Shares, constituting 2.0% and 4.2% of our Equity Shares, respectively.

During the fiscal year ended March 31, 2007, we performed over 10,000 interventional cardiac procedures, 1,000 orthopedic procedures and 400 neuro and spine surgeries. We also performed over 2,100 minimally invasive procedures during the same period. We currently have approximately 1,374 inpatient beds in use across our network of 15 facilities. We also have ongoing greenfield and brownfield projects, which, if successfully completed, will result in 1,957 new beds by March 31, 2009. In the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, the average occupancy rate for our super-specialty hospitals open for a year or more was approximately 68% and 67%, respectively. For fiscal 2007 and the nine months ended December 31, 2007, our total income was Rs. 2,367.0 million and Rs. 2,599.8 million, respectively, our EBITDA was Rs. 395.0 million and Rs. 544.6 million, respectively, and our net profit was Rs. 155.9 million and Rs. 73.1 million, respectively.

The following map indicates the location and nature of our existing and planned facilities:



Our Strengths

We believe we benefit from the following strengths:

Specialty focus. Throughout our network, we focus on tertiary care clinical areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology and critical care and we specialize in minimally invasive surgery. We believe we have established ourselves as leaders in those areas, with more than 18 years of experience developing high-end clinical expertise. Our specialty focus helps us attract and train super-specialist clinicians. We are investing significantly in the technology, equipment and infrastructure required to perform the most advanced procedures. To extend, support and strengthen our specialty focus, we have established and intend to expand our network of regional specialty ICU hospitals, which can refer patients to our super-specialty hospitals.

Quality patient care. We have created and developed the "Wockhardt Quality and Care Management System", a multi-faceted quality and care management program, and implemented it throughout our network. Through this system, we aim to constantly evaluate the quality of the services that our patients receive. We follow international quality benchmarks, and our super-specialty hospital in Mumbai became one of the first hospitals in South Asia to receive international accreditation from JCI. In addition, we intend for our hospital in Bannerghatta Road, Bangalore to undergo the survey for JCI accreditation by the first quarter of 2008. Our hospitals follow international quality and patient safety protocols and adhere to international clinical standards in patient handling, operating theaters, intensive care unit management and emergency care. The pathology laboratories at Wockhardt Hospital and Heart Institute in Cunningham Road, Bangalore have been accredited by the National Accreditation Board for Testing & Calibration Laboratories ("NABL").

Strategic relationship with Harvard Medical International. In India, we are the only private hospital group associate of Harvard Medical International ("HMI"), a self-supporting not-for-profit subsidiary of Harvard

Medical School. HMI collaborates with select institutions around the world to advance its philosophy of "one world, one medicine". Our long-term association with HMI helps us design hospitals adhering to global standards, improve the quality of our services, introduce new clinical services, train and educate our hospital administrators, clinicians and nurses and attract clinicians from around the world. We benefit from the expertise of HMI's diverse group of professionals representing 17 teaching hospitals affiliated with Harvard Medical School, including pioneering institutions such as Massachusetts General Hospital, Beth Israel Deaconess Medical Center, Joslin Diabetes Center, Brigham and Women's Hospital, Dana-Farber Cancer Institute and Children's Hospital Boston. HMI professionals help us design facilities, establish new clinical programs and create quality and personnel development systems. We believe our association with HMI also provides a source of innovation and advanced clinical learning for doctors and other personnel at our hospitals. Pursuant to our agreement with HMI, we are permitted to use the HMI name and logo next to the Wockhardt Hospitals name and logo at our greenfield facilities and on our stationery.

Ability to attract, retain and educate skilled doctors, nurses and other personnel. We believe that we have been successful in attracting and retaining doctors who have over a period of time achieved clinical excellence in their fields at our hospitals. The quality of our facilities, the quality and capabilities of our medical staff and our association with HMI help us recruit and retain medical personnel. We utilize a competitive compensation structure for our clinicians, and we believe this structure, which includes fixed retainership and variable fees, helps us attract and retain high quality clinicians and increases the productivity of our hospitals. For the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, we have averaged a retention rate of 99% and 100%, respectively, for full-time consultants at our hospitals. We also have separate and specific training programs for doctors, nurses, para-medical professionals and management personnel. For more information on these programs, see "—Professional Activities—Professional Development" below under this section titled "Our Business" beginning on page 62 of this Red Herring Prospectus.

Pan-India presence with recognized brand. We have established a national footprint with our super-specialty hospitals in western, southern and eastern India. In northern India, we have plans for a greenfield hospital in Delhi, for which we have already acquired the property, and as part of our brownfield projects, we intend to manage a cardiac hospital in Ludhiana. In central India, we have ongoing brownfield hospital projects in Bhopal and Jabalpur. The Wockhardt brand is respected nationwide for the Wockhardt group's strength and nearly 35-year heritage as a global participant in the pharmaceutical industry. Our national footprint, with a presence in many leading and emerging metropolitan areas, has allowed us to leverage the Wockhardt name and establish Wockhardt Hospitals as a healthcare services delivery brand which is recognized across the country. Our pan-India presence and recognition give patients confidence that they will receive high quality healthcare services wherever they are located, and also help us recruit skilled doctors and nurses both from within India and overseas.

Experienced management. Our operations are led by an experienced management group that functions well as a team, and that has the expertise and vision to continue to expand our business. Our senior management team includes our Managing Directors Mr. Vishal Bali, who has been with the company since its inception, and Mr. Anil Kamath. We have dedicated and experienced management teams in charge of project execution, human resources, operations, quality management and our international business. Our senior managers have an average of 13 years of experience in management and an average of nine years of experience in management in the healthcare services industry in particular.

Our Strategy

The key elements of our growth strategy include:

Strengthen position in major metropolitan areas and establish presence in selected smaller "Tier II" cities. We intend to continue growing by establishing additional healthcare facilities. We plan to strengthen our presence in major metropolitan areas, such as Bangalore, Mumbai, Kolkata, Hyderabad and Delhi, by expanding our current operations through new greenfield and brownfield projects, as well as increasing bed capacity at our existing hospitals. For example, we are currently expanding our bed capacity at Wockhardt Hospital, Mulund, and building new hospitals in southern and northern Mumbai, Delhi, Bangalore and Kolkata. We are pursuing brownfield projects in selected Tier II cities, such as Madgaon (Goa), Bhopal, Nashik, Bhavnagar, Ludhiana, Jabalpur, Bhuj, Patna, Hubli and Varanasi. In most of these Tier II cities, we expect to be among the first major private healthcare services providers to commence focused tertiary care operations, which we believe will help us attract patients, recruit better medical personnel and establish benchmarks for care and sustainable operations. Our business development team is constantly evaluating potential greenfield and brownfield opportunities in both our existing and new regions. Our evaluation criteria for new opportunities include the demographics and revenue potential of the local population, the competitive landscape, location and cost, and for existing facilities, the skill, specialty and reputation of doctors and other medical and non-medical staff, the work culture of the institution and the quality of the infrastructure.

Develop network of regional specialty ICU hospitals. Our regional specialty ICU hospitals act as referral centers for our super-specialty hospitals for advanced and tertiary procedures, but are also self-sustaining and strategically located to fulfill market demand for basic tertiary care in the case of regional ICU hospitals and higher secondary care in the case of higher secondary care hospitals. We intend to further develop our network of regional specialty ICU hospitals, which deepen and complement the penetration of our super-specialty hospitals through their referrals of patients in need of advanced tertiary care. In India, there is a shortage of supply in adequately equipped and staffed ICU services, which satisfy internationally accepted standards. We believe we can expand our reach in the high-end intensive care segment by setting up stand-alone regional ICU hospitals, with 30 to 80 beds (approximately 25% of which are ICU beds), which will complement our tertiary care model by providing intensive care and higher secondary care services. We currently have two regional ICU hospitals in Vashi, Mumbai and Chord Road, Bangalore. These regional ICU hospitals are typically staffed with approximately 30 doctors and trained intensive care specialists who provide 24 hour emergency service every day of the week. We intend to increase our market share in intensive care and also extend our local reach by setting up additional regional ICU hospitals. In the long term, we also expect our regional ICU strategy to contribute to the reduction of average length of stay at our super-specialty hospitals, because patients are able to receive critical care at regional ICU hospitals prior to referral to our super-specialty hospitals.

Leverage growth model with flexible expansion plans. Since 2000, we have grown from three hospitals, with 139 beds, to a network of ten super-specialty hospitals and five regional specialty ICU hospitals, with a total of 1,374 inpatient beds. We employ a flexible approach in our expansion plans, opportunistically engaging in either greenfield or brownfield projects depending on the best available alternatives. We believe our ability to successfully complete new projects (on average to date, greenfield projects within 18 to 24 months and brownfield projects within six to twelve months) coupled with our focus on super-specialty tertiary care enables us to achieve cash break-even within relatively short periods of time (on average, within one to two years). In particular, in brownfield projects, we can minimize ramp up time, capital investments and cash outflows, and instead focus on our core competencies of operating hospitals and providing advanced tertiary care and higher secondary care to our patients.

Focus on high-value end of the healthcare services market. Due to our focus on tertiary care in high-growth areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology and critical care, and with our super-specialty hospitals, skilled doctors and high-end equipment, we believe we are well-positioned to serve the increasing demand for sophisticated clinical care in the Indian healthcare market. During fiscal year ended March 31, 2007, we performed over 10,000 interventional cardiac procedures, 1,000 orthopedic procedures and 400 neuro and spine surgeries. We also performed over 2,100 minimally invasive procedures during the same period. In addition, we believe that by further developing our expertise in these high-growth tertiary care areas, we will be able to meet the demand for even more sophisticated procedures. We are concentrating on our surgical admissions and continually developing our expertise especially in high-yielding procedures such as cardiac surgery, orthopedic procedures, complex trauma work and brain and spine surgeries. We may also seek to expand into other high-value super-specialties, such as oncology.

Improve profitability at mature hospitals and increase occupancy rates at newer hospitals. We intend to improve profitability at our mature hospitals (which we have operated for more than three years) by increasing average income per bed and decreasing average length of stay. We plan to focus on our case mix and increase the ratio of surgical to medical procedures, and also improve our utilization rates in order to increase average income per bed. In addition, we intend to expand our practice with minimally invasive surgical techniques, which eliminate the need to make large incisions into the human body, thereby reducing surgical trauma, pain and blood loss. We have been using minimally invasive surgical techniques in most of our specialties (approximately 7% to 10% of our surgical operations, for the fiscal year ended March 31, 2007) and we intend to expand its use to a wider range of procedures. Patient recovery time is shorter in minimally invasive surgeries, freeing up beds for other patients and reducing the average length of stay at our hospitals. For the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, the average length of stay at our hospitals was 4.7 and 4.4 days, respectively. At our new hospitals, which we have operated for less than three years, we plan to increase occupancy rates through extensive marketing (especially during the first year of the hospital), expansion of our referral network and increase in community outreach programs to gain market share in the regions in which we operate.

Increase outpatient income by focusing on our ongoing day care products and introducing new day care surgeries and other outpatient offerings. Over the years, we have established a diverse portfolio of outpatient offerings, including health check up programs, various forms of laboratory testing, diagnostics (e.g., high end imaging work), and physiotherapy and rehabilitation. Such offerings led to an increase in outpatient admissions (both referrals and walk-in patients) at our hospitals. We have also recognized the opportunities in day care surgeries. Due to technological developments, certain surgeries, which previously required patients to stay at a hospital for a number of days, can now be carried out as day care surgeries. In such day care surgeries, the patient gets admitted to the hospital in the morning, undergoes the surgery and gets discharged in the evening. Such surgeries reduce the average length of stay for patients and free up beds for tertiary care cases. Going forward, we intend to focus on such procedures at our hospitals and we expect this initiative to be a significant contributor to our outpatient income. Due to lifestyle changes and increased awareness for healthcare in India, we also intend to focus on preventative measures for lifestyle diseases and rehabilitative care at our hospitals in Mumbai, Kolkata, Hyderabad, Nagpur, Delhi, Rajkot, Bhopal and Nashik. In addition, we plan to develop our capabilities in medical and surgical oncology at our hospitals in Mulund, Kolkata and Bhopal, and in urology (based on our experience at our kidney hospital at Kolkata) at our upcoming hospitals in Kolkata, Adams Wylie (Mumbai), Rajkot, Bhopal, Nasik, Goa, Bhavnagar and Jabalpur. We also recognize the growing demand for cosmetic procedures in India and plan to launch cosmetology as an important specialty at our new greenfield hospitals in Mumbai and Bangalore.

Grow international patient base, particularly in developed countries. Especially over the last five years, India has become a preferred destination for international patients who seek access to healthcare services at international standards with substantial cost savings. According to CRIS-INFAC Hospitals Annual Review published in February 2007, it is estimated that 180,000-200,000 international patients came for treatment to India in 2006, up from 10,000 patients in 2000. We aim to capitalize on this opportunity, and grow our brand and reputation globally. We are focused on providing patients from developed countries with tertiary care services such as cardiac surgery, orthopedic procedures and spine surgery. We believe our association with HMI and the JCI accreditation of our hospital in Mulund, Mumbai help us attract international patients. We have established an interactive website and a patient services center that can quickly respond to queries from international patients. We intend to increase our marketing efforts to attract more international patients.

THE ISSUE

Issue:	25,087,097 Equity Shares
Of which:	
Employee Reservation Portion	500,000 Equity Shares
Therefore, Net Issue to the Public	 24,587,097 Equity Shares
A. QIB Portion[1]:	At least 14,752,258 Equity Shares (allocation on proportionate basis)
Of which Available for allocation to Mutual Funds only	 737,613 Equity Shares (allocation on proportionate basis)
Balance for all QIBs including Mutual Funds	14,014,645 Equity Shares (allocation on proportionate basis)
B. Non-Institutional Portion[1]:	Not less than 2,458,709 Equity Shares (allocation on proportionate basis)
C. Retail Portion[1]:	Not less than 7,376,129 Equity Shares (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue:	79,190,903 Equity Shares
Equity Shares outstanding after the Issue:	104,278,000 Equity Shares
Objects of the Issue:	For details of the Objects of the Issue, see the section titled "Objects of the Issue" beginning on page 30 of this Red Herring Prospectus.

[1] In the event of under-subscription in any of these categories, the unsubscribed portion may be added to one of the other categories at the sole discretion of the Company in consultation with the BRLMs.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our restated consolidated summary statements and restated unconsolidated summary statements for the nine months ended December 31, 2007, and for the fiscal years ended March 31, 2007, 2006 and 2005. The restated consolidated summary financial information and the restated unconsolidated summary financial information presented below should be read in conjunction with the financial statements included in this Red Herring Prospectus, the notes and significant accounting principles thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 206 of this Red Herring Prospectus. Indian GAAP differs in certain significant respects from U.S. GAAP and IFRS. For more information on these differences, see the section titled "Summary of Significant Differences between Indian GAAP, U.S. GAAP and IFRS" beginning on page 146 of this Red Herring Prospectus.

Restated Consolidated Summary Statement of Profits and Losses

(Rs. millions)

Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005
Income				
Sales and Services	2,594.81	2,364.84	1,586.78	1,290.97
Other Income	4.98	2.20	4.85	1.33
Total Income	**2,599.79**	**2,367.04**	**1,591.63**	**1,292.30**
Expenditure				
Purchases	842.07	782.01	515.82	479.93
(Increase) / Decrease in Inventories	(127.37)	(43.77)	(10.08)	(8.17)
Personnel Expenses	310.41	295.69	192.95	148.21
Operating Expenses	888.30	789.34	517.17	350.61
General and Administration Expenses	82.00	79.68	50.81	48.05
Selling Expenses	59.80	69.06	37.62	55.95
Interest Expenses (net)	235.55	113.07	56.99	93.51
Preoperative & Preliminary Expenditure Written Off	-	-	-	-
Depreciation Amortisation	145.87	120.12	88.45	90.72
Total Expenditure	**2,436.63**	**2,205.20**	**1,449.73**	**1,258.81**
Profits / (Losses) before Tax	**163.16**	**161.84**	**141.90**	**33.49**
Income Tax	(18.52)	(18.32)	(11.85)	(2.43)
Fringe Benefit Tax	(5.95)	(4.03)	(3.16)	-
Wealth Tax	(0.11)	(0.06)	(0.04)	(0.04)
Deferred Tax	(65.52)	16.48	16.86	(17.94)

Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005
Net Profits /(Losses) as restated	**73.06**	**155.91**	**143.71**	**13.08**
Less: Losses/(Profits) transferred to Minority Interest	0.03	0.01	-	-
Net Profits / (Losses) as allocable to the shareholders of Wockhardt Hospitals Limited	**73.09**	**155.90**	**143.71**	**13.08**
Profits/ (Losses) at the beginning of the year	208.81	52.91	(90.80)	(103.88)
Balance Carried Forward as restated	**281.90**	**208.81**	**52.91**	**(90.80)**

Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. millions)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Fixed Assets				
Goodwill on consolidation	138.39	138.39	138.39	138.39
Gross Block	3,743.17	2,841.37	1,315.91	1,204.20
Less : Accumulated Depreciation / Amortisation	718.41	573.32	453.53	366.56
Net Block	3,024.76	2,268.05	862.38	837.64
Capital Work in Progress including capital advances	1,391.34	806.43	993.55	377.04
TOTAL	**4,554.49**	**3,212.87**	**1,994.32**	**1,353.07**
Investments	0.00	-	0.70	25.00
Current Assets, Loans & Advances				
Inventories	209.40	82.18	38.41	28.33
Sundry Debtors	342.22	217.90	107.06	65.35
Cash and Bank Balances	626.88	409.18	84.50	125.71
Other Current Assets	25.26	2.14	-	0.02
Loans & Advances	426.16	267.65	137.25	100.91
TOTAL ASSETS	**6,184.41**	**4,191.91**	**2,362.23**	**1,698.38**

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Liabilities and Provisions				
Secured Loans	2,013.96	1,505.68	1,132.61	794.53
Unsecured Loans	2,350.00	1,356.77	249.23	200.00
Deferred Tax Liability (Net)	132.74	67.22	83.70	100.56
Current Liabilities	761.24	490.39	312.40	178.60
Provisions	86.81	58.41	26.76	10.87
Minority Interest	-	0.04	0.03	0.03
TOTAL LIABILITIES	**5,344.75**	**3,478.51**	**1,804.73**	**1,284.59**
Net Worth	**839.66**	**713.40**	**557.51**	**413.79**
Represented by				
Equity Share Capital	742.78	500.00	500.00	250.00
Preference Share Capital		-	-	250.00
Reserves & Surplus	96.88	213.40	57.51	4.59
Less :				
Debit Balance of Profit & Loss Account	-	-	-	(90.80)
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-
Net Worth	**839.66**	**713.40**	**557.51**	**413.79**

Restated Unconsolidated Summary Statement of Profits and Losses

Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005
Income				
Sales and Services	2,594.81	2,364.84	1,586.78	1,290.97
Other Income	4.98	2.20	4.85	1.33
Total Income	**2,599.79**	**2,367.04**	**1,591.63**	**1,292.30**
Expenditure				
Purchases	842.07	782.01	515.82	479.93
(Increase) / Decrease in Inventories	(127.37)	(43.77)	(10.08)	(8.17)
Personnel Expenses	310.41	295.69	192.95	148.21
Operating Expenses	889.05	790.05	517.17	350.61
General and Administration Expenses	80.16	79.68	50.80	48.00
Selling Expenses	59.80	69.06	37.62	55.95
Interest Expenses (net)	235.55	113.07	56.99	93.51
Depreciation Amortisation	145.87	120.12	88.45	90.72
Total Expenditure	**2,435.54**	**2,205.91**	**1,449.72**	**1,258.76**
Profits / (Losses) before Tax	**164.25**	**161.13**	**141.91**	**33.55**
Income Tax	(18.52)	(18.15)	(11.85)	(2.43)
Fringe Benefit Tax	(5.95)	(4.03)	(3.16)	-
Wealth Tax	(0.11)	(0.06)	(0.04)	(0.04)
Deferred Tax	(65.52)	16.48	16.86	(17.94)
Net Profits /(Losses) as restated	**74.15**	**155.37**	**143.72**	**13.13**
Profits/ (Losses) at the beginning of the year	208.35	52.97	(90.74)	(103.88)
Balance Carried Forward as restated	**282.50**	**208.35**	**52.97**	**(90.74)**

Restated Unconsolidated Summary Statement of Assets and Liabilities

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Fixed Assets				
Gross Block	3,741.27	2,839.47	1,314.01	1,202.30
Less : Accumulated Depreciation / Amortisation	718.41	573.32	453.53	366.56
Net Block	3,022.86	2,266.15	860.48	835.74
Capital Work in Progress including capital advances	1,391.34	806.43	993.55	377.04
TOTAL	**4,414.20**	**3,072.58**	**1,854.03**	**1,212.78**

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Investments	139.39	139.39	140.09	164.39
Current Assets, Loans & Advances				
Inventories	209.40	82.18	38.41	28.33
Sundry Debtors	342.22	217.90	107.05	65.35
Cash and Bank Balances	626.87	409.16	84.48	125.68
Other Current Assets	25.26	2.14	-	0.02
Loans & Advances	427.47	267.89	138.20	101.86
TOTAL ASSETS	**6,184.81**	**4,191.24**	**2,362.26**	**1,698.41**
Liabilities and Provisions				
Secured Loans	2,013.96	1,505.68	1,132.61	794.53
Unsecured Loans	2,350.00	1,356.77	249.23	200.00
Deferred Tax Liability (Net)	132.73	67.22	83.70	100.56
Current Liabilities	761.22	490.37	312.40	178.60
Provisions	86.64	58.25	26.76	10.87
TOTAL LIABILITIES	**5,344.55**	**3,478.29**	**1,804.70**	**1,284.56**
Net Worth	**840.26**	**712.95**	**557.56**	**413.85**
Represented by				
Equity Share Capital	742.78	500.00	500.00	250.00
Preference Share Capital	-	-	-	250.00
Reserves & Surplus	97.48	212.95	57.56	4.59
Less :				
Debit Balance of Profit & Loss Account	-	-	-	(90.74)
Net Worth	**840.26**	**712.95**	**557.56**	**413.85**

GENERAL INFORMATION

Registered Office and Registrar of Companies

The registered office of Wockhardt Hospitals Limited is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and the registration number of the Company is 11-63096 and the corporate identification number is U85100MH1991PLC063096. The Company is registered with the RoC described below:

The Registrar of Companies, Mumbai, Maharashtra,
100, Everest, Marine Drive,
Mumbai – 400 002

Board of Directors

The following persons constitute the Board of Directors:

Name	Designation
Mr. H. F. Khorakiwala	Non-Executive Chairman
Mr. Anil Kamath	Managing Director
Mr. Vishal Bali	Managing Director
Mr. Pradip Shah	Independent Director
Dr. Vivekanand Jawali	Non-Executive Director
Mr. Ashwin Dani	Independent Director
Mr. Berjis Desai	Independent Director
Mr. Susim Mukul Datta	Independent Director

For further details of the Directors, see the section titled "Our Management" beginning on page 109 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Bhavik Desai
Wockhardt Hospitals Limited,
Wockhardt Towers, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.
Tel: +91 22 2659 6222
Fax: +91 22 2659 6814
E-mail: whlipo@wockhardthospitals.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account or refunds.

Joint Global Co-ordinators and Book Running Lead Managers

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar,
Nariman Point,
Mumbai 400 021.
Tel: +91 22 6631 9999
Fax: +91 22 6631 9803
Contact Person: Mr. Rajiv Jumani
E-mail: wockhardthospitals.ipo@citi.com
Website: www.citibank.co.in

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar,
229 Nariman Point,
Mumbai 400 021.
Tel.: +91 22 6634 1100
Fax: +91 22 2284 0492
Contact Person: Mr. Chandrakant Bhole
E-mail: whl.ipo@kotak.com
Website: www.kotak.com

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre,
H.T. Parekh Marg,
Churchgate,
Mumbai 400 020
Tel.: +91 22 2288 2460
Fax: +91 22 2282 6580
Contact Person: Mr. Ratnadeep Acharya
E-mail: Wockhardt_ipo@isecltd.com
Website: www.icicisecurities.com

SBI Capital Markets Limited
202, Maker Towers 'E',
Cuffe Parade,
Mumbai 400 005
Tel.: +91 22 2218 9166
Fax: +91 22 2218 8332
Contact Person: Mr. Rohan Talwar
E-mail: wockhardthospitals.ipo@sbicaps.com
Website: www.sbicaps.com

Syndicate Members

Kotak Securities Limited
3rd Floor, Bakhtawar,
229 Nariman Point,
Mumbai 400 021.
Tel.: +91 22 6634 1100
Fax. : +91 22 6630 3927
Contact Person: Mr. Akhilesh Yadav

Legal Advisors

Legal Counsel to the Company

J. Sagar Associates
Vakils House, 1st Floor, 18 Sprott Road,
Ballard Estate,
Mumbai – 400 001.
Tel: +91 22 6656 1500
Fax: +91 22 6656 1515

Domestic Legal Counsel to the Underwriters

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013.

Tel: +91 22 6660 4455
Fax: +91 22 6662 8466

International Legal Counsel to the Underwriters

Cravath, Swaine & Moore LLP
CityPoint,
One Ropemaker Street,
London EC2Y 9HR
Tel: +44 20 7453 1000
Fax: +44 20 7860 1150

IPO Grading Agency

Fitch Ratings India Private Limited
Apeejay House,
6th Floor, 3 Dinshaw Vachha Road,
Churchgate,
Mumbai 400 020.
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701

Monitoring Agency

SICOM Limited
Nirmal, 1st Floor,
Nariman Point,
Mumbai – 400 021.
Tel: +91 22 6657 2700/ 6657 2800
Fax: +91 22 2288 2895/ 2282 5781
E-mail: sicom1@bom3.vsnl.net.in
Website: www.sicomindia.com
Contact Person: Mr. A D Mahajan

Registrar to the Issue

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West),
Mumbai - 400 078.
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329
E-mail: whl.ipo@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Vishwas Attavar

Bankers to the Issue and Escrow Collection Banks

ICICI Bank Limited
30, Mumbai Samachar Marg,
Fort,
Mumbai- 400 001.
Tel: +91 22 22627718
Fax: +91 22 22611138
Contact Person: Mr. Siddhartha Routray
Email: sidhartha.routray@icicibank.com
Website: www.icicibank.com

HDFC Bank Limited
Process House, 2nd Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400 013
Tel: + 91 22 2498484
Fax: +91 22 2496 3871
Contact Person: Mr. Rahul Sampat
Email: rahul.sampat@hdfcbank.com
Website: www.hdfcbank.com

Kotak Mahindra Bank Limited
13th Floor, Nariman Bhavan,
227, Nariman Point,
Mumbai- 400 021.
Tel: +91 22 66596457
Mob.: 9866949999
Fax: +91 22 22817527
Contact person: Mr. Tushar Trivedi
Email: tushar.trivedi@kotak.com
website: www.kotak.com

Citibank N.A
Citi Center, 6th Floor,
Bandra Kurla Complex,
Bandra (East),
Mumbai- 400 051
Tel: +91 22 40015650
Mob.: 99204 19521
Contact Person: Mr. Nirmal Khaderia
Email: nirmal.khaderia@citi.com
website: www.citi.com

IDBI Limited
224-A, Mittal Court, A wing,
Nariman Point,
Mumbai- 400 021.
Tel: +91 22 66588266
Mob.: 9920554920
Fax: +91 22 22880131
Contact Person: Mr. Nitin Rokhade
Email: nitin.rokhade@idbi.co.in
Website: www.idbi.co.in

State Bank of India
Mumbai Main Branch,
Fort,
Mumbai-400 001.
Tel: +91 22 22662133
Fax: +91 22 22670745
Contact Person: Mr. Rajeev Kumar
Email: rajeev.kumar@sbi.co.in
Website: www.sbi.co.in

Axis Bank Limited
Universal Insurance Building,
Sir P M Road, Fort,
Mumbai- 400 001.
Tel: +91 22 66107265
Fax: +91 22 22835785
Contact Person: Mr. Roshan Mathias
Email: roshan.mathias@axisbank.com
Website: www.axisbank.com

Deutsche Bank AG
Global Transaction Banking
Trade Finance & Cash Management,
Corporates Kodak House,
222, Dr. D.N. Road, Fort,
Mumbai-400001.
Tel : +91 22 6658 4045
Fax: +91 22 6658 4374
Contact Person: Mr. Shyamal Malhotra
Email: shyamal.malhotra@db.com
Website: www.db.com

Auditors

Haribhakti & Co.
42, Free Press House,
215, Nariman Point, Mumbai- 400 021
Tel: +91 22 2287 1099
Fax: +91 22 2285 6237
E-mail: chetandesai@haribhaktigroup.com

Bankers to the Company

Punjab National Bank Limited
205, Shiv-e-Numh, Dr. Annie Besant Road,
Worli, Mumbai 400 018.
Tel: +91 22 2493 5892
Fax:+91 2493 8352
E-mail: bo0564@pnb.co.in

Axis Bank Limited
Universal Insurance Building, Sir P. M. Road,
Fort, Mumbai 400 001.
Tel: +91 22 6610 7265
Fax: +9122 2283 5785
E-mail: roshan.mathias@axisbank.com

Indian Overseas Bank Limited
26/A, Harikripa, S.V. Road,
Santacruz (West), Mumbai 400 054.
Tel: +91 22 2649 3019
Fax: +91 22 2649 0044
E-mail: santabr@mummsco.iobnet.co.in

Statement of Inter-se Allocation of Responsibilities for the Issue

Activity	Responsibility	Co-ordination
Capital structuring with the relative components and formalities.	Citi, Kotak	Citi
Due diligence of the Company's operations, management, business plans, legal, etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	Citi, Kotak	Citi
Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure etc.	Citi, Kotak	Kotak
Appointment of other intermediaries, viz., Registrar(s), printers, advertising agency and Bankers to the Issue.	Citi, Kotak	Kotak
Preparation of road-show presentation and FAQs	Citi, Kotak	Kotak
International institutional marketing strategy	Citi, Kotak,	Citi
Domestic institutional marketing strategy	Citi, Kotak, I-Sec, SBI Caps	Kotak
Non-institutional and retail marketing strategy • Finalise centers for holding conference for brokers etc. • Finalise media, marketing & PR Strategy • Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Issue material • Finalise bidding centers	Citi, Kotak, I-Sec, SBI Caps	Kotak
Pricing, managing the book and coordination with Stock-Exchanges	Citi, Kotak,	Kotak
The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc	Citi, Kotak	Kotak
The Post Issue activities for the Issue will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, de-materialised of delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue and Bankers to the Issue. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	Citi, Kotak	Kotak

Credit Rating

As the Issue is of Equity Shares, a credit rating is not required.

IPO Grading

This Issue has been graded by Fitch Ratings India Private Limited as 4 (ind), indicating above average fundamental of the Issue relative to other listed equity securities in India.

The grading assigned to WHL factors in the strong revenue growth experienced by the Company over the past three years, the present demand supply gap in the healthcare services sector coupled with the growth expected in the healthcare delivery market. A growing healthcare insurance market also ensures affordability of high cost healthcare services. WHL, being one of the leading players in the healthcare delivery market with a focus on the super specialty and tertiary segment is well positioned to take advantage of the growing market. The Company has already undertaken steps to increase its presence by moving into emerging metros i.e. Tier II cities through brownfield expansions.

The grading also factors in the high barriers to entry to the sector as a result of the capital intensive nature of the business along with the time taken in establishing a strong brand name. WHL's experience in the sector together with its strong brand equity built over the years in the cardiology segment gives it an edge over new entrants. The Company's brand equity stands for high quality service and instills confidence in the minds of its customers. Its association with Harvard Medical International (HMI) ensures its determination to continue delivering high quality healthcare. In addition, WHL's facility at Mulund has received the Joint Commission International (JCI) accreditation, a gold standard in healthcare standards.

It also has to its advantage the experience of its promoter and an experienced management team that consists of professionals that are well known and respected in the industry. The Company belongs to the Wockhardt group with Wockhardt Ltd as its flagship company. Wockhardt Ltd has over the years provided reasonable returns to its shareholders. WHL's proposed issue is expected to meet the cost of funding of its greenfield and brownfield activities for the next two years apart from refinancing its debt which was raised sufficiently in advance to take care of its ongoing projects. This would result in a healthy capital structure, savings in interest costs and enable the Company to plan for future growth.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids, on the basis of the Red Herring Prospectus, within the Price Band. The Issue Price is fixed after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. the Company;

2. the BRLMs;

3. the Syndicate Members, who are intermediaries registered with SEBI or registered as brokers with the BSE/NSE and eligible to act as underwriters. The Syndicate Members are appointed by the BRLMs;

4. the Registrar to the Issue; and

5. the Escrow Collection Banks(s).

This being an issue for less than 25% of post issue equity capital of the Company, the SEBI Guidelines read with rule 19(2) (b) of the SCRR, have permitted an issue of securities to the public through the 100% Book Building Process, wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including the Mutual Funds subject to valid bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, see the section titled "Terms of the Issue" beginning on page 307 of this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process *(Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue).*

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 40 to Rs. 48 per share, issue size of 6,000 equity shares and receipt of nine bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the websites of the BSE (www.bseindia.com) and the NSE (www.nseindia.com). The illustrative book, as shown below, shows the demand for the shares of a company at various prices and is collated from bids from various investors.

Number of equity shares bid for	Bid Price (Rs.)	Cumulative equity shares bid	Subscription (%)
500	48	500	8.33
700	47	1,200	20.00
1,000	46	2,200	36.67
400	45	2,600	43.33
500	44	3,100	51.67
200	43	3,300	55.00
2,800	42	6,100	101.67
800	41	6,900	115.00
1,200	40	8,100	135.00

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is Rs. 42 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such price i.e. at or below Rs. 42. All bids at or above this issue price and bids at cut-off are valid bids and are considered for allocation in respective category.

Steps to be taken for Bidding:

1. Check eligibility for making a Bid (see the section titled "Issue Procedure - Who Can Bid?" beginning on page 315 of this Red Herring Prospectus);

2. Ensure that you have a Demat account and the Demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see the section titled "Issue Procedure - 'PAN' or 'GIR' Number" beginning on page 333 of this Red Herring Prospectus);

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reasons therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Programme

Bidding Period/Issue Period

BID ISSUE OPENS ON	**THURSDAY, JANUARY 31, 2008**
BID ISSUE CLOSES ON	**TUESDAY, FEBRUARY 05, 2008**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted and uploaded until such time as permitted by the BSE and the NSE on the Bid/ Issue Closing Date.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case no later than 1 p.m. (IST) on the Bid/Issue Closing Date. Bidders are cautioned that a large number of bids are received on the Bid/Issue closing date. In the past in some public issues, some Bids have not been uploaded due to lack of sufficient time to upload; such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days.

We reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters shall be subject to certain conditions to closing, as specified therein.

The Underwriters will indicate their intention to underwrite the following number of Equity Shares:
(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in Rs. millions)
Citigroup Global Markets India Private Limited 12th Floor, Bakhtawar,	[●]	[●]

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in Rs. millions)
229 Nariman Point, Mumbai 400 021 Tel: +91 22 6631 9999 Fax: +91 22 6631 9803 E-mail: wockhardthospitals.ipo@citi.com Website: www.citibank.co.in		
Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 Tel.: +91 22 6634 1100 Fax. : +91 22 2284 0492 E-mail: whl.ipo@kotak.com Website: www.kotak.com	[●]	[●]
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Tel.: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: Wockhardt_ipo@isecltd.com Website: www.icicisecurities.com	[●]	[●]
SBI Capital Markets Limited 202, Maker Towers 'E', Cuffe Parade, Mumbai 400 005 Tel.: +91 22 2218 9166 Fax: +91 22 2218 8332 E-mail: wockhardthospitals.ipo@sbicaps.com Website: www.sbicaps.com	[●]	[●]
Kotak Securities Limited 3rd Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 Tel.: +91 22 6634 1100 Fax. : +91 22 6630 3927	[●]	[●]

The above mentioned amounts are indicative and will be finalised after determination of Issue Price and actual allocation of the Equity Shares. The above Underwriting Agreement is dated [●].

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under S. 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on **[●]**, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of the Company as at the date of filing this Red Herring Prospectus with SEBI (before and after the Issue) is set forth below.

(Rs. millions, except share data)

	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorised Share Capital[(1)]		
125,000,000 Equity Shares of face value of Rs. 10 each	1,250.00	[●]
B. Issued, Subscribed and Paid-Up Share Capital before the Issue		
79,190,903 Equity Shares of face value of Rs. 10 each	791.90	[●]
C. Present Issue in terms of this Red Herring Prospectus		
25,087,097 Equity Shares of face value of Rs. 10 each	250.87	**[●]**
Of which		
Employee Reservation Portion		
500,000 Equity Shares of face value of Rs. 10 each	5.00	**[●]**
Net Issue to the Public		
24,587,097 Equity Shares of face value of Rs. 10 each	245.87	**[●]**
D. Equity Share Capital after the Issue		
104,278,000 Equity Shares of face value of Rs. 10 each	1,042.78	**[●]**
E. Share Premium Account		
Before the Issue		
Equity Shares of face value of Rs. 10 each	1,447.07	[●]
After the Issue		
Equity Shares	[●]	**[●]**

(1) The authorised share capital of the Company was increased from Rs. 10 million to Rs. 300 million through a resolution passed by the shareholders of the Company at a general meeting on September 7, 2000. Additionally, the shares of the Company were sub-divided from Rs.10 to Re.1. At a general meeting of the Company held on November 16, 2004, the shareholders passed a resolution to increase the authorised share capital from Rs. 300 million to Rs. 500 million. On March 9, 2005, the shareholders of the Company, in a general meeting, passed a resolution to re-classify the authorised share capital of Rs. 500 million into 250,000,070 equity shares and 249,999,930 redeemable preference shares of Re.1 each. Further, the 249,999,930 redeemable preference shares were converted into 249,999,930 equity shares of Re.1 each by the shareholders, through a resolution, at a general meeting on March 24, 2006. Subsequently, through a resolution of the shareholders in a general meeting on June 11, 2007, the authorised share capital of the Company was increased from Rs. 500 million to Rs. 1,250 million. Additionally, the share capital of the Company was consolidated, from equity shares of Re.1 each to Equity Shares of Rs.10 each.

Notes to the Capital Structure

1. Share Capital History of the Company

a. Equity Share Capital

The following is the history of the equity share capital of the Company:

Date of Allotment and when made fully paid up	Number of Equity Shares	Cumulative number of Equity Shares	Issue Price per Equity Share (Rs.)	Face value per Equity Share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment	Cumulative Share Capital (Rs.)
August 28, 1991	7	7	10	10	Cash	Subscription upon signing of the Memorandum of Association	70
September 7, 2000	70	70	1	1	Sub-division of Equity Shares from face value of Rs. 10 to Re.1.	-	70
October 23, 2000	50,000,000	50,000,070	1	1	Cash	Preferential Allotment	50,000,070
December 19, 2000	200,000,000*	250,000,070	0.05	1	Cash	Preferential Allotment	60,000,070
March 14, 2005	200,000,000*	-	0.95	1	Cash	Preferential Allotment	250,000,070
March 30, 2006	249,999,930	500,000,000	1	1	Other than cash	Conversion of preference shares into equity shares	500,000,000
June 11, 2007	50,000,000	50,000,000	10	10	Consolidation of Equity Shares from face value of Rs. 1 to Rs. 10	-	500,000,000
June 28, 2007	5,000,000	55,000,000	10	10	Cash	Preferential Allotment	550,000,000
July 3, 2007	19,250,000	74,250,000	10	10	Bonus	Bonus	742,500,000
August 16, 2007	10,000	74,260,000	300	10	Cash	Preferential Allotment	742,600,000
August 16, 2007	18,000	74,278,000	10	10	Cash	Preferential Allotment	742,780,000
January 10, 2008	3,300,000	77,578,000	301	10	Cash	Pre-IPO Placement**	775,780,000
January 10, 2008	1,612,903	79,190,903	310	10	Cash	Pre-IPO Placement***	791,909,030

* 200,000,000 equity shares of Re.1 each with paid up value of Rs.0.05 per share were allotted on December 19, 2000. The balance amount of Rs.0.95 per share was received on March 14, 2005.

** The Company has made a pre-IPO placement of 3,300,000 Equity Shares to CGMMPL.

*** The Company has made a pre-IPO placement of 1,612,903 Equity Shares to BCCL in accordance with the Share Subscription Agreement dated December 12, 2007 between the Company, DHPL and BCCL. For further details please refer to section titled "History and Certain Corporate Matters" on page 106 of this Red Herring Prospectus.

b. Preference Share Capital

The following is the history of the preference share capital of the Company:

Date of Allotment and when made fully paid up	Number of Preference Shares	Issue Price per Preference Share (Rs.)	Face value per Preference Share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment	Cumulative Preference Share Capital (Rs.)
March 14, 2005	249,999,930*	1	1	Cash	Preferential Allotment	249,999,930

* The above preference shares were allotted to Khorakiwala Holdings and Investments Private Limited and they were converted into Equity Shares on March 30, 2006.

2. Promoter's Contribution and Lock-in

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoters for a period of three years from the date of Allotment in the Issue. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter's contribution under Clause 4.6 of the SEBI Guidelines.

a. Details of Promoters' contribution by DHPL and lock-in for three years are as follows:

Date of Allotment/ Acquisition	Consideration and Equity Share (Rs.)	No. of Equity Shares	Nature of allotment/ acquisition	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital
April 24, 2006	10	20,855,600	Purchase of Equity Shares from Khorakiwala Investments & Holdings Private Limited*	26.33	20.00
		20,855,600			**20.00**

* The said equity shares include the preference shares which were converted into equity shares on March 30, 2006 and the consideration therefor was cash.

The Promoters contribution in to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Guidelines.

The Promoters' contribution is in compliance with Guideline 4.6 of SEBI Guidelines. In this regard please note the following:

(i) Khorakiwala Holdings and Investments Private Limited ("**KHIPL**") was allotted 249,999,930 0% redeemable preference shares of the Company, with a face value of Re.1 each on March 14, 2005 ("**Preference Shares**"), for consideration in cash, which was received by the Company on March 11, 2005.

(ii) The Preference Shares were converted into 249,999,930 equity shares of the Company on March 30, 2006 ("**Converted Equity Shares**").

(iii) Dartmour Holdings Private Limited ("**DHPL**") purchased 499,999,930 equity shares of the Company from KHIPL which included the Converted Equity Shares. DHPL was entered as the owner of the Converted Equity Shares in the Register of Members of the Company on April 24, 2006.

(iv) Guideline 4.6.1 of the SEBI Guidelines provides, *inter alia*, that, "where the Promoters of any company making an issue of securities have acquired equity during the preceding three years, before filing the offer documents with the Board, such equity shall not be considered for computation of promoters contribution if it is: (i) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction(s); or (ii) resulting from a bonus issue, out of revaluation reserves or reserves created without accrual of cash resources (or against shares which are otherwise ineligible for computation of promoters' contribution)." The preference Shares were issued / allotted to KHIPL for cash and hence the Converted Equity Shares cannot be considered to be equity shares allotted for consideration other than cash. Further, the Converted Equity Shares do not fall within any of the prohibited categories provided in sub-clauses (i) and/or (ii) of Guideline 4.6.1 of the SEBI Guidelines.

(v) The Converted Equity Shares are not equity shares issued to the Promoters during the preceding one year and therefore do not fall within the ambit of Guideline 4.6.2 of the SEBI Guidelines.

(vi) The Company is not a company formed by the conversion of a partnership firm and therefore Guideline 4.6.3 of the SEBI Guidelines would not be applicable.

(vii) The shares of DHPL have not been acquired in pursuance of any scheme of merger or amalgamation and therefore Guideline 4.6.4 of the SEBI Guidelines does not apply.

(viii) Guideline 4.6.5 of the SEBI Guidelines is not applicable.

(ix) DHPL being a promoter of the Company, the securities forming part of the Promoters' Contribution does not consists of any private placement made by solicitation of subscription from unrelated persons and therefore Guideline 4.6.6 of the SEBI Guidelines has been complied with.

(x) Written consent for inclusion of DHPL's subscription in the Promoters' contribution has been obtained form DHP in terms of Guideline 4.6.7 of the SEBI Guidelines.

b. Details of pre-Issue Equity Share capital locked in for one year:

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years, as specified above, the entire pre-Issue share capital of the Company shall be locked-in for a period of one year from the date of Allotment in the Issue. The total number of Equity Shares which are locked-in, including those specified above, for one year is 79,190,903 Equity Shares.

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only to banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

c. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by the Company or the Promoters in this Issue to the Eligible Employees applying in the Employee Reservation Portion.

3. **Shareholding Pattern of the Company**

The table below presents the shareholding pattern of Equity Shares before the proposed Issue and as adjusted for the Issue :

Name of Shareholder	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of Equity Share capital	Number of Equity Shares	Percentage of equity share capital (%)
Promoters				
DHPL	60,749,865	76.71	60,749,865	58.26
Carol Info Services Limited	6,750,000	8.52	6,750,000	6.47
Mr. H. F. Khorakiwala	6,750,000	8.52	6,750,000	6.47
Others*	135	Negligible	135	Negligible
Total Holding of Promoters	**74,250,000**	**93.75**	**74,250,000**	**71.20**
Total Holding of Promoter Group (other than Promoters)	**Nil**	**Nil**	**Nil**	**Nil**
Others				
Mr. Asgar Y Khorakiwala	10,000	0.01	10,000	0.01
Mr. Vishal Bali	5,000	0.01	5,000	0.01
Mr. Anil V Kamath	5,000	0.01	5,000	0.01
Dr. Vikram Raghuvanshi	3,000	Negligible	3,000	Negligible
Dr. Lloyd Nazareth	1,000	Negligible	1,000	Negligible
Dr. Ravindra Karanjekar	1,000	Negligible	1,000	Negligible
Ms. Rupali Basu	1,000	Negligible	1,000	Negligible
Mr. Suhas Aradhye	500	Negligible	500	Negligible
Mr. P. K. Davison	500	Negligible	500	Negligible
Mr. V. Vijayarathna	500	Negligible	500	Negligible
Mr. Vishwakarma Vishwanath	500	Negligible	500	Negligible
CGMMPL	3,300,000	4.18	3,300,000	3.16
BCCL	1,612,903	2.04	1,612,903	1.55
Total	**79,190,903**	**100.00**	**104,278,000**	**100**

* *As nominees of DHPL*

4. The Company, the Directors, the Promoters, the Promoter Group, their respective directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person, including the Eligible Employees to whom Equity Shares are proposed to be allotted in the Employee Reservation Portion.

5. The list of top ten shareholders of the Company and the number of Equity Shares held by them is as under:

(a) The top ten shareholders of the Company as of the date of filing of the Red Herring Prospectus are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	DHPL	60,749,865	76.71
2.	Carol Info Services Limited	6,750,000	8.52
3.	Mr. H. F. Khorakiwala	6,750,000	8.52
4.	CGMMPL	3,300,000	4.17
5.	BCCL	1,612,903	2.04
6.	Mr. Asgar Y Khorakiwala	10,000	0.01
7.	Mr. Vishal Bali	5,000	0.01
8.	Mr. Anil V Kamath	5,000	0.01
9.	Dr. Vikram Raghuvanshi	3,000	Negligible
10.	Dr. Lloyd Nazareth	1,000	Negligible

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
TOTAL		**79,186,768**	**100.00***

** Negligible shareholding (4,135 Equity Shares) is held by 11 more shareholders.*

(b) The top ten shareholders of the Company as of January 4, 2008 (i.e., 10 days prior to filing the Red Herring Prospectus) were as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	DHPL	60,749,865	81.79
2.	Carol Info Services Limited	6,750, 000	9.09
3.	Mr. H. F. Khorakiwala	6,750,000	9.09
4.	Mr. Asgar Y. Khorakiwala	10,000	0.01
5.	Mr. Vishal Bali	5,000	0.01
6.	Mr. Anil V. Kamath	5,000	0.01
7.	Dr. Vikram Raghuvanshi	3,000	Negligible
8.	Dr. Lloyd Nazareth	1,000	Negligible
9.	Dr. Ravindra Karanjekar	1,000	Negligible
10.	Ms. Rupali Basu	1,000	Negligible
TOTAL		**74,275,865**	**100**

(c) The top ten shareholders of the Company as on January 14, 2006 (i.e., two years prior to filing the Red Herring Prospectus) were as follows:

S. No.	Name of Shareholders	Number of equity shares (Re. 1 each)	Percentage Shareholding (%)
1.	Khorakiwala Holdings & Investments Private Limited	200,000,000	80.00
2.	Carol Info Services Limited	50,000,000	20.00
3.	Mr. R. B. Gandhi	10	Negligible
4.	Mr. Oves Cassubhoy	10	Negligible
5.	Ms. Vijaya Nair	10	Negligible
6.	Mr. H. F. Khorakiwala	30	Negligible
7.	Dr. G. B. Parulkar	10	Negligible
	Total	**250,000,070**	**100.00**

6. None of our Directors or key managerial personnel holds Equity Shares in the Company, except as stated in the section titled "Our Management" beginning on page 109 of this Red Herring Prospectus.

7. Shareholding of the Promoter Group in the Company:

(a) The shareholding of the Promoter Group and directors of the Promoters in the Company as on January 11, 2008 was as below:

Name of Promoter Group /directors of the Promoters	Number of Equity Shares	% of pre Issue share capital
DHPL	60,749,865	76.71
Carol Info Services Limited	6,750,000	8.52

Name of Promoter Group /directors of the Promoters	Number of Equity Shares	% of pre Issue share capital
Mr. H. F. Khorakiwala	6,750,000	8.52
Others*	135	Negligible
Total	**74,250,000**	**93.75**

* *As nominees of DHPL*

8. Pursuant to a resolution dated June 28, 2007 and July 3, 2007, a preferential allotment and bonus issue was made to our Promoters. Save as is provided herein, the Promoter Group and the directors of the Promoters have not purchased or sold any Equity Shares during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

9. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

10. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

11. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with SEBI until the Equity Shares have been listed.

12. The Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

13. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

14. As on January 11, 2008 the total number of holders of the Equity Shares were 21.

15. The Company has not raised any bridge loans against the proceeds of the Issue.

16. We have not issued any Equity Shares out of revaluation reserves. Except as disclosed in the sections titled "Capital Structure – Notes to the Capital Structure" and "Other Regulatory and Statutory Disclosures – Issues Otherwise than for Cash" beginning on pages 23 and 304, respectively of this Red Herring Prospectus, the Company has not issued any Equity Shares for consideration other than cash.

17. An over subscription to the extent of 10% of the Issue can be retained for the purposes of rounding to the nearest multiple of 1 while finalizing the basis of Allotment.

18. As per the RBI regulations, OCBs are not allowed to participate in the Issue.

19. The Equity Shares held by the Promoters are not subject to any pledge.

20. Except as disclosed in this Red Herring Prospectus, none of the Directors or key managerial personnel holds any Equity Share or Preference Share.

21. In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process whereby at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 500,000 Equity Shares have been reserved for subscription by Eligible Employees. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill over from other categories at our discretion in consultation with the BRLMs. For further details, see the section titled "Issue Structure" beginning on page 310 of this Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are to: (a) meet the cost of development and construction of greenfield and brownfield hospitals of the Company; (b) prepay some of the short term loans of the Company; (c) meet general corporate purposes including strategic initiatives; and (d) meet expenses of the Issue in order to achieve the benefits of listing on the Stock Exchanges.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enables the Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Issue.

The fund requirements described below are based on management estimates and the Company's current business plan and have not been appraised by any bank or financial institution. In view of the dynamic nature of the healthcare services industry and on account of new projects that the Company may pursue, including potential merger and acquisition opportunities for existing hospitals or hospitals under development, the Company may have to revise its capital expenditure requirements as a result of variations in its cost structure, changes in estimates, exchange rate fluctuations or external factors, which may not be within the control of the management of the Company. This may entail rescheduling or revising the planned capital expenditure and increasing or decreasing the capital expenditure for a particular purpose from its planned expenditure at the discretion of the Company's management. In the event of any variations in the actual utilization of funds earmarked for the activities described below, increased fund deployment for a particular activity will be met from internal accruals of the Company and debt.

The net proceeds of the Issue after deducting expenses for the Issue are estimated at Rs. [●] million. In addition, we have made a Pre-IPO Placement aggregating to Rs. 1493.30 million, which we propose to utilise towards the "Objects of the Issue". For further details on Pre-IPO Placement, please refer to sections titled "Capital Structure" and "History and Certain Corporate Matters" on pages 22 and 106 respectively of this Red Herring Prospectus. The details of the utilization of the proceeds of the Issue are as follows:

(Rs. Million)

S. No.	Proposed Expenditure Program	Estimated amount of Company's contribution to be raised from the Issue
1.	Construction, expansion and development of the greenfield and brownfield hospitals of the Company	5,694.70
2.	Prepayment of short term loans of the Company*	2,850.00
3.	General corporate purposes including strategic initiatives	[●]
4.	Issue Expenses **	[●]
	Total	[●]

**As on December 31, 2007, the Company has availed secured/ unsecured short term loans aggregating to Rs 2,850 million. These were utilized for meeting the capital expenditure of existing/ ongoing projects to the extent of Rs 2,329.21 million and the balance amount of Rs 520.79 million is lying in fixed deposit account as per certificate of M/s J. L. Thakkar & Co, Chartered Accountants, Mumbai dated January 16, 2008.*
*** To be finalised upon determination of Issue Price.*

1. Construction, expansion and development of the greenfield and brownfield hospitals of the Company

The Company proposes to invest Rs. 5694.70 million of the net proceeds of the Issue for the construction, expansion and development of greenfield and brownfield hospitals to be located at various locations across India, as provided hereinafter:

(Rs. Million)

S. No.	Hospital	Estimated Total Cost	Cost Incurred till December 31, 2007	Balance to be incurred

S. No.	Hospital	Estimated Total Cost	Cost Incurred till December 31, 2007	Balance to be incurred
Greenfield Hospitals				
1.	Wockhardt Hospital, Kolkata	1,458.9	227.8	1,231.1
2.	Adams Wylie Hospital, Mumbai	1,476.4	142.5	1,333.9
3.	Wockhardt Hospital, Delhi	1,099.7	96.1	1,003.6
4.	Expansion of Wockhardt Heart Hospital, Mumbai	822.6	148.4	674.2
Brownfield Hospitals				
5.	NUSI Wockhardt Hospital, Goa	60.0	1.3	58.7
6.	Wockhardt Hospital, Bhavnagar	146.2	38.4	107.8
7.	Wockhardt Hospital, Nasik	297.2	14.3	282.9
8.	Wockhardt Hospital, Bhopal	532.1	0.0	532.1
9.	CMC Wockhardt Heart Hospital, Ludhiana	219.7	0.0	219.7
10.	Wockhardt Hospital, Jabalpur	250.7	0.0	250.7
Total		6,363.5	668.8	5,694.7

Greenfield Hospitals

(1) Wockhardt Hospital, Kolkata

The project shall consist of construction and development of a facility of 342 beds and is expected to be completed by March 2009. The hospital will be set up over 1.489 acres (6026 square meters) of land and it is proposed to provide healthcare to patients in key specialty areas such as cardiac care, orthopaedics, neurology, urology, nephrology, critical care and medical and surgical oncology and will also be equipped for minimally invasive surgery.

The total cost of this project is approximately Rs. 1,458.9 million. The Company has already incurred an expenditure of Rs. 227.8 million as per the certificate of M/s. J. L. Thakkar & Co., Chartered Accountants, Mumbai dated January 9, 2008.

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(Rs. Million)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Land	47.7	0.0
2.	Civil Interiors and consultancy fees	108.1	401.9
3.	Engineering Services	72.0	268.0
4.	Equipment cost	0.0	470.0
5.	Information Technology	0.0	61.2
6.	Contingencies	0.0	30.0
Total		227.8	1,231.1

(2) ***Adams Wylie Hospital, Mumbai***

The project shall consist of construction and development of a facility of 340 beds and is expected to be completed by March 2009. The hospital will be set up over 0.886 acres (3587 square meters) of land and it is proposed to provide healthcare to patients in key specialty areas such as cardiac care, orthopaedics, neurology, urology, nephrology, critical care and gynaecology, and the hospital will also be equipped for minimally invasive surgery.

The total cost of this project is approximately Rs. 1,476.4 million. The Company has already incurred an expenditure of Rs. 142.5 million as per the certificate of M/s. J. L. Thakkar & Co., Chartered Accountants, Mumbai dated January 9, 2008.

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(Rs. Million)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Civil Interiors and consultancy fees	85.5	454.5
2.	Engineering Services	57.0	303.0
3.	Equipment cost	0.0	488.7
4.	Information Technology	0.0	57.7
5.	Contingencies	0.0	30.0
Total		142.5	1,333.9

(3) ***Wockhardt Hospital, Delhi***

The project shall consist of construction and development of a facility of 170 beds and is expected to be completed by December 2009. The hospital will be set up over 1.780 acres (7202 square meters) of land and it is proposed to provide healthcare to patients in key specialty areas such as cardiac care, orthopaedics, neurology and critical care.

The total cost of this project is approximately Rs. 1,099.7 million. The Company has already incurred an expenditure of Rs. 96.1 million as per the certificate of M/s. J. L. Thakkar & Co., Chartered Accountants, Mumbai dated January 9, 2008.

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(**Rs. Million**)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Land	96.1	-
2.	Civil Interiors and consultancy fees	0.0	330.0
3.	Engineering Services	0.0	220.0
4.	Equipment cost	0.0	403.6
5.	Information Technology	0.0	30.0
6.	Contingencies	0.0	20.0
Total		96.1	1,003.6

(4) ***Expansion of the Wockhardt Heart Hospital, Mumbai (Mulund)***

The project shall consist of development and expansion of a facility of 240 beds to 510 beds and is expected to be completed by December 2008. The expansion is proposed to provide healthcare to patients in key specialty areas such as critical care and oncology, and it will have a transplant centre.

The total cost of this project is approximately Rs. 822.6 million. The Company has already incurred an expenditure of Rs. 148.4 million as per the certificate of M/s. J. L. Thakkar & Co., Chartered Accountants, Mumbai dated January 9, 2008.

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(**Rs. Million**)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Civil Interiors and consultancy fees	89.0	181.0
2.	Engineering Services	59.4	120.6

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
3.	Equipment cost	0.0	310.4
4.	Information Technology	0.0	47.2
5.	Contingencies	0.0	15.0
Total		148.4	674.2

Brownfield Hospitals

(5) NUSI Wockhardt Hospital, Madgaon (Goa)

The project shall consist of the development of a facility of 180 beds and is expected to be completed by March 2008. The hospital is proposed to provide healthcare to patients in key specialty areas such as cardiac care, neurology, orthopaedics, cosmetology, urology, nephrology, gynaecology and critical care, and it will also be equipped for minimally invasive surgery.

The total cost of this project is approximately Rs. 60.0 million. The Company has already incurred an expenditure of Rs. 1.3 million as per the certificate of M/s. J. L. Thakkar & Co., Chartered Accountants, Mumbai dated January 9, 2008.

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(**Rs. Million**)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Equipment cost	0.0	30.0
2.	Information Technology	1.3	23.7
3.	Contingencies	0.0	5.0
Total		1.3	58.7

(6) Wockhardt Hospital, Bhavnagar

The project shall consist of the development of a facility of 100 beds and is expected to be completed by February 2008. The hospital is proposed to provide healthcare to patients in key specialty areas such as orthopaedics, neurology, urology, nephrology and critical care, and will also be equipped for minimally invasive surgery.

The total cost of this project is approximately Rs. 146.2 million. The Company has already incurred an expenditure of Rs. 38.4 million as per the certificate of M/s. J. L. Thakkar & Co., Chartered Accountants, Mumbai dated January 9, 2008.

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(Rs. Million)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Civil Interiors and consultancy fees	0.0	12.0
2.	Engineering Services	35.8	15.9
3.	Equipment cost	0.0	65.0
4.	Information Technology	2.6	9.9
5.	Contingencies	0.0	5.0
Total		38.4	107.8

(7) Wockhardt Hospital, Nasik

The project shall consist of the development of a facility of 170 beds and is expected to be completed by June 2007. The hospital is proposed to provide healthcare to patients in key specialty areas such as cardiac care, neurology, orthopaedics, critical care, urology and nephrology, and it will also be equipped for minimally invasive surgery.

The total cost of this project is approximately Rs. 297.2 million. The Company has already incurred an expenditure of Rs. 14.3 million as per the certificate of M/s. J. L. Thakkar & Co., Chartered Accountants, Mumbai dated January 9, 2008.

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(Rs. Million)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Civil interiors and consultancy fees	3.2	22.4
2.	Engineering Services	2.2	72.2
3.	Equipment cost	7.8	170.4
4.	Information Technology	1.1	8.9
5.	Contingencies	0.0	9.0
Total		14.3	282.9

(8) Wockhardt Hospital, Bhopal

The project shall consist of the development of a facility of 280 beds and is expected to be completed by July 2008. The hospital is proposed to provide healthcare to patients in key specialty areas such as cardiac care, neurology, orthopaedics, medical and surgical oncology, urology, nephrology and critical care, and it will also be equipped for minimally invasive surgery.

The total cost of this project is approximately Rs. 532.1 million. The Company has not incurred any expenditure on this project up to December 31, 2007. .

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(Rs. Million)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Civil Interiors and consultancy fees	0.0	100.3
2.	Engineering Services	0.0	135.2
3.	Equipment cost	0.0	250.3
4.	Information Technology	0.0	31.3
5.	Contingencies	0.0	15.0
Total		0.0	532.1

(9) CMC Wockhardt Heart Hospital, Ludhiana

The project shall consist of the development of a facility of 125 beds and is expected to be completed by July 2008. The hospital is proposed to provide healthcare to patients in key specialty areas such as cardiac care and critical care.

The total cost of this project is approximately Rs. 219.7 million. The Company has not incurred any expenditure on this project up to December 31, 2007. .

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(Rs. Million)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Civil Interiors and consultancy fees	0.0	39.0
2.	Engineering Services	0.0	61.0
3.	Equipment cost	0.0	99.1
4.	Information Technology	0.0	15.6
5.	Contingencies	0.0	5.0
Total		0.0	219.7

(10) Wockhardt Hospital, Jabalpur

The project shall consist of the development of a facility of 150 beds and is expected to be completed by November 2008. The hospital is proposed to provide healthcare to patients in key specialty areas such as cardiac care, orthopaedics, neurology, urology, nephrology and critical care, and it will also be equipped for minimally invasive surgery.

The total cost of this project is approximately Rs. 250.7 million. The Company has not incurred any expenditure on this project up to December 31, 2007. .

No second-hand equipment and instruments have been bought or are proposed to be bought for this project from the proceeds of this Issue. The costs of the project are as detailed in the following table:

(Rs. Million)

S. No.	Particulars	Expenditure incurred	Expenditure proposed to be incurred
1.	Civil Interiors and consultancy fees	0.0	0.0
2.	Engineering Services	0.0	66.0
3.	Equipment cost	0.0	157.1
4.	Information Technology	0.0	18.8
5.	Contingencies	0.0	8.8
Total		0.0	250.7

2. Repayment and Prepayment of short term loans of the Company

The Company has entered into various financing arrangements with a number of banks and financial institutions and other lenders. These arrangements include fund-based facilities from banks and financial institutions and other lenders aggregating Rs. 4,522.8 million as on December 31, 2007.

As on December 31, 2007 the amount outstanding from the Company under these facilities was Rs. 4,362.8 million. Details of the amounts outstanding have been provided in the table below:

(Rs. Million)

Bank/Financial Institution/Lender	Total Amount Sanctioned	Amount Outstanding as on 31st December, 2007
Indian Overseas Bank	250.00	210.00
Punjab National Bank	300.00	180.00
UTI Bank Ltd.	1,122.8	1122.8
HDFC Bank Ltd.	100.00	100.00
ING Vysya Bank	100.00	100.00
ICICI Bank Ltd.	500.00	500.00

Bank/Financial Institution/Lender	Total Amount Sanctioned	Amount Outstanding as on 31st December, 2007
Union Bank of India	300.00	300.00
ICICI Bank Limited	500.00	500.00
Punjab National Bank	200.00	200.00
Union Bank of India	250.00	250.00
Punjab National Bank	300.00	300.00
IDBI Bank Ltd.	200.00	200.00
Bank of Baroda	200.00	200.00
HSBC	100.00	100.00
ABN Amro Bank	100.00	100.00
Total	4,522.8	4,362.8

For further details of the terms and conditions of the loans, see section titled "Financial Indebtedness" beginning on page 233 of this Red Herring Prospectus.

Some of the financing arrangements of the Company contain provisions relating to prepayment penalties. The Company will take these provisions into consideration in prepaying debt from the proceeds of the Issue. In the event of any surplus with respect to the proceeds of the Issue, the Company will, in accordance with the policies established by the Board, have flexibility in applying such surplus towards further repayment of debt or for general corporate purposes. The Company will approach the banks, financial institutions, lenders or clients after the completion of this Issue for pre-payment of some of the above high-cost loans and advances. In the event of any shortfall in using the net proceeds of the Issue as described in the Objects of the Issue, the Company will reduce the amount of prepayment of high cost debt.

3. General corporate purposes including strategic initiatives

3A. Growth opportunities through strategic initiatives of investments

In addition to the proposed capital expenditure by the Company in building new hospitals and continued investment in existing facilities, it is also a key component of the Company's strategy to expand through viable and strategic partnerships.

Accordingly, the Company intends to use a part of the proceeds received by the Company from the Issue for investment in acquiring existing hospitals and other strategic investments.

Our evaluation criteria for new opportunities include the cost, the quality of the infrastructure, work, culture and specialities at a facility (for existing facilities), location, population base, the skill and reputation of the doctors and other medical and non-medical staff at existing facilities and the attractiveness to leading doctors of the location of new sites.

The Company intends to use approximately Rs. [●] towards such strategic initiatives. In case of a shortfall of funds toward this purpose, we intend to fund it through alternative means of funding, including by means of external debt.

3B. General Corporate Purposes

We intend to use a part of the net proceeds, approximately Rs. [●] million, out of the net Issue toward general corporate purposes to drive our business growth.

The management of the Company, in accordance with the policies of the Board, will have the flexibility in utilizing any surplus amounts from the net proceeds of the Issue.

4. Issue Expenses

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository fees. The estimated Issue expenses are as follows:

S. No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Expenditure	Percentage of Issue Size
1.	Lead management, underwriting and selling commissions*	[●]	[●]	[●]
2.	Advertising and marketing expenses**	[●]	[●]	[●]
3.	Printing and stationary expenses**	[●]	[●]	[●]
4.	Others (Registrar fees, legal fees etc.)**	[●]	[●]	[●]
	Total	[●]	[●]	[●]

** The amounts will be incorporated on finalisation of the Issue Price.*

*** The amounts will be finalised at the time of filing of the Prospectus.*

Schedule of Implementation and deployment of funds

The Company proposes to deploy the net proceeds of the Issue in the aforesaid projects in the next three Fiscals. The total amount to be deployed in Fiscal 2008, 2009 and 2010 are Rs. 3,539.40 million, Rs. 3,762.90 million and Rs. 1,242.40 million, respectively. The following are the details of the estimated schedule of deployment of funds and the schedule of implementation of the projects:

(Rs. Million)

S. No.	Object	Expenditure incurred as on December 31, 2007	Schedule of Deployment of funds			Estimated time of completion or repayment
			Fiscal 2008	Fiscal 2009	Fiscal 2010	
1.	Construction, expansion and development of the greenfield and brownfield hospitals of the Company	668.8	689.4	3,762.9	1,242.4	Fiscal 2010
2.	Repayment and prepayment of short		2,850.0			Within 3 months of the

S. No.	Object	Expenditure incurred as on December 31, 2007	Schedule of Deployment of funds			Estimated time of completion or repayment
			Fiscal 2008	Fiscal 2009	Fiscal 2010	
	term loans of the Company					Issue

Appraisal Report

None of the projects for which the net proceeds of the Issue will be utilised have been financially appraised and the estimates of the costs of projects mentioned above are based on internal estimates of the Company and quotes received from vendors of equipment and consideration payable for contracts already executed.

Details of Fund Utilisation

There are no funds which have been brought in as promoter's contribution and have been deployed prior to the Issue.

Bridge Loan

We have not availed any bridge loan facility that will be repaid from the net proceeds.

Interim Use of Proceeds

The management of the Company, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation for the purposes described above, the Company intends to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks. Such investments would be in accordance with investment policies approved by our Board of Directors from time to time.

Monitoring of Utilisation of Funds

The Board and the monitoring agency (SICOM Limited) so appointed for this purpose will monitor the utilisation of the proceeds of the Issue. The Company will disclose the utilisation of the proceeds of the Issue under a separate heading in its balance sheets for Fiscal 2008, 2009 and 2010 clearly specifying the purposes for which such proceeds have been utilised. The Company will also, in its balance sheets for fiscal 2008, 2009 and 2010, provide details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

No part of the net proceeds will be paid by the Company as consideration to the Promoters, the Directors, the Company's key managerial personnel or companies promoted by the Promoters except in the ordinary course of business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined in consultation with the BRLMs on the basis of assessment of market demand and on the basis of the following quantitative and qualitative factors for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 28 times the face value at the lower end of the Price Band and 31 times the face value at the higher end of the Price Band. Investors should also refer to the sections titled "Risk Factors" and "Financial Statements" beginning on pages XII and 158 of this Red Herring Prospectus to get a more informed view before making the investment decision.

Qualitative Factors

Internal Factors

- *Specialty focus.* Throughout our network, we focus on tertiary care clinical areas such as cardiology and cardiac surgery, orthopaedics, neurology and neuro-surgery, urology and nephrology and critical care, and the use of minimally invasive surgical techniques. We believe we have established ourselves as leaders in these specialties, with more than 18 years of experience developing high-end clinical expertise. Our specialty focus helps us to attract and train super-specialist clinicians.

- *Quality patient care*. We have created and developed the "Wockhardt Quality and Care Management System", a multi-faceted quality management program, and implemented it throughout our network. Through this system, we aim to constantly evaluate the quality of the services that our patients receive. We follow international quality benchmarks, and our super-specialty hospital in Mumbai became one of the first hospitals in South Asia to receive international accreditation from JCI.

- *Strategic relationship with Harvard Medical International.* In India, we are the only private hospital group associate of HMI, a self-supporting not-for-profit subsidiary of Harvard Medical School. HMI collaborates with select institutions around the world to advance its philosophy of one world, one medicine. Our long-term association with HMI helps us to design hospitals adhering to global standards, improve the quality of our services, introduce new clinical services, train and educate our hospital administrators, clinicians and nurses and attract clinicians from around the world.

- *Ability to attract, retain and educate skilled doctors, nurses and other personnel.* We believe that we have been successful in attracting and retaining doctors who have over a period of time achieved clinical excellence in their fields at our hospitals. The quality and capabilities of our facilities, the quality of the medical staff at our facilities and our association with HMI helps us recruit and retain medical personnel.

- *Pan-India presence with recognized brand.* We have established a national footprint with our super-specialty hospitals in western, southern and eastern India. In northern India, we have plans for a greenfield hospital in Delhi, for which we have already acquired the property, and as part of our brownfield projects, we will manage a cardiac hospital in Ludhiana. . In central India, we have ongoing brownfield hospital projects in Bhopal and Jabalpur. The Wockhardt brand is respected nationwide for the Wockhardt group's strength and nearly 35-year heritage as a global participant in the pharmaceutical industry..

- *Experienced management.* Our operations are led by an experienced management group that functions well as a team, and that has the expertise and vision to continue to expand our business.

Other Factors

- Despite increasing expenditure on healthcare, India lags behind other developing nations in many health categories, including life expectancy and infant mortality.

- Socio-economic and demographic changes within the Indian population have increased the incidence of lifestyle diseases like cancer, diabetes and cardiovascular disease.

- The increasing awareness about health and medical procedures has created increased demand for advanced healthcare services, particularly tertiary and quaternary healthcare services.

- The rapid growth of the middle and upper classes in India, particularly the urban middle class, a segment that accounts for a substantial proportion of healthcare expenditure, is likely to lead to higher per capita expenditure on treatment of lifestyle diseases

- The recent entry of private insurance companies, which has deepened health insurance penetration in India, increased spending on healthcare infrastructure and growth in medical value travel is likely to further fuel the growth of the private healthcare delivery market in the country.

- We believe we are well-positioned to serve this increasing demand for sophisticated medical procedures and explore emerging opportunities in this growing market.

For detailed discussion on the above factors, see the sections titled "Industry" and "Our Business" beginning on pages 52 and 62 of this Red Herring Prospectus.

Quantitative Factors

The information presented in this section is derived from the Company's unconsolidated audited restated financial statements for the years ended March 31, 2005, March 31, 2006 and March 31, 2007.

1. *Weighted average earnings per share (EPS)*

Financial Period	EPS (Rs.)	Weight
Year ended March 31, 2005	0.41	1
Year ended March 31, 2006	3.24	2
Year ended March 31, 2007	2.24	3
Nine Months ended Dec 31, 2007*	1.00	4
Weighted Average	**1.76**	

*The figures for nine months ended Dec 31, 2007 have not been annualised

The earnings per share figures are calculated post considering the bonus issue of shares.

2. *Price Earnings Ratio (P/E Ratio)*

a. P/E based on the year ended March 31, 2007: [●]

b. Peer group P/E[1]

i. Apollo Hospitals: 30.4 times

ii. Fortis Healthcare Limited: NA times

[1] P/E ratios for peer group from "Capital Market" Volume XXII/ 22 dated Dec 31, 2007 to Jan 13, 2008.

3. *Weighted average return on net worth*

Financial Period	Return on Net Worth – (%)	Weight
Year ended March 31, 2005	8%	1
Year ended March 31, 2006	26%	2
Year ended March 31, 2007	22%	3
Nine Months ended Dec 31, 2007*	9%	4
Weighted Average	**16%**	

*The figures for nine months ended Dec 31, 2007 have not been annualised

4. *Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS.*

a. The minimum return on increased net worth required to maintain pre-Issue EPS on an unconsolidated basis is [●]%.

5. *Net Asset Value (NAV)*

a. NAV per Equity Share after the Issue is Rs. [●].

b. Issue Price per Equity Share is Rs. [●].

c. NAV per Equity Share for the year ended March 31, 2005, 2006 and 2007 is as follows:

Financial Period	Net Asset Value per Equity Share - (Rs.)	Weight
Year ended March 31, 2005	6.37	1
Year ended March 31, 2006	11.07	2
Year ended March 31, 2007	14.17	3
Nine Months ended Dec 31, 2007*	11.25	4
Weighted Average	**11.60**	

*The figures for nine months ended Dec 31, 2007 have not been annualised

The Issue Price of Rs. [●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.

6. *Comparison with Industry Peers*

	Face Value per share (Rs.)	EPS (Rs.)	P/E* (times)	Return on Net Worth (%)	Net Asset Value per Equity Share (Rs.)
Wockhardt Hospitals Limited (1)	10.0	2.24	[●]	22%	14.17

	Face Value per share (Rs.)	EPS (Rs.)	P/E* (times)	Return on Net Worth (%)	Net Asset Value per Equity Share (Rs.)
Peer Group [(2)]					
Apollo Hospitals	10.0	13.8	30.4	10.7%	145.9
Fortis Healthcare Limited [(1)]	10.0	NA	NA	NA%	40.3

*P/E for peer group companies is based on trailing twelve month's earnings. Other data for peer group companies are for Fiscal 2007. Source: "Capital Market" Volume XXII/ 22 dated Dec 31, 2007 to Jan 13, 2008.

The companies specified in the peer group operate in the same industry and carry out similar lines of business.

The Face Value of the Equity Shares is Rs. 10 each and the Issue Price of Rs. [●] is [●] times the face value.

For further details and to have a more informed view, see the sections titled "Risk Factors" and "Financial Statements" beginning on pages XII and 158 of this Red Herring Prospectus.

STATEMENT OF TAX BENEFITS

Board of Directors
Wockhardt Hospitals Limited,
Wockhardt Towers, Bandra Kurla Complex,
Bandra (East),
Mumbai 400-051

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its share holders will continue to obtain these benefits in future; or

ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For **Haribhakti & Co.**
Chartered Accountants,

(Anish B. Mehta)
Partner
Membership No: 108823

Place: Mumbai
Date: 4th January, 2008

STATEMENT OF TAX BENEFITS

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil. Further, the tax benefits related to capital gains are subjected to the CBDT circular no. 4/2007 dated 15-06-2007 and on fulfilment of criteria laid down in the circular, the assessee will be able to enjoy the concessional benefits of taxation on capital gains.

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax.

1. To the Company - Under the Income-tax Act, 1961 (the Act)

1.1 Under section 10(34) of the Act, any income by way of dividends referred to in Section 115O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies) received on the shares of any company is exempt from tax.

1.2 Under Section 32 of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses, etc. if acquired after March 31, 1998.

1.3 Under section 80-IB of the Act, profits of an undertakings deriving profits from the business of operating and maintaining a hospital in rural area, is eligible for 100% deduction for first five years subject to conditions specified in that section. However, Finance Act 2006 has introduced section 80AC which provides that no deduction under section 80-IB shall be allowed if the return is not filed on or before the due date.

1.4 In terms of Section 115JAA (1A) of the Act tax credit shall be allowed for any Assessment Year commencing on or after April 01, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. The credit is available for set off only when tax becomes payable under the normal provisions and that tax credit can be utilized to set-off any tax payable under the normal provisions in excess of MAT payable for that relevant year. MAT credit in respect of MAT paid prior to AY 2007-08 shall be available for set-off upto 5 years succeeding the year in which the MAT credit initially arose. However, as per Finance Act 2006 MAT credit for MAT paid for AY 2007-08 or thereafter shall be available for set-off upto 7 years succeeding the year in which the MAT credit initially arose.

1.5 Business losses if any, for any Assessment Year can be carried forward and set off against business profits for eight subsequent Assessment Years.

2. To the Members of the Company – Under the Income Tax Act

2.1 Resident Members

a) Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income-tax in the hands of the shareholders.

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, as per Finance Act 2006, long term capital gains of a company shall be taken into account in computing tax payable under section 115JB.

c) In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

d) As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India (SEBI) or authorized by the Reserve Bank of India are eligible for exemption from income-tax, subject to the conditions specified therein, on their entire income including income from investment in the shares of the company.

e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –

(i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

(ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition. Any investment made on or after the 1st April, 2007, the exemption would be restricted to the amount which does not exceed rupees fifty lakhs during any financial year.

f) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

g) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).

h) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company (transaction not entered on the Recognized Stock Exchange), if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

2.2 Non Resident Indians/Members other than Foreign Institutional Investors and Foreign Venture Capital Investors

a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the recipients.

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

c) In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

d) Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

(ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section; and

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition. Any investment made on or after the 1st April, 2007, the exemption would be restricted to the amount which does not exceed rupees fifty lakhs during any financial year.

f) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

g) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).

h) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company (transaction not entered on the Recognised Stock Exchange), if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% plus applicable surcharge and educational cess.

i) **Taxation of Income from investment and Long Term Capital Gains [other than those exempt u/s 10(38)]**

(i) A non-resident Indian, i.e. an individual being a citizen of India or person of

Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special Provisions Relating to certain incomes of Non-Residents".

(ii) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall [in cases not covered under Section 10(38) of the Act] be concessionally taxed at a flat rate of 10% (plus applicable surcharge and educational cess) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.

(iii) Under provisions of section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

(iv) Under provisions of Section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

(v) Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.

2.3 Foreign Institutional Investors (FIIs)

a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from another domestic company referred to in Section 115-O of the Act, are exempt from tax in the hands of the institutional investor.

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

c) In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

d) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act at the rate of 10% (plus applicable surcharge and educational cess).

e) As per the provisions of Section 115AD of the Act, FIIs will be taxed on the capital gains income at the following rates:

Sr. No.	Nature of Income	Rate of Tax
1	Long Term Capital Gain	Nil
2	Short Term Capital Gain	10%

The above tax rates would apply in cases where Securities Transaction Tax is paid. Short-term capital gains are taxed at 30%, and Long Term capital gains are taxed at 10% if such a transaction is not chargeable to Securities Transaction Tax.

The above tax rates would be increased by the applicable surcharge. The benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to a FII.

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident

f) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

(ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition. Any investment made on or after the 1st April, 2007, the exemption would be restricted to the amount which does not exceed rupees fifty lakhs during any financial year.

2.4 Venture Capital Companies / Funds

As per the provisions of section 10(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and

- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and fulfilling such conditions as may be notified in the Official Gazette, set up for raising funds for investment in a Venture Capital Undertaking, is exempt from income tax. According to the recently amended law, the exemption is restricted to the Venture Capital Company & Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking which is engaged in the business as specified u/s. 10(23FB)(c) of the Income-tax Act.

3. **Wealth Tax Act, 1957**

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

Notes:

a) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.

b) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.

c) In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

SECTION IV – ABOUT US

INDUSTRY

The industry data set forth below is based on industry information collected by third parties. The industry sources cited herein include "Business of Healthcare: An Industry Diagnostic" published by Ernst & Young in 2007 ("E&Y"), Opportunities in Healthcare: Destination India" published by the Federation of Indian Chambers of Commerce and Industry and Ernst & Young in 2007 ("FICCI-EY"), the CRIS-INFAC Hospitals Annual Review published in November 2005 and February 2007 ("CRIS-INFAC"), "Healthcare in India: The Road Ahead," published in October 2002 by the Confederation of Indian Industry and McKinsey & Company ("CII-McKinsey"), "Working Together for Health -- The World Health Report 2006" published by the World Health Organization in 2006 (the "WHO"), the "Tenth Five Year Plan (2002-2007)" published by the Planning Commission, Government of India, in 2002 (the "Planning Commission (2002)"), and "Healthcare", a report by Ernst & Young for India Brand Equity Foundation and published in February 2006 ("IBEF-E&Y"). This data has not been prepared or independently verified by us or the BRLMs or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" in this Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

Introduction

Approximately US$34.9 billion or 5.2% of India's gross domestic product was spent on healthcare in 2004. Healthcare spending in India is expected to rise by 12% per annum through 2005-09 and this figure is expected to reach 5.5%, or approximately US$60.9 billion, by 2012, according to IBEF-E&Y. CRIS-INFAC expects the total healthcare delivery market in India to grow from Rs. 1,253 billion in 2006 to Rs. 3,642 billion by 2016.

According to the WHO, despite this increasing trend, India lags behind other developing nations in per capita total expenditure. In 2003, per capita total expenditure on healthcare was US$82 in India as compared to US$597 in Brazil and US$278 in China. The Indian healthcare industry also suffers from limited government spending. For example, in 2004, government spending on healthcare amounted to 24.8% of total healthcare expenditure in India, as compared to 45.3% in Brazil and 49.4% in South Korea, according to the WHO.

Indian healthcare infrastructure and the number of healthcare professionals also compare poorly to other developing countries. According to CII-McKinsey, India had only 1.5 hospital beds per thousand people in 2001, while China, Brazil, Thailand and South Korea had an average of 4.3 beds per thousand people. Moreover, the number of allopathic physicians in India was only 0.60 per thousand in 2005 compared to 1.15 in Brazil, 1.06 in China and 1.57 in the Republic of Korea, according to the WHO. India also suffers from a shortage of nurses. There were only 0.80 nurses per thousand people in India in 2005, according to the WHO, compared to 3.84 in Brazil, 1.05 in China, and 1.75 in the Republic of Korea. According to FICCI-E&Y, India is expected to have a shortage of 1.2 million nurses by 2012 assuming the target is a ratio of two nurses per doctor. This shortage is particularly severe in the intensive care segment, where the average nurse to bed ratio is only 1:1. The following table sets forth certain key healthcare indicators for India and certain other countries:

	Life Expectancy at Birth	**Infant Mortality Rate**	**Government Expenditure on Healthcare**	**Per Capita Total Expenditure on Healthcare**	**Number of Physicians**	**Physicians – Density**	**Number of Nurses**	**Nurses – Density**
	(Years)	***(Per 1,000)***	***(% of total Healthcare Expenditure)***	***(US$)***	***(Nos.)***	***(Per 1,000)***		***(Per 1,000)***
	2004	***2004***	***2003***	***2003***	***2000 (1)***	***2000 (1)***	***2000 (1)***	***2000 (1)***
India	***62***	***85***	***24.8***	***82***	***645,825***	***0.60***	***865,135***	***0.80***
Brazil	***70***	***34***	***45.3***	***597***	***198,153***	***1.15***	***659,111***	***3.84***
China	***72***	***31***	***36.2***	***278***	***1,364,000***	***1.06***	***1,358,000***	***1.05***
Malaysia	***72***	***12***	***58.2***	***374***	***16,146***	***0.70***	***31,129***	***1.35***
Mexico	***74***	***28***	***46.4***	***582***	***195,897***	***1.98***	***88,678***	***0.90***

	Life Expectancy at Birth	Infant Mortality Rate	Government Expenditure on Healthcare	Per Capita Total Expenditure on Healthcare	Number of Physicians	Physicians – Density	Number of Nurses	Nurses – Density
Republic of Korea	*77*	*6*	*49.4*	*1,074*	*75,045*	*1.57*	*83,333*	*1.75*
Thailand	*70*	*21*	*61.6*	*260*	*22,435*	*0.37*	*171,605*	*2.82*
Japan	*82*	*4*	*81.0*	*2,244*	*251,889*	*1.98*	*993,628*	*7.79*
United Kingdom	*79*	*6*	*85.7*	*2,389*	*133,641*	*2.30*	*704,332*	*12.12*
United States	*78*	*8*	*44.6*	*5,711*	*730,801*	*2.56*	*2,669,603*	*9.37*

Source: The WHO

(1) 2005 for India; 2001 for China; 2003 for South Korea; 2002 for Japan; and 1997 for the United Kingdom.

Structure of the Healthcare Delivery Industry

Type of Facilities

Healthcare facilities in India vary by the level and complexity of treatment offered, quality of infrastructure facilities and availability of qualified doctors and support staff. They can be divided into:

Primary care facilities, which offer basic, point-of-contact medical services and healthcare prevention services in an outpatient setting. Primary care facilities are typically clinics with one or more general practitioners on site. CII-McKinsey estimates that the total spending in this market in India was approximately Rs. 370 billion in 2001.

Secondary care facilities, which offer both inpatient and outpatient medical services, including simple surgical procedures. Such facilities offer basic medical specialties including internal medicine, pediatrics, obstetrics and gynecology, and limited coverage of other specialties including gastroenterology, urology, dermatology, and cardiology. CII-McKinsey estimates that the total spending in this market in India was approximately Rs. 250 billion in 2001.

Tertiary care facilities, which offer highly specialized and sophisticated medical care and surgical procedures in a primarily inpatient setting. Such facilities offer treatment in specialty and "super-specialty" areas of cardiology, neurology, oncology, and orthopedics, among others. CRIS-INFAC estimates that expenditure on tertiary care hospitals comprised approximately 15-20% of the total Rs. 1,253 billion spending for healthcare delivery in India in 2006. According to CRIS-INFAC, this segment is expected to grow faster than the primary or secondary care segments because of an expected rise in complex lifestyle diseases like cardiovascular diseases, diabetes and cancer.

Quaternary care facilities, which offer similar services to tertiary care facilities with a focus on "super-specialty" surgical procedures, including advanced cardiac, neurosurgical and joint-replacement surgeries.

Healthcare facilities in India typically have both inpatient (IPD) and outpatient (OPD) departments. According to CRIS-INFAC, IPD facilities typically require more extensive capital expenditures for beds, operating theaters, intensive care units, nursing services, pharmaceutical services, laboratory and diagnostic centers and a central sterile supply department. OPD facilities, by contrast, require more basic facilities such as examination rooms and less complex operating rooms. OPDs are an important source of patients for a hospital's diagnostic centers and IPD, referring an average of approximately 30% of outpatients in 2004 to the IPD.

Ownership and Operating Models

There are five basic operating models for hospitals in India:

- facilities owned and operated by the government and local bodies;

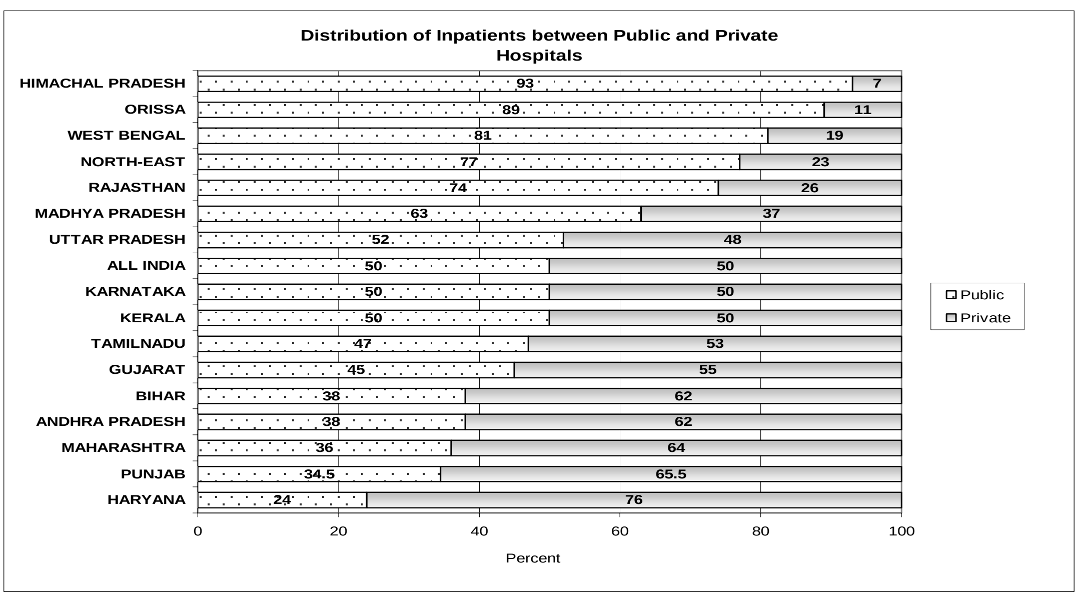
- facilities owned and operated by charitable trusts;
- facilities owned and operated by for-profit corporations;
- institutions and facilities owned by charitable trusts, the government, local bodies or for-profit institutions but operated by separate for-profit institutions; and
- collaborations between government bodies and for-profit corporations (i.e., joint ventures and public-private partnerships).

Certain for-profit hospital operators have become integrated healthcare services providers by expanding into a wide variety of healthcare services including pharmacy, health insurance and telemedicine. Other for-profit hospital operators have chosen to focus primarily on healthcare delivery, adding tertiary and quaternary care facilities that serve as hubs for, and admit patients from, smaller primary and secondary care facilities in local communities.

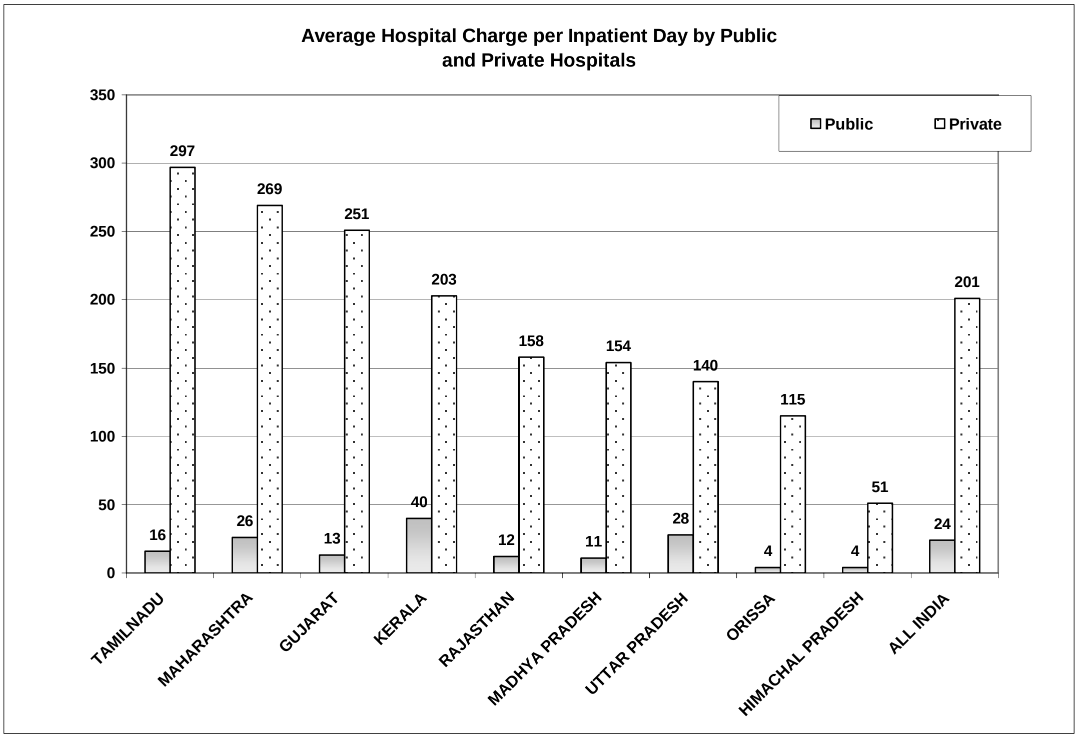
Public vs. Private Provision of Healthcare Services

Although access to government run hospitals is widely available in both urban and rural areas in India, healthcare delivery infrastructure is typically not well-developed, and there is a strain on existing resources. Patients may be required to wait in long queues for treatment at these hospitals, and many doctors are over-worked. India's growing middle class is, therefore, increasingly choosing private hospitals. Privately-operated healthcare delivery accounted for over half of all inpatient hospital visits in India and 82% of all outpatient visits according to CRIS-INFAC's report published in 2005. According to FICCI-EY, only 23.5% of urban residents and 30.6% of rural residents choose to visit a government health facility as their main source of healthcare services, despite the average cost being higher at US$4.3 (Rs. 193.50) for private healthcare compared to the average cost of US$2.7 (Rs. 121.50) at government-owned healthcare agencies.

Private sector healthcare services range from those provided by large corporate hospitals and smaller hospitals or nursing homes to clinics/dispensaries run by qualified personnel and services provided by unlicensed practitioners. According to CII-McKinsey, a majority of the private facilities in India in 2001 were small: approximately 84% had fewer than 30 beds and only 6% had more than 100 beds. The use of private facilities also tends to vary from state to state in India with a majority of patients in the states of Punjab, Haryana and Maharashtra going to private hospitals. In addition, although a significant share of healthcare services in India is delivered by the private sector rather than the public sector, the costs of such services tend to be higher. According to the Planning Commission (2002), the average cost of treatment per day for inpatients at a public healthcare facility was Rs. 24 in 2000, which is a fraction of the cost incurred at a private healthcare facility. The following charts show the distribution of inpatients between public and private hospitals among various states in India and the average hospital charge per inpatient day for public and private hospitals:



Source: Planning Commission (2002)



Source: Planning Commission (2002)

Important factors for success for a private sector healthcare services provider are location, brand equity, quality of care provided, choice of specialty and specialty level, project cost and ability to control operating costs. While the first four factors are important to attract patients and improve occupancy rates and profitability, the other two, that is, project cost and operating margins, are important to ensure the financial viability of the hospital.

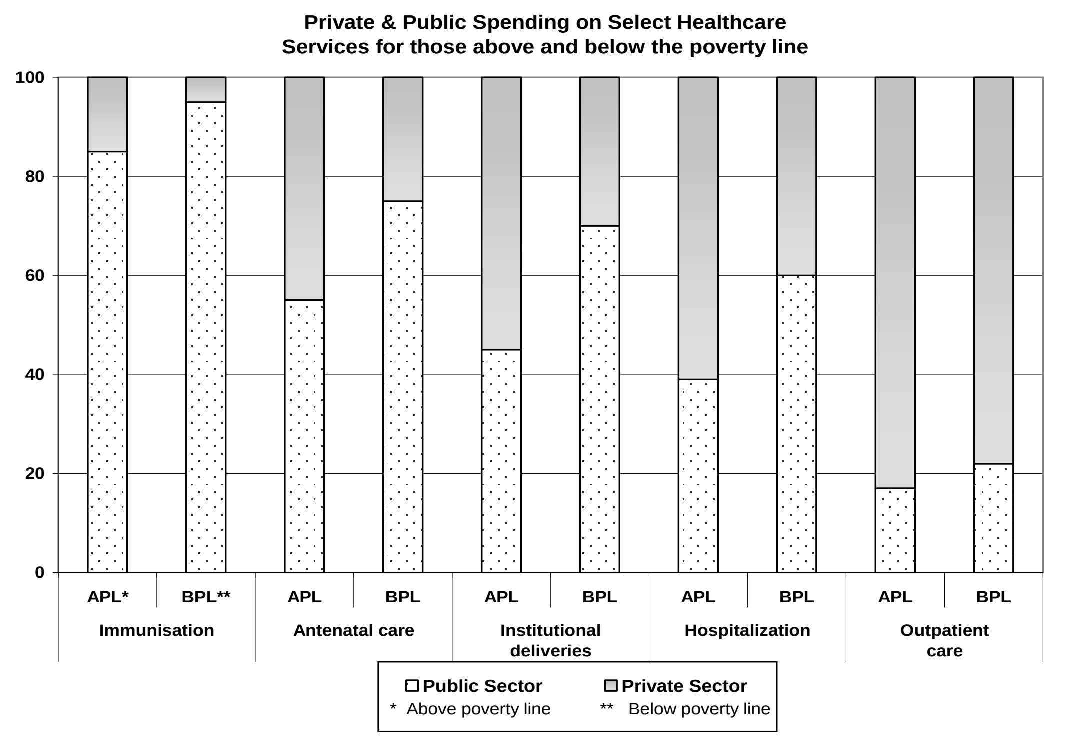
Profitability of Healthcare Industry

According to E&Y, the Indian healthcare industry suffers from low average EBITDA margins (17.7%) compared to the US healthcare industry or other sectors in India such as the hospitality industry. With the domestic health insurance premiums growing, hospitals are likely to face a greater margin squeeze with increasing pressure from insurance companies for price rationalization and longer credit periods. E&Y also states that hospitals of medium size (141-220 beds) have the highest profitability, measured by revenue per occupied bed per day, compared to small size (80-140 beds) and large size (221-400 beds) hospitals, although the location of the hospital, city specific demand, target market and price sensitivity also determine profitability. According to E&Y, cardiac specialty hospitals generate the highest revenue per occupied bed per day (Rs. 13,413), followed by single-specialty hospitals (Rs. 11,141) and multi-specialty hospitals (Rs. 10,620). As for profitability, multi-specialty hospitals generate the highest EBITDA margins per occupied bed per day. According to the same report, the average length of stay at Indian tertiary care hospitals is approximately 5 days, which is higher than the international standard of 4 days.

Healthcare Funding and Insurance

Healthcare spending in India is primarily sourced from private funds; according to CRIS-INFAC, in 2004, 82% of healthcare spending came from private out-of-pocket funding, with much of the represented spending coming from higher income groups. According to the WHO, private healthcare expenditure was 75.2% of total health expenditure in India in 2003, of which 97% was out-of-pocket private expenditure. There are also significant differences in private spending on healthcare services in public and private facilities between states, with a large part of private expenditure in states like Kerala, Punjab and Haryana going to private healthcare facilities. According to FICCI-EY, in the period between 1993-1994 and 2001-2002, the aggregate household expenditure on health services increased at an annual compounded rate of

9.3%, showing a demand for higher standards of healthcare. In addition, the top 33% of income earners in India accounted for 75% of total private expenditure on healthcare in India in 2004, of which high-income households (the top 8%) paid US$578 (Rs. 26,010) per treatment and hospitalization in 2004, which was approximately three times the overall average of US$191 (Rs. 8,595). The following charts show the private and public spending on select healthcare services by those above and below the poverty line, and the breakdown by state of private spending on healthcare services at private and public facilities:



Source: Planning Commission (2002)

According to the Planning Commission (2002), less than 10% of the population in India was covered by some form of health insurance, although the number of people with health insurance is increasing. CRIS-INFAC estimates that approximately 30% of the inpatients in private hospitals had health insurance cover in 2006. Health insurance in India may be categorized as follows:

Private Insurance. Premium paid through an employer's health plan or directly by the insured. According to CII-McKinsey, while the Indian health insurance industry is open to the private sector, most insurance companies have participated only to a limited extent. Government-owned insurance companies covered approximately four million people (0.4% of the population) in 2001. As a result of regulatory barriers, large international health insurance companies have adopted a wait-and-see policy before deciding whether to enter.

Social Insurance. Mandatory wage-based contribution from employees. According to CII-McKinsey, social insurance covered approximately 30 million people in India (3% of the population) in 2001.

Employer Spending. Employer provides reimbursement or complimentary access to employer's own healthcare facilities. According to CII-McKinsey, such schemes covered approximately 50 million people in India (5% of the population) in 2001.

Community Insurance. Scheme managed by local provider, insurer, non-governmental organization, association of the insured or governmental authority. According to CII-McKinsey, local community insurance schemes covered approximately 50 million people in India (5% of the population) in 2001. Four types of community insurance exist in India: (i) insurer-driven, (ii) provider-driven, (iii) self-managed, and (iv) government-managed.

Private Healthcare Services Providers

According to CRIS-INFAC, there are six major providers of private healthcare services in India: the Apollo Group, CARE Hospitals, Fortis Healthcare, Manipal Group, Max Healthcare, and Wockhardt Hospitals. The table below summarizes certain key statistics regarding these healthcare providers, and is sourced from CRIS-INFAC and hospital published data, except as indicated.

	Number of beds	Location(s) in India	Type of Facility
Apollo	6,952	Pan India	P, T
CARE	1,020	South India and Nagpur	P, S, T
Fortis Healthcare	~1,600	North India and Jaipur	S, T
Max Healthcare	765	NCR	P, S, T
Wockhardt	~1,390	South, West and East	T
Manipal Group	7,629	South	P, S, T

Source: CRIS-INFAC 2007 Report

Besides competing with each other, the major private healthcare services providers also compete with healthcare delivery facilities that are owned by individuals or non-profit entities supported by endowments, governmental agencies and charitable contributions in certain locations.

The large private healthcare services providers are actively seeking growth by enhancing their reach across the country through the building of new hospitals, acquisition of existing hospitals and arrangements with small healthcare services providers, widening their presence across primary, secondary and tertiary healthcare, upgrading their existing facilities and reaching out to prospective patients through initiatives such as community outreach programs, free health check-ups, and arrangements with employers to provide healthcare services to their employees. Recent press reports indicate that other entities also plan to establish "Medicities" with facilities offering various levels of healthcare services, as well as medical teaching institutions.

In order to fuel this growth, the large private healthcare services providers have been increasingly accessing capital markets. In recent years, both the Apollo Group and Fortis Healthcare have completed initial public offerings. Private equity funds provide an additional source of capital, with investments into the industry by firms such as Warburg Pincus, Maxwell Mauritius (a subsidiary of Temasek Holdings) and One Equity Partners (an affiliate of JPMorgan Chase).

Technology

Medical technology continues to rapidly evolve, making previous generation technologies obsolete or less attractive. In order to maintain standards of medical equipment and care, healthcare providers must make high levels of capital investments, particulary since much of the medical equipment is produced in western countries with high cost bases and are expensive. The required level of investment makes it more difficult for smaller private healthcare providers to compete in the high-end segments of the healthcare market.

Human Resources

The number and quality of doctors and other medical staff are important factors in the healthcare industry's capacity and quality as a whole, as well as in a hospital's competitive advantage and ability to attract patients. The Indian tertiary healthcare segment is currently faced with an acute shortage of manpower. According to the WHO, the number of allopathic physicians in India was only 0.60 per thousand in 2005 compared to 1.15 in Brazil, 1.06 in China and 1.57 in the Republic of Korea. The lower physician to population ratio translates into higher competition for well-qualified doctors. India also suffers from a shortage of nurses. There were only 0.80 nurses per thousand people in India in 2005, according to the WHO, compared to 3.84 in Brazil, 1.05 in China and 1.75 in the Republic of Korea. This shortage is particularly severe in the intensive care segment, where the average nurse to bed ratio is only 1:1, as compared with the recommended 2:1, according to E&Y. The average attrition rate of nurses in India is 15%, driven partially by their migration to western countries for better career prospects. This migration is largely due to lower domestic compensation levels and inadequate HR practices in Indian hospitals, as evidenced by an employee to HR personnel ratio of 180:1, according to E&Y. Furthermore, the Indian healthcare industry is in need of a larger pool of management professionals, which will help the industry shift from doctor-led practice to service-centric management.

Accreditation and Certification

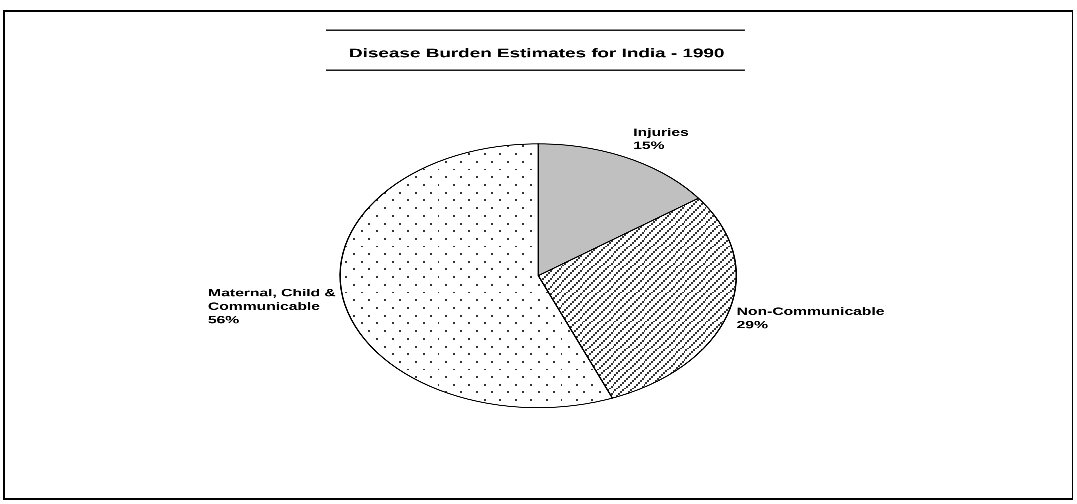
Until recently, India had no national accreditation body for hospitals. As a result, there has been wide variance in the quality of healthcare services provided in India. Today, Indian hospitals may apply for accreditation from the newly formed National Accreditation Board for Hospitals and Healthcare Providers (NABH), an autonomous body established by the Quality Council of India to set benchmarks in the healthcare industry, which first published its hospital accreditation standards and procedures in February 2006.

Certain Indian hospitals, especially those run by large for-profit organizations, are also now applying for international accreditation from bodies such as the Joint Commission International (JCI), an affiliate of the Joint Commission on Accreditation of Healthcare Organization, which is an independent not-for-profit organization and is the predominant standards-setting and accrediting body in healthcare in the United States. As of June 30, 2007, seven hospitals have been accredited by the JCI: Apollo Hospital, Chennai; Indraprastha Apollo Hospital, New Delhi; Wockhardt Hospital, Mumbai; Apollo Hospital, Hyderabad; Asian Heart Institute, Mumbai; Satguru Partap Singh Apollo Hospital, Punjab; and Shroff Eye Hospital, Mumbai. Certain hospitals in India have also applied for and received certification from the International Standards Organization (ISO), which monitors the quality of implementation of internal operational procedures.

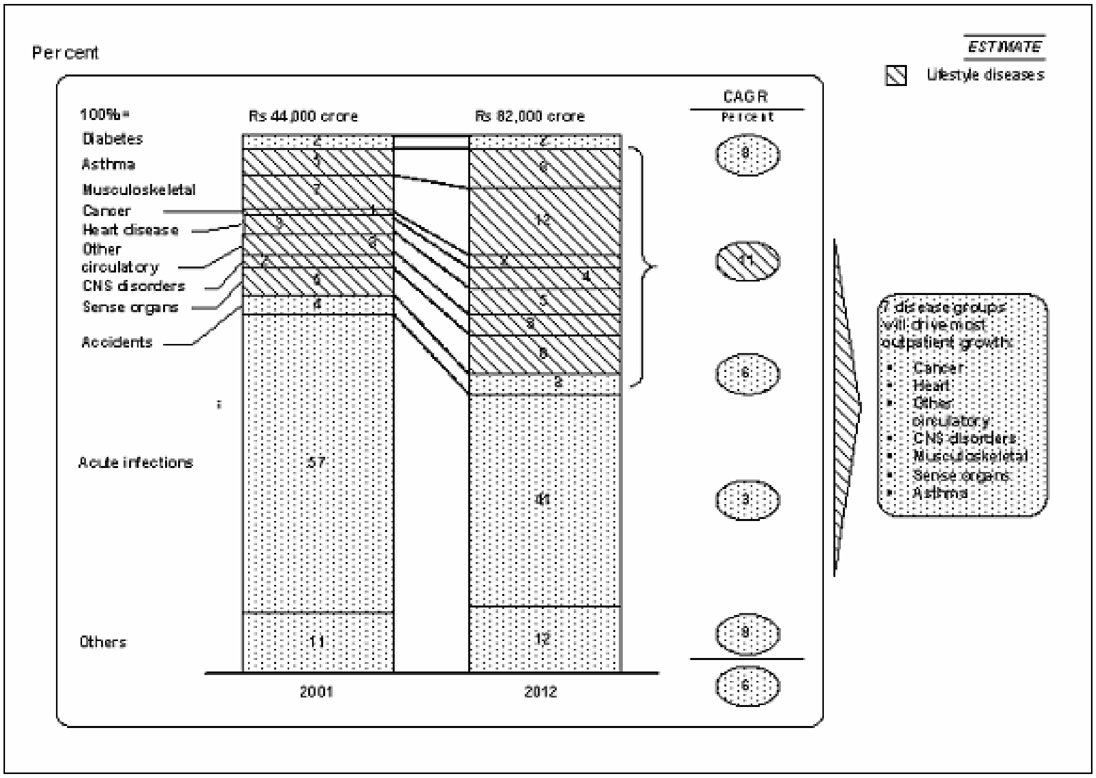
Emerging Trends and Industry Outlook

Shifting Demographics and Socio-economic Trends

Socio-economic and demographic changes within the Indian population have increased the incidence of lifestyle diseases like cancer, diabetes and cardiovascular disease, which are more expensive to treat than communicable and infectious diseases. For example, people aged 15 to 64, a population CRIS-INFAC identifies as more prone to lifestyle diseases, are expected to increase as a share of the total population from 61.5% in 2000 to 65% in 2010. IBEF-E&Y notes that, the share of infectious diseases in India is expected to decline from 19% in 2004 to 16% in 2008 in the inpatient market. CRIS-INFAC also notes the expected increase in the share of people older than 65, a group that exhibits a higher incidence of musculoskeletal diseases. According to the Planning Commission (2002), it is estimated that the occurrence of non-communicable diseases is likely to grow faster than communicable and infectious diseases between 2002 and 2012 and that it will constitute approximately 57% of disease occurrences by 2020. The following charts show India's disease burden estimates for 1990, 2001 and 2020:



Source: Planning Commission (2002)



Source: CII-McKinsey

CRIS-INFAC notes that the rapid growth of the middle and upper classes in India, particularly the urban middle class, a segment that accounts for a substantial proportion of healthcare expenditure, will lead to higher per capita expenditure on treatment of lifestyle diseases. IBEF-E&Y states that the shift in disease profiles from infectious to lifestyle-related diseases are expected to raise expenditure in healthcare in India.

Market Growth

Although many parts of India remain poor and access to basic healthcare remains the focus in those regions, according to CRIS-INFAC, socio-economic and demographic changes within certain segments of the Indian population, particularly in urban areas, have created increased demand for advanced healthcare services. The increasing affluence of the Indian population and increased awareness of healthcare options as a result of improved literacy and education is also likely to contribute to the increase in the demand for healthcare services. Not only is there a growing awareness and sophistication among healthcare consumers who are demanding more services, there is also an increase in the incidence of so-called "lifestyle" diseases like cancer, diabetes and cardiovascular disease, which are more expensive to treat than communicable and infectious diseases. Due to the increase in treatment of complex lifestyle diseases, which generally entail higher average expenditure per treatment, the growth in income levels of the urban middle class and the expansion of healthcare infrastructure and health insurance across India, CRIS-INFAC expects the total healthcare delivery market in India to grow from Rs. 1,253 billion in 2006 to Rs. 3,642 billion by 2016. According to IBEF-E&Y, approximately US$60.9 billion, or 5.5% of India's gross domestic product, is expected to be spent on healthcare by 2012, up from approximately US$34.9 billion, or 5.2%, in 2004. FICCI-E&Y expects the Indian healthcare industry to grow from US$34.2 billion in 2006 to US$78.6 billion in 2012. Private healthcare is expected by CII-McKinsey to continue to be the largest component of healthcare spending in 2012 and could increase to Rs. 1,560 billion by 2012 if health insurance coverage becomes more widely available to the upper and middle classes. Government spending is also expected to increase. CII-McKinsey expects public spending to double by 2012 from Rs. 170 billion in 2001 if the Government of India reaches its target spending level of 2% of the gross domestic product, up from 0.9% in 2001.

In addition, increases in life expectancy (64.0 years in 2004; 64.7 years in 2006) correlate to increases in healthcare spending, whether as an absolute figure (Rs. 1,582 billion in 2004; Rs. 1,967 billion in 2006), as a percentage of gross domestic product (5.2% in 2004; 5.3% in 2006), or as a per capita figure (US$32 in 2004; US$41 in 2006), and such increases are expected to continue, according to FICCI-EY.

Shifting Spending Patterns

The growth in private healthcare delivery is likely to be accompanied by a shift in spending patterns with greater emphasis on inpatient spending to tackle the incidence of lifestyle diseases. According to CII-McKinsey, in 2001, outpatient care accounted for approximately 61% of private healthcare spending, with over 55% of outpatient expenditure on acute infections such as fevers, diarrhoea and gastro-intestinal diseases. Approximately 85% of private inpatient expenditure was spent on acute infections, accidents and injuries, cancer, heart disease and maternal care.

According to CII-McKinsey, spending patterns are expected to shift by 2012. Of the expected Rs. 1,560 billion private healthcare spending, inpatient spending is expected to account for 47%, up from 39% in 2001. CRIS-INFAC expects inpatient revenues to grow to Rs. 1,268 billion and 2,312 billion in 2011 and 2016, respectively from Rs. 637 billion in 2006; and outpatient revenues to grow to Rs. 903 billion and Rs. 1,329 billion in 2011 and 2016, respectively, from Rs. 617 billion in 2006. This growth is expected to be driven by the rise in lifestyle diseases, especially cancer and cardiovascular disease, which are growing rapidly. CII-McKinsey expects that these two diseases alone will constitute more than 35% of inpatient expenditure by 2012 (up from 27% in 2001). CRIS-INFAC estimates that, in terms of hospitalized cases, cardiology, oncology and diabetes will collectively account for 52.5% of inpatient revenues as compared to the current 36.0% of inpatient revenues. According to FICCI-EY, inpatient spending is expected to rise from 39% to nearly 50% of the total expenditure on healthcare as compared to 62% in the United States, and the share of infectious diseases, as opposed to lifestyle diseases, in the inpatient market is expected to decline from 19% in 2004 to 15% in 2008. Outpatient expenditure is expected to decrease in terms of share but increase in absolute terms to Rs. 740 billion in 2012 from approximately 61% of the Rs. 690 billion private healthcare expenditure in 2001, with lifestyle diseases such as asthma, cancer, heart disease and musculoskeletal diseases driving this increase, according to CII-McKinsey. Inpatient expenditures on cancer and heart diseases services are expected to reach approximately Rs. 140.6 billion and approximately Rs. 133.2 billion in 2012, respectively, according to CII-McKinsey.

Increasing Penetration of Health Insurance

A number of private insurance companies have entered the Indian market and are establishing arrangements with hospitals to provide treatment to their subscribers without upfront cash payments. According to CRIS-INFAC, the recent entry of private insurance companies has deepened health insurance penetration in India. According to IBEF-E&Y, total health insurance premium paid in India amounted to US$533.3 million in 2005-06 as compared with US$385 million in 2004-05, and the number of people covered under health insurance plans has increased from 4-5 million from 2001 to over 12 million in 2006. Competition among insurers is likely to lead to increased marketing efforts which in turn could lead to an increase in the number of Indians with voluntary health insurance which in turn is likely to lead to higher affordability of healthcare services. In addition, employers are increasingly subsidizing their employees' health costs through direct arrangements with medical providers. The potential increase in the penetration rate of medical insurance and employer plans could result in higher demand for premium healthcare services in India, although the insurance companies and employers will, at the same time, negotiate for lower rates to be charged by healthcare providers.

Medical Value Travel

According to E&Y, medical value travel in India contributes only 0.9% of the total hospital revenues, however it is expected to grow to an approximately US$1.4 billion industry and contribute more than 2.5% of the total hospital revenues by 2012. In 2006, according to CRIS-INFAC, between 180,000 and 200,000 international patients received medical treatment in India, up from approximately 10,000 in 2000. According to IBEF-E&Y, the medical tourism market in India was worth approximately US$333 million in 2004, and is expected to increase to US$2 billion by 2012. Patients from approximately 55 countries were treated at Indian hospitals. However, most of the foreign patients are from nearby developing countries such as Afghanistan, Pakistan, Nepal, Bangladesh and Sri Lanka, which lack top-quality hospitals and health professionals; patients from the US and Europe are relatively few. International patients choose India primarily because of the substantial difference in the cost of high-end surgery and critical care and quicker access to medical care in India vis-à-vis some highly developed countries. The cost of such medical care also compares favourably against costs of other more established medical tourism destinations like Thailand. For example, an open surgery, which costs US$100,000 in the United States, over US$40,000 in the United Kingdom and US$14,250 in Thailand, costs US$4,400 in India, and knee surgery, which costs US$48,000 in the United States, over US$50,000 in the United Kingdom and US$7,000 in Thailand, costs US$4,500 in India (Source: FICCI-EY). India has recently introduced a visa category for individuals seeking medical treatment in India.

Increased Spending on Infrastructure

In order to meet the demand for healthcare in India and improve the availability of hospital beds and doctors, it is widely acknowledged that India's infrastructure will need to be improved significantly. CRIS-INFAC believes that nearly Rs. 668 billion will be required by 2011 and Rs. 1,654 billion by 2016 for ramping up the healthcare infrastructure, of which only one-fifth is expected to come from the government. The remaining investments are expected to come from the private sector. CRIS-INFAC[1] estimates that India needs an additional 632,000 beds by 2016, translating into Rs. 1,654 billion of investments. According to FICCI-EY, there were 1.2 million beds in India in 2006, of which 682,500 were in private healthcare facilities. According to CII-McKinsey, approximately 750,000 additional beds, including 150,000 tertiary care beds, will need to be added in India to meet increasing demand for inpatient services by 2012 and bring the hospital bed to population ratio to 1.9:1,000. CII-McKinsey also estimates that 20% of the additional beds will be required for specialty healthcare needs such as cancer and cardiac diseases.

According to CII-McKinsey, an additional 520,000 doctors will be required over and above the numbers that will be added through existing medical colleges by 2012 to reach a ratio of one medical doctor per thousand people in India. In order to maintain the current doctor/nurse ratio of 1:1.6, an additional 770,000 nurses will have to be trained over and above those who will be trained at current nursing schools by 2012.

According to CII-McKinsey, creating this infrastructure in India will require investments of approximately Rs. 1,000 billion to Rs. 1,400 billion by 2012 in secondary and tertiary care hospitals, medical colleges, nursing schools and hospital management schools. After taking into account the expected investment by government and other agencies during this period, almost 80% of this amount will need to come from the private sector.

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[1] CRISIL limited has used due care and caution in preparing its reports mentioned in this Draft Red Herring Prospectus. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of the CRISIL reports may be published/reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in the CRISIL reports. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

OUR BUSINESS

Overview

We are one of the largest private healthcare services companies in India, based on the number of hospital beds, according to information provided by CRIS-INFAC's report published in 2007. We have a super-specialty focus on core areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology and critical care, and we specialize in minimally invasive surgery. We have a pan-India presence with a network of ten super-specialty hospitals and five regional specialty intensive care unit ("ICU") hospitals providing healthcare services in western, southern and eastern India. Our regional specialty ICU hospitals act as referral centers and the first point of critical care for our larger super-specialty hospitals, but are also self-sustaining as they are strategically located to fulfill demand for basic tertiary care and higher secondary care.

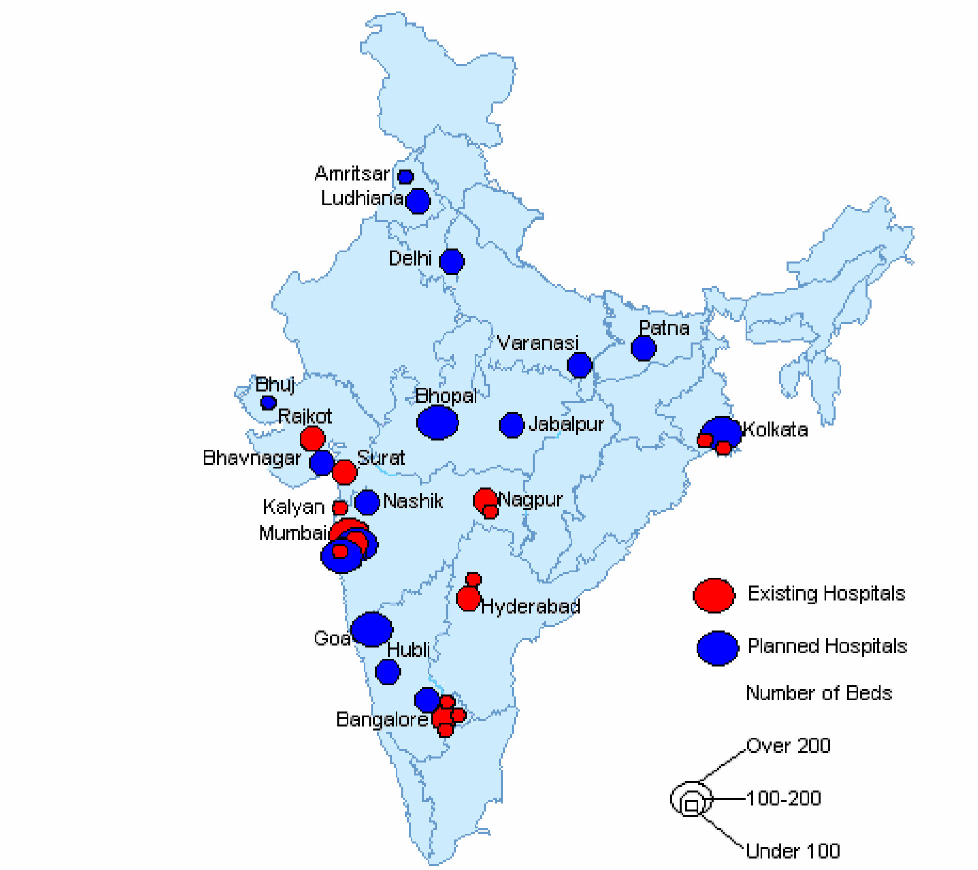
We established our first hospital, Wockhardt Medical Centre, in Kolkata in 1989. By 1993, we had opened the Wockhardt Hospital and Heart Institute in Bangalore and the Wockhardt Hospital and Kidney Institute in Kolkata, establishing our super-specialty focus. In 2000, having developed and refined our business model, we undertook a strategy to accelerate our growth, and have since become a leading private healthcare services provider in India, with a presence across the country. Our network consists of super-specialty hospitals, which provide advanced tertiary and higher secondary care, and regional specialty ICU hospitals, which include regional ICU hospitals that provide basic tertiary care and higher secondary care hospitals. Six of our existing facilities are "greenfield" facilities, which we or our group companies have constructed. We operate our remaining nine facilities as "brownfield" facilities, which means that we refurbish, equip and operate hospitals located on the premises of others pursuant to revenue sharing or lease arrangements. We also own and operate ten pharmacies located at our facilities.

In India, we are the only private hospital group associate of Harvard Medical International ("HMI"), a self-supporting not-for-profit subsidiary of Harvard Medical School. Our super-specialty hospital in Mumbai is one of the first hospitals in South Asia to have received international accreditation from Joint Commission International ("JCI"). JCI is part of the Joint Commission on Accreditation of Healthcare Organizations, a non-profit corporation that is the largest accreditor of healthcare organizations in the United States.

Our promoters are part of the Wockhardt group, a global pharmaceutical and biotechnology company with a presence in the world's leading markets. In January 2008, we completed Pre-IPO Placements (the "Pre-IPO Placements") to BCCL of 1,612,903 Equity Shares and to CGMMPL of 3,300,000 Equity Shares, constituting 2.0% and 4.2% of our Equity Shares, respectively.

During the fiscal year ended March 31, 2007, we performed over 10,000 interventional cardiac procedures, 1,000 orthopedic procedures and 400 neuro and spine surgeries. We also performed over 2,100 minimally invasive procedures during the same period. We currently have approximately 1,374 inpatient beds in use across our network of 15 facilities. We also have ongoing greenfield and brownfield projects, which, if successfully completed, will result in 1,957 new beds by March 31, 2009. In the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, the average occupancy rate for our super-specialty hospitals open for a year or more was approximately 68% and 67%, respectively. For fiscal 2007 and the nine months ended December 31, 2007, our total income was Rs. 2,367.0 million and Rs. 2,599.8 million, respectively, our EBITDA was Rs. 395.0 million and Rs. 544.6 million, respectively, and our net profit was Rs. 155.9 million and Rs. 73.1 million, respectively.

The following map indicates the location and nature of our existing and planned facilities:



Our Strengths

We believe we benefit from the following strengths:

Specialty focus. Throughout our network, we focus on tertiary care clinical areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology and critical care and we specialize in minimally invasive surgery. We believe we have established ourselves as leaders in those areas, with more than 18 years of experience developing high-end clinical expertise. Our specialty focus helps us attract and train super-specialist clinicians. We are investing significantly in the technology, equipment and infrastructure required to perform the most advanced procedures. To extend, support and strengthen our specialty focus, we have established and intend to expand our network of regional specialty ICU hospitals, which can refer patients to our super-specialty hospitals.

Quality patient care. We have created and developed the "Wockhardt Quality and Care Management System", a multi-faceted quality and care management program, and implemented it throughout our network. Through this system, we aim to constantly evaluate the quality of the services that our patients receive. We follow international quality benchmarks, and our super-specialty hospital in Mumbai became one of the first hospitals in South Asia to receive international accreditation from JCI. In addition, we intend for our hospital in Bannerghatta Road, Bangalore to undergo the survey for JCI accreditation by the first quarter of 2008. Our hospitals follow international quality and patient safety protocols and adhere to international clinical standards in patient handling, operating theaters, intensive care unit management and emergency care. The pathology laboratories at Wockhardt Hospital and Heart Institute in Cunningham Road, Bangalore have been accredited by the National Accreditation Board for Testing & Calibration Laboratories ("NABL").

Strategic relationship with Harvard Medical International. In India, we are the only private hospital group associate of Harvard Medical International ("HMI"), a self-supporting not-for-profit subsidiary of Harvard

Medical School. HMI collaborates with select institutions around the world to advance its philosophy of "one world, one medicine". Our long-term association with HMI helps us design hospitals adhering to global standards, improve the quality of our services, introduce new clinical services, train and educate our hospital administrators, clinicians and nurses and attract clinicians from around the world. We benefit from the expertise of HMI's diverse group of professionals representing 17 teaching hospitals affiliated with Harvard Medical School, including pioneering institutions such as Massachusetts General Hospital, Beth Israel Deaconess Medical Center, Joslin Diabetes Center, Brigham and Women's Hospital, Dana-Farber Cancer Institute and Children's Hospital Boston. HMI professionals help us design facilities, establish new clinical programs and create quality and personnel development systems. We believe our association with HMI also provides a source of innovation and advanced clinical learning for doctors and other personnel at our hospitals. Pursuant to our agreement with HMI, we are permitted to use the HMI name and logo next to the Wockhardt Hospitals name and logo at our greenfield facilities and on our stationery.

Ability to attract, retain and educate skilled doctors, nurses and other personnel. We believe that we have been successful in attracting and retaining doctors who have over a period of time achieved clinical excellence in their fields at our hospitals. The quality of our facilities, the quality and capabilities of our medical staff and our association with HMI help us recruit and retain medical personnel. We utilize a competitive compensation structure for our clinicians, and we believe this structure, which includes fixed retainership and variable fees, helps us attract and retain high quality clinicians and increases the productivity of our hospitals. For the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, we have averaged a retention rate of 99% and 100%, respectively, for full-time consultants at our hospitals. We also have separate and specific training programs for doctors, nurses, para-medical professionals and management personnel. For more information on these programs, see "—Professional Activities—Professional Development" below under this section titled "Our Business" beginning on page 62 of this Red Herring Prospectus.

Pan-India presence with recognized brand. We have established a national footprint with our super-specialty hospitals in western, southern and eastern India. In northern India, we have plans for a greenfield hospital in Delhi, for which we have already acquired the property, and as part of our brownfield projects, we intend to manage a cardiac hospital in Ludhiana. In central India, we have ongoing brownfield hospital projects in Bhopal and Jabalpur. The Wockhardt brand is respected nationwide for the Wockhardt group's strength and nearly 35-year heritage as a global participant in the pharmaceutical industry. Our national footprint, with a presence in many leading and emerging metropolitan areas, has allowed us to leverage the Wockhardt name and establish Wockhardt Hospitals as a healthcare services delivery brand which is recognized across the country. Our pan-India presence and recognition give patients confidence that they will receive high quality healthcare services wherever they are located, and also help us recruit skilled doctors and nurses both from within India and overseas.

Experienced management. Our operations are led by an experienced management group that functions well as a team, and that has the expertise and vision to continue to expand our business. Our senior management team includes our Managing Directors Mr. Vishal Bali, who has been with the company since its inception, and Mr. Anil Kamath. We have dedicated and experienced management teams in charge of project execution, human resources, operations, quality management and our international business. Our senior managers have an average of 13 years of experience in management and an average of nine years of experience in management in the healthcare services industry in particular.

Our Strategy

The key elements of our growth strategy include:

Strengthen position in major metropolitan areas and establish presence in selected smaller "Tier II" cities. We intend to continue growing by establishing additional healthcare facilities. We plan to strengthen our presence in major metropolitan areas, such as Bangalore, Mumbai, Kolkata, Hyderabad and Delhi, by expanding our current operations through new greenfield and brownfield projects, as well as increasing bed capacity at our existing hospitals. For example, we are currently expanding our bed capacity at Wockhardt Hospital, Mulund, and building new hospitals in southern and northern Mumbai, Delhi, Bangalore and Kolkata. We are pursuing brownfield projects in selected Tier II cities, such as Madgaon (Goa), Bhopal, Nashik, Bhavnagar, Ludhiana, Jabalpur, Bhuj, Patna, Hubli and Varanasi. In most of these Tier II cities, we expect to be among the first major private healthcare services providers to commence focused tertiary care operations, which we believe will help us attract patients, recruit better medical personnel and establish benchmarks for care and sustainable operations. Our business development team is constantly evaluating potential greenfield and brownfield opportunities in both our existing and new regions. Our evaluation criteria for new opportunities include the demographics and revenue potential of the local population, the competitive landscape, location and cost, and for existing facilities, the skill, specialty and reputation of doctors and other medical and non-medical staff, the work culture of the institution and the quality of the infrastructure.

Develop network of regional specialty ICU hospitals. Our regional specialty ICU hospitals act as referral centers for our super-specialty hospitals for advanced and tertiary procedures, but are also self-sustaining and strategically located to fulfill market demand for basic tertiary care in the case of regional ICU hospitals and higher secondary care in the case of higher secondary care hospitals. We intend to further develop our network of regional specialty ICU hospitals, which deepen and complement the penetration of our super-specialty hospitals through their referrals of patients in need of advanced tertiary care. In India, there is a shortage of supply in adequately equipped and staffed ICU services, which satisfy internationally accepted standards. We believe we can expand our reach in the high-end intensive care segment by setting up stand-alone regional ICU hospitals, with 30 to 80 beds (approximately 25% of which are ICU beds), which will complement our tertiary care model by providing intensive care and higher secondary care services. We currently have two regional ICU hospitals in Vashi, Mumbai and Chord Road, Bangalore. These regional ICU hospitals are typically staffed with approximately 30 doctors and trained intensive care specialists who provide 24 hour emergency service every day of the week. We intend to increase our market share in intensive care and also extend our local reach by setting up additional regional ICU hospitals. In the long term, we also expect our regional ICU strategy to contribute to the reduction of average length of stay at our super-specialty hospitals, because patients are able to receive critical care at regional ICU hospitals prior to referral to our super-specialty hospitals.

Leverage growth model with flexible expansion plans. Since 2000, we have grown from three hospitals, with 139 beds, to a network of ten super-specialty hospitals and five regional specialty ICU hospitals, with a total of 1,374 inpatient beds. We employ a flexible approach in our expansion plans, opportunistically engaging in either greenfield or brownfield projects depending on the best available alternatives. We believe our ability to successfully complete new projects (on average to date, greenfield projects within 18 to 24 months and brownfield projects within six to twelve months) coupled with our focus on super-specialty tertiary care enables us to achieve cash break-even within relatively short periods of time (on average, within one to two years). In particular, in brownfield projects, we can minimize ramp up time, capital investments and cash outflows, and instead focus on our core competencies of operating hospitals and providing advanced tertiary care and higher secondary care to our patients.

Focus on high-value end of the healthcare services market. Due to our focus on tertiary care in high-growth areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology and critical care, and with our super-specialty hospitals, skilled doctors and high-end equipment, we believe we are well-positioned to serve the increasing demand for sophisticated clinical care in the Indian healthcare market. During fiscal year ended March 31, 2007, we performed over 10,000 interventional cardiac procedures, 1,000 orthopedic procedures and 400 neuro and spine surgeries. We also performed over 2,100 minimally invasive procedures during the same period. In addition, we believe that by further developing our expertise in these high-growth tertiary care areas, we will be able to meet the demand for even more sophisticated procedures. We are concentrating on our surgical admissions and continually developing our expertise especially in high-yielding procedures such as cardiac surgery, orthopedic procedures, complex trauma work and brain and spine surgeries. We may also seek to expand into other high-value super-specialties, such as oncology.

Improve profitability at mature hospitals and increase occupancy rates at newer hospitals. We intend to improve profitability at our mature hospitals (which we have operated for more than three years) by increasing average income per bed and decreasing average length of stay. We plan to focus on our case mix and increase the ratio of surgical to medical procedures, and also improve our utilization rates in order to increase average income per bed. In addition, we intend to expand our practice with minimally invasive surgical techniques, which eliminate the need to make large incisions into the human body, thereby reducing surgical trauma, pain and blood loss. We have been using minimally invasive surgical techniques in most of our specialties (approximately 7% to 10% of our surgical operations, for the fiscal year ended March 31, 2007) and we intend to expand its use to a wider range of procedures. Patient recovery time is shorter in minimally invasive surgeries, freeing up beds for other patients and reducing the average length of stay at our hospitals. For the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, the average length of stay at our hospitals was 4.7 and 4.4 days, respectively. At our new hospitals, which we have operated for less than three years, we plan to increase occupancy rates through extensive marketing (especially during the first year of the hospital), expansion of our referral network and increase in community outreach programs to gain market share in the regions in which we operate.

Increase outpatient income by focusing on our ongoing day care products and introducing new day care surgeries and other outpatient offerings. Over the years, we have established a diverse portfolio of outpatient offerings, including health check up programs, various forms of laboratory testing, diagnostics (e.g., high end imaging work), and physiotherapy and rehabilitation. Such offerings led to an increase in outpatient admissions (both referrals and walk-in patients) at our hospitals. We have also recognized the opportunities in day care surgeries. Due to technological developments, certain surgeries, which previously required patients to stay at a hospital for a number of days, can now be carried out as day care surgeries. In such day care surgeries, the patient gets admitted to the hospital in the morning, undergoes the surgery and gets discharged in the evening. Such surgeries reduce the average length of stay for patients and free up beds for tertiary care cases. Going forward, we intend to focus on such procedures at our hospitals and we expect this initiative to be a significant contributor to our outpatient income. Due to lifestyle changes and increased awareness for healthcare in India, we also intend to focus on preventative measures for lifestyle diseases and rehabilitative care at our hospitals in Mumbai, Kolkata, Hyderabad, Nagpur, Delhi, Rajkot, Bhopal and Nashik. In addition, we plan to develop our capabilities in medical and surgical oncology at our hospitals in Mulund, Kolkata and Bhopal, and in urology (based on our experience at our kidney hospital at Kolkata) at our upcoming hospitals in Kolkata, Adams Wylie (Mumbai), Rajkot, Bhopal, Nasik, Goa, Bhavnagar and Jabalpur. We also recognize the growing demand for cosmetic procedures in India and plan to launch cosmetology as an important specialty at our new greenfield hospitals in Mumbai and Bangalore.

Grow international patient base, particularly in developed countries. Especially over the last five years, India has become a preferred destination for international patients who seek access to healthcare services at international standards with substantial cost savings. According to CRIS-INFAC Hospitals Annual Review published in February 2007, it is estimated that 180,000-200,000 international patients came for treatment to India in 2006, up from 10,000 patients in 2000. We aim to capitalize on this opportunity, and grow our brand and reputation globally. We are focused on providing patients from developed countries with tertiary care services such as cardiac surgery, orthopedic procedures and spine surgery. We believe our association with HMI and the JCI accreditation of our hospital in Mulund, Mumbai help us attract international patients. We have established an interactive website and a patient services center that can quickly respond to queries from international patients. We intend to increase our marketing efforts to attract more international patients.

Our Hospitals

Our network includes 15 hospitals, six of which are “greenfield” and nine of which are “brownfield” facilities. The table below lists each of our 15 hospitals:

Hospital	Location	Date of Commencement of Operations/Affiliation	Number of Beds (ICU Beds)[1]
Greenfield Hospitals			
Wockhardt Hospital, Mulund	Mulund, Mumbai	July 2002	191 (51)
Wockhardt Hospital and Heart Institute	Cunningham Road, Bangalore	March 1991	92 (23)
Wockhardt Hospital, Bannerghatta Road	Bannerghatta Road, Bangalore	November 2006	200 (63)
Wockhardt Hospital & Kidney Institute	Rashbehari Avenue, Kolkata	July 1993	67 (3)

Hospital	Location	Date of Commencement of Operations/Affiliation	Number of Beds (ICU Beds)[1]
Wockhardt Medical Centre (higher secondary care)	Sarat Bose Road, Kolkata	January 1990	- (-) [2]
Wockhardt Hospital, Kalyan (higher secondary care)	Kalyan	January 2008 [3]	60 (12)
Subtotal			**610 (152)**
Brownfield Hospitals			
Wockhardt Heart Hospital, Nagpur	North Ambazar Road, Nagpur	July 2004	40 (17)
Kamineni Wockhardt Hospital	King Koti Road, Hyderabad	July 2005	130 (27)
Wockhardt Heart Centre	L B Nagar, Hyderabad	February 2006	50 (22)
N.M. Virani Wockhardt Hospital, Rajkot	Kalawad Road, Rajkot	January 2007	180 (30)
Sterling Wockhardt Hospital (regional ICU)	Vashi, New Mumbai	April 2007 [4]	45 (10)
Wockhardt Hospital, Chord Road (regional ICU)	Chord Road, Bangalore	January 2007	40 (10)
Wockhardt Hospital, Nagarbhavi (higher secondary care)	Nagarbhavi, Bangalore	June 2007	55 (12)
Adventist Wockhardt Heart Hospital, Surat	Surat	October 2007	106 (28)
Wockhardt Hospital, Nagpur	Shankar Nagar, Nagpur	October 2007	118 (33)
Subtotal			**764 (189)**
Total			**1,374 (341)**

1) The number of beds is as of December 31, 2007.

2) Wockhardt Medical Centre is an outpatient facility.

3) Wockhardt Hospital Kalyan was ready for operation by the end of December 2007 but the actual operations commenced in January 2008.

4) Sterling Wockhardt Hospital was ready for operation by the end of March 2007 but the actual operations commenced in April 2007.

Our hospitals offer a range of specialty services, such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology, renal care, critical care and women's health. The paragraphs below describe our hospitals and certain key statistics for each of our hospital facilities. Hospital beds mentioned in the paragraphs that precede the tables below refer to operationalized inpatient beds, which are beds operationally ready to receive patients. This excludes beds in emergency rooms and beds used for dialysis treatments and other outpatient treatments, which amount to 128 additional beds.

Greenfield Hospitals:

We currently have six greenfield hospitals: Wockhardt Hospital, Mulund in Mumbai, Wockhardt Hospital & Heart Institute in Bangalore, Wockhardt Hospital, Bannerghatta Road in Bangalore, Wockhardt Hospital & Kidney Institute in Kolkata, Wockhardt Medical Centre in Kolkata and Wockhardt Hospital in Kalyan. We and our group companies have constructed the buildings for these greenfield facilities. As the owner and operator of these hospitals, we are responsible for the operating costs of these hospitals, including equipment, staff, liability insurance, maintenance supplies and capital expenditures.

Wockhardt Hospital, Mulund: Wockhardt Hospital, Mulund located in Mumbai is one of our flagship facilities. The hospital is a super-specialty facility offering a range of services in cardiac care, neurology, orthopedics and critical care, and is also equipped for minimally invasive surgery. Wockhardt Hospital, Mulund commenced operations in July 2002 and we have invested approximately Rs. 803 million in this hospital through December 31, 2007. It is among the first hospitals in South Asia to have received international accreditation from JCI. It currently has ten operating theaters and 191 beds, 51 of which are ICU beds. Wockhardt Hospital, Mulund, contributed 40.5% and 32.7% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively. We are currently in the process of expanding Wockhardt Hospital, Mulund. See "—Projects Under Development—Greenfield Projects—Expansion of Wockhardt Hospital, Mulund" below under this section titled "Our Business" beginning on page 62 of this Red Herring Prospectus.

The following table sets forth certain key operating details of Wockhardt Hospital, Mulund for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005:

	Nine months ended December 31, 2007	**Fiscal year ended March 31, 2007**	**Fiscal year ended March 31, 2006**	**Fiscal year ended March 31, 2005**
Number of Beds[1]	191	191	191	100
Inpatient Admissions	8,383	11,661	9,377	7,677
Outpatient Registrations[2]	26,259	35,026	27,946	26,764
Average Occupancy Rate[3]	81%	81%	64%	89%
Average Length of Stay	5.1	4.8	4.8	4.2
Inpatient Income (Rs. millions)[4]	668.2	751.9	567.5	424.9
Outpatient Income (Rs. millions)[4]	93.6	105.6	68.5	52.5
Pharmacy Income (Rs. millions)	87.4	101.8	73.6	52.9
Average Income per Bed in Use (Rs. millions)	4.7	3.9	3.0	4.2
Number of Major Procedures:				
- Cardiac Care	2,492	3,430	2,830	2,509

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2005
- Orthopaedics	552	793	565	438
- Neuro-surgeries	289	305	251	149
- Minimally Invasive Surgeries	967	1410	1075	783

1) In fiscal 2006, we expanded bed capacity at Wockhardt Hospital, Mulund from 100 beds to 191 beds.

2) Multiple visits by the same patient are counted separately, if billed separately.

3) Represents the total number of inpatient days divided by the total number of bed days. Total number of inpatient days represents the sum of days spent in the hospital by each inpatient during the period. Total number of bed days represents the sum of the days each bed was operational at the hospital during the period.

4) Inpatient income and outpatient income are net of discounts.

The land on which the hospital is located is owned by Merind Limited, a group company. Pursuant to our agreement with Merind Limited we manage the hospital and pay Merind Limited the greater of i) a specified minimum guaranteed amount or ii) a specified percentage of the hospital's net adjusted sales, subject to a ceiling. The agreement was renewed in 2007 for 15 years (with effect from March 1, 2007) with a right to revise the consideration by mutual consent every three years. The agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital and insurance for the hospital and its assets are borne by us.

Wockhardt Hospital and Heart Institute: Wockhardt Hospital and Heart Institute, located on Cunningham Road in Bangalore, provides super-specialty services in cardiac care and critical care. The facility is currently equipped with four operating theaters and 92 beds, 23 of which are ICU beds. The hospital commenced operations in March 1990 and we have invested approximately Rs. 250 million in this hospital through December 31, 2007. The facility contributed 20.7% and 14.3% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of Wockhardt Hospital and Heart Institute for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005:

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2005
Number of Beds[1]	92	92	92	80
Inpatient Admissions	4,710	5,715	5,210	4,899
Outpatient Registrations	54,960	67,285	41,988	40,159
Average Occupancy Rate	74%	75%	72%	77%
Average Length of Stay	4.0	4.4	4.6	4.6
Inpatient Income (Rs. millions)	298.3	398.7	402.2	336.3
Outpatient Income (Rs. millions)	20.2	34.5	23.7	21.4

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2005
Pharmacy Income (Rs. millions)	52.0	56.9	53.1	48.7
Average Income Per Bed in Use (Rs. millions)	4.3	4.3	4.4	4.2
Number of Major Procedures:				
- Cardiac Care	3,343	4,284	4,410	4,064

1) In fiscal 2006, we have expanded bed capacity at Wockhardt Hospital and Heart Institute from 80 beds to 92 beds.

Part of the land for this facility is owned by Carol Info Services Limited ("CISL"), a promoter group company; part of it is leased; and another part of it is under lease and license from various parties who had entered into agreements with CISL, one of our promoters. Pursuant to our agreement with CISL, we manage the facility and pay CISL the greater of i) a specified minimum guaranteed amount or ii) a specified percentage of the hospital's net adjusted sales, subject to a ceiling. The agreement was renewed in 2007 for 15 years (with effect from April 1, 2005) with a right to revise the consideration by mutual consent every three years. The agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital and insurance costs for the hospital and its assets are borne by us.

Wockhardt Hospital, Bannerghatta Road: Wockhardt Hospital, Bannerghatta Road, located in Bangalore, is one of our flagship hospitals and provides super-specialty healthcare services in a number of disciplines. It specializes in cardiac care, critical care, neurology, orthopedics and women's health, and is also equipped for minimally invasive surgery. The facility is currently equipped with eight operating theaters and 200 beds, 63 of which are ICU beds. The hospital commenced operations in November 2006 and we have invested approximately Rs. 1,322 million in this hospital through December 31, 2007. The facility contributed 9.5% and 21.2% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of Wockhardt Hospital, Bannerghatta Road for the nine months ended December 31, 2007 and fiscal year ended March 31, 2007:

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007 [1]
Number of Beds	200	200
Inpatient Admissions	6,896	2,856
Outpatient Registrations	31,646	15,791
Average Occupancy Rate	59%	46%
Average Length of Stay	4.7	4.4
Inpatient Income (Rs. millions)	428.2	181.3
Outpatient Income (Rs. millions)	64.1	21.7
Pharmacy Income (Rs. millions)	59.2	22.1
Average Income Per Bed in Use (Rs. millions)	2.9	0.9

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007 [1]
Number of Major Procedures:		
- Cardiac Care	1,499	1,113
- Orthopaedic	799	625
- Neuro-surgeries	302	198
- Minimally Invasive Surgeries	437	300

1) The hospital commenced operations in November 2006.

The land for this facility is owned by Kanishka Housing Development Company Private Limited ("KHDL"), our subsidiary. Pursuant to our agreement with KHDL, we manage the hospital and pay KHDL the lower of a percentage of gross proceeds or a fixed amount annually. The agreement was entered into in 2005 for a term of 30 years and can be renewed by mutual consent. The agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital and insurance costs for the hospital and its assets are borne by us.

Wockhardt Hospital and Kidney Institute: Wockhardt Hospital and Kidney Institute, located in Kolkata, is a super-specialty hospital specializing in urology and nephrology. The facility is currently equipped with four operating theaters and 67 beds, three of which are ICU beds. The hospital commenced operations in July 1993 and we have invested approximately Rs. 160 million in this hospital through December 31, 2007. The facility contributed 8.0% and 5.4% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of Wockhardt Hospital and Kidney Institute for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005:

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2005
Number of Beds	67	67	67	67
Inpatient Admissions	3,414	4,467	4,111	3,968
Outpatient Registrations	69,642	65,237	60,587	60,464
Average Occupancy Rate	89%	89%	85%	83%
Average Length of Stay	4.8	4.9	5.1	5.1
Inpatient Income (Rs. millions)	74.5	113.2	103.8	93.8
Outpatient Income (Rs. millions)	42.6	50.7	45.3	43.9
Pharmacy Income (Rs. millions)	22.9	26.4	24.9	20.9
Average Income per Bed (Rs. millions)	1.5	1.7	1.5	1.4
Number of Major Procedures:				

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2005
- Urosurgery	605	820	728	833
- Transplant	28	22	16	20
- Minimally Invasive Surgery	355	439	345	252

The land and building for this facility are owned by CISL. Pursuant to our agreement with CISL, we manage this facility and the Wockhardt Medical Centre in Kolkata together, and pay CISL the greater of i) a specified minimum guaranteed amount or ii) a specified percentage of the hospital's net adjusted sales, subject to a ceiling. The agreement was renewed in 2007 for 15 years (with effect from January 2, 2006) with a right to revise the consideration by mutual consent every three years. The agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital and insurance costs for the hospital and its assets are borne by us.

Wockhardt Medical Centre: Wockhardt Medical Centre, located in Kolkata, is a higher secondary care hospital specialized in dental and ophthalmology procedures. The hospital commenced operations in January 1989 and we have invested approximately Rs. 81 million in this hospital through December 31, 2007. The facility contributed 2.3% and 1.6% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of Wockhardt Medical Centre for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005 (since Wockhardt Medical Centre is primarily an outpatient facility, only relevant operating metrics are shown):

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2005
Number of Beds	3	3	3	3
Outpatient Registrations	15,127	22,357	20,340	20,818
Outpatient Income (Rs. millions)	41.3	53.9	43.0	36.1
Number of Major Procedures:				
- Ophthalmology	821	1138	992	758

Part of the building for this facility is owned by CISL and part of it is leased. Pursuant to our agreement with CISL, we manage this facility and the Wockhardt Hospital and Kidney Institute in Kolkata together, and pay CISL the greater of i) a specified minimum guaranteed amount or ii) a specified percentage of the hospital's net adjusted sales, subject to a ceiling. The agreement was renewed in 2007, for 15 years (with effect from January 2, 2006) with a right to revise the consideration by mutual consent every three years. The agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital and insurance costs for the hospital and its assets are borne by us.

Wockhardt Hospital, Kalyan: Wockhardt Hospital, located in Kalyan, is a higher secondary care hospital specialized in critical care, orthopaedics and neurology, and also equipped for minimally invasive surgery. The hospital started providing outpatient services in December 2007 and inpatient operations are due to commence in January 2008. We have invested approximately Rs. 104.7 million in this hospital through December 31, 2007. The land on which the hospital is located is owned by us.

Brownfield Hospitals

For our nine brownfield hospitals, we have entered into agreements with third parties to operate and manage the hospitals on other owners' premises pursuant to either (i) a revenue sharing contract where we typically pay the third party an identified percentage of the revenues of the hospital (often subject to a minimum guaranteed amount) or (ii) a lease agreement where we make lease payments to the lessor on a monthly or annual basis. The terms of the revenue sharing agreements are typically for a period of 30 years (often with "lock-in" clauses preventing the parties from terminating the agreement for the first three to ten years). These agreements may be terminated by our counter-parties under certain circumstances, including in the event of a material breach. We are generally responsible for operating costs borne at these hospitals, including capital expenditures, maintenance and purchase of new equipment, personnel costs and other operating expenses. Typically, the owner only pays for the costs of insurance and statutory tax for the premises, and has the option to continue to make infrastructure investments.

Wockhardt Heart Hospital, Nagpur: Wockhardt Heart Hospital, Nagpur, is a super-specialty hospital specializing in cardiac care and cardiac critical care. The facility is currently equipped with one operating theater and 40 beds, 17 of which are ICU beds. We started operating the hospital in July 2004 and we have invested approximately Rs. 60 million in this hospital through December 31, 2007. The facility contributed 5.6% and 4.6% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of Wockhardt Heart Hospital, Nagpur for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005:

	Nine months ended December 31, 2007	**Fiscal year ended March 31, 2007**	**Fiscal year ended March 31, 2006**	**Fiscal year ended March 31, 2005 [1]**
Number of Beds	40	40	40	40
Inpatient Admissions	2,553	2,982	2,511	696
Outpatient Registrations	5,942	7,099	6,959	2,636
Average Occupancy Rate	93%	96%	83%	53%
Average Length of Stay	4.0	4.7	4.8	4.6
Inpatient Income (Rs. millions)	112.3	127.2	99.8	48.7
Outpatient Income (Rs. millions)	5.9	5.5	4.4	1.9
Pharmacy Income (Rs. Millions)	2.2	0.4	-	-
Average Income Per Bed (Rs. millions)	3.7	3.2	2.5	2.9
Number of Major Procedures:				
- Cardiac Care	2,153	2,119	2,040	1,216

1) The hospital commenced operations in July 2004.

The land and building for this facility are owned by Dr. Bais Surgical & Medical Institute ("BSMI"). Pursuant to our management agreement with BSMI, we manage the facility and pay BSMI a percentage of net adjusted sales annually, subject to a minimum guaranteed amount. The agreement was entered into in 2005 for a term of 30 years and it contains a lock-in provision preventing the parties from terminating the agreement for the first three years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us.

Kamineni Wockhardt Hospital: Kamineni Wockhardt Hospital, located on King Koti Road in Hyderabad, is a facility offering a range of healthcare services including cardiac care, critical care, orthopedics and neurology. The facility is currently equipped with four operating theaters and 130 beds, 27 of which are ICU beds. We started operating the hospital in July 2005 and we have invested approximately Rs. 79 million in this hospital through December 31, 2007. The facility contributed 8.0% and 7.6% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of Kamineni Wockhardt Hospitals for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007 and 2006:

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006 [1]
Number of Beds	130	130	130
Inpatient Admissions	4,308	4,048	1,504
Outpatient Registrations	15,270	14,702	6,125
Occupancy Rate	45%	39%	20%
Average Length of Stay	3.7	4.5	4.4
Inpatient Income (Rs. millions)	166.2	171.1	65.4
Outpatient Income (Rs. millions)	11.0	0.7	0.5
Pharmacy Income (Rs. millions)	20.7	18.0	6.2
Average Income per Bed in Use (Rs. millions)	1.7	1.3	0.7
Number of Major Procedures:			
- Cardiac Care	2,048	1,920	1,379

1) The hospital commenced operations in July 2005.

The land and building for this facility are owned by Kamineni Health Services Pvt. Ltd. ("KHSL"). Pursuant to our management agreement with KHSL, we manage the facility and pay KHSL a percentage of net adjusted sales annually. The agreement was entered into in 2005 for a term of 30 years and it contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us. We also have a right of first refusal to purchase the land and building if KHSL decides to sell. The pharmacy located in the facility is owned and operated by KHL. KHL is entitled to receive all pharmacy income from outpatients. We purchase the drugs for our inpatients from KHL's pharmacy, invoice our inpatients and keep a portion of the income.

Wockhardt Heart Center: Wockhardt Heart Center is a super-specialty facility located in L B Nagar, Hyderabad specializing in cardiac care and cardiac critical care. The facility is currently equipped with one operating theater and 50 beds, 22 of which are ICU beds. We started operating the hospital in February 2006 and we have invested approximately Rs. 27 million in this hospital through December 31, 2007. The facility contributed 2.3% and 2.3% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of Wockhardt Heart Center for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007 and 2006:

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006 [1]
Number of Beds	50	50	50
Inpatient Admissions	1,185	1,243	155
Outpatient Registrations	6,719	10,897	1,288
Average Occupancy Rate	42%	31%	23%
Average Length of Stay	4.9	4.6	4.4
Inpatient Income (Rs. millions)	51.6	44.7	5.4
Outpatient Income (Rs. millions)	3.9	5.4	0.7
Pharmacy Income (Rs. millions)	5.2	4.9	0.4
Average Income per Bed (Rs. millions)	1.4	0.9	0.6
Number of Major Procedures:			
- Cardiac Care	1,091	702	79

1) The hospital commenced operations in February 2006.

The land and building for this facility are owned by Kamineni Hospitals Ltd. ("KHL"). Pursuant to our management agreement with KHL, we manage the facility and pay KHL a percentage of net adjusted sales annually. The employees at the facility are on KHL's payroll and have been seconded to us. The agreement was entered into in 2005 for a term of 30 years and contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us. We also have a right of first refusal to purchase the land and building if KHL decides to sell. The pharmacy located in the facility is owned and operated by KHL. KHL is entitled to receive all pharmacy income from outpatients. We purchase the drugs for our inpatients from KHL's pharmacy, invoice our inpatients and keep a portion of the income.

<u>N.M. Virani Wockhardt Hospital, Rajkot:</u> N.M. Virani Wockhardt Hospital, located in Rajkot, is a hospital specializing in cardiac care, neurology, orthopaedics, critical care, urology and nephrology. The facility is currently equipped with five operating theaters and 180 beds, 30 of which are ICU beds. We started operating the hospital in January 2007 and we have invested approximately Rs. 233 million in this hospital through December 31, 2007. The facility contributed 2.6% and 5.8% of our total income for fiscal 2007 and the nine months ended December 31, 2007, respectively.

The following table sets forth certain key operating details of N.M. Virani Wockhardt Hospital, Rajkot for the nine months ended December 31, 2007 and fiscal year ended March 31, 2007:

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007 [1]
Number of Beds	180	180
Inpatient Admissions	4,710	1,452

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007 [1]
Outpatient Registrations	23,643	10,152
Average Occupancy Rate	41%	33%
Average Length of Stay	4.3	5.0
Inpatient Income (Rs. millions)	95.4	43.2
Outpatient Income (Rs. millions)	25.0	9.2
Pharmacy Income (Rs. millions)	29.5	9.0
Average Income per Bed (Rs. millions)	0.7	0.7
Number of Major Procedures:		
- Cardiac Care	475	
- Orthopaedics	218	71
-Neuro Sciences	683	226
- Minimally Invasive Surgery	58	

1) The hospital commenced operations in January 2007.

The land and building for this hospital are owned by Ashok Gondia Memorial Trust ("AGMT"). Pursuant to our management agreement with AGMT, we manage the hospital and pay AGMT a percentage of net adjusted sales annually, subject to a minimum guaranteed amount. The agreement was entered into in 2006 for a term of 30 years and it contains a lock-in provision preventing the parties from terminating the agreement for the first 10 years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us. We also have a right of first refusal to purchase the land and building if AGMT decides to sell, and on occupation of any new building if AGMT decides to construct one in the immediate vicinity. As part of the terms of the agreement, we are required to provide 10% relief on bills (excluding the cost of medicine, consumables and implants) of patients in the general ward recommended to us by AGMT.

Sterling Wockhardt Hospital: Sterling Wockhardt Hospital, located in Vashi, Mumbai, is a regional ICU hospital specializing in critical care and orthopedics, and is also equipped for minimally invasive surgery. The facility is currently equipped with 45 beds, 10 of which are ICU beds. We started operating the hospital in April 2007 and we have invested approximately Rs. 93 million in this hospital through December 31, 2007. The facility contributed 0.5% of our total income for the nine months ended December 31, 2007.

The following table sets forth certain key operating details of Sterling Wockhardt Hospital for the nine months ended December 31, 2007:

	Nine months ended December 31, 2007[1]
Number of Beds	45
Inpatient Admissions	495
Outpatient Registrations	2,019

	Nine months ended December 31, 2007[1]
Average Occupancy Rate	24%
Average Length of Stay	4.0
Inpatient Income (Rs. millions)	9.1
Outpatient Income (Rs. millions)	1.7
Pharmacy Income (Rs. millions)	2.7
Average Income per Bed (Rs. millions)	0.3
Number of Major Procedures:	
- Orthopaedic	11
- Neuro- surgeries	4
- Minimally Invasive Surgery	31

1) The hospital commenced operations in April 2007.

The land and building for this facility are owned by Sterling Hospitals Ltd. ("SHL"). Pursuant to our management agreement with SHL, we manage the facility and pay SHL a percentage of net adjusted sales annually, subject to a minimum guaranteed amount. The agreement was entered into in 2006 for a term of 30 years and it contains a lock-in provision preventing the parties from terminating the agreement for the first three years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us. We also have a right of first refusal to purchase the land and building if SHL decides to sell, and on occupation of any new building if SHL decides to construct one in the immediate vicinity.

Wockhardt Hospital, Chord Road: Wockhardt Hospital, located in Chord Road, Bangalore, is a regional ICU hospital providing secondary healthcare services with specialization in cardiac care, critical care and orthopedics, and is also equipped for minimally invasive surgery. The facility is currently equipped with 40 beds, 10 of which are ICU beds. We started operating the hospital in January 2007 and we have invested approximately Rs. 52 million in this hospital through December 31, 2007. The facility contributed 1.2% of our total income for the nine months ended December 31, 2007.

The following table sets forth certain key operating details of Wockhardt Hospital, Chord Road for the nine months ended December 31, 2007 and fiscal year ended March 31, 2007:

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007 [1]
Number of Beds	40	40
Inpatient Admissions	1,429	315
Outpatient Registrations	5,315	428
Average Occupancy Rate	41%	31%
Average Length of Stay	3.2	3.0

	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007 [1]
Inpatient Income (Rs. millions)	21.7	5.7
Outpatient Income (Rs. millions)	4.6	0.7
Pharmacy Income (Rs. millions)	5.2	0.6
Average Income per Bed (Rs. millions)	0.7	0.1
Number of Major Procedures:		
- Orthopaedics	129	33
- Minimally Invasive Surgery	83	32
- Gynaecology	92	9
- General Procedures	131	60

1) The hospital commenced operations in January 2007.

The land and building for this facility is leased from certain members of the Satoor family for 10 years with effect from 2006, with a two-year extension option at the end of the lease. We make fixed monthly lease payments to the lessor. The agreements also contain lock-in provisions preventing the parties from terminating the agreements for the first three years. Thereafter, the agreements can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us.

Wockhardt Hospital, Nagarbhavi: Wockhardt Hospital, located in Nagarbhavi, Bangalore, is a higher secondary care hospital providing secondary healthcare services with specialization in cardiac care, critical care and orthopedics, and is also equipped for minimally invasive surgery. The facility is currently equipped with 55 beds, of which 12 are ICU beds. We started operating the hospital in June 2007 and we have invested approximately Rs. 74 million in this hospital through December 31, 2007. The facility contributed 0.8% of our total income for the nine months ended December 31, 2007.

The following table sets forth certain key operating details of Wockhardt Hospital, Nagarbhavi for the nine months ended December 31, 2007:

	Nine months ended December 31, 2007[1]
Number of Beds	53
Inpatient Admissions	795
Outpatient Registrations	5,119
Average Occupancy Rate	26%
Average Length of Stay	3.2
Inpatient Income (Rs. millions)	14.1
Outpatient Income (Rs. millions)	3.2

	Nine months ended December 31, 2007[1]
Pharmacy Income (Rs. millions)	3.5
Average Income per Bed (Rs. millions)	0.4
Number of Major Procedures:	
- Orthopaedic	58
- Gynaecology	34
- Minimally Invasive Surgery	28
- General Procedures	101

1) The hospital commenced operations in June 2007.

The land for this facility is leased from Nagaveni Shankar for 10 years with effect from 2006, with a ten-year extension option at the end of the lease. We make fixed monthly lease payments to the lessor. The agreement also contains a lock-in provision preventing the parties from terminating the agreement for the first three years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us.

Adventist Wockhardt Heart Hospital, Surat: Adventist Wockhardt Heart Hospital, located in Surat, is a super-specialty hospital providing secondary healthcare services with specialization in cardiac care and critical care. The facility is currently equipped with 106 beds, of which 28 are ICU beds. We started operating the hospital in October 2007, and we have invested approximately Rs. 223 million in this hospital through December 31, 2007. The facility contributed 1.5% of our total income for the nine months ended December 31, 2007.

The following table sets forth certain key operating details of Adventist Wockhardt Heart Hospital, Surat for the nine months ended December 31, 2007:

	Nine months ended December 31, 2007[1]
Number of Beds	106[2]
Inpatient Admissions	521
Outpatient Registrations	3,213
Average Occupancy Rate	22%
Average Length of Stay	2.9
Inpatient Income (Rs. millions)	26.5
Outpatient Income (Rs. millions)	11.0
Pharmacy Income (Rs. millions)	1.7
Average Income per Bed (Rs. millions)	0.4
Number of Major Procedures:	

	Nine months ended December 31, 2007[1]
- Cardiac Care	560

1) The hospital commenced operations in October 2007.

2) Out of 106 beds 80 beds were operational until December 31, 2007.

The land and building for this facility are owned by Metas Adventist. Pursuant to our management agreement with Metas Adventist, we manage the facility and pay Metas Adventist a percentage of net adjusted sales and laboratory/radiology revenue of the hospital, subject to a minimum guaranteed amount. The agreement was entered into in 2006 for a term of 30 years and contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us. We also have a right of first refusal to purchase the land and building if Metas Adventist decides to sell the property. Metas Adventist manages the remaining part of the hospital in the adjacent building, which specializes in areas other than cardiac care.

Wockhardt Hospital, Nagpur: Wockhardt Hospital, located in Nagpur, is a super-specialty hospital providing tertiary healthcare services with specialization in neurology, orthopedics and critical care, and also equipped for minimally invasive surgery. The facility is currently equipped with 118 beds, of which 33 are ICU beds. We started operating the hospital in October 2007, and we have invested approximately Rs. 143 million in this hospital through December 31, 2007. The facility contributed 0.3% of our total income for the nine months ended December 31, 2007.

The following table sets forth certain key operating details of Wockhardt Hospital, Nagpur for the nine months ended December 31, 2007:

	Nine months ended December 31, 2007[1]
Number of Beds	118[2]
Inpatient Admissions	199
Outpatient Registrations	1,721
Average Occupancy Rate	18%
Average Length of Stay	5.8
Inpatient Income (Rs. millions)	7.6
Outpatient Income (Rs. millions)	0.7
Pharmacy Income (Rs. millions)	0.1
Average Income per Bed (Rs. millions)	0.1
Number of Major Procedures:	
- Orthopaedic	20
- Neuro-surgeries	19
- General Procedures	23

1) The hospital commenced operations in October 2007.

2) Out of 118 beds 69 beds were operational until December 31, 2007.

The land and building for this facility are owned by SMG Hospitals Private Limited (“SMG”). Pursuant to our management agreement with SMG, we manage the facility and pay SMG a percentage of net adjusted sales, gross pharmacy sales and gross laboratory sales of the hospital, subject to a minimum guaranteed amount. The agreement was entered into in 2005 for a term of 30 years, and contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. All operating costs of the hospital are borne by us. We also have right of first refusal to purchase the property if SMG decides to sell or lease the property, and SMG has right of first refusal to participate in any expansion in the Nagpur area if we decide to expand our local operations.

Procedures

The table below lists the most common procedures performed at our greenfield hospitals during the fiscal year ended March 31, 2007:

Procedures	Greenfield Hospitals*				
	Wockhardt Hospital, Mulund	Wockhardt Hospital and Heart Institute, Cunningham Road, Bangalore	Wockhardt Hospital, Bannerghatta Road, Bangalore	Wockhardt Hospital & Kidney Institute, Kolkata	Wockhardt Medical Centre, Kolkata
Cardiac Care					
-Angiography	2,074	2,551	460	-	-
-Angioplasty	518	680	117	-	-
-CABG	412	894	361	-	-
-Valve Surgeries	31	120	71	-	-
-Other Cardiac Surgeries/Procedures	395	39	104	-	-
Orthopaedics					
-Knee Replacement	294	-	127	-	-
-Hip Replacement	112	-	30	-	-
-Other Orthopaedic Surgeries	387	-	468	-	-
Neuro Sciences					
-Supra Major	222	-	198	-	-

Procedures	Greenfield Hospitals*				
	Wockhardt Hospital, Mulund	Wockhardt Hospital and Heart Institute, Cunningham Road, Bangalore	Wockhardt Hospital, Bannerghatta Road, Bangalore	Wockhardt Hospital & Kidney Institute, Kolkata	Wockhardt Medical Centre, Kolkata
-Major	83	-	-	-	-
Renal					
-Uro/ Nephro Surgeries	275	-	-	820	-
Transplants	5	-	-	22	-
Minimally Invasive Surgeries	1,410	-	300	439	-
General/Other Surgeries	608	297	240	-	1,138

*Our greenfield hospitals which commenced operations after fiscal 2007 are not included in the table.

The table below lists the most common procedures performed at our brownfield hospitals during the fiscal year ended March 31, 2007:

Procedures	Brownfield Hospitals*				
	Wockhardt Heart Hospital, Nagpur	Kamineni Wockhardt Hospital, Hyderabad	Wockhardt Heart Centre, L B Nagar, Hyderabad	N.M. Virani Wockhardt Hospital, Rajkot	Wockhardt Hospital, Chord Road, Bangalore
Cardiac Care					
-Angiography	1,542	1,331	481	-	-
-Angioplasty	308	325	187	-	-
-CABG	228	204	34	-	-
-Valve Surgeries	32	43	-	-	-
-Other Cardiac Surgeries/Procedures	9	17	-	-	-

Procedures	Brownfield Hospitals*				
	Wockhardt Heart Hospital, Nagpur	Kamineni Wockhardt Hospital, Hyderabad	Wockhardt Heart Centre, L B Nagar, Hyderabad	N.M. Virani Wockhardt Hospital, Rajkot	Wockhardt Hospital, Chord Road, Bangalore
Orthopaedics					
-Knee Replacement	-	-	-	71	-
-Other Orthopaedic Surgeries	-	79	-	-	33
Neuro Sciences					
-Supra Major	-	-	-	226	-
Renal					
-Uro/ Nephro Surgeries	-	-	-	38	-
Minimally Invasive Surgeries	-	-	-	-	32
General/Other Surgeries	-	-	-	-	69

*Our brownfield hospitals which commenced operations after fiscal 2007 are not included in the table.

The following are brief descriptions of some of the common super-specialty procedures performed at our hospitals:

Cardiac Care

Open heart surgery includes any surgery where the chest is opened and surgery is performed on the heart, including on the heart muscle, valves, arteries and other cardiac structures. Coronary artery bypass graft ("CABG") surgery (including its advanced forms, such as conscious off-pump coronary artery bypass surgery (awake heart surgery) and beating heart bypass surgery, which is open heart surgery, involves using a healthy blood vessel from one part of the body to construct a detour around the blocked coronary artery. As an example of an advanced open heart surgery, we have performed a beating heart bypass surgery on a baby 15 hours after birth.

Coronary Angiography: In a coronary angiography ("CAG") procedure, a thin plastic tube (a catheter) is guided through an artery in the arm or leg to the coronary arteries. A liquid dye is injected through the catheter, and is visible in X-rays that record the course of the dye as it flows through the arteries. This identifies the blocked areas in the coronary arteries and aids decisions about the best course of action. The procedure is conducted in a cardiac catheterization laboratory rather than an operating theater.

Coronary Angioplasty: Percutaneous Transluminal Coronary Angioplasty ("PTCA") involves guiding a catheter with a small balloon on its tip to the blocked areas of arteries through another catheter and then inflating the balloon, which compresses the plaque build-up, widening the artery for blood flow.

Orthopaedics

Knee replacement surgery replaces the cartilage on the ends of the bones of the knee. Implants include a metal alloy on the bottom of the thighbone and polyethylene on the top of the tibia and underneath the kneecap. This is designed to create a new, smoothly functioning joint that prevents painful bone-on-bone contact.

Hip replacement surgery removes the arthritic ball of the upper femur (thigh bone) as well as the damaged cartilage from the hip socket, and replaces it with a metal or ceramic ball that is solidly fixed to a stem inserted into the femur. The socket is replaced with a metal cup, which is fixed to the acetabulum, or socket.

Neuro-sciences

Major procedures include excision of large spinal tumors and brain tumors, correction of blood vessel supply network system anomalies, decompression and reconstruction brain surgeries, carotid stenting for improving the blood supply to the brain and other minimally invasive surgeries of the brain (including removal of brain tumors through nasal cavity) and spinal cord (with recovery in 48 hours after the surgery).

Major surgeries include procedures for decompression of the spinal cord and craniotomies, where the skull bone is cut open for corrective surgery and also in emergency neuro trauma situations where bleeding within the cranium is managed.

Renal Care

Nephrology: Two types of dialysis are performed: peritoneal dialysis, where the human body is cleared of waste material through fluid in the abdomen, and hemodialysis, where the human body is cleaned through the blood. Other procedures include insertion of catheters into blood vessels in and around the kidney, kidney biopsies and permanent urinary catheter insertion and removal.

Urology: Procedures performed include partial resection and correction of the bladder in case of bladder tumors, prostatectomy or removal of the prostrate gland and laparoscopic (minimally invasive) surgeries for prostate gland removal and bladder cancer.

Minimally Invasive Surgery/Micro-Surgical Techniques

Surgeries performed using minimally invasive techniques are characterised by faster recoveries for patients, minimal blood loss, fewer post-surgical complications and minimal surgical trauma and risk of infection. The patient's hospital stay and recovery time is typically significantly shorter than a conventional surgery for the same condition. The use of minimally invasive surgical techniques frees up hospital beds for other patients and reduces the average length of stay at our hospitals. Minimally invasive surgeries require advanced facilities, high technology equipment and a high level of surgical skills.

Transplants

Organ transplant is a type of treatment for failing organs. Kidney failure, heart disease, lung disease, diseases of pancreas and cirrhosis of liver are some of the conditions that may be effectively treated by a transplant. For problems concerning the heart, lungs and other highly sensitive organs, a transplant is typically the course of last resort.

Kidneys and livers may be transplanted from a living donor, since people are born with an extra kidney and the liver is regenerative. In very rare instances, lungs can be transplanted as well. For these procedures, a patient would generally find a willing donor, which can be a friend or family member. A smaller number of living transplants come from donations by charitable people.

If a patient requires a heart transplant, a double lung transplant, a pancreas transplant or a cornea transplant, they would need to obtain the organ from a deceased donor. Generally, acceptable donors are patients on artificial life support. In such instances, even though the brain is technically dead, the body still functions, which means the organs remain healthy. Organs will deteriorate very quickly after the body itself expires, making the organs unusable for transplant.

Payment for Services

Payment for services consists primarily of payment for inpatient and outpatient services. We have entered into service agreements on a hospital-by-hospital basis with a number of employers, including public sector enterprises such as Oil & Natural Gas Corporation ("ONGC") and Bharat Earth Movers Ltd. ("BEML"), to provide healthcare services to their employees at negotiated or preferential rates, typically at discounts of 5% to 10% to our published rates. We also have similar arrangements with large private sector corporations and with third party administrators. Further, we have an arrangement with the Indian central government, pursuant to which we provide healthcare services to government employees under the Central Government Health Scheme. We believe that these strategic relationships help increase our occupancy rates and provide an important source of patients. We have also entered into strategic relationships with international insurers, including AXA, Bluecross Blueshield, BUPA, CIGNA, Global Emergency Services Inc., SOS Singapore and Vanbreda International to provide healthcare coverage to their subscribers who are living, working or traveling in India at discounted rates. Because the fees for many of the patients who are covered by these arrangements are paid by the patient's employer or insurer, our days' sales outstanding has increased as the number of arrangements has increased. We also generate income from the retail sales of pharmacies we operate at our hospitals.

Supplies and Sourcing

We generally purchase supplies and equipment for our hospitals on a centralized basis, except small pieces of equipment, such as operating instruments or furniture, which are purchased locally. Most of the advanced medical equipment is imported from original equipment manufacturers with international reputations such as Fresenius, GE, Philips and Siemens. We generally obtain a five-year warranty for this equipment, and pay for the product between 90 to 360 days after the invoice is issued. We aim to replace our more sophisticated medical equipment in our hospitals every four to five years, absent grave damages or break-downs. As a large hospital network with centralized procurement for medical equipment and consumables for many of our owned hospitals, we believe we are able to negotiate favorable terms with these suppliers and third-party service providers.

Accreditation and Certification

Wockhardt Hospital, Mulund, in Mumbai, was among the first hospitals in South Asia to receive international accreditation from Joint Commission International ("JCI"). JCI is a part of the Joint Commission on Accreditation of Healthcare Organizations, a non profit corporation that is the largest accreditor of healthcare organizations in the United States. JCI accreditation is based on an international quality system for benchmarking in the healthcare sector. JCI employs surveyors who are sent to healthcare organizations to evaluate their operational practices and facilities. Organizations deemed to be in compliance with all applicable standards are accredited. The accreditation expires after three years, and the accreditation of our facility in Mumbai will be up for renewal in the second half of 2008. We intend for Wockhardt Hospital, Bannerghatta Road in Bangalore to undergo the survey for JCI accreditation by the first quarter of 2008. We intend to seek accreditation of our other hospitals by the National Accreditation Board for Hospitals and Healthcare Providers ("NABH") within the next 18 months.

Our hospitals follow international quality and patient safety protocols and adhere to international clinical standards in patient handling, operating theaters, intensive care unit management and emergency care services. The pathology laboratories at Wockhardt Hospital and Heart Institute in Cunningham Road, Bangalore have been accredited by the National Accreditation Board for Testing & Calibration Laboratories ("NABL").

Projects Under Development

Expansion in new locations is an important element of our growth strategy. We are continuously evaluating greenfield and brownfield opportunities. When evaluating the viability of a new opportunity we examine the demographics and revenue potential of the local population, the competitive landscape, location and cost, and for existing facilities, the skill, specialty and reputation of doctors and other medical and non-medical staff, the work culture of the institution and the quality of the infrastructure.

In addition to the projects detailed in the section titled "Objects of the Issue" on page 30 of this Red Herring Prospectus, we have identified a number of other projects to expand our national presence. Many of these projects remain in their early stages and we have not received all the necessary approvals to implement them. These projects may not be undertaken at all or, if undertaken, may be altered or take longer than anticipated to complete or may exceed our cost expectations. In addition, we are continuously evaluating new opportunities to add new hospitals to our network.

The dates of commencement of operations for projects indicated in the discussion below refer to the dates on which the hospitals are expected to start providing basic outpatient services. Our new hospitals typically operationalize all outpatient and inpatient services approximately two or three weeks after commencement of operations.

The table below lists each of our proposed projects which are in advanced stages of development and certain other plans which are still in initial stages of development:

Project	Location	Number of Beds
Greenfield Projects		
Wockhardt Hospital, Kolkata	Eastern Bye Pass Road, Kolkata	342
Adams Wylie Hospital, Mumbai	Southern Mumbai	340
Wockhardt Hospital, Delhi	Delhi	170
Expansion of Wockhardt Hospital, Mulund	Mulund, Mumbai	270
Wockhardt Hospital, Versova, Mumbai	Village Versova, Mumbai	492 [1]
Brownfield Projects		
NUSI Wockhardt Hospital, Madgaon	Magdaon, Goa	180
Wockhardt Hospital, Bhavnagar	Bhavnagar	100
Wockhardt Hospital, Nashik	Nashik	170
Wockhardt Hospital, Bhopal	Bhopal	280
CMC Wockhardt Heart Hospital, Ludhiana	Ludhiana	125
Wockhardt Hospital, Jabalpur	Jabalpur	150
Wockhardt Hospital, Varanasi	Varanasi	200
Amritsar	Amritsar	70 [1]

Project	Location	Number of Beds
Bhuj	Bhuj	70
Patna	Patna	220
RNS Wockhardt Hospital	Hubli	120
Wockhardt Hospital, Yeshwathpur, Bangalore	Peenya Village, Yeshwathpur Hobli, Bangalore	120

1) The number of beds for Wockhardt Hospital, Versova, Mumbai and Amritsar are estimates.

Greenfield Projects

Wockhardt Hospital, Kolkata

Our planned super specialty tertiary care hospital in Eastern Bye Pass Road, Kolkata will specialize in cardiac care, orthopedics, neurology, urology, nephrology, critical care and medical and surgical oncology, and will also be equipped for minimally invasive surgery. The project contemplates a facility with 342 beds and the hospital is expected to commence operations in fiscal 2009. We estimate that we will spend approximately Rs. 1,459 million in capital expenditures to open the hospital. The land on which the hospital will be located was allotted to us by the Kolkata Metropolitan Development Authority ("KMDA"), which granted us a license for 99 years (from 2005) or until the execution of a lease deed, whichever is earlier. The agreement can be terminated by either party upon a material breach of lease obligations.

Adams Wylie Hospital, Mumbai

Our planned super specialty tertiary care hospital in southern Mumbai will specialize in cardiac care, orthopedics, neurology, urology, nephrology, critical care and gynecology, and will also be equipped for minimally invasive surgery. The project contemplates a facility with 340 beds and the hospital is expected to commence operations in fiscal 2009. We estimate that we will spend approximately Rs. 1,476 million in capital expenditures to open the hospital. We signed the memorandum of understanding for this hospital in 2004 with Adams Wylie Memorial Foundation through its sole trustee, the Indian Red Cross Society ("AWMF"). AWMF has granted us the license to construct the hospital in three years with effect from 2006. After construction, AWMF will lease the land and building to us for a period of 51 years pursuant to a lease agreement, which will be automatically renewed for a further 30 years. The agreement can be terminated by either party upon a material breach of lease obligations. In addition, as part of the terms of the license, we are required to provide 10% of the inpatient beds for free treatment to patients recommended by AWMF and to reserve 15% of the built up total area or 1394 square meters, whichever is less, for the exclusive use of AWMF, free of cost.

Wockhardt Hospital, Delhi

Our planned super-specialty tertiary care hospital in Delhi will specialize in cardiac care, orthopedics, neurology and critical care. The project contemplates a facility with 170 beds and the hospital is expected to commence operations in fiscal 2010. We estimate that we will spend approximately Rs. 1,100 million in capital expenditures to open the hospital. This hospital will be our first facility in northern India and will further strengthen our pan-India presence. We signed a perpetual lease agreement in 2005 with Delhi Development Authority ("DDA") to develop the hospital in Pithampura, Delhi. DDA has leased the land to us for an indefinite period. The agreement can be terminated by either party upon a material breach of lease obligations.

Expansion of Wockhardt Hospital, Mulund

We are currently in the process of expanding Wockhardt Hospital, Mulund in Mumbai. The facility will supplement specialize in critical care and oncology, and it will have a transplant center. We estimate that we will spend approximately Rs. 823 million in capital expenditures to expand the hospital. We have commenced construction work to add a new building to the facility in May 2007 and we intend to add 270 beds in total. We expect the first part of the operations to commence in fiscal 2009.

Wockhardt Hospital, Versova, Mumbai

We plan to open a super specialty tertiary care hospital and maternity home in Village Versova, Mumbai which will specialize in cardiac care, orthopedics, neurology, urology, nephrology, critical care, gynecology and cosmetology and will also be equipped for minimally invasive surgery. The project contemplates a facility with 492 beds. We signed a memorandum of understanding for this hospital in 2005 with the Khorakiwala Foundation ("KF"). KF has granted us a license to construct the hospital upon compliance with certain conditions precedent. After construction, KF will lease the land and building to us for a period of 51 years pursuant to a lease agreement, which will be automatically renewed for a further 30 years.

Brownfield Projects

NUSI Wockhardt Hospital, Madgaon

Our planned facility in Madgaon, Goa will be a secondary and tertiary care facility. The hospital will specialize in cardiac care, neurology, orthopedics, cosmetology, urology, nephrology, gynecology and critical care, and will also be equipped for minimally invasive surgery. The project contemplates a facility with 180 beds and the hospital is expected to commence operations in 2008. We estimate that we will spend approximately Rs. 60 million in capital expenditures to open the hospital. We entered into an agreement with National Union of Seafarers of India (“NUSI”), the owner of the land, whereby we agreed to pay NUSI a percentage of the net adjusted sales and gross laboratory sales of the hospital, subject to a minimum guaranteed amount. The agreement was entered into in 2007 for a term of 30 years, and contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other. We also have right of first refusal to purchase the property if NUSI decides to sell, and on occupation of any new building if NUSI decides to construct one in the immediate vicinity. As part of the terms of the agreement, we are required to dedicate up to Rs. 1 million per year to the medical treatment of poor patients.

Wockhardt Hospital, Bhavnagar

Our planned hospital in Bhavnagar will be a secondary care facility. The hospital will specialize in orthopedics, neurology, urology, nephrology and critical care, and will also be equipped for minimally invasive surgery. The project contemplates a facility with 100 beds and the hospital is expected to commence operations in February 2008. We estimate that we will spend approximately Rs. 146 million in capital expenditures to open the hospital. We entered into an agreement with Vrindavan Plaza Private Limited (“VPL”), the owner of the land, whereby we agreed to pay VPL a percentage of the net adjusted sales, subject to a minimum guaranteed amount. The agreement was entered into in 2007 for a term of 30 years and it contains a lock-in provision preventing the parties from terminating the agreement for the first three years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. We also have right of first refusal to purchase the property if VPL decides to sell.

Wockhardt Hospital, Nashik

Our planned hospital in Nashik will be a super specialty tertiary care hospital. The hospital will specialize in cardiac care, neurology, orthopedics, critical care, urology and nephrology, and will also be equipped for minimally invasive surgery. The project contemplates a facility with 170 beds and the hospital is expected to commence operations in June 2008. We estimate that we will spend approximately Rs. 297 million in capital expenditures to open the hospital. We entered into an agreement with Hotel Woodland Limited (“HWL”), the owner of the land, whereby we agreed to pay HWL a percentage of the net adjusted sales, subject to a minimum guaranteed amount. The agreement was entered into in 2006 for a term of 30 years and it contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other. We also have right of first refusal to purchase the property if HWL decides to sell or lease the property.

Wockhardt Hospital, Bhopal

Our planned hospital in Bhopal will be a super specialty tertiary care hospital. The facility will specialize in cardiac care, neurology, orthopedics, medical and surgical oncology, urology, nephrology and critical care, and will also be equipped for minimally invasive surgery. The project contemplates a facility with 280 beds and the hospital is expected to commence operations in July 2008. We estimate that we will spend approximately Rs. 532 million in capital expenditures to open the hospital. We entered into an agreement with Ayushman Medical & Diagnostics Private Limited ("AMDL"), the owner of the land and existing hospital, whereby we agreed to pay AMDL a percentage of the net adjusted sales of the hospital, subject to a minimum guaranteed amount. The agreement was entered into in 2006 for a term of 30 years and it contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. We also have right of first refusal to purchase the property if AMDL decides to sell.

CMC Wockhardt Heart Hospital, Ludhiana

Our planned hospital in Ludhiana will be a tertiary care hospital, and will specialize in cardiac care and critical care. The project contemplates a facility with 125 beds and the hospital is expected to commence operations in 2008. We estimate that we will spend approximately Rs. 220 million in capital expenditures to open the hospital. We entered into a term sheet with Christian Medical College Ludhiana Society ("CMC"), the owner of the land and existing hospital, whereby we agreed to pay CMC a percentage of the net adjusted sales. The definitive agreement is expected to have a term of 30 years and contain a lock-in provision preventing the parties from terminating the agreement for the first three years. Thereafter, the agreement is expected to be terminable by either party upon a material breach of obligations by the other party.

Wockhardt Hospital, Jabalpur

Our planned hospital in Jabalpur will be a secondary care hospital. The facility will specialize in cardiac care, orthopedics, neurology, urology, nephrology and critical care, and will also be equipped for minimally invasive surgery. The project contemplates a facility with 150 beds and the hospital is expected to commence operations at the end of 2008. We estimate that we will spend approximately Rs. 251 million in capital expenditures to open the hospital. We entered into a term sheet with Seth Mannulal Jagannath Das Hospital Trust ("SMJD"), the owner of the land, whereby we agreed to pay SMJD a percentage of the net adjusted sales, subject to a minimum guaranteed amount. The definitive agreement is expected to have a term of 30 years and to contain a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement is expected to be terminable by either party upon a material breach of obligations by the other party.

Wockhardt Hospital, Varanasi

Our planned facility in Varanasi will be a super-speciality tertiary care hospital. The hospital will specialize in cardiac care, orthopedics, neurology, nephrology, urology, critical care and will also be equipped for minimally invasive surgery and diagnostic services. The project contemplates a facility with 200 beds, and the hospital is expected to commence operations in 2009. We estimate that we will spend approximately Rs. 382 million in capital expenditures to open the hospital. We entered into an agreement with Kaushik Vegetables (Private) Limited ("Kaushik"), the owner of the land, whereby we agreed to pay Kaushik a percentage of the net adjusted sales, subject to a minimum guaranteed amount. The agreement was entered into in 2007 for a term of 30 years, and contains a lock-in provision preventing the parties from terminating the agreement for the first three years. Thereafter, the agreement can be terminated by either party upon a material breach of obligations by the other party. We also have right of first refusal to purchase the property if Kaushik decides to sell, and an occupation of any new building if Kaushik decides to construct one in the immediate vicinity.

Amritsar

We entered into a term sheet with Nayyar Medical Centre Private Limited ("NMCPL"), the owner of the land and existing hospital, whereby we will pay NMCPL a percentage of the net adjusted sales and gross laboratory sales, subject to a minimum guaranteed amount. The definitive agreement, if entered into, is expected to have a term of 30 years and be terminable by either party upon a material breach of obligations by the other party. We are currently evaluating whether we will proceed with this project.

Bhuj

We entered into a term sheet with Accord Hospital ("Accord"), the owner of the land and building and existing assets of the hospital. The term sheet contemplates the parties entering into a revenue sharing arrangement, whereby we agree to pay Accord a percentage of the net adjusted sales, subject to a minimum guaranteed amount for the first ten years and a cap over the term of the definitive agreement. The definitive agreement, if entered into, is expected to have a term of 30 years and contains a lock-in provision preventing the parties from terminating the agreement for the first five years. Thereafter, the agreement is expected to be terminable by Accord following a major breach of contract. We also have right of first refusal to purchase the property if Accord decides to sell, and an occupation of any additional hospital building space constructed by Accord.

Patna

We entered into a term sheet with Hai Medicare & Research Institute ("HMRI"), the owner of the land and building and existing assets of the hospital. The term sheet contemplates the parties entering into a revenue sharing arrangement, whereby we will pay HMRI a percentage of the net adjusted sales, subject to a minimum guaranteed amount and a cap which will only apply if HMRI is unable to invest up to Rs. 150 millions in the second phase of expansion of the hospital. The definitive agreement, if entered into, is expected to have a term of 30 years and contain a lock-in provision preventing the parties from terminating the agreement for the first three years. Thereafter, the agreement is expected to be terminable by Accord following a major breach of contract. We also have a right of first refusal to purchase the property if HMRI decides to sell, and an occupation of 2.92 acres of additional building space within HMRI's premises if available.

Hubli

We entered into a term sheet with R.N. Shetty Trust ("RNS Trust"), the owner of the land and planned hospital facilities to be constructed by RNS Trust at Hubli. The term sheet contemplates the parties entering into a revenue sharing arrangement, whereby we will pay RNS Trust a percentage of the net adjusted sales, subject to a minimum guaranteed amount and a cap over the term of the definitive agreement. The definitive agreement, if entered into, is expected to have a minimum term of 30 years and contain a lock-in provision preventing the parties from terminating the agreement for five years from the date of commencement of the hospital. Thereafter, the agreement is expected to be terminable by RNS Trust following a major breach of contract by us or by mutual consent of both parties. We also have a right of first refusal to purchase any part of the land and building or any of the owned assets pertaining to the planned hospital facilities if RNS Trust decides to sell.

Wockhardt Hospital, Yeshwanthpur, Bangalore

Our planned super specialty tertiary care hospital in Yeshwanthpur will specialize in cardiology and oncology. The project will be undertaken in two phases, the first phase contemplates a facility with 120 beds which will be expanded to 200 beds in the second phase. The hospital is expected to commence operations in 2009 with the second phase expansion scheduled to be completed in 2012. We estimate that we will spend approximately Rs. 155 million in capital expenditures to open the hospital and an additional Rs. 50 million for the second phase. We signed a lease agreement in 2007 with the Kirloskar Electric Charitable Trust ("KEC Trust") to establish the hospital in a portion of a building being constructed by the KEC Trust on a larger property. After construction or from December 1, 2009, whichever is later, KEC Trust will lease the building to us for an initial period of 25 years, which may be renewable thereafter every 10 years by mutual agreement.

Other

We are continuously evaluating greenfield and brownfield opportunities and are in various stages of consideration of such opportunities, some of which we may realize in the imminent future, and which may be material.

One such project is our Abu Dhabi project. We have entered into a memorandum of understanding with Al

Bateen Investment Co. L.L.C., an Abu Dhabi limited liability company, to provide our expertise in setting up, managing and operating hospitals to a new special purpose vehicle (SPV) that will pursue healthcare initiatives in Abu Dhabi. The first of these initiatives will be the establishment of a greenfield hospital, which will specialize in women's and children's care. Furthermore, as part of a privatization plan, the government of Abu Dhabi is expected to privatize at least one of its state operated general hospitals, and the SPV will explore brownfield opportunities, which may arise in connection with this privatization plan.

Pharmacy Operations

We currently own and operate ten pharmacies at our hospitals and we receive a portion of the income of the pharmacies at Kamineni Wockhardt Hospitals in King Koti Road, Hyderabad and Wockhardt Heart Center in L B Nagar, Hyderabad, which we do not own and operate. We are responsible for all costs borne at the pharmacies we operate.

Strategic Relationships

We have a long-term strategic relationship with Harvard Medical International ("HMI"), a self-supporting not-for-profit subsidiary of Harvard Medical School. HMI has collaborations with 17 hospitals around the world, and we are their exclusive associate private hospital group in India. We entered into an agreement with HMI in 2000, which was amended and restated in 2004, and extended until 2010. We benefit from the expertise of their diverse group of professionals, who provide us education and training and help us design facilities, develop clinical programs, and set up quality and care management and other systems and protocols at our owned hospitals. We pay HMI a fee in return for these services. For example, we have collaborated extensively with HMI in designing the Wockhardt Hospital, Bannerghatta Road in Bangalore and Wockhardt Hospital, Mulund in Mumbai. We have also benefited from HMI's experience in creating the protocols and standard operating procedures for our new clinical programs. We believe our association with HMI provides a source of innovation and advanced clinical learning for our doctors and other personnel at our hospitals, and also enables us to constantly improve the quality of our services, introduce new and innovative procedures for our patients and attract additional patients and medical personnel to our hospitals. Pursuant to our agreement with HMI, we are permitted use the HMI name and logo next to the Wockhardt Hospitals name and logo at our greenfield facilities and on our stationery.

We have arrangements with a number of medical value travel agencies based in India, as well as the United States and the United Kingdom, among others, and expect to continue to increase the number of these arrangements in the future to facilitate our access to the growing medical value travel market. In addition, as mentioned above, we have entered into arrangements with international insurers, including AXA, Bluecross Blueshield, BUPA, CIGNA, Global Emergency Services Inc., SOS Singapore and Vanbreda International to provide healthcare coverage to their subscribers who are living, working or traveling in India. We believe that these arrangements provide us with additional access to international patients.

Competition

We compete with other hospitals and healthcare services providers for, among other things, patients, doctors, nurses and strategic expansion opportunities.

We currently operate primarily in western, southern and eastern India. We primarily compete with other for-profit hospitals, such as those forming part of the nationwide Apollo chain of hospitals, as well as regional operators such as Fortis Healthcare, Max Healthcare and Manipal Hospitals, and local competitors in the cities we operate, such as Hinduja Hospital in Mumbai. We also compete with hospitals that are owned by government agencies or non-profit entities supported by endowments and charitable contributions. Recent press reports have indicated that many other corporate and individual entities have expressed their interest in entering the healthcare market, and some have planned to establish hospitals and "Medicities" with hospital facilities and medical teaching institutions in several states across India.

The number and quality of doctors on a hospital's staff are important factors in a hospital's competitive advantage and help attract patients. We believe that doctors outside a hospital's network refer patients to a hospital primarily on the basis of the quality of the hospital's facilities, equipment and employees, the quality of the medical staff, the quality of services it renders to patients and the location of the hospital. Other factors in a hospital's competitive advantage include operational efficiency, the scope and breadth of services, brand recognition and the success rate for procedures.

We believe that maintaining and strengthening our pool of highly-skilled doctors and nurses, as well as investing in advanced technology, will help us maintain and improve our competitive position. In addition, we seek to strategically locate our hospitals in areas with large populations that are seeking the super-specialty advanced care we provide, as well as in non-metropolitan areas where we will be the among the first major private healthcare services providers to establish operations.

Relationships with Certain Affiliated Entities

We purchase drugs for dispensing to patients and for retail sale in our pharmacies, through third parties who are distributors of such drugs manufactured by various pharmaceutical companies. Certain drugs manufactured by Wockhardt Ltd. are also procured by us through this distribution channel. These transactions are entered into at arms length and are in the ordinary course of business. We have also entered into revenue sharing agreements with certain of our group companies in connection with some of our greenfield projects. See "—Our Hospitals—Greenfield Hospitals" under this section titled "Our Business" on page 62. In addition, our affiliates have historically provided us with certain corporate services, and in certain cases, we share members of management and key employees and other resources with our affiliated companies. We are also currently leasing our office space from Carol Info Services Limited.

For further details on our affiliated companies and the Promoters' equity interests therein, see the section titled "Our Promoters and Promoter Group" and "Financial Statements - Notes to the Restated Consolidated Financial Statements" beginning on pages 120 and 192, respectively, of this Red Herring Prospectus.

Intellectual Property and Technology

Intellectual Property

Our intellectual property consists mainly of our rights to use the "Wockhardt Hospitals" name and logo, which we have registered as a trademark. We have entered into a license agreement with Wockhardt Ltd., a group company, for the use of the "Wockhardt" name and logo, which constitutes a registered trademark of Wockhardt Ltd. The annual license fee is Rs. 10,000. The license is valid for 15 years from July 30, 2007 and can be renewed for a further period of 15 years by mutual consent. The agreement can be terminated by either party upon the occurrence of certain events, including the bankruptcy or insolvency of or a material breach of obligations by the other party. Furthermore, Wockhardt Ltd. may terminate the agreement if the Wockhardt group ceases to hold 50% or more of the equity shareholding of Wockhardt Hospitals Limited.

Pursuant to our agreement with HMI, we use the HMI name and logo next to the Wockhardt Hospitals name and logo at our greenfield facilities and on our stationery.

Information Technology

Our IT infrastructure system allows us to maintain electronic patient records and imaging that can be quickly transmitted throughout a hospital, to hospitals within our network and to offsite locations for quick diagnoses and treatment, and also assists us with monitoring and coordinating procurement, stocking, billing, housekeeping, staffing and patient treatments. The system simplifies scheduling and billing for our patients and doctors, improves our inventory management and results in efficiencies across our operations. Our integrated hospital information system was set up in 2002 in cooperation with a subsidiary of General Electric, which was subsequently acquired by Wipro Technologies. Our IT infrastructure systems have won the "Best IT User" award for "Infrastructure in Healthcare" at the 2004 NASSCOM India IT User Awards. As of December 31, 2007, we had invested over Rs. 172 million in IT infrastructure, including the cable plant within our hospitals, servers and personal computers (which include data/voice structured cabling, communication systems and WAN connectivity).

Technology

We have consistently invested in medical technology and equipment so as to offer a high quality of healthcare services to our patients. Sophisticated medical equipment at our facilities are used to ensure that we are able to provide advanced healthcare procedures to our patients.

Some of the key equipment used at our facilities are listed below:

Radiology and Imaging: 64 Slice high end CT (Computed Tomography) scanners, MRI (Magnetic Resonance Imaging) equipment, computerized radiography and picture archiving systems

Cardiac Care: flat panel CAH (Congenital Adrenal Hyperplasia) labs, 4-D colour doppler, stress test machines, Holter systems, heart-lung machines and Extra Corporeal Membrane Oxygenerator (ECMO) systems

Neurology: Neuro-navigation system, Neuro Diagnostic Imaging for surgery, endoscopic operating facilities, operating microscopes and C-Arms

Urology: equipment for extra corporeal and intra corporeal lithotripsy, Holmium and Thulium lasers for uro-surgeries, video endoscopy and laparoscopy

Orthopedics: navigation systems and instrumentation for complex surgeries

Gastro-enterology: diagnostic and therapeutic video endoscopes

Women Care: LDRP (Labor Delivery Recovery Postpartum) labor rooms, delivery and recovery beds and operation theaters

Critical Care: modular monitors, ventilators, syringe and infusion pumps supported by a facility for central monitoring and control

Emergency: ambulances with life saving equipment such as transport ventilators and defibrillators

Professional Activities

Community Projects

We are committed to being active in the communities in which we operate and have initiated several outreach programs. We organize various education programs and activities at our hospitals for different groups such as senior citizens, children and women. For instance, we have initiated the "Happy Heart Club" campaign throughout our network for elderly patients with coronary artery disease. We have also assisted the police force in Mumbai, particularly in the context of a stress management program.

We believe these initiatives are an important tool in carrying out our responsibilities to provide healthcare in our local communities, serving to provide our doctors with an outlet for reaching out to patients in need and raising the profile of our hospitals and reputation throughout the country.

We have signed a concession agreement with the government of Gujarat to manage the 150-year-old Civil General Hospital in Palanpur in northern Gujarat as part of a corporate social responsibility initiative. In accordance with the agreement, 33% of the inpatients will be provided free treatment; 33% of them will be treated on a cost basis; and the remaining 34% of the inpatients will be treated at prevailing market rates. The agreement has a term of 20 years and is renewable by ten additional years by mutual consent. Income generated from the hospital will be used for upgrading and any other capital expenditures and other funding requirements of the facility. The hospital currently has 275 beds and we expect to commence operations in 2008.

Professional Development

We believe that in order to maintain the quality of care we offer to our patients, our doctors and other medical staff must pursue a rigorous program of continuing education.

Certain of our hospitals are training centers where post-graduate students may receive the DNB (Diploma of the National Board) diploma. On average five to six candidates in each of our hospitals receives this diploma each year. Our doctors may also apply for fellowships in emergency medicine or critical care, which are offered as part of our association with HMI. There are also opportunities for career development by rotation among our hospitals for doctors.

We are collaborating with the Rajiv Gandhi University of Health Sciences in providing specialized B.Sc. courses in cardiac care and cardiac operating room technology through which students may obtain bachelor’s degrees upon successful completion of coursework at our hospitals and a central examination.

We are also associated with two nursing colleges in Bangalore (with approximately 200 candidates studying at each of them) where three-year and four-year GNM & Bsc. courses are conducted. We also offer specialized training programs in cardiac care nursing. We have plans to start an additional nursing college in Bangalore for which the land has already been acquired.

We have also initiated a comprehensive training program to attract management talent and as part of this program we train approximately 20 management trainees per year. Through this program, we aim to ensure that our trainees develop leadership skills and start contributing to our growth early on in their career. We also work with business schools in India to select and train approximately 30 students per year to work at our institutions upon graduation.

Governance and Ethics

The operational and procedural protocols we have implemented at each of our hospitals were designed taking into account international standards and the particular needs of our local communities. The department heads at each of our hospitals are responsible for ensuring compliance with these protocols across their departments. In addition, although each of our facilities is run by a profit center head (which can either be a non-practising doctor or a manager with an administrative background), the clinical department heads have autonomy to make all medical decisions in their fields, which we believe further improves our governance.

Each hospital has an ethics committee and guidelines for a structured induction program on both personal and professional life for new employees and consultants. The committees also review activities on the clinical side to guard against unnecessary medical procedures.

Insurance

We maintain liability insurance for our greenfield and brownfield hospitals in amounts we believe are appropriate for our operations. The purchase of insurance coverage is carried out on a centralized basis. We maintain the following professional and general liability insurance coverage for the hospital and staff: Rs. 50 million per year for professional indemnity and Rs. 50 million per year for public liability. We do not maintain liability insurance coverage for our clinicians. Our clinicians have their own individual liability insurance policies.

In addition, we maintain policies covering risks related to fire and special perils, burglary and theft extension, legal liability to third parties, expenses incurred due to damage to medical equipment, machinery breakdown, and other losses in amounts we believe are sufficient. We also maintain personal accident policies for permanent personnel and group medical insurance policies for our personnel and families of our employees. Each of these insurance policies is renewable annually.

The cost and availability of insurance coverage has varied in recent years and may continue to vary in the future. While we believe that our insurance policies are adequate in amount and coverage for our operations, we may experience unanticipated issues or incur liabilities beyond our current coverage and we may be unable to obtain similar coverage in the future.

Personnel

We believe that our success depends significantly on our ability to attract, develop and retain highly-skilled doctors, nurses and other personnel at our hospitals. None of our employees currently belong to a trade union. We believe that our relationship with our employees and other personnel is good and we have not experienced any work stoppages as a result of labor disagreements at any of our facilities since we began operations.

In addition, the managerial staff at our hospitals is different from and independent of the medical staff. We believe that this separation improves efficiency and governance at our hospitals.

Total personnel compensated directly by us (including doctors, consultants and other personnel who act as independent contractors) equaled 4,716 at December 31, 2007. We expect that the number of our hospital personnel will increase as we expand.

The table below summarizes the number of personnel at each of our hospitals as at December 31, 2007 (including personnel at our hospitals which we operate on other owners' premises, but excluding employees of outsourcing firms, consultants and doctors who are not our payroll).

Name and Location	Doctors	Nurses	Other Medical Personnel	Total Medical Personnel	Other Personnel	Total Personnel
Greenfield Hospitals						
Wockhardt Hospital, Mulund, Mumbai	134	389	92	615	191	806
Wockhardt Hospital and Heart Institute, Cunningham Road, Bangalore	39	124	41	204	75	279
Wockhardt Hospital, Bannerghatta Road, Bangalore	105	293	57	455	141	596
Wockhardt Hospital and Kidney Institute and Wockhardt Medical Centre, Kolkata	21	88	52	161	73	234
Wockhardt Hospitals, Kalyan	8	47	3	58	21	79
Brownfield Hospitals						
Wockhardt Heart Hospital, Nagpur	18	48	10	76	24	100
Kamineni Wockhardt Hospitals, King Koti Road, Hyderabad,	30	109	37	176	57	233
Wockhardt Heart Centre, L B Nagar, Hyderabad	2	53	16	71	25	96
N.M. Virani Wockhardt Hospital, Rajkot	37	152	28	217	75	292
Sterling Wockhardt Hospital, Vashi, Mumbai	14	34	15	63	21	84
Wockhardt Hospital, Chord Road	11	33	8	52	18	70
Wockhardt Hospital,	13	32	10	55	31	86

Name and Location	Doctors	Nurses	Other Medical Personnel	Total Medical Personnel	Other Personnel	Total Personnel
Nagarbhavi, Bangalore						
Adventist Wockhardt Hospital, Surat	13	109	10	132	53	185
Wockhardt Hospital, Nagpur	26	127	14	167	48	215
Proposed Brownfield Projects		103	13	116	47	163
Corporate Office	0	0	0	0	78	78
Total	**471**	**1,741**	**406**	**2,618**	**978**	**3,596**

Doctors

Recruitment: The quality of our facilities, the quality and capabilities of our medical staff and our association with HMI helps us recruit quality doctors. Our hospitals are certified as training centers for post-graduate students who are studying for the Diploma of National Board ("DNB"). We also offer eight fellowships a year in emergency care, through which fellows receive intensive specialty training and are later absorbed into our pool of clinicians. We believe such training initiatives help us attract skilled medical professionals. All of our doctors, from residents who have recently concluded their training at a teaching hospital to our most senior consultants and department heads, must meet strict hiring criteria, such as specified performance levels in medical college, during training and, for more senior doctors, at their prior hospitals. Once a doctor has passed this initial threshold, we conduct a series of interviews with the candidate and make inquiries about him or her within the medical community to determine whether the candidate will be suitable for our hospitals. We find most of our younger doctors through application submissions. For more senior doctors, we maintain a database of both "up and coming" and prominent doctors in various fields who we may approach for positions at our hospitals in the future.

Compensation: Doctor compensation is the largest component of our personnel expenses. Compensation for an individual doctor can vary quite substantially based on the demand for such doctor's services, as well as other factors. Our doctors comprise those who practice exclusively with us on a full-time basis and also visiting consultants who work with us on a part-time basis and who are permitted to maintain their own private practices and positions at other hospitals.

The residents (who have recently concluded their training), registrars (who are pursuing their post-graduate education) and junior consultants at our hospitals are employed by us and are compensated on a fixed salary basis. Among our full time consultants, those who specialize in cardiac surgery or cardiology are compensated on a fee for service basis (which is variable based on the type of recovery room chosen by the patient) and also get a minimum guaranteed fee for their first year at our hospitals. The consultants who specialize on cardiac anesthetics and full-time non-clinical consultants (e.g., pathologists, radiologists etc) are compensated on a fixed salary basis. Our visiting consultants (who do not work full-time at our facilities) are compensated on a fee for service basis.

Nurses and Other Personnel

Recruitment: We are associated with two nursing colleges in Bangalore, where three-year and four-year training programs are offered, and we also have plans to start an additional nursing college in Bangalore for which the land has already been acquired. We believe such training arrangements help us attract a quality pool of nurses. All of the nurses we hire must meet specified hiring criteria, including specified performance levels at nursing school and on a written test we administer to all nursing candidates. Due to our association with Harvard Medical International ("HMI") and other international standards that we adhere to, our newly recruited nurses go through a rigorous training program before they can start assisting patients at our hospitals. Many of our nurses submit applications to us either on an unsolicited basis or in response to advertisements we have placed. In addition, we have a number of student nurses at our hospitals who work under the supervision of a senior nurse. When these trainees finish their coursework, many of them return to our hospitals to work full time. We focus on recruiting nurses with strong skill sets who work well with both our doctors and patients. Similarly, our other medical and non-medical personnel must meet the hiring criteria we have established for their positions and undergo a number of interviews and background inquiries.

Compensation: All of the nurses and other staff members at our hospitals are compensated on a salary basis. We also offer our employees a package of benefits, including health insurance and personal accident insurance.

Outsourcing

We outsource a number of responsibilities at our hospitals, such as housekeeping and hygiene, security, and food and beverage services. The people on-site at our hospitals who perform these functions are employees of third-party outsourcing firms and are not our employees. Although we are not directly involved in the hiring of such individuals, our outsourcing partners are required to comply with hiring criteria we specify to them. We also provide extensive training to such individuals. We pay a set fee to our outsourcing partners who are responsible for compensating their employees and paying their other expenses, including insurance.

Retention

For the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, we achieved a retention rate of approximately 99% and 100%, respectively, for doctors at our hospitals (excluding resident doctors). We believe we have been able to maintain low attrition rates due to, among other things, our flexible compensation structure, our reputation, our professional management practices and career development opportunities across our network. Our attrition rate for nurses for the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007 was approximately 26% and 18%, respectively, much higher than that for our doctors, due primarily to nurses leaving to pursue more lucrative positions at other institutions in India or overseas with more competitive compensation packages. Our attrition rate for resident doctors was approximately 20% and 25% for the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, respectively.

Legal Proceedings

We are subject to certain claims and legal proceedings. We also expect new claims and legal proceedings to be instituted or asserted against us and our subsidiaries from time to time. The results of these claims and legal proceedings cannot be predicted and it is possible that the ultimate resolution of these claims and legal proceedings, individually or in the aggregate, may have a material adverse effect (both in the short and long-term) on our business, liquidity, financial position or results of operations.

See the section titled "Outstanding Litigation and Material Developments" on page 235 of this Red Herring Prospectus for details on our litigation.

Properties

The following table sets forth the significant properties owned or leased by us or our affiliates as of December 31, 2007:

Name	Lessee / Owner	Location	Address	Nature of Property Rights	Area (in square feet unless otherwise stated)	Term
Greenfield Hospitals						
Wockhardt Hospital, Mulund	Owner: Merind Limited (a group company of WHL)	Mulund, Mumbai	Mulund-Goregaon Link Road, Mumbai 400 078	Freehold	137,000	-
Wockhardt Hospital and Heart Institute	Part of the land is owned by CISL; part of the land is leased; and part land under leave and license to CISL (promoter company) of WHL)	Cunningham Road, Bangalore City	14, Cunningham Road, Bangalore 560 052	Freehold/Leasehold	38,000	Lease period 20 years (ending in 2009) Leave and license period- 5 years (ending in 2011)
Wockhardt Hospital, Bannerghatta Road	Owner: Kanishka Housing Development Limited (subsidiary of WHL)	Bannerghatta Road, Bangalore City	Bannerghatta Road, IIM Building, Bilekahalli, Bangalore 560 076	Freehold	226,000	-
Wockhardt Hospital & Kidney Institute	Owner: CISL	Rashbehari Avenue, Kolkata	111 A Rashbehari Avenue, Kolkata 700 020	Freehold	22,000	-
Wockhardt Medical Centre	Part of the building is owned by CISL; part of it is leased to CISL.	Sarat Bose Road, Kolkata	2/7, Sarat Bose Road, Kolkata 700 020	Freehold/leasehold	6,000	Lease period 10 + 10 years (ending 2009)
Wockhardt Hospital, Kalyan	Owned	Kalyan, Mumbai	Ardeshwar Park, Kalyan, Mumbai	Freehold	Commercial FSI of 2404.44 square meters equivalent to 25,881 built up square	---

Name	Lessee / Owner	Location	Address	Nature of Property Rights	Area (in square feet unless otherwise stated)	Term
					feet	
Brownfield Hospitals						
Wockhardt Hospital, Chord Road	Lessee: WHL	Chord Road, Bangalore	Chord Road Bangalore	Leasehold	11,000	10 years from 2006
Wockhardt Hospital, Nagarbhavi	Lessee: WHL	Nagarbhavi, Bangalore	Nagarbhavi Village, Yashwanthap ura, Bangalore	Leasehold	28,000	10 years from 2006
Projects Under Development						
Adams Wylie Hospital, Mumbai	Lease	Byculla, Mumbai	Byculla Division in Registration District Sub-District of Mumbai	Leasehold	4,250 sq. yards or 3,555 square meters	Lease for 51 years (from 2009) and license for 3 years from 2006
Wockhardt Hospital, Delhi	Perpetual Lease	Road No. 43, H4 - H5, Pithampura, Delhi	Road No. 43, H4 - H5, Pithampura, Delhi	Perpetual lease	0.72 hectares	From 2005
Wockhardt Hospital, Kolkata	Lease/license	730, Anandapur, Kolkata 700107	Plot No. 1-28/1 East Calcutta Development Project, Anandapur, Kolkata	Lease/license	90 cottahs	From 2005-99 years
Wockhardt Hospitals, Bangalore	Lease	Peenya Village, Yeshwathp ur Hobli, Bangalore	Plot No. 19, Peenya I Phase, Peenya Village, Yeshwathpur Hobli, Banhalore North Taluka	Lease	69,719	From 2009 – 25 years
Other						

Name	Lessee / Owner	Location	Address	Nature of Property Rights	Area (in square feet unless otherwise stated)	Term
Nursing college project, Bangalore	Owner-WHL	Bilwardahalli Village, Jigani Hobli, Anekal Taluk, Bangalore	Bilwardahalli Village, Jigani Hobli, Anekal Taluk, Bangalore	Freehold	8 acres	---

We also manage other facilities, which are not owned or leased by us or our affiliates. For further details see the section titled "—Our Hospitals" under this section titled "Our Business" beginning on page 62 of this Red Herring Prospectus for a summary of the number of beds at each facility.

REGULATIONS AND POLICIES IN INDIA

The Company is engaged in the business of operating and managing hospitals and is governed by a number of central and state legislations that regulate its business. Additionally, the functioning of the Company requires, at various stages, the sanction of the concerned authorities under the relevant legislations and local bye-laws.

The following discussion summarizes certain significant laws and regulations that govern the Company's business.

The Indian Nursing Council Act, 1947 ("INCA/ the Act")

The objective of INCA is to constitute an Indian Nursing Council ("**the Council**") in order to establish a uniform standard of training for nurses, midwives and health visitors. The Act stipulates that no person shall be entitled to be enrolled in the State Register as a nurse, midwife, health visitor, or public health nurse unless he or she holds a recognized qualification in this regard. The Indian Nursing Council has been charged with the following functions under the Act:

- To establish and monitor a uniform standard of nursing education for nurses midwife, Auxiliary Nurse-Midwives and health visitors by doing regular inspections of the institutions.
- To recognize the qualifications under section 10(2)(4) of the Indian Nursing Council Act, 1947 for the purpose of registration and employment in India and abroad.
- To give approval for registration of Indian and Foreign Nurses possessing foreign qualification under section 11(2)(a) of the Act.
- To prescribe the syllabus & regulations for nursing programs.
- Power to withdraw the recognition of qualification under section 14 of the Act in case the institution fails to maintain its standards prescribed by the Act.
- To advise the State Nursing Councils, Examining Boards, State Governments and Central Government in various important items regarding Nursing Education in the Country.

The Karnataka Nurses, Midwives and Health Visitors Act, 1961 ("KNMHA/ the Act")

The objective of KNMHA is to establish and maintain a uniform standard of training for nurses, midwives and health visitors in the State of Karnataka. The Act establishes the Karnataka Nursing Council ("**the Council**"), which has been charged with the responsibility of maintaining a register of nurses, midwives, auxiliary nurses and health visitors who are registered under the Act. For the purpose of continuance of their names on the register such nurses etc., may be required by the Council to renew their registration once in every three years by paying a renewal fee. The Municipal corporation/council or the Taluk Board, as the case may be, of an area are to act as licensing authorities under the Act. Penalties have been prescribed for dishonest use of certificate granted under the Act and for unlawful assumption of title of nurse, midwife and/or health visitor. These penalties range from fines of Rs. 200-500 and/or imprisonment for up to 3-6 months.

Bombay Nursing Home Registration Act, 1949, ("BNHRA/the Act")

The objective of BNHRA is to provide for the registration and inspection of nursing homes. The Act stipulates that nursing homes and hospitals are annually required to make an application for registration or renewal of registration to the specified local supervising authority, along with detailed information on the staff strength and qualifications, the availability and functioning of various medical instruments, the available space for accommodating patients, details of operation theatres and sanitation facilities, etc. Failure to register under the BNHRA could mean a fine of Rs 500 for the first offence and imprisonment for up to 3 months.

Karnataka Private Nursing Homes (Regulation) Act, 1976, ("KPNHRA/the Act")

The objective of KPNHRA is to provide for licensing and regulation of private nursing homes. The Act stipulates that every private nursing home shall conform to the standards which may be prescribed regarding the operation theatre, the nursing and other staff and their qualifications, facilities to be provided to the patients, maintenance and like matters and that no private nursing home shall be established, run or maintained in the State except under and in accordance with the terms and conditions of a license. It is further stipulated that no private nursing home shall charge or collect fees in excess of the scales of fees that may be prescribed under the Act. The applicant for a license is supposed to provide detailed information on the staff strength and qualifications, the availability and functioning of various instruments, space for accommodating patients, details of operation theatres and sanitation facilities etc. The Competent Authority under the Act is authorized to inspect a private nursing at any time home to satisfy itself that the provisions of the Act and the conditions of the license are being duly observed. Failure to observe the provisions of the Act and/or the terms of the license can lead to revocation of the said license and/or conviction and imprisonment which may extend to six months or with fine which may extend to five thousand rupees.

West Bengal Clinical Establishments Act, 1950 ("WBCEA/ the Act")

The objective of WBCEA is to provide for the registration and inspection of clinical establishments including inter alia, nursing homes, physical therapy establishments, clinical laboratories, hospitals, dispensaries (with beds), medical camps, medical clinics and/or medical institutions. The Act stipulates mandates that no person shall carry on a clinical establishment in the state without being registered in respect thereof and except under and in accordance with a license granted under the Act. Clinical establishments may apply to the Licensing Authority in Kolkata for registration and grant of license(s) which is valid for one year. Clinical Establishments have been sub-divided into various six categories depending upon the type of services offered and have to satisfy differing criteria based on staff strength, qualifications, the availability and functioning of various medical instruments, the available space for accommodating patients, details of operation theatres and sanitation facilities, general cleanliness etc. to get a license/registration. Failure to register under the Act could mean a fine of Rs 10,000 and imprisonment for up to 3 years for the first offence and a fine of Rs. 20,000 and imprisonment up to seven years for every subsequent offence.

Delhi Nursing Home Registration Act, 1953, ("DNHR/the Act")

The DNHR provides for the registration and inspection of nursing homes in Delhi. As per Section 3 of the DNHR, nursing homes and hospitals in Delhi are prohibited from carrying on business without valid registration. The certificate of registration under the DNHR is issued by the Director of Health Services, Government of Delhi, on being satisfied that the nursing home or hospital conforms to the standards laid down in the DNHR and the rules framed hereunder, including sanitary and safety standards and conformity with conditions of allotment of land, etc. The registration under the DNHR is required to be renewed annually. Contravention of the provisions of the DNHR is punishable with fine and/or imprisonment.

Andhra Pradesh Allopathic Private Medical Establishments (Registration and Regulation) Act, 2002, ("APPME/the Act") and Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulation) Regulations, 2007

The APPME provides for the registration and regulation of allopathic private medical care establishments in the State of Andhra Pradesh. The Act stipulates that allopathic private medical care establishments are prohibited from carrying on business without valid registration. The certificate of registration under the Act is issued in accordance with the Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulation) Regulations, 2007 by the appointed Registering Authority, on being satisfied that the concerned establishment on the basis of evaluation of infrastructure including buildings, essential medical equipment, equipment for protection from radiation, facility for disposal of bio-medical waste, effective maintenance of Sanitation & Hygienic Standards, qualified Doctors and paramedical staff, other essential staff and previous audit reports evidencing financial capability etc. The registration under APPME is valid for a period of 5 years. Contravention of the provisions of APPME is punishable with fine and/or imprisonment.

West Bengal Clinical Establishments Act, 1950, ("WBCE/the Act")

The WBCE provides for the

Bio-Medical Waste (Management and Handling) Rules, 1998, ("BMW Rules")

The BMW Rules, (i) apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form, and, (ii) regulate the mode of treatment and disposal of bio-medical waste. The BMW Rules mandate that every occupier of an institution generating, collecting, transporting, treating, disposing and/or handling bio-medical waste must take steps to ensure that such waste is handled without any adverse effect to human health or the environment, must apply to the prescribed authority for grant of authorization. The BMW Rules further require such person to submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/or any form of handling of bio-medical waste in accordance with rules and guidelines issued thereunder.

Drugs and Cosmetics Act, 1940, ("DCA")

In order to maintain high standards of medical treatment, the DCA regulates the import, manufacture, distribution and sale of drugs for the proper protection of drugs and medicines and prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated, spurious or harmful. The DCA specifies the requirement of a license for the manufacture, sale or distribution of any drug or cosmetic. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Medical Termination of Pregnancy Act, 1971, ("MTP")

The MTP regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds and for matters connected therewith. It stipulates that an abortion can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing medical termination of pregnancy and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP. Under the MTP, private hospitals and clinics need government approval and authorization to provide medical termination of pregnancy services. Under the rules framed pursuant to the MTP, private clinics can receive their certification only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments.

Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994, ("PDT")

The PDT regulates the use of pre-natal diagnostic techniques for the purposes of detecting genetic or metabolic disorders, chromosomal abnormalities, certain congenital malformations or sex-linked disorders, for the prevention of the misuse of such techniques for the purposes of pre-natal sex determination and for matters connected therewith or incidental thereto. The PDT makes it mandatory for all genetic counselling centers, genetic clinics, laboratories and all bodies utilizing ultrasound machines to register with the appropriate authority, failing which penal actions could be taken against them.

Transplantation of Human Organs Act, 1994, ("THOA")

The THOA provides for the regulation of removal, storage and transplantation of human organs for therapeutic purposes and for the prevention of commercial dealings in human organs and for matters incidental thereto. The THOA prohibits the removal of any human organ except in situations provided therein. No hospital can provide services relating to the removal, storage or transplantation of any human organ for therapeutic purposes unless such hospital is duly registered under the THOA.

The Atomic Energy Act, 1962, ("AEA")

In order to ensure safe disposal of radioactive wastes and secure public safety and safety of persons handling radioactive substances, the AEA mandates that no minerals, concentrates and other materials which contain prescribed substances can be disposed of without the previous permission in writing of the Central Government. AEA provides that the Central Government may require a person to make periodical and other returns or such statements accompanied by plans, drawings and other documents as regards any prescribed substance in the AEA that can be a source of atomic energy and further states that the Central Government may prohibit among other things the acquisition, production, possession, use, disposal, export or import of any prescribed equipment, or substance, excepting under a license granted by it to that effect.

Radiation Protection Rules, 1971, ("RPR")

The RPR provides that all persons handling radioactive material need to obtain a license from a competent authority. It stipulates that no person is to use any radioactive material for any purpose, in any location and in any quantity, other than in a manner otherwise specified in the license and that every employer must designate a "Radiological Safety Officer" and maintain records with respect to every such radiation worker in the manner prescribed under the RPR.

Radiation Surveillance Protection Rules 1971, ("RSPR")

The RSPR provides that every employer required to handle radiation equipment or radioactive material must obtain the prior permission of the competent authority. The RSPR mandates an employer to appoint a "Radiological Safety Officer" with the approval of the relevant competent authority for the implementation of the radiation protection programme including all in-house radiation surveillance measures and procedures and to discharge the functions as specified under it. Further, the employer is also required to obtain prior permission from the competent authority for undertaking any decommissioning operation.

Code No. AERB/SC/MED-2 (Rev-1) dated October 5, 2001, ("Code")

The Code stipulates that all medical X-ray machines are required to be operated in accordance with the requirements outlined therein and that it is the responsibility of the owner/user of medical X-ray installation equipment to ensure compliance with relevant statutory provisions. The Code mandates that only those medical X-ray machines which are of the type approved by Atomic Energy Regulatory Board, ("**AERB**"), may be installed for commercial use. It further provides among other things, (i) that the owners of medical X-ray installations in India be registered with AERB, (ii) for carrying out quality assurance performance tests of the X-ray unit, and, (iii) that only qualified staff may be employed for the use of such X-ray machines. Non-compliance with the regulatory requirements set forth in the Code could result in closure of defaulting X-ray installations.

Pharmacy Act, 1948, ("PA")

The PA provides that all pharmacists require a registration under the PA, which registration process includes providing: (a) the full name and residential address of the pharmacist; (b) the date of his first admission to the register; (c) his qualifications for registration; (d) his professional address, (if he is employed by any person, the name of such person); and, (e) such further particulars as may be prescribed.

The Indian Medical Council Act, 1956, ("Medical Council Act/the Act")

The Medical Council of India, originally constituted under the Indian Medical Council Act, 1933, has been reconstituted under the Medical Council Act. The Medical Council of India so constituted is required to maintain a register of medical practitioners to be known as the Indian Medical Register, containing the names of all persons who are for the time being enrolled on any State Medical Register and who possess medical qualifications recognized under the Medical Council Act. The relevant State enactments provide for the constitution of State Medical Councils and the maintenance of State Medical Registers.

Any person possessing recognized medical qualifications under the Medical Council Act is deemed sufficiently qualified for enrolment on any State Medical Register. No person other than a medical practitioner enrolled on a State Medical Register is entitled to do any of the following: (a) hold office as physician or surgeon or any other office (by whatever designation called) in Government or in any institution maintained by a local or other authority; (b) practice medicine in any State; (c) sign or authenticate a medical or fitness certificate or any other certificate required by any law to be signed or authenticated by a duly qualified medical practitioner; or, (d) give evidence at any inquest or in any court of law as an expert under section 45 of the Indian Evidence Act, 1872, on any matter relating to medicine.

The Registrar of the Indian Medical Council, may, on receipt of the report of registration of a person in the relevant State Medical Register, or on application made in the prescribed manner by any such person, enter his name in the Indian Medical Register. Subject to the conditions contained in the Medical Council Act, every person whose name is for the time being borne on the Indian Medical Register is entitled according to his qualifications to practice as a medical practitioner in any part of India.

The Medical Council Act also requires any person to obtain permission for establishment of new medical college, new course of study etc. Further, no medical college shall open a new or higher course of study or training or increase its admission capacity in any course of study or training, except with the prior permission of the Central Government, or else no medical qualification granted to any student of such medical college shall be recognised as a medical qualification for the purposes of this Medical Council Act. The Indian Medical Council also has the power to withdraw such recognition granted under the Medical Council Act.

Miscellaneous

Certain other legislation such as the Narcotic Drugs and Psychotropic Substances Act, 1985, the Dangerous Drugs Act, 1930 and the Medical and Toilet Preparations Act, 1955 are also applicable to the Company. A wide variety of labour laws are also applicable to the nursing and hospital sector, including the Contract Labour (Regulation and Abolition) Act, 1970, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, the Shops and Commercial Establishments Act, the Trade Unions Act, 1926, and the Workmen's Compensation Act, 1922.

HISTORY AND CERTAIN CORPORATE MATTERS

The Company was incorporated on August 28, 1991 as First Hospitals and Heart Institute Limited under the Companies Act. On September 11, 2000 our name was changed to Wockhardt Health Sciences Limited and subsequently on October 19, 2000 our name was changed to our present name – Wockhardt Hospitals Limited. The Company received the certificate of commencement of business on February 2, 1995.

Changes in Registered Office:

The registered office of the Company was initially situated at Poonam Chambers, 5^{th} Floor, Dr. A.B. Road, Worli, Mumbai – 400 018. Pursuant to a Board resolution dated August 30, 2000 the registered office was shifted to Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, which is the current Registered Office.

Major Events:

The Company believes that the commissioning of the following hospitals amount to major events in their corporate history:

Year	Event
January 1990	Wockhardt Medical Centre, Kolkata
March 1991	Wockhardt Hospital and Heart Institute, Bangalore
July 1993	Wockhardt Hospital and Kidney Institute, Kolkata
July 2002	Wockhardt Hospital, Mulund, Mumbai
July 2004	Wockhardt Heart Hospital, Nagpur
July 2005	Kamineni Wockhardt Hospital, Hyderabad
January 2006	Wockhardt Hospital, Bannerghatta Road, Bangalore
February 2006	Wockhardt Heart Centre, Hyderabad
January 2007	N M Virani Wockhardt Hospital, Rajkot
January 2007	Wockhardt Hospital, Chord Road, Bangalore
April 2007	Sterling Wockhardt Hospital, New Mumbai
June 2007	Wockhardt Hospital, Nagarbhavi, Bangalore
October 2007	Adventist Wockhardt Heart Hospital, Surat
October 2007	Wockhardt Hospital, Nagpur
December 2007	Wockhardt Hospitals, Kalyan

Acquisition of Kanishka Housing Development Company Private Limited ("KHDC")

KHDC became our subsidiary in June 2003, pursuant to a share purchase agreement dated June 17, 2003 executed between the Company, KHDC and the then existing shareholders of KHDC, namely, the members of the Shah family ("KHDC Sellers", and such agreement, the "KHDC Share Purchase Agreement"). As per the KHDC Share Purchase Agreement, the Company purchased from the KHDC Sellers, 10,000 equity shares in KHDC, for a total consideration of Rs. 136,570,000.

Our Main Objects

The main object of the Company as contained in our Memorandum of Association is as follows:

a. To carry on business of owning, acquiring, promoting, establishing, taking on lease, hiring, maintaining, running, managing and supporting hospitals, clinics, dispensaries, polyclinics, educational, study, training and research centres, laboratories, institutions, nursing homes, diagnostic, cure and service centres for detecting, diagnosing, understanding, curing, treating and preventing all troubles, diseases and ailments that affect or seem to affect the regular, normal, healthy and smooth functioning of human body.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholders' Approval	Amendment
August 22, 2000	The name of the Company was changed from First Hospitals & Heart Institute Limited to Wockhardt Health Sciences Limited.
September 7, 2000	The authorised share capital of the Company was increased from Rs. 100 million to Rs. 300 million.
October 10, 2000	The name of the Company was changed from Wockhardt Health Sciences Limited to Wockhardt Hospitals Limited.
November 16, 2004	The Authorised Share Capital of the Company was increased from Rs. 300 million to Rs. 500 million.
March 9, 2005	Reclassification of authorised share capital by dividing total equity shares into equity shares and Redeemable Preference Shares.
March 24, 2006	Conversion of existing preference share capital into equity share capital.
June 11, 2007	The authorised share capital of the Company was consolidated from equity shares of Re. 1 to Equity Shares of Rs. 10, and was also increased from Rs. 500 million to Rs. 1,250 million.

Subsidiaries of the Company:

The following is the subsidiary of the Company:

1. **Kanishka Housing Development Company Limited ("KHDL")**

KHDL was incorporated as a private limited company on February 17, 1988, to carry out, among others, activities relating to real estate, including building and leasing of buildings. Subsequently, on December 20, 2005 it was converted from a private limited company to a public limited company having its registered office at Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. KHDL became a subsidiary of the Company, with effect from June 17, 2003, pursuant to a Share Purchase Agreement dated June 17, 2003, whereby the Company purchased 10,000 fully paid-up equity shares which constituted 100% of the paid-up capital of KHDL from the Shah family.

The equity shares of KHDL are not listed on any stock exchange. KHDL is not a sick company within the meaning of SICA and no winding up proceedings have been initiated against it.

Shareholding Pattern

The shareholding pattern of KHDL as of January 11, 2008 is as follows:

S. No.	Name	Number of equity shares	Percentage of Shareholding
1	***WHL***	***9,986***	***97.42***
2.	***Wockhardt Limited***	***250***	***2.44***
3.	***Nominees of WHL***	***14***	***0.14***
	Total	***10,250***	***100.00***

Board of Directors

The board of directors of KHDL is currently comprised of Mr. Anil Kamath, Mr. Vishal Bali and Dr. G.B. Parulkar.

Financial Performance

The audited financial results of KHDL for Fiscal 2005, 2006 and 2007 are set forth below:

(Figures in Rs. million)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	-	-	0.71
Profit/(Loss) after tax	(0.05)	(0.01)	0.53
Equity Capital	1.03	1.03	1.03
Reserves and Surplus (excluding revaluation reserves)	(0.05)	(0.06)	0.48
Earnings/(Loss) per share (diluted)	(4.41)	(1.33)	52.08
Book Value per share	95.59	94.26	146.34

Summary of key Agreements

Share Subscription Agreement

*Share Subscription Agreement dated December 12, 2007 (the "**SSA**") between the Company, Bennett, Coleman & Co. Ltd. ("**BCCL**") and Promoters (being DHPL).*

The Company and its Promoters entered into a share subscription agreement with BCCL dated December 12, 2007 whereby our Company agreed to issue and allot Shares to BCCL for an amount aggregating Rs. 500 million. In accordance with share subscription agreement the Company has allotted 1,612,903 Equity shares at Rs. 310 per Equity Share. The Shares issued to BCCL shall be subject to the statutory lock-in. The share subscription agreement provides for several rights such as put-option, tag along rights and the right of first refusal, in the event the IPO of the Company and the listing of Shares on a recognised stock exchange pursuant to DRHP are not completed.

Pre-IPO Placement to CGMMPL

The company has pursuant to a letter agreement with CGMMPL dated January 11, 2008 has made a pre-IPO placement of 3,300,000 Equity Shares at Rs.301 per Equity Share. Citigroup Global has not entered into any shareholders' agreement and has no special rights for the investor.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, the Company is required to have not less than three Directors and not more than 12 Directors. The Company currently has eight Directors.

The following table sets out the current details regarding the Board of Directors:

Name, Father's Name, Designation and Occupation	Age (years)	Address	Other Directorships
Mr. H. F. Khorakiwala S/o. Mr. Fakhurddin Khorakiwala Designation: Non-Executive Chairman Occupation: Industrialist	66	Casa Khorakiwala, 31E, Vakil Lane, Dr. Gopal Rao Deshmukh Marg, Mumbai 400 026	• CP Pharmaceuticals Limited • DHPL • Datamatics Technologies Limited • Khorakiwala Foundation • Khorakiwala Holdings & Investments Private Limited • Palanpur Holdings & Investments Private Limited • The Wallis Laboratory Limited • Wallis Group Limited • Wallis Licensing Limited • Wockhardt Europe Limited • Wockhardt Limited • Wockhardt UK Holdings Limited
Mr. Anil Kamath S/o. Mr. Vasudeo Kamath Designation: Managing Director Occupation: Business Executive	56	30, Sagar Tarang, 81/83, Bhulabhai Desai Road, Mumbai 400 036	• Carol Info Services Limited • Kanishka Housing Development Co. Limited • Medicaid Clinical Research Private Limited • Merind Limited • Wockhardt Biopharm Limited • Wockhardt Holdings Limited • Wockhardt Infrastructure Development Limited • Wockhardt Maharashtra Hospitals Limited
Mr. Vishal Bali S/o. Mr. S. K. Bali Designation: Managing Director Occupation: Business Executive	39	A-3, Chartered Cottage, Langford Road, Langford Town, Bangalore 560 025	• Kanishka Housing Development Company Limited • Wockhardt Maharashtra Hospitals Limited
Mr. Pradip Shah S/o. Mr. Panalal Shah Designation: Independent Director	53	72, Embassy Apartments, 7th floor, Napean Sea Road, Mumbai 400 026	• AMP IndAsia Fund Advisors (Mauritius) Limited • Asset Reconstruction Company (India) Limited • BASF India Limited • Godrej & Boyce Manufacturing Limited

Name, Father's Name, Designation and Occupation	Age (years)	Address	Other Directorships
Occupation: Businessman			• Grindwell Norton Limited • Hardy Oil & Gas Limited • IndAsia Fund Advisors Private Limited • Kansai Nerolac Paints Limited • Mukund Limited • Panasonic Battery India Company Limited • Patni Computer Systems Limited • Pfizer Limited • Shah Foods Limited • Sonata Software Limited • Supra Advisors (BVI) Limited • Vakrangee Softwares Limited • Wartsila India Limited
Dr. Vivekanand Jawali S/o Sidramapa Jawali Designation : Non-Executive Director Occupation : Consultant	53	36/3, Papu Cottage, Kanakpura Road, Bangalore 560 004	• NIL
Mr. Berjis Desai S/o Late Minoo Barjorji Desai Designation: Independent Director Occupation: Solicitor	51	Yezerina II, Road No.5, 740/741, Dadar Parsi Colony, Dadar, Mumbai 400 014	• Sterlite Industries (India) Limited • Reliance Asset Reconstruction Company Limited • The Great Eastern Shipping Company Limited • Greatship (India) Limited • National Organic Chemical Industries Limited • Praj Industries Limited • IRB Infrastructure Developers Limited • Centrum Capital Limited (*Formerly known as Centrum Finance Limited)* • Emcure Pharmaceuticals Limited • Praj Schneider, Inc. *(Formerly known as C.J. Schneider Engineering Co. Inc. USA)* • Inventurus Knowledge Solutions Private Limited • Jsa Law Limited (Dubai) • Jsa Lex Holdings Limited (Mauritius) • Biocnergy Europa Bv (*Formerly Known As* Aker Kvaerner Praj Bt B.V. (The Netherlands) • Isagro (Asia) Agrochemicals Private Limited • Centrum Fiscal Private Limited • Capricorn Studfarm Private Limited • Capricorn Agrifarms & Developers

Name, Father's Name, Designation and Occupation	Age (years)	Address	Other Directorships
			Private Limited • Capricorn Plaza Private Limited • Jakari Express Private Limited • Jakari Holdings Private Limited • Equine Bloodstock Private Limited • Kotak Mahindra Trusteeship Services Limited
Mr. Ashwin Dani S/o Shri Suryakant Chandulal Dani Designation: Independent Director Occupation: Industrialist	55	Home Villa Co. Opposite Housing Society Limited, 48, Krishna Sanghi Path, Gamdevi, Mumbai 400 007	• Asian Paints Limited • Asian PPG Industries Limited • Gujarat Organic Limited • Hitech Plast Limited • Resins & Plastics Limited • Sun Pharmaceutical Industries Limited • SBI Funds Management Private Limited • Geetanjali Trading & Investments Private Limited
Mr. Susim Mukul Datta S/o Late Sri Mahim Chandra Datta Designation: Independent Director Occupation: Business	71	104 B, Bakhtavar, Lower Colaba Road, Mumbai-400 005	• Castrol India Limited • Philips Electronics India Limited • IL & FS Investment Managers Limited • BOC India Limited • Zodiac Clothing Company Limited • Peerless General Finance & Investments Company Limited • Kansai Nerolac Paints Limited • Transport Corporation of India Limited • Atul Limited • Bhoruka Power Corporation Limited • BHW Home Finance Limited • Peerless Hospitex Hospital & Research Centre Limited • Ambit Corporation Finance Pte. Limited • Peerless Hotels Limited • Rabo India Finance Limited • Tata Trustee Company Private Limited • Chandras Chemical Enterprises Private Limited

Brief Profile of the Directors

Mr. Habil F. Khorakiwala, the Chairman of the Company, holds a Master's Degree in Pharmaceutical Sciences from the Purdue University, USA and is an alumnus of the Harvard Business School, USA. He has over 28 years of experience in the healthcare industry. He was one of the first directors of the Company and is on the Board of the Company since its incorporation. He is currently the President of the FICCI (Federation of Indian Chambers of Commerce and Industry) and was a member of the National Council of the CII (Confederation of Indian Industry). In addition, he was also the President of the Indian Pharmaceutical Alliance, which is an association of the top 12 Indian pharmaceutical companies. Mr. Khorakiwala was the recipient of the Ernst & Young 'Entrepreneur of the Year' Award in 2004 in the category of Healthcare and Life Sciences.

Mr. Anil Kamath, the Managing Director of the Company, is a member of the Institute of Chartered Accountants of India. He has over 30 years of experience in the field of finance and management. He previously served as the Senior Vice President of DCW Home Products Limited, the Executive Vice President of Blue Star Limited and as the Vice President - Finance of Unichem Labs Limited. He twice has won the Vice President of the Year award in his seven years at Blue Star Limited and has been awarded the Chairman's Team Citation and the Chairman's Award for Excellence in Team Performance in the Company. He was appointed as an Additional Director and Managing Director by the Board in its meeting dated April 4, 2007. His current responsibilities include operations of non-metro hospitals and the corporate functions of business development, finance, supply-chain & information technology.

Mr. Vishal Bali, the Managing Director of the Company, holds a Bachelor's degree in Science and a Master's degree in Business Administration and has over 15 years of experience in the healthcare industry. He started his career with the Company as a Management Trainee and has flourished within the Company. In his tenure with the Company he has won various awards like the Chairman's award for Exceptional Contribution, the Chairman's Leadership Certificate, the Chairman's Team Citation for Performance and the Chairman's award for excellence in Team Performance. He was appointed as an Additional Director and Managing Director by the Board in its meeting dated April 4, 2007. His current responsibilities include operations of hospitals in Metros, international business and the corporate functions of marketing, human resources, quality and corporate communications.

Mr. Pradip Shah, an Independent Director of the Company, holds a Bachelor's degree in Commerce and a Master's Degree in Business Administration from the Harvard Business School, USA. In addition, he is a qualified Cost Accountant and placed first in India in the Chartered Accountancy examinations. He has over 25 years of experience in the finance and equity sector. He founded IndAsia, a corporate finance and private equity advisory business in April 1998. In 1994, he helped establish the Indocean Fund, in association with the Chase Capital Partners and the Soros Fund Management. He was the Founder Managing Director of the Credit Rating Information Services of India (CRISIL), India's first and largest credit rating agency. Israel has honoured Mr. Shah by naming a garden of a hundred trees after him. He has also been associated with HDFC and ICICI and has also served as a consultant to the USID, the World Bank and the Asian Development Bank. He was appointed on the Board on May 15, 2007.

Dr. Vivekanand Jawali, a Non-Executive Director of the Company, is the pioneer of minimally invasive cardiac surgery in India. He passed his MBBS in 1974 from the M. R. Medical Collage in Gulbarga and was placed first in the final MBBS examinations of the Karnataka University. He passed his Master of Sciences from the J.J.M. Medical College in Davangere and his M.Ch. in CVT Surgery from the K.E.M. hospital and Seth G.S. Medical College of Mumbai. He was the recipient of the Karnataka State Rajyotsava award, the Dr. B.C. Roy Award for Medical Excellence, the Outstanding Citizen's Award instituted by Giant's International and was also nominated by the State of Karnataka for the Padmashree award. In addition, he was the recipient of the Harvard University Award for Medical Excellence. He was honoured at the annual convention of the Cardiology Society of the Commonwealth of Independent States in 2006. He was appointed on the Board on May 15, 2007.

Mr. Berjis Desai, an Independent Director of the Company, holds a Bachelor's Degree in Arts (Hons.) and a Bachelor's Degree in Law from Mumbai University. In addition, he holds the Master's Degree in Law from Cambridge University, UK and is also a qualified solicitor from the Bombay Incorporated Law Society. He specialises in financial & securities laws, structured finance, securitization and OTC derivatives as well as offshore investments. In addition he has extensive experience both as an arbitrator and counsel, in international commercial and domestic arbitrations. He has been practising law since 1980. Lately, he was a founder partner of Udwadia, Udeshi & Berjis. He is the Managing Partner of the law firm J Sagar & Associates. He has also worked as a journalist with a leading Indian daily and continues to be a columnist in the Indian newspapers. He is member of American Arbitrator Association and the Bombay Incorporated Law Society. He is an arbitrator for the London Court of International Arbitrator and Indian Chamber of Commerce. He was appointed on the Board of the Company on July 30, 2007.

Mr. Ashwin Dani, an Independent Director of the Company, holds a Bachelor's of Science (Hons) Degree from the Institute of Science, University of Bombay and Bachelor's of Science (Tech) (Pigments, Paints & Varnishes) from U.D.C.T., University of Bombay. He also holds a Masters Degree in Polymer Science from the University of Akron, Akron, Ohio, USA and Diploma in Colour Science from Rensellaer Polytechnic, Troy, New York. Mr. Dani is one of the two founder members of the Colour Group of India, a body dedicated to the promotion of Computerized Colour Matching and Measurement of Colour by instruments and computers. He is a member of the Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI), New Delhi. He has been the President of the Board of Governors of the U.D.C.T. Alumni Association, Mumbai. Mr. Dani is the Past-President of the Indian Paint Association (IPA) – the premier paint association in India. He has also been awarded the "Cheminor Award" from the Indian Institute of Materials Management for excellence in Supply Chain and the 'Achiever of the year award – chemical industry' by the Chemtech foundation. He was appointed on the Board of the Company on July 30, 2007.

Mr. Susim Mukul Datta, an Independent Director of the Company graduated with Honours in Chemistry from the Presidency College, Calcutta and obtained a Post Graduate Degree in Science & Technology from the Calcutta University. He is a Chartered Engineer, Fellow of the Institution of Engineers, Fellow of Indian Institute of Engineers. Mr. Datta is also a Member of Society of Chemical Industry (London) and Honorary Fellow of All India Management Association. Mr. Datta was Chairman of Hindustan Lever Ltd now known as Hindustan Unilever Limited (HUL) as well as of all Unilever Group companies in India and Nepal from 1990 to 1996. He had joined HUL as Management Trainee in 1956 after completing his University education in Chemical Engineering. Mr. Datta is actively associated with a number of Management and Research Institutes in India. He is past President of the Associated Chambers of Commerce & Industry, Council of EU Chambers of Commerce in India, Bombay Chamber of Commerce & Industry, and Indian Chemical Manufacturers Association. He is a Member, Court of Governors, Administrative Staff College of India, Hyderabad, and Board of Governors, IIM Calcutta. He was formerly Chairman of the Board of Governors of Indian Institutes of Management (IIM) Bangalore and Goa Institute of Management. He was a Member of the Review Committee of IIMs, Human Resources & Development Ministry, Government of India. He was appointed on the Board of the Company on August 13, 2007.

Borrowing Powers of the Directors in the Company

Pursuant to an Extra-Ordinary Meeting resolution dated April 27, 2007 passed by the shareholders of the Company in accordance with the provisions of the Companies Act, the Board has been authorized to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The authorisation is to the extent that the Board may borrow monies together with monies already borrowed by the Company in excess of the aggregate of the paid-up capital of the Company and its free reserves; however, the borrowing is not to exceed Rs. 20,000 million at any time.

Details of Appointment of the Directors

Name of Directors	Date of Resolution	Term
Mr. H. F. Khorakiwala	August 28, 1991	Not liable to retire by rotation
Mr. Anil Kamath	April 4, 2007	Upto March 31, 2012
Mr. Vishal Bali	April 4, 2007	Upto March 31,2012
Mr. Pradip Shah	May 15, 2007	Liable to retire by rotation
Mr. Vivekanand Jawali	May 15, 2007	Liable to retire by rotation
Mr. Ashwin Dani	July 30, 2007	Liable to retire by rotation
Mr. Berjis Desai	July 30, 2007	Liable to retire by rotation
Mr. Susim Mukul Datta	August 13, 2007	Liable to retire by rotation

Details of Remuneration of the Directors

Mr. Anil Kamath

The remuneration payable to Mr. Anil Kamath under the terms of the Board resolution dated April 4, 2007, with effect from April 1, 2007 for a period of five years, is as follows:

Salary:	Rs. 2,856,000 per annum, with the Board reserving the right to increase the same, up to a sum not exceeding the limits prescribed in Section 309 of the Companies Act.
Perquisites:	House rent allowance, annual performance incentive, car, telephone, furnishing, medical reimbursement, personal accident insurance, leave travel for self allowance and Company's contribution towards payment of provident fund and gratuity.

Mr. Vishal Bali

The remuneration payable to Mr. Vishal Bali under the terms of the Board resolution dated April 4, 2007, with effect from April 1, 2007 for a period of five years, is as follows:

Salary:	Rs. 2,662,000 per annum, with the Board reserving the right to increase the same, up to a sum not exceeding the limits prescribed in Section 309 of the Companies Act.
Perquisites:	Rent free accommodation, annual performance incentive, car, telephone, furnishing, medical reimbursement, personal accident insurance, leave travel for self allowance and Company's contribution towards payment of provident fund and gratuity.

The Company pays its non-whole time Directors sitting fees of Rs. 20,000 for every meeting of its Board as authorised by Board resolution dated August 13, 2007.

Except the whole time Directors who are entitled to statutory benefits upon termination of their employment in the Company, no other Director is entitled to any benefit upon termination of their employment with the Company.

Corporate Governance

Corporate governance is administered through the Board and the committees of the Board. Additionally, the primary responsibility of upholding high standards of corporate governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value, vests with the Board.

In connection with the listing of the Equity Shares, we will be required to enter into listing agreements with the Stock Exchanges. The Company is in compliance and undertakes to continue to be in compliance with the applicable provisions of the listing agreements pertaining to corporate governance, including appointment of independent Directors and constitution of the following committees of the Board:

Committees of the Board of Directors

Audit Committee:

The Audit Committee comprises Mr. Pradip Shah, Chairman, Mr. Anil Kamath and Mr. Ashwin Dani. The Audit Committee oversees the Company's financial reporting process and disclosure of its financial information. The Audit Committee further reviews the internal control systems with the auditors, half yearly, quarterly and annual financial results, considers and discusses observations of the statutory and internal auditors, investigates any matter referred to it by the Board and reports to the Board on its recommendations on areas for attention.

Investors' Grievance Committee:

The Investors' Grievance Committee currently comprises of Mr. Berjis Desai, Chairman, Mr. Susim Mukul Datta, and Mr. Anil Kamath.

The Investors' Grievance Committee has been constituted to address *inter alia,* shareholder and investor complaints, transfer of shares, issue of duplicate share certificates, non-receipt of declared dividends, non-receipt of annual reports and other investor related issues.

Other Committees:

In addition, the Board constitutes, from time to time, such other committees, as may be required, for efficient functioning and smooth operations of the Company.

Shareholding of Directors in the Company

The Articles of Association do not require our Directors to hold any qualification Shares. The following Directors hold Equity Shares of the Company in their individual capacity:

S. No.	Name of Director	Number of Equity Shares held
1.	Mr. H. F. Khorakiwala	6,750,000
2.	Mr. Vishal Bali	5,000
3.	Mr. Anil Kamath	5,000

The Directors may be interested in the Equity Shares that may be subscribed by or allotted to the Company's firms or trusts in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of reimbursement of expenses payable to them under the Articles of Association, and to the extent of remuneration that is payable to them for services rendered as an officer or an employee of the Company.

Interest of Directors in the Company

The Directors do not have any interest in any property acquired by the Company within two years of the date of this Red Herring Prospectus.

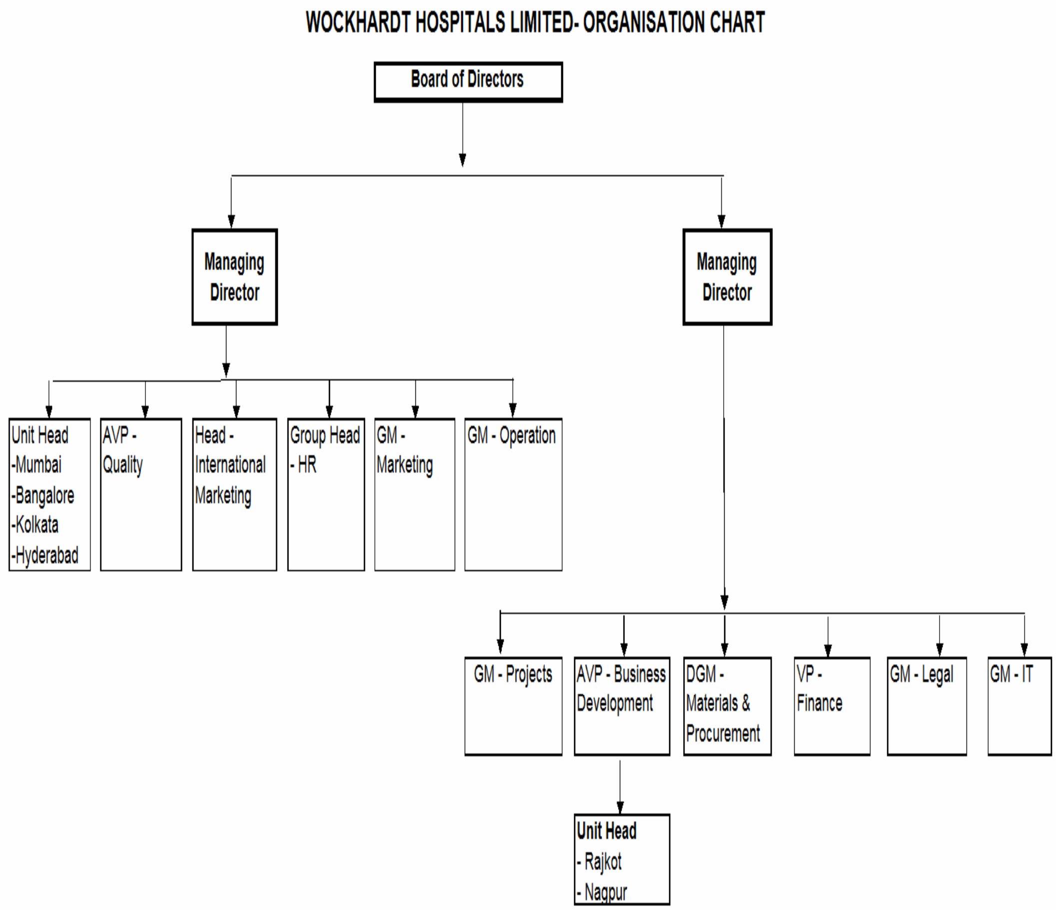
Except as stated in the section titled "Related Party Transactions" beginning on page 141 of this Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

Changes in the Board of Directors during the last three years

S. No.	Name of Director	Date of Appointment	Date of Cessation	Reason for Change
1.	Mr. H. F. Khorakiwala	August 28, 1991	-	Appointment
2.	Mr. Anil Kamath	April 4, 2007	-	Appointment
3.	Mr. Vishal Bali	April 4, 2007	-	Appointment
4.	Mr. Pradip Shah	May 15, 2007	-	Appointment

S. No.	Name of Director	Date of Appointment	Date of Cessation	Reason for Change
5.	Dr. Vivekanand Jawali	May 15, 2007	-	Appointment
6.	Mr. Rajiv Gandhi	August 30, 2000	May 15, 2007	Resignation
7.	Dr. G. B. Parulkar	August 28, 1991	May 15, 2007	Resignation
8.	Mr. Ashwin Dani	July 30, 2007		Appointment
9.	Mr. Berjis Desai	July 30, 2007	-	Appointment
10.	Mr. Susim Mukul Datta	August 13, 2007	-	Appointment

Management Organisation Structure



Key Managerial Employees

In addition to Mr. Anil Kamath and Mr. Vishal Bali, provided below are the key managerial employees of the Company. All of our key managerial employees are permanent employees of the Company. For details relating to the profiles of Mr. Anil Kamath and Mr. Vishal Bali, see the section titled "Our Management - Brief Profile of our Directors" beginning on page 111 of this Red Herring Prospectus.

Mr. K Srivastava, our Vice President - Finance, holds a bachelor's degree in commerce and also holds qualifications as Cost Accountant and Company Secretary. Prior to joining the Company in July, 2007, he worked with Cipla Limited, Aventis Pharma Limited and Panacea Biotec Limited. He has experience of over 15 years in the pharmaceutical sector. Mr. Srivastava received a gross remuneration of Rs. 1.47 million from July 2007 to December 2007.

Dr. Lloyd Nazareth, our Associate Vice President, holds an MD degree from Mumbai University and has a master's degree in finance from the Symbiosis Institute of Management Studies, Pune. Prior to joining the Company in January, 2003, he has worked with Max Health Care, the Inlaks Hospitals, the Prince Aly Khan Hospital and the Holy Family Hospitals. He has over 21 years of experience in the healthcare industry. He currently heads the operations of the Bangalore hospitals and heads the quality and accreditation function for all the network hospitals. Dr. Nazareth received a gross remuneration of Rs. 2.24 million in Fiscal 2007.

Mr. Kumar S. Krishnaswamy, our Group Head HRD, holds a post graduate diploma in human resource studies from XLRI, Jamshedpur. Prior to joining the Company in April 2006, he has worked with the Manugappa Group, WIMCO, the Bahwan Group, the Taj Groups of Hotels, Littlewoods International India Limited, Telesystems India Limited and Sonata Software Limited. He has over 25 years of experience in the field of human resources. Mr. Krishnaswamy received a gross remuneration of Rs. 2.16 million in Fiscal 2007.

Dr. Vikram Singh Raghuvanshi, our Associate Vice President - Business Development, is a qualified doctor from the SMS Medical College in Jaipur. He additionally holds a master's degree in business administration from FMS Delhi University. Prior to joining the Company in May, 2001, he has worked with the Dharmshila Hospitals, Dr. Reddy's Laboratory, the Escort Hospitals, the Apollo Hospitals and Dr. Batra's Clinic. He has over 13 years of experience in the healthcare industry. Dr. Raghuvanshi received a gross remuneration of Rs. 1.71million in Fiscal 2007.

Shareholding of the Key Managerial Employees

The following key managerial employees of the Company hold Equity Shares in our Company.

S. No.	Name of Key Managerial Personnel	Number of Equity Shares held
1.	Dr. Vikram Raghuvanshi	3,000
2.	Dr. Lloyd Nazareth	1,000

Bonus or Profit Sharing Plan of the Key Managerial Employees

There is no bonus or profit sharing plan for the key managerial employees of the Company.

Changes in our Key Managerial Employees during the last three years

Save the induction of Mr. K Srivastava and Mr. Kumar S. Krishnaswamy into the Company, there have not been any changes in the key managerial employees of the Company during the last three years.

Employees Share Purchase and Stock Option Scheme

The Company does not presently have any stock option scheme or stock purchase scheme for its employees.

Payment or benefit to officers of the Company

Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of the officers except the normal remuneration for services rendered as Directors, officers or employees, since the incorporation of the Company.

Except as stated in the section titled "Related Party Transactions" beginning on page 141 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

OUR PROMOTERS AND PROMOTER GROUP

Our individual promoter is Mr. Habil Fakhruddin Khorakiwala.

Our corporate promoter is:

a. Dartmour Holdings Private Limited, ("**DHPL**"), and

b. Carol Info Services Limited, ("**CISL**").

Collectively referred to as the '**Promoters**'

Mr. Habil Fakhruddin Khorakiwala, 64 years old (Passport No. Z 1592104, Driving License No: 182501, PAN: AAABPK4415C), a resident Indian national is our Promoter. He holds a Masters Degree in Pharmaceuticals Science from the Purdue University, USA and is an alumnus of the Harvard Business School, USA. He has over 28 years of experience in the healthcare industry. He was one of the first directors of the Company and has been on its Board of Directors since its incorporation on August 28, 1991. He is currently the president of Federation of Indian Chamber of Commerce and Industry (FICCI) and has been a national council member of the Confederation of Indian Industry (CII). He was the past president of the Indian Pharmaceutical Alliance, which is the industry association of the top twelve Indian pharmaceutical companies. Mr. Khorakiwala was the recipient of Ernst & Young 'Entrepreneur of the Year' Award 2004 in the healthcare and Life Science Category.

For other details relating to our individual Promoter, including addresses and other directorships see the section titled "Our Management" beginning on page 109 of this Red Herring Prospectus.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of our individual Promoter, namely, Mr. Habil Fakhruddin Khorakiwala shall be submitted to the BSE and NSE at the time of filing of the Red Herring Prospectus with them.

a. <u>Dartmour Holdings Private Limited ("DHPL")</u>

DHPL was incorporated on January 12, 2004 as an investment company and was duly registered with the Registrar of Companies, Mumbai, Maharashtra vide certificate of registration No: 11-143952. Its registered office is located at Wockhardt Towers, Bandra Kurla Complex, Bandra East, Mumbai- 400 051. Mr. H.F. Khorakiwala is one of the promoters and the majority shareholder of DHPL.

The main objects as contained in its memorandum of association are:

To carry on the business as an investment company and to buy, underwrite, invest in, or acquire, hold and sell shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company and debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, in any part of the world.

DHPL is an unlisted company; the Takeover Code is not applicable to DHPL.

Board of Directors

Sr. No	Name	Designation
1.	Mr. H. F. Khorakiwala	Director
2.	Mrs. Nafisa H. Khorakiwala	Director
3.	Mr. Murtaza H. Khorakiwala	Director

Shareholding Pattern

The shareholding pattern of DHPL as on December 31, 2007 is as under:

Equity Shares

Sr. No.	Shareholder category	No. of equity shares of Rs. 10 each held by them	Percentage (%)
1.	Mr. H. F. Khorakiwala	2,000,000	97.56
2.	Mrs. Nafisa H. Khorakiwala	50,000	2.44
	TOTAL	**2,050,000**	**100.00**

Preference Shares

Sr. No.	Shareholder category	No. of preference shares of face value Rs. 10 each	Percentage (%)
1	Khorakiwala Holdings and Investments Private Limited	35,643	89.00
2	Nafisa Khorakiwala	320	0.80
3	H.F. Khorakiwala	4,082	10.20
	TOTAL	**40,050**	**100.00**

Financial Performance

Financial performance of DHPL for the last three financial years is as follows.

(Rs. in millions except per share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and other income	-	34.74	34.17
Profit/(Loss) After Tax	(0.45)	1.77	(12.71)
Equity capital	20.50	20.50	20.50
Reserves & Surplus (excluding revaluation reserves)	(0.45)	(996.88)	(1,009.59)
Earnings/(Loss) per share (diluted) (Rs.)	(0.22)	0.02	(6.20)
Book Value Per share (Rs.)	9.78	(0.10)	(0.30)

Disclosure on Capital Issue

As on date of this Red Herring Prospectus, DHPL has not made any public/ rights issue.

Other details relating to DHPL

1.	PAN Number	AACCD2394M
2.	Bank Account Number	Bank of India: 012220110000016
3.	CIN	U51909MH2004PTC143952
4.	Registrar of Companies	Mumbai, Maharashtra

b. <u>Carol Info Services Limited, ("CISL")</u>

CISL was incorporated on November 29, 1979 and was duly registered with the Registrar of Companies, Mumbai, Maharashtra vide certificate of registration No: 11-21942. Its registered office is located at City Survey No. 681, Village Nahur, Mulund Goregaon Link Road, Bhandup (West), Mumbai 400 078. The present promoters of CISL are Khorakiwala Holdings & Investments Private Limited, Palanpur Holdings & Investments Private Limited, DHPL, Mr. H. F. Khorakiwala, Mrs. Nafisa Khorakiwala, Mr. Huzaifa Khorakiwala, and Mr. Murtaza Khorakiwala.

CISL was originally incorporated under the name Wockhardt Synchem Private Limited on November 29, 1979. Thereafter on November 29, 1985 the nature of CISL was changed from a private limited company to a public limited company and therefore its name was changed to Wockhardt Synchem Limited. Simultaneously, an application was also made to the Registrar of Companies for change of name to Wockhardt Limited, which application was allowed on November 29, 1985. The name was thereafter changed to Wockhardt Life Science Limited on December 24, 1999 and finally to Carol Info Services Limited on November 7, 2003.

The main objects as contained in its memorandum of association are:

To carry on the business or to engage in anyway, whether singly or jointly in collaboration, in association, or in tie-up with other entities, in all kinds and types of information receiving, collecting and dissemination either electronically or physically and for the said purpose engage in data collection, data entry, data warehousing, data archival, data duplicating, data processing, data transcription, digitization of information available in various forms, processing of these data and selling parts or whole of the processed or raw data.

The Equity shares of CISL are listed on BSE, NSE and the GDRs are listed on the Luxembourg Stock Exchange.

Board of Directors

Sr. No	Name	Designation
1.	Dr. G B Parulkar	Managing Director
2.	Mr. Rajiv B Gandhi	Director
3.	Mr. Anil V Kamath	Director
4.	Mr. D G Modi	Director

Shareholding Pattern

The shareholding pattern of CISL as of December 31, 2007 is as follows:

Sr.	Name of Shareholders	No. of Equity Shares of Rs. 10 each	% of issued Capital
a.	Promoters	22,584,758	63.73
b.	Foreign Institutional Investors	312,644	0.88
c.	Insurance Companies	137,300	0.39
d.	Indian Mutual Fund	151,300	0.43
e.	Financial Institution/ Banks	5,600	0.02
f.	Non Resident Indians	522,806	1.48
g.	Bodies Corporate	3,147,153	8.88
h.	Resident Indians	8,148,799	22.99
i.	Depository to GDRs	291,946	0.82
j.	Others (clearing members/directors relative)	134,166	0.38
	TOTAL	35,436,472	100.00

CISL is a listed company. It is not a sick industrial unit within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not in the process of winding up.

Promise Vs. performance

CISL (erstwhile Wockhardt Limited) issued 3,000,000 (Three Million) equity shares of face value Rs. 10 each, for cash at premium of Rs. 185 per share aggregating to Rs. 585 Million, on December 3, 1992. The objects of the issue were:

- Listing with the Stock Exchange.
- Expansion of Bulk Drug Facilities at Ankleshwar in Gujarat
- Setting up a new bulk drugs plant at Chittegaon near Aurangabad.
- Expansion of Large Volume Parenteral manufacturing facilities at Waluj.
- Setting up of a Research & Development Centre at Aurangabad- for part of the normal capital expenditure.
- Meeting the cost of the issue.

No projections were made in connection with the issue and the objects of the issue as provided in the offer document, were met.

Information about the Share Price

Highest price in last 6 months:

BSE: Rs. 96.05 as on December 31, 2007

NSE: Rs. 96.55 as on December 31, 2007

Lowest Price in last 6 months:

BSE: Rs. 55.00 as on August 17, 2007

NSE: Rs. 54.55 as on July 2, 2007

Closing Price on December 31, 2007:

BSE: Rs. 96.05

NSE: Rs. 96.35

Mechanism For Redressal of Investors' grievance(s)

The Company has appointed Intime Spectrum Registry Limited as its Registrar and Share Transfer Agents for redressing investors' grievances. The complaints received, if any are normally attended to and replied to within 10 days of receipt. There are presently no investors' Complaints pending against the Company as on March 31, 2007.

Financial Performance

The audited Consolidated Financial performance of CISL for the last three financial years is as follows:

(Rs. in millions except per share data)

Particulars	Fiscal 2005*	Fiscal 2006	Fiscal 2007**
Sales and other income	489.86	188.99	220.41
Profit/(Loss) After Tax	175.33	127.67	294.97
Equity capital	354.36	354.36	354.36
Reserves & Surplus (excluding revaluation reserves)	3,050.71	3,178.37	3,375.17
Earnings/(Loss) per share (diluted) (Rs.)	4.95 3.96 (annualized)	3.60	8.32
Book Value Per share (Rs.)	96.09	99.69	105.25

*Fiscal 2005 shall comprise of 15 months duration i.e., from January 1, 2004 to March 31, 2005.

** In Fiscal 2007 the Company does not have any subsidiary companies, hence the results are standalone results compared to consolidated results for the past years.

Disclosure on Capital Issue

CISL has not made any public/right issue in the last three years.

Other details relating to CISL

1.	PAN Number	AACW1299E
2.	Bank Account Number	State Bank of India: 0011083980456
3.	CIN	L74999MH1979PLC021942
4.	Registrar of Companies	Mumbai, Maharashtra

Interest in promotion of the Company

The Company is promoted by Mr. H. F. Khorakiwala, DHPL and CISL. The Promoters may be deemed to be interested in the promotion of the Company to the extent of shares held by them and their relatives. The Promoters may also benefit from holding directorship in the Company. As on the date of filing of this prospectus, Mr. H. F. Khorakiwala holds 6,750,000 Equity Shares, DHPL holds 60,750,000 Equity Shares and CISL holds 6,750,000 Equity Shares.

Interest in any property acquired by the Company within two years of the date of the Red Herring Prospectus or proposed to be acquired by the Company.

The Promoters are not interested in any property that has been acquired by the Company within two years from the date of the Red Herring Prospectus or proposed to be acquired by the Company.

Payments of benefits to our Promoters during the last two years

Except as stated in the section titled "Related Party Transactions" beginning on page 141 of this Red Herring prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Draft Red Herring Prospectus.

Other Confirmations

The Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of the Company.

The Company confirms that the details of the permanent account numbers, bank account numbers company registration number and the address of the Registrar of Companies where our corporate Promoters are registered will be submitted to the concerned Stock Exchanges at the time of filing of this Red Herring Prospectus, in the Stock Exchanges.
Further, the Promoters and Promoter Group entities, including the relatives of the Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Additionally, none of the Promoters or Promoter Group Companies has been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Promoter Group

Given below is the list of entities promoted which form part of our Promoter Group. The Promoter Group consists of natural persons, and companies. None of them has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and are not under winding up.

Promoter Group Entities:

a. The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

Relationship with Mr. H. F. Khorakiwala	Name
Father	Mr. Fakhruddin T Khorakiwala
Mother	Mrs. Khadijabai F Khorakiwala
Brother	Mr. Hunaid Khorakiwala Mr Taizoon Khorakiwala
Spouse	Mrs. Nafisa Khorakiwala
Children	Dr. Murtaza Khorakiwala Mr. Huzaifa Khorakiwala Ms. Zahabiya Khorakiwala
Spouse's Father	Late Hyder Latif

Relationship with Mr. H. F. Khorakiwala	Name
Spouse's Mother	Mrs. Sugra Latif
Spouse's Brother	Mr. Mannan Latif
Spouse's Sister	Ms. Jumana Latif

b. Companies, firms, trusts and HUFs which form part of our Promoter Group are as follows:

Individual Promoter

	Relationship with Mr. H. F. Khorakiwala	Name
1.	Any company in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	1. Amadou Estate Development Private Limited 2. Denarius Estate Development Private Limited 3. Khorakiwala Holdings & Investments Private Limited 4. DHPL 5. Palanpur Holdings & Investments Private Limited
2.	Any company in which a company mentioned in (1) above, holds 10% of the total	1. Wockhardt Limited. 2. Carol Info Services Limited 3. Shravan Constructions Private Limited 4. Merind Limited. 5. Medicaid Clinical Research Private Limited 6. Sharanya Chemicals & Pharmaceuticals Private Limited
3.	Any HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	NA

Corporate Promoter(s)

	Relationship	Dartmour Holdings Private Limited	Carol Info Services Limited
1.	A subsidiary or holding company of that company	Merind Limited	Khorakiwala Holdings and Investments Private Limited.
2.	Any company in which the Promoter holds 10% or more of the equity capital, or which holds 10% or more of the equity capital of the Promoter	Merind Limited	Khorakiwala Holdings and Investments Private Limited
3.	Any company in which a group of individuals or companies or combinations thereof who hold 20% or more of the equity capital in that company, also hold 20% or more of the equity capital of the Company	Merind Limited	NA

The companies which are part of the Promoter Group, other than the Promoters named above, are as follows:

Companies Promoted by Our Promoters

a. Wockhardt Limited;

b. Wockhardt Infrastructure Development Limited;

c. Khorakiwala Foundation; and

d. Wockhardt Maharashtra Hospitals Limited.

For details regarding the aforesaid companies promoted by our Promoters, please refer to the section titled as 'Promoter Group Companies' at page 127 of this Red Herring Prospectus.

Promoter Group Companies

a. Amadou Estate Development Private Limited

Amadou Estate Development Private Limited was incorporated on August 2, 1995 as a private limited company with its main object being estate development.

Amadou Estate Development Private Limited is an unlisted company and the Takeover Code is not applicable to Amadou Estate Development Private Ltd.

The registered office of Amadou Estate Development Private Limited is located at Wockhardt Towers, Bandra Kurla complex, Bandra (E), Mumbai 400 051.

Shareholding Pattern

The shareholding pattern of Amadou Estate Development Private Limited as on December 31, 2007 was as follows:

Sr. No.	Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued Capital
1	H.F. Khorakiwala	5,785,000	99.99
2	Dr. Murtaza H. Khorakiwala	2	0.01
	TOTAL	5,785,002	100

Board of Directors

The board of directors of Amadou Estate Development Private Limited currently comprises Dr. Murtaza Khorakiwala and Ms. Zahabiya H. Khorakiwala.

Financial Performance

The audited financial results of Amadou Estate Development Private Limited for the last three financial years are set forth below:

(Rs. in millions except per share data)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	-	0.01	-
Profit / (*Loss*) after tax	(0.02)	(0.01)	(0.02)
Equity Capital	57.85	57.85	57.85
Reserves and Surplus (*excluding revaluation reserves*)	(12.11)	(12.11)	(12.13)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Earnings/(*Loss*) per share (*diluted*) (*Rs*.)	(0.003)	(0.001)	(0.003)
Book Value per share (*Rs*.)	7.91	7.91	7.90

b. Dartmour Holdings Private Limited ("DHPL")

DHPL was incorporated on January 12, 2004 as an investment company and was duly registered with the Registrar of Companies, Mumbai, Maharashtra vide certificate of registration No: 11-143952. Its registered office is located at Wockhardt Towers, Bandra Kurla Complex, Bandra East, Mumbai- 400 051. Mr. H.F. Khorakiwala is one of the promoters and the majority shareholder of DHPL.

For further information regarding DHPL, please refer to the section titled as 'Our Corporate Promoters' at page 120 of this Red Herring Prospectus.

c. Carol Info Services Limited, ("CISL") Please consider all changes done in carol above.

CISL was originally incorporated under the name Wockhardt Synchem Private Limited on November 29, 1979 and was duly registered with the Registrar of Companies, Mumbai, Maharashtra vide certificate of registration No: 11-21942. Its name, through a series of subsequent changes became CISL. Its registered office is located at City Survey No. 681, Village Nahur, Mulund Goregaon Link Road, Bhandup (West), Mumbai 400 078. . The present promoters of CISL are Khorakiwala Holdings & Investments Private Limited, Palanpur Holdings & Investments Private Limited, DHPL, Mr. H F Khorakiwala, Mrs. Nafisa Khorakiwala, Mr. Huzaifa Khorakiwala, and Mr. Murtuza Khorakiwala.

For further information regarding DHPL, please refer to the section titled as 'Our Corporate Promoters' at page 120 of this Red Herring Prospectus.

d. Denarius Estate Development Private Limited ("DEDPL")

DEDPL was incorporated on June 8, 1995 as a private limited company with its main object being estate development.

DEDPL is an unlisted company and the Takeover Code is not applicable to DEDPL.

The registered office of DEDPL is located at Wockhardt Towers, Bandra Kurla complex, Bandra (E), Mumbai 400 051.

Shareholding Pattern

The shareholding pattern of DEDPL as on December 31, 2007 was as follows:

Sr. No.	Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued Capital
1	H.F. Khorakiwala	2,070,000	99.99
2	Dr. Murtaza H. Khorakiwala	2	0.01
	TOTAL	2,070,002	100

Board of Directors

The Board of Directors of DEDPL currently comprises Dr. Murtaza Khorakiwala and Ms. Zahabiya H. Khorakiwala.

Financial Performance

The audited financial results of DEDPL for the last three financial years are as under:

(Rs. in millions except per share data)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	-	0.01	-
Profit / (*Loss*) after tax	(0.04)	(0.01)	(0.02)
Equity Capital	20.70	20.70	20.70
Reserves and Surplus (*excluding revaluation reserves*)	(6.22)	(6.22)	(6.24)
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	(0.02)	(0.003)	(0.009)
Book Value per share (*Rs.*)	7.00	6.99	6.98

e. **Khorakiwala Holdings & Investments Private Limited ("KHIPL")**

KHIPL was incorporated on February 3, 1981 as a private limited company with its main object being investment activities.

KHIPL is an unlisted company and the Takeover Code is not applicable to KHIPL.

The registered office of KHIPL is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

Shareholding Pattern

The shareholding Pattern of KHIPL as on December 31, 2007 was as follows:

S. No.	Name of Shareholder	Number of equity shares of Rs. 100 each	% of issued Capital
1.	H.F. Khorakiwala	9,114	86.60
2.	Nafisa H. Khorakiwala	12	0.11
3.	Palanpur Holdings and Investments Private Limited	1,398	13.29
	TOTAL	**10,524**	**100**

Board of Directors

The board of directors of KHIPL currently comprises Mr. H. F. Khorakiwala, Ms. Nafisa H Khorakiwala and Dr. Murtaza Khorakiwala.

Financial Performance

The audited financial results of KHIPL for the last three financial years are as under:

(Rs. in millions except per share data)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	542.14	360.39	349.33
Profit / (*Loss*) after tax	442.76	272.63	251.95
Equity Capital	1.05	1.05	1.05
Reserves and Surplus (*excluding revaluation reserves*)	671.49	944.12	1,196.07
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	42,071.05	25,905.81	23,940.76
Book Value per share (*Rs.*)	63,905.12	89,810.94	113,751.70

f. Khorakiwala Foundation

Khorakiwala Foundation was incorporated on April 24, 1985 as a company under Section 25 of the Companies Act, 1956 with an object of not-for-profit Research Foundation for the benefit of the public at large.

Khorakiwala Foundation is an unlisted company and the Takeover Code is not applicable to Khorakiwala Foundation.

The registered office of Khorakiwala Foundation is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

Membership

Khorakiwala Foundation had the following members as on December 31, 2007:

Sr. No.	Name of Member
1.	H.F. Khorakiwala
2.	Dr. G.B. Parulkar
3.	Dr. Murtaza H. Khorakiwala
4.	Mr. P. Murari
5.	Mr. R.A. Shah
6.	Mr. P.M. Bhargava
7.	Mr. K.K. Tiwari
8.	Mr. B. L. Maheshwari

Governing Council

The Governing Council of Khorakiwala Foundation currently comprises of Mr. H. F. Khorakiwala, Dr. G.B. Parulkar and Dr. Murtaza Khorakiwala.

Financial Performance

The audited financial results of Khorakiwala Foundation for the last three financial years are as under:

(*Rs. millions, except per share data*)

		Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income		1.50	1.90	2.10
Profit / (*Loss*) after tax		(3.00)	(2.75)	(3.88)
Equity Capital		91.60	91.60	94.30
Reserves and Surplus (*excluding revaluation reserves*)		(1.33)	(4.08)	(7.96)
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)		-	-	-
Book Value per share (*Rs.*)		-	-	-

g. Merind Limited ("Merind")

Merind was originally incorporated on November 4, 1958 as Merck Sharp & Dohme (India) Private Limited and subsequently the name of the said company was changed to Merck Sharp & Dohme of India Limited. Thereafter the name was changed to Merind Limited on December 17, 1984. The main object of Merind is to manufacture bulk drugs.

The registered office of Merind is located at Mulund Goregaon Link Road, Bhandup (W), Mumbai 400 078.

Shareholding Pattern

The shareholding pattern of Merind as on December 31, 2007 was as follows:

S. No.	Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued Capital
1.	Bodies Corporate (DHPL)	3,501,442	96.141
2.	Mutual Fund	100	0.003
3.	Nationalised Bank	317	0.009
4.	Non Nationalised Bank	100	0.003
5.	Non Resident Indian	450	0.001
6.	Unit Trust of India	50	0.001
7.	Public	139,541	3.831
	Total	**3642000**	**100.00**

Board of Directors

The Board of Directors of Merind currently comprises Mr. Rajiv B. Gandhi, Mr. Vinod Pabi and Mr. Anil Kamath

Financial Performance

The audited financial results of Merind for the last three financial years are as under:

(Rs. In Millions, except per share data)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	533.51	384.02	263.75
Profit / (*Loss*) after tax	3.57	(2.57)	6.42
Equity Capital	36.42	36.42	36.42
Share Application	33.38	33.25	449.30
Reserves and Surplus (*excluding revaluation reserves*)	(185.38)	(187.95)	(181.53)
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	0.51	(0.70)	0.13
Book Value per share (*Rs.*)	(16.56)	(16.98)	6.26

h. Palanpur Holdings & Investments Private Limited ("PHIPL")

PHIPL was incorporated on October 29, 1983 as a private limited company with its main object being investment activities.

PHIPL is an unlisted company and the Takeover Code is not applicable to PHIPL.

The registered office of PHIPL is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

Shareholding Pattern

The shareholding pattern of PHIPL as on December 31, 2007 was as follows:

Sr. No.	Name of Shareholder	Number of equity shares of Rs. 100 each	% of issued Capital
1.	H.F. Khorakiwala	273	25.34
2.	Nafisa H. Khorakiwala	804	74.66
	TOTAL	1,077	100

Board of Directors

The Board of Directors of PHIPL currently comprises Mr. H. F. Khorakiwala, Ms. Nafisa H Khorakiwala and Dr. Murtaza Khorakiwala.

Financial Performance

The audited financial results of PHIPL for the last three financial years are as under:

(Rs. In Millions, except per share data)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	9.07	18.37	16.42
Profit / (*Loss*) after tax	(24.14)	(11.07)	(16.23)
Equity Capital	0.11	0.11	0.11
Reserves and Surplus (*excluding revaluation reserves*)	(27.61)	(38.69)	(54.92)
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	(22,410.60)	(10,280.70)	(15,069.69)
Book Value per share (*Rs.*)	(25,539.63)	(35,820.33)	(50,890.02)

i. Wockhardt Infrastructure Development Limited ("WIDL")

WIDL was originally incorporated as Wockhardt International Private Limited on February 7, 1991 as a private limited company with its main object being infrastructure and estate development activities. Its name was subsequently changed to Wockhardt International Limited on March 4, 2003and thereafter to Wockhardt Infrastructure Development Limited on August 18, 2006.

WIDL is an unlisted company and the Takeover Code is not applicable to WIDL.

The registered office of WIDL is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

Shareholding Pattern

The shareholding pattern of WIDL as on December 31, 2007 was as follows:

Sr. No.	Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued Capital
1	M/s Wockhardt Limited	19,99,994	99.99
2.	Others*	6	Negligible
	TOTAL	2,000,000	100

* *Jointly with Wockhardt Limited*

Board of Directors

The Board of Directors of WIDL currently comprises Mr. Anil V. Kamath, Mr. Rajiv B. Gandhi and Dr. Murtaza Khorakiwala.

Financial Performance

The audited financial results of WIDL for the last three financial years are as under:

(*Rs. millions, except per share data*)

	For the 15 months ended March, 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	-	0.01	0.01
Profit / (*Loss*) after tax	(0.18)	(0.12)	(0.28)
Equity Capital	20.00	20.00	20.00
Reserves and Surplus (*excluding*	15.34	15.22	14.95

	For the 15 months ended March, 2005	Fiscal 2006	Fiscal 2007
revaluation reserves)			
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	(0.09)	(0.06)	(0.14)
Book Value per share (*Rs.*)	17.67	17.61	17.47

j. Wockhardt Maharashtra Hospitals Limited, ("WMHL")

WMHL was incorporated on August 20, 2001 and got its certificate of commencement on October 18, 2001. WMHL is a joint venture between Wockhardt Limited and the Government of Maharashtra and its main object is to manage and operate Government Hospitals and other public hospitals. However, certain disputes have arisen between Wockhardt Limited and Government of Maharashtra, with regard to their Joint Venture, which disputes are presently pending for arbitration.

WMHL is an unlisted company and the Takeover Code is not applicable to WMHL.

The registered office of WMHL is located at New Gokuldas Tejpal Hospital, Lokmanya Tilak Marg, Mumbai 400 021.

Shareholding Pattern

No shares of WMHL have been subscribed as yet. However, as per the terms of the joint venture agreement, Wockhardt Limited would hold 51% and the Government of Maharashtra would hold 49% in WMHL.

Board of Directors

The board of directors of WHML currently comprises Mr. Anil V. Kamath, Mr. Rajiv B. Gandhi, Dr. Murtaza Khorakiwala, Mr. Vishal Bali, Dr. G.B. Parulkar, Mr. Abbas Master, Mr. A.K.D. Jadhav, Mr. Jagdish Joshi, Mr. Subhash Salunke, Mr. G.S.Gill.

Financial Performance

The audited financial results of WHML for the last three financial years are as under:

(*Rs. millions, except per share data*)

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales and Other Income	-	-	-
Profit / (*Loss*) after tax	-	-	-
Equity Capital	-	-	-
Reserves and Surplus (*excluding revaluation reserves*)	(0.02)	(0.02)	(0.02)
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	-	-	-
Book Value Per Share (Rs.)	-	-	-

k. Wockhardt Limited

Wockhardt Pharmaceuticals Limited was incorporated on July 8, 1999 and was duly registered with the Registrar of Companies, Mumbai, Maharashtra vide certificate of registration numbered 11-120720. Subsequently the name of the said company was changed to Wockhardt Limited on December 28, 1999. Its registered office is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (East) Mumbai City 400 051.

The Equity shares of Wockhardt Limited are listed on BSE, NSE. The GDRs of Wockhardt Limited are listed on the Luxembourg Stock Exchange and the foreign currency convertible bonds on the Stock Exchange of Hong Kong Limited.

Board of Directors

The Board of Directors of Wockhardt Limited as on December 31, 2007 comprised of:

Sr. No	Name
1.	Mr. H.F. Khorakiwala
2.	Mr. R.A. Shah
3.	Mr. Aman Mehta
4.	Dr. Abid Hussain
5.	Dr. B.L. Maheshwari
6.	Mr. Shekhar Datta
7.	Mr. Rajiv B Gandhi
8.	Mr. Bharat V. Patel

Shareholding Pattern

The Shareholding pattern of Wockhardt Limited as on December 31, 2007 is as follows:

Sr.	Name of Shareholders	No. of Equity Shares of Rs. ~~10~~5 each	% of issued Capital
1.	Promoters	80,585,382	73.64
2.	Foreign Institutional Investors	3,851,983	3.52
3.	Insurance Companies	8,625,555	7.88
4.	Indian Mutual Fund	2,428,493	2.22
5.	Nationalised Banks	347,733	0.32
6.	Non Resident Indians	215,858	0.20
7.	Bodies Corporate	1,570,345	1.43
8.	Resident Indians	11,035,836	10.08
9.	Depository to GDRs	774,718	0.71
	TOTAL	109,435,903	100

Wockhardt Limited is a listed company; Wockhardt Limited is not a sick industrial unit within the meaning if clause (o) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not in the process of winding up.

Promise v. performance

NA

Information about the Share Price

Highest price in last 6 months:

BSE : Rs. 448.00 on December 17, 2007

NSE : Rs.448.00 on December 17, 2007

Lowest Price in last 6 months:

BSE : Rs. 348.60 on August 22, 2007

NSE : Rs. 348.35 on August 22,2007

Closing Price on December 31, 2007:

BSE: Rs. 417.30

NSE: Rs. 418.10

Mechanism for Redressal of Investors' grievance(s)

The company has appointed Intime Spectrum Registry Limited as its Registrar and Share Transfer Agents for redressing investors' grievances. The complaints received, if any are normally attended to and replied to within 10 days of receipt. There are no investor complaints pending against the company as on December 31, 2007.

Financial Performance

The audited consolidated financial performance of Wockhardt Limited for the last three years is as follows:

(*Rs. in millions, except per share data*)

Particulars	For the year ending December 31, 2004	For the year ending December 31, 2005	For the year ending December 31, 2006
Sales and other income	12,682.98	14,310.32	17,480.18
Profit/(Loss) After Tax	2,135.07	2,571.01	2,412.50
Equity capital	544.98	546.50	547.18
Reserves & Surplus (excluding revaluation reserves)	5,620.75	7,614.54	10,115.70
Earnings/(Loss) per share (diluted) (Rs.)	19.56	23.53	22.04
Book Value Per share (Rs.)	56.57	74.67	97.43

Disclosure on Capital Issue

Wockhardt Limited has not made any public/right issue in the last three (3) years.

l. Wockhardt UK Holdings Limited ("WUHL")

WUHL was incorporated in United Kingdom on June 8, 1993 as a private company limited by shares with its main objects being manufacturing of pharmaceutical preparations. It was originally incorporated under the name Stockvine Limited. The name was subsequently changed to North West Pharmaceuticals Limited on September 28, 2003 and thereafter the CP Pharmaceuticals (Holdings) Limited on September 6, 1994. There was a further change in name to Wockhardt UK Limited on May 11, 2004. The name was finally changed to WUHL on August 8, 2006.

WUHL is an unlisted company.

The registered office of WUHL is located at Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF.

Shareholding Pattern

The shareholding pattern of WUHL as on December 31, 2007 was as follows:

S. No.	Name of Shareholder	Number of equity shares (GBP 1p each)	% of issued Capital
1.	Wockhardt Limited (27,504,823 ordinary shares of 1p each)	27,504,823	100
	TOTAL	27,504,823	100

Board of Directors

The Board of Directors of WUHL currently comprises Mr. H. F. Khorakiwala, Mr. Rajiv. B. Gandhi, Mr. Sirjiwan Singh.

Financial Performance

The audited financial results of WUHL for the last three financial years are as under:

(*GBP in millions, except per share data*)

	For the year ending December 31, 2004	For the year ending December 31, 2005	For the year ending December 31, 2006
Sales and Other Income	-	-	-
Profit / (*Loss*) after tax	(0.02)	(0.08)	(3.04)
Equity Capital	0.31	0.31	0.28
Reserves and Surplus (*excluding revaluation reserves*)	6.99	6.91	2.55
Earnings / (*Loss*) per share (*diluted*) (*GBP*.)	(0.00)	(0.00)	(0.11)
Book Value per share (*GBP*.)	0.24	0.23	0.10

m. C. P. Pharmaceuticals Limited, ("CPPL")

CPPL was incorporated in the United Kingdom on May 13, 1950 as a private company limited by shares with its main object being manufacturing of pharmaceutical preparations. CPPL was originally incorporated under the name Benger Laboratories Limited. Its name was changed to Charnwood Pharmaceuticals Limited on July 7, 1980 and thereafter to CPPL on September 27, 1983.

CPPL is an unlisted company.

The registered office of CPPL is located at Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF.

Shareholding Pattern

The shareholding pattern of CPPL as on December 31, 2007 was as follows:

Sr. No.	Name of Shareholder	Number of equity shares (GBP 1 each)	% of issued Capital
1.	Wockhardt UK Holdings Limited (570,000 ordinary share of ₤1 each)	570,000	100
2.	Wockhardt UK Holdings Limited (1,862,549 ordinary A share of ₤1 each)	1,862,549	100
	TOTAL	27,504,823	100

Board of Directors

The Board of Directors of CPPL currently comprises Mr. H. F. Khorakiwala, Mr. Rajiv. B. Gandhi, Mr. Sirjiwan Singh.

Financial Performance

The audited financial results of CPPL for the last three financial years are as under:

(*GBP in millions, except per share data*)

	For the year ending December 31, 2004	For the year ending December 31, 2005	For the year ending December 31, 2006
Sales and Other Income	39.01	42.98	56.46
Profit / (*Loss*) after tax	1.52	2.82	3.50
Equity Capital	2.43	2.43	2.43
Reserves and Surplus (*excluding revaluation reserves*)	0.62	3.44	6.94
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	0.62	1.16	1.44
Book Value per share (*Rs.*)	1.25	2.42	3.85

n. Wockhardt Europe Limited, ("WEL")

WEL was incorporated in British Virgin Island on August 11, 1999 as a private company limited by shares with its main object being manufacturing of pharmaceuticals.

WEL is an unlisted company.

The registered office of WEL is located at Trident Chambers, P.O.Box. 146, Road Toan, Tortola, British Virgin Island (B.V.I).

Shareholding Pattern

The shareholding pattern of WEL as on December 31, 2007 was as follows:

S. No.	Name of Shareholder	Number of equity shares of £1 each	% of issued Capital
1.	Wockhardt Limited (1,307,366 ordinary shares of £1 each)	1,307,366	100
2.	Mr. Rajiv B. Gandhi (nominee of Wockhardt Limited) (1 ordinary share of £1 each)	1	0.00
3.	Mr. H. F. Khorakiwala (nominee of Wockhardt Limited) (1 ordinary share of £1 each)	1	0.00
	TOTAL	1,307,368	100

Board of Directors

The board of directors of WEL currently comprises Mr. H. F. Khorakiwala, Mr. Rajiv. B. Gandhi.

Financial Performance

The audited financial results of WEL for the last three financial years are as under:

(*GBP in millions, except per share data*)

	For the year ending December 31, 2004	For the year ending December 31, 2005	For the year ending December 31, 2006
Sales and Other Income	3.56	0.33	0.14
Profit / (*Loss*) after tax	3.45	(0.02)	0.10
Equity Capital	9.33	9.33	1.31
Reserves and Surplus (*excluding revaluation reserves*)	(1.91)	(1.92)	(0.26)
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	0.37	(0.002)	0.08
Book Value per share (*Rs.*)	0.80	0.79	0.80

o. Wallis Licensing Limited ("WLL")

WLL was incorporated in United Kingdom on April 4, 1994 as a private company limited by shares with its main object being manufacturing of pharmaceutical preparations. The company was originally incorporated as Sovco (562) Limited. Its name was subsequently changed on August 2, 1994 to Wallis Licensing Limited.

WLL is an unlisted company.

The registered office of WLL is located at Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF.

Shareholding Pattern

The shareholding pattern of WLL as on December 31, 2007 was as follows:

S. No.	Name of Shareholder	Number of equity shares of GBP 1 each	% of issued Capital
1.	Wallis Group Limited (1 ordinary share of £1 each)	1	100
	TOTAL	1	100

Board of Directors

The board of directors of WLL currently comprises Mr. H. F. Khorakiwala, Mr. Rajiv. B. Gandhi, Mr. Sirjiwan Singh.

Financial Performance

The audited financial results of WLL for the last three financial years are as under:

(*GBP in millions, except per share data*)

	For the year ending December 31, 2004	For the year ending December 31, 2005	For the year ending December 31, 2006
Sales and Other Income	12.16	11.23	6.59
Profit / (*Loss*) after tax	(0.86)	(0.09)	(0.16)
Equity Capital	0.00	0.00	0.00
Reserves and Surplus (*excluding revaluation reserves*)	(0.78)	(0.86)	(1.02)

	For the year ending December 31, 2004	For the year ending December 31, 2005	For the year ending December 31, 2006
Earnings/(*Loss*) per share (*diluted*) (*Rs*.)	(861,727)	(86,403)	(160,116)
Book Value per share (*Rs*.)	(775,147)	(861,550)	(1,021,666)

p. The Wallis Laboratory Limited, ("Wallis Laboratory")

Wallis Laboratory was originally incorporated on August 25, 1951 as Dayol Products Limited. Its name was changed to The Wallis Laboratory Limited on January 15, 1983. It is a private company limited by shares and its object being to act as nominee with respect to trading with third parties by Wallis Licensing Limited and Wallis Group Limited.

Wallis Laboratory is an unlisted company.

The registered office of Wallis Laboratory is located at Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF.

Shareholding Pattern

The shareholding pattern of Wallis Laboratory Limited as on December 31, 2007 was as follows:

Sr. No.	Name of Shareholder	Number of equity shares of GBP 1 each	% of issued Capital
1.	Wallis Group Limited (4040 ordinary share of ₤1 each)	4040	100
	TOTAL	4040	100

Board of Directors

The Board of Directors of Wallis Laboratory currently comprises Mr. H. F. Khorakiwala, Mr. Rajiv. B. Gandhi, Mr. Sirjiwan Singh.

Financial Performance

Wallis Laboratory is a nominee company with respect to trading with third party by Wallis Licensing Limited and Wallis Group Limited. There are no substantial financial transactions undertaken by Wallis Laboratories, therefore the financial data is not available.

q. Wallis Group Limited, ("Wallis")

Wallis was incorporated on April 29, 1994 as a company limited by shares with its main object being manufacturing of pharmaceuticals. Originally the company was incorporated as Sovco (561) Limited and subsequently on July 5, 1994 changed its name to Wallis Group Limited.

Wallis is an unlisted company.

The registered office of Wallis is located at Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF.

Shareholding Pattern

The shareholding pattern of Wallis as on December 31, 2007 was as follows:

Sr. No.	Name of Shareholder	Number of equity shares of GBP 1 each	% of issued Capital (approximated)
1.	Wockhardt UK holdings Limited (1,408,666 ordinary share of ₤1 each)	1,408,666	100
	TOTAL	1,408.666	100

Board of Directors

The Board of Directors of Wallis currently comprises Mr. H. F. Khorakiwala, Mr. Rajiv. B. Gandhi and Mr. Sirjiwan Singh.

Financial Performance

The audited financial results of Wallis for the last three financial years are as under:

(*GBP in millions, except per share data*)

	For the year ending December 31, 2004	For the year ending December 31, 2005	For the year ending December 31, 2006
Sales and Other Income	-	-	-
Profit / (*Loss*) after tax	(0.80)	(0.97)	0.75
Equity Capital	1.41	1.41	1.41
Reserves and Surplus (*excluding revaluation reserves*)	1.82	0.84	1.59
Earnings/(*Loss*) per share (*diluted*) (*Rs.*)	(0.57)	(0.69)	0.53
Book Value per share (*Rs.*)	2.29	1.60	2.13

Companies with which the Promoters have disassociated in the last three years

The Promoters have not disassociated from any Company in the last three years.

Other Confirmations

None of the Promoter Group companies have become sick companies under the meaning of the Sick Industrial Companies Act and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Promoter Group companies to the Registrar of Companies for striking off their names.

Litigation

For details relating to legal proceedings involving our Promoters and members of the Promoter Group see the section titled "Outstanding Litigation and Material Developments" beginning on page 235 of this Red Herring Prospectus.

Related Party Transactions

For details of the related party transactions see the section titled "Related Party Transactions" beginning on page 141 of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

We have transactions with our related parties comprising of our subsidiary, associates, joint ventures, Promoters, Promoter Group entities and key managerial personnel.

Related Party disclosures

a) List of related parties and relationships:

Name of the related party	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Dartmour Holdings Private Limited	Holding	Holding	-	-	-
Khorakiwala Holdings & Investments Private Limited	-	-	Holding	Holding	Holding
Kanishka Housing Development Company Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Wockhardt Limited	-	-	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Carol Info Services Limited	-	-	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Merind Limited	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Zaahid Holdings & Investments Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Zeigler Investments Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Fabilau Estate Development Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Chetana Trust	Enterprise where control exist	-	-	-	-
Sri Raghavendra Educational Institute & Society	Enterprise where control exist	-	-	-	-
H F Khorakiwala	-	-	Key Management Personnel	-	-
Anil Kamath	Managing Director	-	-	-	-
Vishal Bali	Managing Director	-	-	-	-

b) **Transactions with Holding Company and year end balances:**

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Guarantee Fees paid					
Khorakiwala Holdings & Investments Private Limited	-	-	0.17	0.15	-
Preference Share Capital converted to Equity Share Capital					
Khorakiwala Holdings & Investments Private Limited	-	-	250.00	-	-
Loans & Advances given by Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	60.00	69.00	250.00
Loans & Advances repaid to Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	-	69.00	250.00
Related Party Balances					
Payable to Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	60.52	0.15	-

c) **Transactions with Subsidiary Company and year end balances:**

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Payment of Rent					
Kanishka Housing Development Company Ltd	0.75	0.71	-	-	-
Loans & Advances given to Subsidiary Company					
Kanishka Housing Development Company Ltd	2.17	0.01	0.00	0.02	0.93
Loans & Advances repaid by Subsidiary Company					
Kanishka Housing Development Company Ltd	0.56	0.55	-	-	-
***Related* Party Balances**					
Receivables					
Kanishka Housing Development Company Ltd	2.02	0.41	0.95	0.95	0.93

d) Transactions with Fellow Subsidiaries and year end balances:

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Purchase of Finished Goods					
Wockhardt Limited	-	-	-	99.58	-
Reimbursement of Support Function Cost					
Wockhardt Limited	-	-	6.00	6.00	4.80
Payment of Rent/Business arrangement Fees					
Carol Info Services Limited	-	-	16.22	16.22	16.22
Merind Limited	2.47	3.00	3.00	3.00	3.00
Services					
Wockhardt Limited	-	-	0.21	0.12	-
Interest on NCD					
Carol Info Services Limited	-	-	7.80	10.40	14.30
Interest paid on Loans					
Wockhardt Limited	-	-	-	-	1.07
Carol Info Services Limited	-	-	1.16	6.68	30.57
Interest Income on Loans given					
Merind Limited	-	-	-	3.75	7.27
Guarantee Fees paid					
Carol Info Services Limited	-	-	0.38	0.94	-
Loans & Advances given to Fellow Subsidiary Companies					
Merind Limited	-	-	-	-	350.27
Loans & Advances repaid by Fellow Subsidiary Companies					
Merind Limited	-	-	-	-	200.64
Loans & Advances given by Fellow Subsidiary Companies					
Wockhardt Limited	-	-	-	-	303.70
Carol Info Services Limited	-	-	143.36	215.82	980.81
Loans & Advances repaid to Fellow Subsidiary Companies					
Wockhardt Limited	-	-	-	-	303.70
Carol Info Services Limited	-	-	109.49	345.57	852.82
Related Party Balances					
Receivables from Fellow Subsidiary Companies					
Merind Limited	-	0.67	-	-	149.63
Payable to Fellow Subsidiary Companies					
Carol Info Services Limited	-	-	33.71	0.94	127.99
Corporate Guarantees given by Fellow Subsidiary Companies					

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Carol Info Services Limited	-	-	-	300.00	300.00
Security Deposit given to Fellow Subsidiary Companies					
Merind Limited	70.00	70.00	70.00	70.00	70.00
Non Convertible Debentures					
Carol Info Services Limited	-	-	130.00	130.00	130.00

e) Transactions with Key Management Personnel and year end balances:

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Remuneration paid (Refer note no.13)	9.43	-	-	-	-

f) Transactions with Enterprises where control exists and year end balances:

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Interest Income					
Chetana Trust	0.71	-	-	-	-
Sri Raghavendra Educational Institute & Society	0.16	-	-	-	-
Loans Given					
Chetana Trust	12.02	-	-	-	-
Sri Raghavendra Educational Institute & Society	6.48	-	-	-	-
Loans Recovered					
Chetana Trust	-	-	-	-	-
Sri Raghavendra Educational Institute & Society	2.20	-	-	-	-
Related Party Balances					
Chetana Trust	12.73	-	-	-	-
Sri Raghavendra Educational Institute & Society	4.44	-	-	-	-

Notes : 1) All figures are in Rs. Million

2) Since AS – 18 on Related Party Transactions as issued by the Institute of Chartered Accountants of India, first became applicable to the Company with effect from the accounting year starting April 1, 2004, hence information for the year ended March 31, 2003 has not been presented above.

DIVIDEND POLICY

The Company has not paid any cash dividends on its Equity Shares in the past and anticipates that any earnings will be retained for development and expansion of its business and does not anticipate paying any cash dividends in the foreseeable future.

Any future dividends declared would be at the discretion of the Board of Directors and would depend on the financial condition, results of operations, capital requirements, contractual obligations, the terms of our credit facilities and other financing arrangements of the Company at the time a dividend is considered, and other relevant factors.

Pursuant to the terms of the Company's loan agreements with certain banks and financial institutions, the Company cannot declare or pay any dividend to its Shareholders during any Fiscal Year unless the Company has paid all the amounts remaining outstanding under such loan agreements to the respective lenders or made satisfactory provisions therefor or if the Company is in default of the terms and conditions of such loan agreements.

SECTION V – FINANCIAL INFORMATION

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP, U.S. GAAP AND IFRS

Our financial statements are prepared in conformity with Indian GAAP, which differs in certain significant respects from U.S. GAAP and IFRS. Such differences involve methods for measuring the amounts shown in the financial statements of the Issuer, as well as additional disclosures required by U.S. GAAP and IFRS, which we have not made.

The following is a general summary of certain significant differences between Indian GAAP, U.S. GAAP and IFRS.

The differences identified below are limited to those significant differences that are appropriate to our financial statements. However, they should not be construed as exhaustive as no attempt has been made by our management to quantify the effects of those differences, nor has a complete reconciliation of Indian GAAP to U.S. GAAP or Indian GAAP to IFRS been undertaken by our management. Had any such quantification or reconciliation been undertaken by our management, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements and the notes thereto

We have not prepared financial statements in accordance with U.S. GAAP or IFRS. Therefore, the Company cannot presently estimate the net effect of applying U.S. GAAP or IFRS on its results of operations or financial position.

Further, no attempt has been made to identify future differences between Indian GAAP, U.S. GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate Indian GAAP, U.S. GAAP and IFRS have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between Indian GAAP, U.S. GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future.

Potential investors should consult their own potential advisors for an understanding of the principal differences between Indian GAAP, U.S. GAAP and IFRS and how these differences might affect the financial statements appearing in the section titled "Financial Statements" beginning on page 158 of this Red Herring Prospectus.

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
1.	Contents of financial statements	Balance sheet, profit and loss account, cash flow statement, accounting policies and notes are presented for the current year, with comparatives for the previous year.	Comparative two years' balance sheets, income statements, cash flow statements, changes in shareholders' equity and accounting policies and notes. Three years are required for public companies for all statements except balance sheet where two years are provided.	Comparative two years' balance sheets, income statements, cash flow statements, changes in shareholders' equity and accounting policies and notes.
2.	First time adoption	First-time adoption of Indian GAAP requires retrospective application. In addition, particular standards specify treatment for first-time adoption of	Similar to Indian GAAP	Full retrospective application of all IFRSs effective at the reporting date for an entity's first IFRS financial statements,

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
		those standards.		with some optional exemptions and limited mandatory exceptions.
3.	Changes in accounting policies	Include effect in the income statement for the period in which the change is made except as specified in certain standards (transitional provision) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.	Generally include effect in the current year income statement through the recognition of a cumulative effect adjustment. Disclose pro forma comparatives. Retrospective adjustments for specific items. Recent amendment requires restatement of comparatives and prior year opening retained earnings. The new amendment is applicable to accounting changes that are made in fiscal years beginning after 15 December 2005.	Restate comparatives and prior-year opening retained earnings.
4.	Revenue	Revenue is recorded on the basis of services rendered.	Similar to Indian GAAP. However, extensive guidance is there for accounting of specific transactions	Similar to Indian GAAP. However, extensive guidance is there for accounting of specific transactions Based on several criteria, which require the recognition of revenue when risks and rewards have been transferred and the revenue can be measured reliably.
5.	Consolidation of Variable interest entities	There is no specific guidance with respect to Variable Interest Entities.	Entities are required to evaluate if they have any interest in Variable Interest Entities, as defined by the standard. Consolidation of such entities may be required if certain conditions are met.	SIC 12 states that a special purpose entity (SPE) should be consolidated when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity.
6.	Business Combinations	Restricts the use of pooling of interest method to circumstances, which meet the criteria listed for an amalgamation in the nature of a merger; mainly when all assets and liabilities, and	Business combinations are accounted for by the purchase method only (except as discussed below). Several differences can arise in terms of date of	IFRS 3 requires all Business combinations to be accounted for on the basis of the purchase method. It however scopes out businesses brought

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
		90% shareholders of transferor company become part of the transferee company. In all other cases, the purchase method is used.	combination, calculation of share value to use for purchase price, especially if the Indian GAAP method is 'amalgamation' or pooling. In the event of combinations of entities under common control, the accounting for the combination is done on a historical cost basis in a manner similar to a pooling of interests for all periods presented.	together to form a joint venture, business combinations involving businesses or entities under common control or involving two or more mutual entities and business combinations in which separate entities or businesses are brought together to form a reporting entity by contract alone without obtaining an ownership interest. * The use of Pooling of Interest Method is prohibited. * Severely restricted to "true mergers of equals". Rules focus on lack of identification of an acquirer
7.	Goodwill	Goodwill is computed as the excess of the purchase price over the carrying value of the net assets acquired. Goodwill is tested for impairment annually for listed entities and other specified categories of entities satisfying certain turnover/borrowings criteria. Where a scheme of amalgamation/merger sanctioned by the Court specifies a different accounting treatment for goodwill, which treatment is followed and disclosures made for impact of deviation from the treatment specified under the relevant accounting standard.	Goodwill is computed as the excess of the purchase price over the fair value of the net assets acquired. Goodwill is not amortized but tested for impairment annually.	The goodwill shall be recognized as an asset on the acquisition date by the acquirer. Goodwill is computed at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. After the initial recognition, the goodwill acquired in a business combination shall be measured at cost less any accumulated impairment loss. Goodwill is not required to be amortized.
8.	Negative Goodwill (i.e., the excess of	Negative goodwill is computed based on the book value of assets (not	Negative goodwill is allocated to reduce proportionately the fair	If the acquirer's interest in the net fair value of the

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
	the fair value of net assets acquired over the aggregate purchase consideration)	the fair value) of assets taken over/acquired and is credited to the capital reserve account, which is a component of shareholders' funds.	value assigned to non-monetary assets. Any remaining excess is considered to be an extraordinary gain.	identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination, the acquirer shall reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and recognize immediately in the profit or loss, any excess remaining after that reassessment.
9.	Intangible assets	Intangible assets are capitalized if specific criteria are met and are amortized over their useful life, generally not exceeding 10 years. The recoverable amount of an intangible asset that is not available for use or is being amortized over a period exceeding 10 years should be reviewed at least at each financial year-end even if there is no indication that the asset is impaired.	When allocating purchase price of a business combination, companies need to identify and allocate such purchase price to intangible assets, based on specific criteria. Intangibles that have an indefinite useful life are required to be tested, at least annually, for impairment. Intangible assets that have finite useful life are required to be amortized over their estimated useful lives.	Intangible assets are recognized if the specific criteria are met. Assets with a finite useful life are amortized on a systematic basis over their useful life. An asset with an indefinite useful life and which is not yet available for use should be tested for impairment annually.
10.	Segment Information	Segmental disclosures are required to be given by all public companies (listed or in the process of getting listed), banks, financial institutions, entities carrying on insurance business and enterprises having turnover above Rs. 500 million or borrowings above Rs. 100 million. Specific requirements govern the format and content of a reportable segment and the basis of identification of a reportable segment. Both business and geographical segments are identified and	Segmental disclosures are required to be made by all public business enterprises. A Company is required to report information about its products and services, the geographical areas in which it operates and its major customers. Reportable business segments are required to be identified based on specified criteria. Disclosures are required for both Business and geographic segments.	Segmental disclosures are required to be given by entities whose equity or debt securities are publicly traded or those entities that are in the process of issuing such publicly traded equity or debt securities. Both business and geographical segments are identified and either of the two is classified as primary segment (with the other one being classified as the secondary segment).

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
		either of the two is classified as primary segment (with the other one being classified as the secondary segment).		IAS 14 prescribes detailed disclosures for primary segment and relatively lesser disclosure for secondary segments.
11.	Dividends	Dividends are reflected in the financial statements of the year to which they relate even if proposed or approved after the year-end.	Dividends are accounted for when approved by the board/shareholders. If the approval is after year-end, the dividend is not considered to be a subsequent event that needs to be reflected in the financial statements.	Dividends to holders of equity instruments, when proposed or declared after the balance sheet date, should not be recognized as a liability on the balance sheet date. The Company however is required to disclose the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorized for issue.
12.	Property, Plant and Equipment	Fixed assets are recorded at the historical costs or revalued amounts. Foreign exchange gains or losses relating to liabilities incurred in the procurement of property, plant and equipment from outside India are required to be adjusted to the cost of the asset. Depreciation is recorded over the asset's useful life. Schedule XIV of the Companies Act prescribes minimum rates of depreciation and typically companies use these as the basis for useful life. Interest cost on specified or identifiable borrowings is capitalized to qualifying assets during its construction period.	Revaluation of fixed assets is not permitted under US GAAP. All foreign exchange gains or losses relating to the payables for the procurement of property, plant and equipment are recorded in the income statement. Depreciation is recorded over the asset's estimated useful life, which maybe different from the useful life based on Schedule XIV. An entity must capitalize borrowing costs attributable to the acquisition, construction or production of a qualifying asset.	Fixed assets are recorded at cost or revalued amounts. If carried at revalued amount, assets should be frequently revalued to match their carrying amount with their fair values. Foreign exchange gains or losses relating to the procurement of property, plant and equipment, under very restrictive conditions, can be capitalized as part of the asset. Depreciation is recorded over the asset's estimated useful life. The residual value and the useful life of an asset and the depreciation method shall be reviewed at least at each financial year-end. An entity has the

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
				option of capitalizing borrowing costs incurred during the period that the asset is getting ready for its intended use.
13.	Investment in Securities	Investments are categorized into- • Current investments (where changes in fair value are taken directly to profit or loss) • Long Term investments which are carried at cost unless there is a permanent diminution in value, in which case, a provision for diminution is required to be made by the entity.	Investments are categorized into- • Held to maturity (measured at amortized cost using effective interest method) • Trading (where changes in fair value, regardless of whether they are realized or unrealized are recognized as profit or loss) • Available for sale (where unrealized gains or losses are accounted as a component of equity and recognized as profit or loss when realized)	Investments are categorized into- • Held to maturity investments (measured at amortized cost using effective interest method) • Financial assets at fair value through profit or loss (where changes in fair value are taken directly to profit or loss) • Available for sale investments (where changes in fair value are accounted in equity and recycled to the profit or loss when realized)
14.	Inventory	Measured at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale. Reversal (limited to the amount of original write down) is required for a subsequent increase in value of inventory previously written down.	Measurement is done at lower of cost or market. Market value is defined as being current replacement cost subject to an upper limit of net realizable value (i.e. estimated selling price in the ordinary course of business less reasonably predictable costs of completion and disposal) and a lower limit of net realizable value less a normal profit margin. Reversal of a write down is prohibited, as a write down creates a new cost basis.	Measured at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale. Reversal (limited to the amount of original write down) is required for a subsequent increase in value of inventory previously written down.

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
15.	Impairment of assets, other than Goodwill, intangible assets with indefinite useful lives and intangible assets not available for use	The standard requires the company to assess whether there is any indication that an asset is impaired at each balance sheet date. Impairment loss (if any) is provided to the extent the carrying amount of assets/Cash generating units (CGUs) exceeds their Recoverable amount. Recoverable amount is the higher of an asset's/CGU's selling price or its Value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset/CGU and from its disposal at the end of its useful life. An impairment loss for an asset/CGU recognized in prior accounting periods should be reversed if there has been a change in estimates of cash inflows, cash outflows or discount rates used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognized. In this case, the carrying amount of the asset/CGU should be increased to its recoverable amount. The reversal of impairment loss should be recognized in the income statement.	An impairment analysis is performed if impairment indicators exist. An impairment loss shall be recognized only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value (which is determined based on discounted cash flows). Impairment loss is recorded in the income statement. Reversal of impairment loss recognised in prior period is prohibited.	An entity shall assess at each reporting date whether there is any indication that an asset/CGU maybe impaired. An impairment analysis is performed if impairment indicators exist. The impairment loss is the difference between the asset's/CGU's carrying amount and its recoverable amount. The recoverable amount is the higher of the asset's/CGU's fair value less costs to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss recognized in prior periods for an asset shall be reversed if, there has been a change in the estimates used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognized.
16.	Pension / Gratuity / Post Retirement Benefits (Defined Benefit Plans)	The liability for defined benefit plans like gratuity and pension is determined as per actuarial valuation determined based on projected unit credit method. Discount rate to be used is determined by reference to market yields on government bonds. Actuarial gains or losses are recognized immediately in	The liability for defined benefit schemes is determined using the projected unit credit actuarial method. The discount rate for obligations is based on market yields of high quality corporate bonds. The plan assets are measured using fair value or using discounted cash flows if market prices are	Annual service cost and defined benefit obligation is determined through actuarial valuation. The liability for defined benefit schemes is determined using the projected unit credit actuarial method. Discount rate to be used for determining

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
		the statement of income.	unavailable. If at the beginning of the year, the actuarial gains or losses exceeds 10% of the greater of the projected benefit obligation or the market-related value of plan assets, then such amount is not recognized immediately, but amortized over the average remaining service period of active employees expected to receive benefits under the plan.	defined benefit obligations is by reference to market yields at the balance sheet date on high quality corporate bonds of a currency and term consistent with the currency and term of the post employment benefit obligations. The actuarial gains or loss are to be recognized using either the corridor approach or immediately in the profit or loss account or in the statement of recognized income and expenses.
17.	Leases	Leases are classified as finance or operating in accordance with specific criteria. Judgment is required to determine if the criteria are met or not.	The criteria to classify leases as capital or operating include specific quantitative thresholds.	Leases are classified as finance or operating in accordance with specific criteria. Judgment is required to determine if the criteria are met or not.
18.	Sale and leaseback	Gain on a sale and leaseback transaction where the leaseback is an operating lease is recognized immediately, if the transaction is established at fair value. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.	If the sale-leaseback transaction results in an operating lease, the timing of the recognition of a gain on the sale depends on whether the seller has leased back a minor portion of the leased asset or more than a minor portion. If the present value of a reasonable amount of rentals for the leaseback period represents 10% or less of the fair value of the asset sold, the seller lessee has leased back a minor portion in which case the seller should recognize any gain on the sale of the asset at the time of sale. If the seller-lessee retains more than a minor portion, but less than substantially all of the use of the property, any gain in excess of the	If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss shall be recognised immediately. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
			present value of a reasonable amount of rent should be recognized currently. The remaining gain on the sale is deferred and recognized as a reduction of rent expense over the term of the lease in proportion to the related gross rentals. A loss on the sale is recognized immediately.	excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.
19.	Deferred Taxes	Deferred taxes are accounted for using the income statements approach, which focuses on timing differences. Deferred tax asset/liability is classified as long term. The tax rate applied on deferred tax items is the enacted or the substantively enacted tax rate as on the balance sheet date. Except for deferred tax on certain expenses written off directly against equity which is required to be adjusted in equity, deferred tax is always recognized in the income statement	Deferred tax asset/liability is classified as current and long-term depending upon the timing difference and the nature of the underlying asset or liability. The tax rate applied on deferred tax items is the enacted tax rate. Deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.	Deferred taxes are accounted for using the Balance sheet liability method, which focuses on temporary differences. Deferred tax assets/liabilities should be measured based on enacted or substantively enacted tax laws and tax rates that are expected to apply in the period they are realized/settled. Deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity in the same or different periods.
20.	Stock based compensation	Entities have a choice of accounting methods for determining the costs of benefits arising from employees stock compensation plans. Although the fair value approach is recommended, entities may use the intrinsic value method and give fair value disclosures.	Entities are only allowed to use the fair value approach. Two alternative methods for determining cost: intrinsic value (market price at measurement date less any employee contribution or exercise price), or fair value at issue using option price model.	Entities are only allowed to use the fair value approach.
21.	Start up costs and organization	Start up costs are required to be expensed unless attributable to bringing the	Requires costs of start-up activities and organization costs to be	Start up costs relating to plant, property & equipments, other than

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
	costs	asset to working condition for its intended use, in which case they are capitalized.	expensed as incurred.	those related to bringing the asset to its working conditions may not be capitalized.
22.	Contingent assets	A possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. The item is recognised as an asset when the realisation of the associated benefit such as an insurance recovery, is virtually certain. However, Contingent assets, where an inflow of economic benefits is probable are not disclosed in financial statements.	Contingent assets are recognised, when realised, generally upon receipt of consideration.	A possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. The item is recognised as an asset when the realisation of the associated benefit such as an insurance recovery, is virtually certain.
23.	Contingent liabilities	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. Contingent liabilities are disclosed unless the probability of outflows is remote. Discounting of liability is not permitted and no provision is recognized on the basis of constructive obligation.	An accrual for a loss contingency is recognised if it is probable (defined as likely) that there is a present obligation resulting from a past event and an outflow of economic resources is reasonably estimable. If a loss is probable but the amount is not estimable, the low end of a range of estimates is recorded. Contingent liabilities are disclosed unless the probability of outflows is remote.	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. It can also be a present obligation that is not recognised because it is not probable that there will be an outflow of economic benefits, or the amount of the outflow cannot be reliably measured. Contingent liabilities are disclosed unless the probability of outflows is remote.
24.	Recognition and measurement of financial assets and liabilities	Financial assets and liabilities are recorded at cost. Indian GAAP does not allow fair valuation of financial assets/ liabilities except for current investment which are carried at lower of cost and market values	Financial assets and liabilities are initially recorded at cost and then restated on fair values except for held till maturity investments, which are carried at amortized cost.	Similar to US GAAP.

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
25.	Related parties disclosures	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved.	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved. Scope of related party is wider than the scope defined in Indian GAAP. All material related party transactions (other than compensation arrangements, expense allowances and similar items) must be disclosed in the separate financial statements of wholly-owned subsidiaries, unless these are presented in the same financial report that includes the parent's consolidated financial statements (including those subsidiaries).	IAS 24 specifically refers to Related Parties' Disclosure. There is a requirement to disclose the amounts involved in a transaction, as well as the balances for each major category of related parties. However, these disclosures could be required in order to present meaningfully the "elements" of the transaction, which is a disclosure requirement.
26.	Post balance sheet events	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors' Report.	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Disclosing non-adjusting events.	Similar to US GAAP
27.	Segment reporting	Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.	Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting	Similar to Indian GAAP

S. No.	Particulars	Indian GAAP	US GAAP	IFRS
			policy).	
28.	Earning per share	Use weighted average potential dilutive shares as denominator for diluted EPS.	Use weighted average potential dilutive shares as denominator for diluted EPS and use "treasury stock" method for options/warrants.	Use weighted average potential dilutive shares as denominator for diluted EPS and use "treasury stock" method for options/warrants.
29.	Debt issue cost	Debt issue costs are expensed as incurred.	Debt issue costs should be deferred as an asset and amortised as an adjustment to yield. Amortisation should be done based on the interest method, but other methods may be used if the results are not materially different from the interest method.	Similar to US GAAP
30.	Provisions	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting is not permitted.	Similar to Indian GAAP. Rules for specific situations (including employee termination costs, environmental liabilities and loss contingencies). Discounting required only when timing of cash flows is fixed.	Similar to Indian GAAP. Discounting is not permitted.
31.	Share issue expenses	AS - 26 requires to be expensed.	May be set off against the realised proceeds of share issue	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net of any related income tax benefit. The costs of a transaction, which fails to be completed, should be expensed.
32.	Correction of error/ omissions	Include effect in the current year income statement. The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on current profit or loss can be perceived.	Restatement of comparatives is mandatory.	Either restate comparatives or include effect in current year income statement and provide pro-forma comparatives in the notes.

FINANCIAL STATEMENTS

AUDITORS' REPORT ON UNCONSOLIDATED FINANCIAL INFORMATION OF WOCKHARDT HOSPITALS LIMITED

To,
The Board of Directors
WOCKHARDT HOSPITALS LIMITED
Wockhardt Towers,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.
India

Dear Sirs,

We have examined the financial information of **WOCKHARDT HOSPITALS LIMITED** ("WHL" or the "Company") for the purpose of its inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such financial information comprises of (A) Financial Information as per Restated Unconsolidated Summary Statements and (B) Other Financial Information, which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

a. paragraph B (1) of Part II of Schedule II to the Indian Companies Act, 1956 ("the Act");

b. the Securities & Exchange Board of India ("SEBI") (Disclosure & Investor Protection) Guidelines, 2000 (the "Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000, as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

1. We have examined such financial information taking into consideration:

   a. the terms of reference received from the Company vide their letter dated July 18, 2007 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO;

   b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

2. *Financial information as per Restated Unconsolidated Summary Statement include*:

   - assets and liabilities of the Company as at December 31,2007, March 31,2007, 2006, 2005, 2004 and 2003;
   - profits and losses of the Company for the nine months period ended December 31, 2007 and each of the years ended March 31,2007, 2006, 2005, 2004 and 2003; and
   - cash flows of the Company for the nine months period ended December 31,2007 and each of the years ended March 31,2007, 2006 ,2005, 2004 and 2003.

   The aforesaid statements as prepared (hereinafter collectively are referred to as "Restated Unconsolidated Summary Statements") are attached as **Annexure I, II and III** respectively to this Report.

3. The aforesaid statements have been extracted by the Management from the financial statements of the Company for those years, which have been audited by us except Cash Flow Statement of the Company for the year ended March 31, 2003, which has been prepared by the Management and reviewed by us.

4. The Restated Unconsolidated Summary Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in **Annexure IV** to this report. Based on our examination of the same, we confirm that:

- there are no changes in accounting policies that require an adjustment in the Restated Unconsolidated Summary Statements;
- material amounts relating to previous years have been adjusted in the Restated Unconsolidated Summary Statements in the years to which they relate;
- there are no extraordinary items, which need to be disclosed separately in the Restated Unconsolidated Summary Statements; and
- there are no qualifications in auditors' reports that require an adjustment in the Restated Unconsolidated Summary Statements.

5. We further confirm that the Company has not declared any dividend on equity shares during the years ended March 31, 2007, 2006, 2005, 2004 and 2003 or during the nine months period ended December 31, 2007.

6. *Other Financial Information annexed to this report and which has been approved by the Board of Directors of the Company for its inclusion in the offer document includes:*

    a. Details of Loans and Advances as appearing in **Annexure V** to this report.

    b. Details of Sundry Debtors as appearing in **Annexure VI** to this report.

    c. Details of Investments as appearing in **Annexure VII** to this report.

    d. Statement of Accounting Ratios as appearing in **Annexure VIII** to this report.

    e. Details of Secured and Unsecured Loan as appearing in **Annexure IX** to this report.

    f. Details of Sales & Services as appearing in **Annexure X** to this report.

    g. Details of Other Income as appearing in **Annexure XI** to this report.

    h. Capitalisation Statement as appearing in **Annexure XII** to this report.

    i. Statement of Tax Shelter as appearing in the **Annexure XIII** to this report.

7. In our opinion, the financial information of the Company as stated in Para 2 above and Other financial information as stated in Para 6 above, read with the Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Notes to Accounts, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

8. The sufficiency of the procedures performed or adopted by the Company in preparation of the statements as set forth in the above paragraphs of this report is the sole responsibility of the Company. Consequently, we make no representation regarding the sufficiency of the procedures.

9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company in India and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Haribhakti & Co.,**
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai
Date : January 10, 2008

ANNEXURE I : RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Fixed Assets						
Gross Block	3,741.27	2,839.47	1,314.01	1,202.30	1,123.78	762.50
Less : Accumulated Depreciation / Amortisation	718.41	573.32	453.53	366.56	275.96	194.24
Net Block	3,022.86	2,266.15	860.48	835.74	847.82	568.26
Capital Work in Progress including capital advances	1,391.34	806.43	993.55	377.04	133.49	245.88
TOTAL	**4,414.20**	**3,072.58**	**1,854.03**	**1,212.78**	**981.31**	**814.14**
Investments	139.39	139.39	140.09	164.39	139.39	-
Current Assets, Loans & Advances						
Inventories	209.40	82.18	38.41	28.33	20.16	16.48
Sundry Debtors	342.22	217.90	107.05	65.35	40.64	20.24
Cash and Bank Balances	626.87	409.16	84.48	125.68	24.18	19.33
Other Current Assets	25.26	2.14	-	0.02	-	0.06
Loans & Advances	427.47	267.89	138.20	101.86	253.91	102.89
TOTAL ASSETS	**6,184.81**	**4,191.24**	**2,362.26**	**1,698.41**	**1,459.59**	**973.14**
Liabilities and Provisions						
Secured Loans	2,013.96	1,505.68	1,132.61	794.53	714.13	378.90
Unsecured Loans	2,350.00	1,356.77	249.23	200.00	527.99	137.01
Deferred Tax Liability (Net)	132.73	67.22	83.70	100.56	82.62	43.48
Current Liabilities	761.22	490.37	312.40	178.60	167.53	361.94
Provisions	86.64	58.25	26.76	10.87	6.61	4.46
TOTAL LIABILITIES	**5,344.55**	**3,478.29**	**1,804.70**	**1,284.56**	**1,498.88**	**925.79**
Net Worth	**840.26**	**712.95**	**557.56**	**413.85**	**(39.29)**	**47.35**
Represented by						
Equity Share Capital	742.78	500.00	500.00	250.00	60.00	60.00
Preference Share Capital	-	-	-	250.00	-	-
Reserves & Surplus	97.48	212.95	57.56	4.59	4.59	4.59
Less :						
Debit Balance of Profit & Loss Account	-	-	-	(90.74)	(103.88)	(17.24)
Net Worth	**840.26**	**712.95**	**557.56**	**413.85**	**(39.29)**	**47.35**

The above statement should be read with the Notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, appearing in Annexure IV

As per our report of even date

For **Haribhakti & Co**	For and on behalf of the Board of Directors	
Chartered Accountants		
Chetan Desai	**Habil Khorakiwala**	**Anil Kamath**
Partner	Director	Director
Membership No. 17000		

Place : Mumbai
Date : 10/01/2008

ANNEXURE II : RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES						
						(Rs. In Million)
Particulars	**Nine Months Ended December 31, 2007**	**Year Ended March 31, 2007**	**Year Ended March 31, 2006**	**Year Ended March 31, 2005**	**Year Ended March 31, 2004**	**Year Ended March 31, 2003**
Income						
Sales and Services	2,594.81	2,364.84	1,586.78	1,290.97	822.53	491.33
Other Income	4.98	2.20	4.85	1.33	0.75	1.04
Total Income	**2,599.79**	**2,367.04**	**1,591.63**	**1,292.30**	**823.28**	**492.37**
Expenditure						
Purchases	842.07	782.01	515.82	479.93	265.16	153.88
(Increase) / Decrease in Inventories	(127.37)	(43.77)	(10.08)	(8.17)	(3.68)	(6.91)
Personnel Expenses	310.41	295.69	192.95	148.21	112.22	76.21
Operating Expenses	889.05	790.05	517.17	350.61	256.96	150.59
General and Administration Expenses	80.16	79.68	50.80	48.00	35.15	37.39
Selling Expenses	59.80	69.06	37.62	55.95	39.99	22.63
Interest Expenses (net)	235.55	113.07	56.99	93.51	82.75	40.34
Depreciation /Amortisation	145.87	120.12	88.45	90.72	82.21	46.40
Total Expenditure	**2,435.54**	**2,205.91**	**1,449.72**	**1,258.76**	**870.76**	**520.53**
Profits / (Losses) before Tax	**164.25**	**161.13**	**141.91**	**33.55**	**(47.48)**	**(28.16)**
Income Tax	(18.52)	(18.15)	(11.85)	(2.43)	-	-
Fringe Benefit Tax	(5.95)	(4.03)	(3.16)	-	-	-
Wealth Tax	(0.11)	(0.06)	(0.04)	(0.04)	(0.02)	-
Deferred Tax	(65.52)	16.48	16.86	(17.94)	(39.14)	(31.74)
Net Profits /(Losses) as restated	**74.15**	**155.37**	**143.72**	**13.13**	**(86.64)**	**(59.90)**
Profits/ (Losses) at the beginning of the year	208.35	52.97	(90.74)	(103.88)	(17.24)	42.66
Balance Carried Forward as restated	**282.50**	**208.35**	**52.97**	**(90.74)**	**(103.88)**	**(17.24)**

The above statement should be read with the Notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, appearing in Annexure IV

As per our report of even date		
For **Haribhakti & Co**	For and on behalf of the Board of Directors	
Chartered Accountants		
Chetan Desai	**Habil Khorakiwala**	**Anil Kamath**
Partner	Director	Director
Membership No. 17000		
Place : Mumbai		
Date : 10/01/2008		

ANNEXURE III : RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. In Million)

	Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003
A	**Cash Flows from Operating Activities**						
	Net profits/(losses) before tax, as restated	**164.25**	**161.13**	**141.91**	**33.55**	**(47.48)**	**(28.16)**
	Adjustment for :						
	Depreciation & Amortisation	145.87	120.12	88.45	90.72	82.21	46.40
	(Profit)/Loss on sale of Investments	0.00	(0.01)	(0.11)	-	-	-
	(Profit)/Loss on sale of Fixed assets	(0.19)	0.23	(0.47)	(0.06)	0.05	0.55
	Provision for Doubtful debts	-	0.58	1.43	1.10	1.66	-
	Foreign exchange loss/(gain)	1.60	(0.45)	(0.06)	5.57	0.00	(0.03)
	Interest expense	246.91	118.26	60.31	97.38	83.57	41.80
	Interest income	(11.37)	(11.04)	(3.32)	(3.87)	(0.82)	(1.46)
	Operating Profits /(Losses) before Working capital changes	**547.07**	**388.82**	**288.14**	**224.38**	**119.19**	**59.10**
	Movement in working capital:						
	(Increase)/Decrease in Inventories	(127.22)	(43.77)	(10.08)	(8.17)	(3.68)	(6.91)
	(Increase)/Decrease in Sundry Debtors	(124.33)	(111.43)	(43.13)	(25.81)	(22.06)	(5.26)
	(Increase)/Decrease in Loans and advances	(111.65)	(100.17)	(33.31)	4.62	3.97	(79.91)
	(Increase)/Decrease in Other Current Assets	(23.12)	(2.14)	-	-	-	-
	Increase/(Decrease) in Current Liabilities and provisions	268.77	183.22	137.41	9.18	(192.28)	307.61
	Cash generated from /(used in) operations	**429.53**	**314.53**	**339.03**	**204.20**	**(94.86)**	**274.63**
	Tax (paid) / refund	(36.75)	(26.98)	(6.37)	(2.21)	(4.36)	19.03
	Net Cash generated from /(used in) Operations (A)	**392.78**	**287.55**	**332.66**	**201.99**	**(99.22)**	**293.66**
B	**Cash Flows from Investing Activities**						
	Purchase of fixed assets including capital work-in-progress	(1,487.69)	(1,339.16)	(731.97)	(322.42)	(249.43)	(609.07)
	Proceeds from sale of fixed assets	0.38	0.27	2.85	0.28	-	-
	(Purchase) / sale of investments , net	-	0.71	24.30	(25.00)	(139.39)	-
	Loan (to)/ from Companies , net	(548.51)	443.53	94.22	21.62	(159.58)	123.80
	Interest received	11.36	11.04	3.32	3.87	0.82	1.46
	Net cash generated from /(used in) Investing activities (B)	**(2,024.44)**	**(883.61)**	**(607.28)**	**(321.65)**	**(547.58)**	**(483.81)**
C	**Cash Flows from Financing Activities**						
	Proceeds from Equity share capital	53.18	-	249.99	190.00	-	-
	Proceeds from Preference share capital	-	-	(249.99)	249.99	-	-
	(Repayment) / Proceeds from long-term borrowings, net	2,038.72	1,037.62	293.08	(119.60)	735.22	248.90
	Interest paid	(242.53)	(116.88)	(59.66)	(99.23)	(83.57)	(41.80)
	Net cash generated from /(used in) Financing activities (C)	**1,849.37**	**920.74**	**233.42**	**221.16**	**651.65**	**207.10**
	Net changes in cash & cash equivalents (A+B+C)	**217.71**	**324.68**	**(41.20)**	**101.50**	**4.85**	**16.95**
	Cash & Cash equivalents at the beginning of the year	409.16	84.48	125.68	24.18	19.33	2.38
	Cash & Cash equivalents at the end of the year	**626.87**	**409.16**	**84.48**	**125.68**	**24.18**	**19.33**
	Components of cash and cash equivalents :						
	Cash on hand	7.36	11.00	4.45	2.78	1.58	1.12
	Balance with Banks	619.51	398.16	80.03	122.90	22.60	18.21
	Total	**626.87**	**409.16**	**84.48**	**125.68**	**24.18**	**19.33**

1) The above statement should be read with the Notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, appearing in Annexure IV

As per our report of even date
For **Haribhakti & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Chetan Desai
Partner
Membership No. 17000

Habil Khorakiwala
Director

Anil Kamath
Director

Place : Mumbai
Date : 10/01/2008

ANNEXURE V : DETAILS OF LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Unsecured, Considered Good						
Advances recoverable in cash or in kind or for value to be received	105.35	28.67	15.70	14.79	22.58	26.82
Other Deposits	223.28	195.56	108.58	75.09	72.85	72.55
Loans to Subsidiaries	-	0.41	0.95	0.95	0.93	-
Loan to Bodies Corporate	-	-	-	-	149.63	-
Loans to Employees	7.46	0.22	-	0.11	0.17	0.13
Loans to others	11.70	-	-	0.95	-	-
Advance Tax and Tax deducted at source	79.68	43.03	12.97	9.97	7.75	3.39
Total	**427.47**	**267.89**	**138.20**	**101.86**	**253.91**	**102.89**

Amounts due from group / associate companies

Particulars	As at December 31, 2007	As at March 31,2007	As at March 31,2006	As at March 31,2005	As at March 31,2004	As at March 31,2003
Merind Limited	-	-	-	-	149.63	-
Kanishka Housing Development Company Limited	2.02	0.41	0.95	0.95	0.93	-

Note:

The above amounts are as per the Restated Unconsolidated Summary Statements of Assets and Liabilities of Wockhardt Hospitals Limited.

ANNEXURE VI : SUNDRY DEBTORS

(Rs. In Million)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Debts outstanding for a period exceeding six months						
Unsecured, Considered Good	42.97	33.60	19.09	10.01	0.77	(0.17)
Considered Doubtful	9.30	8.97	8.39	7.07	7.21	5.95
	52.27	42.57	27.48	17.08	7.98	5.78
less: Provision for Doubtful Debts	9.30	8.97	8.39	7.07	7.21	5.95
	42.97	33.60	19.09	10.01	0.77	(0.17)
Other Debts						
Unsecured, Considered Good	299.25	184.63	88.30	56.00	39.87	20.41
	342.22	**218.23**	**107.39**	**66.02**	**40.64**	**20.24**

Note:

The above amounts are as per the Restated Unconsolidated Summary Statements of Assets and Liabilities of Wockhardt Hospitals Limited.

ANNEXURE VII : DETAIL OF INVESTMENTS

(Rs. In Million)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
UNQUOTED						
LONG TERM (AT COST)						
Investment in Subsidiary Company						
10000 Equity shares of Kanishka Housing Development Company Limited						
(formerly known as Kanishka Housing Development Company Private Limited)						
of Rs 100/- each fully paid up	139.39	139.39	139.39	139.39	139.39	-
SHORT TERM						
Mutual Fund	-	-	0.70	25.00	-	-
TOTAL	**139.39**	**139.39**	**140.09**	**164.39**	**139.39**	**-**
Aggregate amount of quoted investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	139.39	139.39	140.09	164.39	139.39	-

Note:

The above amounts are as per the Restated Unconsolidated Summary Statements of Assets and Liabilities of Wockhardt Hospitals Limited.

ANNEXURE VIII : STATEMENT OF ACCOUNTING RATIOS (ON RESTATED PROFIT/ LOSSES)

Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003
Basic Earnings/(Loss) per share (Rs)	1.00	2.24	3.24	0.41	(3.43)	(2.37)
Diluted Earnings/(Loss) per share (Rs)	1.00	2.24	3.24	0.41	(3.43)	(2.37)
Return on Net Worth (%)	8.87	21.93	25.99	8.25	(197.49)	(140.08)
Net Asset Value per share (Rs)	11.25	14.17	11.06	6.37	(7.31)	7.13
Weighted average number of equity shares used for:						
Basic Earnings/(Loss) per share	74,278,000	69,250,000	44,386,986	31,792,192	25,250,000	25,250,000
Diluted Earnings/(Loss) per share	74,278,000	69,250,000	44,386,986	31,792,192	25,250,000	25,250,000
Number of equity shares outstanding at the year end for Net Asset Value	74,278,000	50,000,000	50,000,000	25,000,007	6,000,007	6,000,007

Ratios have been calculated as per the following formulas:

Basic Earnings/(Loss) per share (Rs) = $\dfrac{\text{Net Profit / (Loss) after Tax , as restated attributable to Equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year adjusted for Bonus issue and consolidation of shares}}$

Diluted Earnings/(Loss) per share (Rs) = $\dfrac{\text{Net Profit / (Loss) after Tax , as restated attributable to Equity shareholders}}{\text{Weighted average number of dilutive equity shares outstanding during the year adjusted for Bonus issue and consolidation of shares}}$

Return on Net Worth (%) = $\dfrac{\text{Net Profit / (Loss) after Tax , as restated}}{\text{Net worth as restated , at the end of the year (excluding Preference Share Capital and Capital Reserves)}}$

Net Asset value(NAV) per share (Rs) = $\dfrac{\text{Net worth as restated , at the end of the year (excluding Preference Share Capital and Capital Reserves)}}{\text{Number of Equity shares outstanding at the end of the year}}$

Notes:

1) The figures for the Nine months ended December 31, 2007 have not been annualised.

2) Net profits / (losses), as appearing in the Restated Summary Statement of Profits and Losses of the respective years, have been considered for the purpose of computing the above ratios. These ratios are computed on the basis of Restated Unconsolidated Summary Statements of the Company.

3) Earnings Per Share calculations are in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.

4) For the purpose of calculating Net Asset Value per share and Earnings Per Share, the nominal value per share, for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 has been considered as Rs 10/- instead of Re 1/-.

ANNEXURE IX : DETAILS OF SECURED AND UNSECURED LOANS

SECURED LOANS (Rs. In Million)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	Schedule of Repayment
TERM LOANS							
From Banks (Refer Note 1)	2,012.77	1,503.87	1,000.00	661.25	581.25	245.00	Refer Note 1
VEHICLE LOANS	1.19	1.81	2.61	3.28	2.88	3.90	On monthly basis
Secured by hypothecation of respective vehicles							
NON CUMMULATIVE NON CONVERTIBLE DEBENTURES	-	-	130.00	130.00	130.00	130.00	Redeemed
Secured against:							
1) All immovable proprety situated at Unit bearing No.A, in the Mezzanine floor of the multistoreyed commerical complex known as Sherrif chambers Sampangi Ramaswamy temple street (Cunningham Road) DivisionNo. 59 Bangalore alongwith Hospital equipment and plant & machinery							
2) Office premises bearing Nos.5, 6, 7 & 8 on the ground floor at the buildings known as 'Vasundhara' situtated at 2/7 Sarat Bose Road, Kolkatta alongwith the hospital equipment and plant and machinery and							
3) Premises bearing no.111A & 111B Rash Behari Avenue Kolkatta-700029 alongwith the hospital equipment and Plant & Machinery							
TOTAL	**2,013.96**	**1,505.68**	**1,132.61**	**794.53**	**714.13**	**378.90**	

UNSECURED LOANS

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	Schedule of Repayment
From Banks							
1) ING Vysya Bank	100.00	250.00	120.00	200.00	-	-	February 08
2) Punjab National Bank	200.00	199.55	-	-	-	-	February 08
3) Punjab National Bank	300.00						November 08
4) Caylon Bank	-	120.00	-	-	-	-	
5) Union Bank of India	250.00	250.00	-	-	-	-	December 08
6) Union Bank of India	300.00						February 08
7) Indian Overseas Bank	-	-	35.00	-	-	-	
8) HDFC Bank	100.00	-	-	-	400.00	-	March 08
9) ICICI Bank Limited	500.00						March 08
10) IDBI Bank Limited	200.00						November 08
11) Bank of Baroda	200.00						November 08
12) HSBC	100.00						December 08
13) ABN Amro	100.00						March 08
	2,350.00	**819.55**	**155.00**	**200.00**	**400.00**	-	
Inter Corporate Loans from							
1) Khorakiwala Holdings & Investments Private Limited	-	294.78	60.52	-	-	-	
2) Carol Info Services Limited	-	242.44	33.71	-	127.99	137.01	
	-	**537.22**	**94.23**	-	**127.99**	**137.01**	
TOTAL	**2,350.00**	**1,356.77**	**249.23**	**200.00**	**527.99**	**137.01**	

Notes:

1) Detailed Description of Security

Term Loans :

From Banks	**As at December 31, 2007**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**	**As at March 31, 2004**	**As at March 31, 2003**	**Schedule of Repayment**
UTI Bank	1,122.77	1,013.87	450.00	-	-	-	
(1) Secured by a pari passu charge on all exisiting and future movable hospital plant and machinery, furniture and fixture etc located at (a) Mulund Hospital at Goregaon Link Road Bhandup, Mumbai-400 078 and (b) Bangalore Hospital located at Bilkehalli Village, Bannerghatta Road, Banglore.							3 years moratorium for each tranche from drawdown date and thereafter in 72 equal monthly instalments, commencing January 2009 and ending 2016
Indian Overseas Bank	210.00	250.00	250.00	110.00	-	-	
(1) Secured by way of charge created on all the converted land bearing Bommanhalli town Muncipal Council No. 649/770/154-9 Area Committee Khanta Nos. 649/770/154-9 to 557/778/154-9 to 662/783/154-9 and still earlier bearing survey no154-9 BilekhaliVillage, Begur Hobli, Banglore South Taluka and (2) First charge on all moveable assets like hospital equipment, furniture etc. installed at the Bangalore Hospital.							Bi-annually - April & October each year
Punjab National Bank	180.00	240.00	300.00	300.00	300.00	-	
(1) Secured by first paripassu charge on the land and building owned by Merind Limited, by way of equitable mortgage of all the piece or parcels of land situated at Village Nahur, Taluka Borivili, Distrcit Bombay Suburban and Registration District Mumbai City (Building called as Wockhardt Hospitals, Mulund – Goregaon Link Road, Bhandup, Mumbai) together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth. (2) Secured by charge on Moveable fixed assets and hospital equipments, furniture etc., installed at the Wockhardt Hospital Mulund – Goregaon Link Road.							Bi-annually - February & August each year
Standard Chartered Bank	-	-	-	251.25	281.25	245.00	
(1) Secured by charge on all the Stock in trade both present and future consisting of consumables of Medicines other merchandise, Current Assets whatsoever, being movable properties belonging to borrowers.							Repaid
ICICI Bank Limited	500.00	-	-	-	-	-	February & March 2008
(1) Secured by a second charge on all exisiting and future movable properties except current assets located at - Mulund Hospital at Goregaon Link Road Bhandup, Mumbai-400 078							
Total	**2,012.77**	**1,503.87**	**1,000.00**	**661.25**	**581.25**	**245.00**	

1) Interest on Term Loans from banks was payable in the range of 11.35% to 11.5%, 7.25% to 11.50%,7.25% to 10%, 7.25% to 8% 7.9% to 8.25%, 7.9% to 12.5% ; per annum for the five years ended March 31, 2003, 2004, 2005, 2006, 2007 and the nine months ended December 31, 2007 respectively.

2) Interest on Debentures was payable at 12 % , 12%, 8% and 6% per annum for the years ended March 31,2003, 2004, 2005 and 2006 respectively.

3) Interest on Unsecured Loans from banks was payable in the range of 6.45% to 7% , 6.75% to 7.5%, 6.75% to 8%, 8.35% to 12%, 9.75% to 12.75% per annum for the four years ended March 31,2004, 2005, 2006, 2007 and the nine months ended December 31,2007 respectively.

4) Interest on Loans taken from Corporate bodies was payable in the range of 12.5%, 8% to 10%, 8%, 6%, 7% to 9% and 8% per annum for the five years ended March 31,2003,2004,2005,2006,2007 and the nine months ended December 31,2007 respectively.

5) The above amounts are as per the Restated Unconsolidated Summary Statement of Assets and Liabilities of Wockhardt Hospitals Limited.

ANNEXURE X : DETAILS OF SALES & SERVICES						
						(Rs. In Million)
Particulars	**Nine Months Ended December 31, 2007**	**Year Ended March 31, 2007**	**Year Ended March 31, 2006**	**Year Ended March 31, 2005**	**Year Ended March 31, 2004**	**Year Ended March 31, 2003**
Inpatient Revenue	1,973.65	1,836.94	1,242.61	1,012.60	601.06	326.79
Outpatient Revenue	328.81	287.80	186.00	155.89	122.61	73.47
Pharmacy Revenue	292.35	240.10	158.17	122.48	98.86	91.07
TOTAL	**2,594.81**	**2,364.84**	**1,586.78**	**1,290.97**	**822.53**	**491.33**
Note:						
The above amounts are as per the Restated Unconsolidated Summary Statement of Profits and Losses of Wockhardt Hospitals Limited.						

ANNEXURE XI : DETAILS OF OTHER INCOME

(Rs. In Million)

Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003	Nature	Related / Non related to Business activity
Profit /(Loss) on sale of Investments	0.00	0.01	(0.11)	-	-	-	Recurring	Related
Profit/(Loss) on sale of assets	0.19	(0.23)	(0.47)	-	-	-	Non Recurring	Related
Income from Investments	0.58	0.05	-	-	-	-	Recurring	Related
Sale of Scrap	0.29	0.37	0.37	0.15	0.08	0.03	Recurring	Related
Liability no more payable	0.44	-	0.61	0.02	0.08	0.09	Recurring	Related
							Recurring	Related
Miscellaneous income:							Recurring	Related
Miscellaneous income	3.48	2.00	4.45	1.16	0.59	0.92	Recurring	Related
prior period income								
TOTAL	**4.98**	**2.20**	**4.85**	**1.33**	**0.75**	**1.04**		

Notes :

1) The details of "Other Income" disclosed above are stated after adjusting the effect of restatement and the year-wise adjustments have been listed seperately under the head "Material Adjustments" (Note 4) in the Notes to Retstated Unconsolidated Summary Statements.

2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current operation and business activity of Wockhardt Hospitals Limited as determined by the management.

3) The above amounts are as per the Restated Unconsolidated Summary Statement of Profits and Losses of Wockhardt Hospitals Limited.

ANNEXURE XII : CAPITALISATION STATEMENT AS AT DECEMBER 31, 2007

		(Rs. In Million)
Partuiculars	**Pre Issue**	**Post Issue**
Borrowings		
Short-term Debt	2,850.00	
Long-term Debt	1,513.96	
Total Debts	**4,363.96**	
Shareholders' Funds		
Share Capital	742.78	
Reserves	97.48	
Total Shareholders' Funds	**840.26**	
Long term Debt / Equity Ratio	**1.80**	

Notes :

1) Short-term Debt represents debts which are due within twelve months from December 31, 2007.

2) Long-term Debt represents debts other than short-term debt as defined above.

3) Share capital and Reserves and surplus post issue can be calculated only on the conclusion of the book building process.

4) The post-issue debt equity ratio will be computed on the conclusion of book building process.

5) The above amounts are as per the Restated Unconsolidated Summary Statement of Assets and Liabilities of Wockhardt Hospitals Limited.

6) The Company has on 3rd July, 2007 allotted fully paid up Bonus shares in the proportion of 7 shares for every 20 shares held pursuant to memebers approval in its Annual General Meeting dated June 11, 2007 by utilising the reserves of the Company. Accordingly, the share capital has increased by 192.50 million and Reserves and Surplus has decreased by 192.5 million

7) On preferential basis 28000 equity shares have been allotted to business associates, employees and such other persons as the Board or its committee deemed fit in its meeting held on 13th August, 2007. Accordingly, the share capital has increased by Rs.0.28 million and Reserves and Surplus has increased by Rs.2.90 million

ANNEXURE XIII : STATEMENT OF TAX SHELTER

(Rs. In Million, except for tax rates)

Particulars	Nine Months Ended 31st December,2007	Year Ended 31st March,2007	Year Ended 31st March,2006	Year Ended 31st March,2005	Year Ended 31st March,2004	Year Ended 31st March,2003
Net Profit/(Loss) before tax (a)	**163.49**	161.74	140.78	30.98	(46.53)	(25.89)
Income Tax Rate Applicable	11.33	11.22	8.42	7.84	35.88	36.75
Tax at notional rates	18.52	18.15	11.85	2.43	-	-
Income tax Provided in Books	18.52	18.15	11.85	2.43		
Permanent Differences						
Profit/Loss on sale of assets	(0.19)	0.23	(0.58)	(0.06)	0.05	0.55
Expenses Disallowed			0.56	-	0.08	
Total (b)	**(0.19)**	**0.23**	**(0.02)**	**(0.06)**	**0.13**	**0.55**
Temporary Differences						
Diifrence Between tax depreciation and Book Depreciation	(90.23)	(69.05)	(9.62)	(72.66)	(114.50)	(87.22)
Provision for Doubtful debts & Advances	0.75	0.97	2.12	3.09	0.41	
Provision for retirement benefits	3.92	8.88	4.77	2.05	3.64	0.92
Other disallowance		3.40				
Total (c)	**(85.56)**	**(55.80)**	**(2.73)**	**(67.52)**	**(110.45)**	**(86.30)**
Net Adjustments (a)+(b)+('c)	**77.74**	**106.16**	**138.04**	**(36.60)**	**(156.85)**	**(111.64)**
Losses carried forward for Set off in Subsequent years	-	(60.89)	(167.05)	(305.09)	(268.49)	(111.64)

Notes to the tax Shelter Statement

1. The Aforesaid statement of Tax Shelters has been Prepared as per the Summary Statement of Profits and Losses, as restated,of Wockhardt Hospitals Ltd.
2. The permanent/timing diffrence have been computed considering the acknowledged Copies of the Income Tax Returns filed by the Company for each of the resepective years presented in the above statement
3. The Figures for the perid ended 31st December 2007 are based on the provisional Computation of Income Prepared by the Company and are subject to any changes that might be considered by the company at the time of filing of return of Income for the Assessment Year : 2008-09.

WOCKHARDT HOSPITALS LIMITED

ANNEXURE IV - NOTES TO RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP.

1. Nature of Operations

Wockhardt Hospitals Limited ('WHL'or 'the Company') was incorporated in the year 1991 as "First Hospitals & Heart Institute Limited" to set up manage and operate a chain of super speciality hospitals. Subsequently, the Company started commercial operations in the year 1995 and changed its name to "Wockhardt Hospitals Limited" in the year 2000. The Company is principally in the business of hospital services & supply of hospital products and has now set up / taken over the management of various other hospitals in different parts of the country.

2. Significant Accounting Policies:

Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

The significant accounting policies are as follows:

(a) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

(b) Depreciation

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

Vehicles are depreciated @ 20% p.a. on SLM.

(c) Intangibles

Management Rights

Management Rights are stated at cost less accumulated amortisation and impairment losses, if any. The same is amortised over a period of ten years, which is based on their estimated useful life.

(d) Impairment

The carrying amounts of fixed assets and intangible assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(e) Foreign currency transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those related to fixed assets are recognised in the profit and loss account. Exchange differences with respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amounts of such fixed assets.

(f) 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, wherever required.

(g) Inventories

Inventories of traded products and consumables are valued at cost or net realisable value, whichever is lower on First in First Out (FIFO) basis.

(h) Retirement and other employee benefits

The liabilities on account of gratuity and leave encashment are provided for based on valuation by an independent actuary. Contributions to provident fund and family pension fund are charged to the profit and loss account as incurred.

(i) 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.

Revenues from services (including supplies to patients) are recognised on daily basis. Revenues are recorded at invoice value, net of discounts.

(j) Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax.

Current income tax and fringe benefit 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 reflect 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 that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(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 Profit & Loss account. Initial direct costs are recognised immediately as an expense.

(l) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and 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 management 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 management estimates.

(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.

For the purpose of calculating diluted earnings per share, net profit or loss 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.

3. Material Regroupings

Appropriate adjustments have been made in the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for the three months period ended December 31, 2007 and the requirements of the Guidelines issued by the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines 2000) as amended from time to time.

4. Material Adjustments

Summary of results of restatements made in the audited financial statements of the Company for the respective period/years and their impact on the profits & losses of the Company is as under:

(Rs. in Million)

Particulars	For the Period Ended December 31 , 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003	Opening Balance of Profit & Loss A/c as on April 01, 2002
Difference in Profit on account of restatement	**0.75**	**(0.60)**	**1.12**	**2.58**	**(0.08)**	**9.04**	**(12.78)**
Adjustments for :							
1) Provision for Doubtful Debts	0.75	0.40	0.68	2.02	(0.94)	-	(2.88)
2) Short / Excess Provision of Tax	-	-	-	-	0.86	(0.43)	(0.43)
3) Prior Period Income	-	-	-	-	-	(2.26)	2.26

Particulars	For the Period Ended December 31 , 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003	Opening Balance of Profit & Loss A/c as on April 01, 2002
4) Other Income	-	(1.00)	0.44	0.56	-	-	-
5) Deferred Tax Adjustments	-	-	-	-	-	11.73	(11.73)
Total	**0.75**	**(0.60)**	**1.12**	**2.58**	**(0.08)**	**9.04**	**(12.78)**

a) Provision for Doubtful Debts

During the period / years ended December 31, 2007, March 31, 2007, 2006, 2005, 2004, and 2003 certain provisions were made for bad and doubtful debts, which pertained to earlier years. For the purpose of this statement, the said provisions, wherever required, have been appropriately adjusted to the respective years in which these debtors were accounted for.

b) Excess/ (short) provision of tax written back/ (provided)

In the financial statements for the year ended March 31, 2004 & March 31, 2003, certain liabilities not provided in the earlier years have been provided and certain liabilities created in the earlier years were written back. For the purpose of this statement such liabilities, wherever required have been appropriately adjusted to the respective years to which they relate.

c) Prior Period Income

In the financial statements for year ended March 31, 2003, certain items of income were identified as prior period items. For the purpose of this statement such prior period items have been appropriately adjusted to the respective years to which they relate.

d) **Other Income**

During the year ended March 31, 2007 certain excess provision for bad and doubtful debts were written back as Other Income which pertained to earlier years. For the purpose of this statement such write back, wherever required have been appropriately adjusted to the respective years in which provision was made.

e) **Deferred Tax**

During the year ended March 31, 2003,deferred tax liability pertaining to earlier years was charged to profit for the year to recognize the initial deferred tax liability as per AS – 22 “Taxes on Income”. For the purpose of this statement such liability, has been adjusted to opening balance of Profit and Loss account as on April 1, 2002.

5. **Related Party Disclosures**

a) **List of related parties and relationships**

Name of the related party	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Dartmour Holdings Private Limited	Holding	Holding	-	-	-
Khorakiwala Holdings & Investments Private Limited	-	-	Holding	Holding	Holding
Kanishka Housing Development Company Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Wockhardt Limited	-	-	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Carol Info Services Limited	-	-	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Merind Limited	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Zaahid Holdings & Investments Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Zeigler Investments Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Fabilau Estate Development Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Chetana Trust	Enterprise where control exist	-	-	-	-
Sri Raghavendra Educational Institute & Society	Enterprise where control exist	-	-	-	-
H F Khorakiwala	-	-	Key Management Personnel	-	-
Anil Kamath	Managing Director	-	-	-	-
Vishal Bali	Managing		-		

Name of the related party	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
	Director	-		-	-

b) **Transactions with Holding Company and year end balances.**

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Guarantee Fees paid					
Khorakiwala Holdings & Investments Private Limited	-	-	0.17	0.15	-
Preference Share Capital converted to Equity Share Capital					
Khorakiwala Holdings & Investments Private Limited	-	-	250.00	-	-
Loans & Advances given by Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	60.00	69.00	250.00
Loans & Advances repaid to Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	-	69.00	250.00
Related Party Balances					
Payable to Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	60.52	0.15	-

c) **Transactions with Subsidiary Company and year end balances.**

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Payment of Rent					
Kanishka Housing Development Company Ltd	0.75	0.71	-	-	-
Loans & Advances given to Subsidiary Company					
Kanishka Housing Development Company Ltd	2.17	0.01	0.00	0.02	0.93
Loans & Advances repaid by Subsidiary Company					
Kanishka Housing Development Company Ltd	0.56	0.55	-	-	-
Related Party Balances					
Receivables					
Kanishka Housing Development Company Ltd	2.02	0.41	0.95	0.95	0.93

d) **Transactions with Fellow Subsidiaries and year end balances.**

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Purchase of Finished Goods					
Wockhardt Limited	-	-	-	99.58	-
Reimbursement of Support Function Cost					
Wockhardt Limited	-	-	6.00	6.00	4.80
Payment of Rent/Business arrangement Fees					

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Carol Info Services Limited	-	-	16.22	16.22	16.22
Merind Limited	2.47	3.00	3.00	3.00	3.00
Services					
Wockhardt Limited	-	-	0.21	0.12	-
Interest on NCD					
Carol Info Services Limited	-	-	7.80	10.40	14.30
Interest paid on Loans					
Wockhardt Limited	-	-	-	-	1.07
Carol Info Services Limited	-	-	1.16	6.68	30.57
Interest Income on Loans given					
Merind Limited	-	-	-	3.75	7.27
Guarantee Fees paid					
Carol Info Services Limited	-	-	0.38	0.94	-
Loans & Advances given to Fellow Subsidiary Companies					
Merind Limited	-	-	-	-	350.27
Loans & Advances repaid by Fellow Subsidiary Companies					
Merind Limited	-	-	-	-	200.64
Loans & Advances given by Fellow Subsidiary Companies					
Wockhardt Limited	-	-	-	-	303.70
Carol Info Services Limited	-	-	143.36	215.82	980.81
Loans & Advances repaid to Fellow Subsidiary Companies					
Wockhardt Limited	-	-	-	-	303.70

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Carol Info Services Limited	-	-	109.49	345.57	852.82
Related Party Balances					
Receivables from Fellow Subsidiary Companies					
Merind Limited	-	0.67	-	-	149.63
Payable to Fellow Subsidiary Companies					
Carol Info Services Limited	-	-	33.71	0.94	127.99
Corporate Guarantees given by Fellow Subsidiary Companies					
Carol Info Services Limited	-	-	-	300.00	300.00
Security Deposit given to Fellow Subsidiary Companies					
Merind Limited	70.00	70.00	70.00	70.00	70.00
Non Convertible Debentures					
Carol Info Services Limited	-	-	130.00	130.00	130.00

e) Transactions with Key Management Personnel and year end balances:

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Remuneration paid (Refer note no.13)	9.43	-	-	-	-

f) Transactions with Enterprises where control exists and year end balances:

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Interest Income					
Chetana Trust	0.71	-	-	-	-

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Sri Raghavendra Educational Institute & Society	0.16	-	-	-	-
Loans Given					
Chetana Trust	12.02	-	-	-	-
Sri Raghavendra Educational Institute & Society	6.48	-	-	-	-
Loans Recovered					
Chetana Trust	-	-	-	-	-
Sri Raghavendra Educational Institute & Society	2.20	-	-	-	-
Related Party Balances					
Chetana Trust	12.73	-	-	-	-
Sri Raghavendra Educational Institute & Society	4.44	-	-	-	-

Notes: 1) All figures are in Rs. Million

2) Since AS – 18 on Related Party Transactions as issued by the Institute of Chartered Accountants of India, first became applicable to the Company with effect from the accounting year starting April 1, 2004, hence information for the year ended March 31, 2003 has not been presented above.

6. **Capital Commitments:**

(Rs in Million)

Particulars	As at December 31, 2007	As at March 31,2007	As at March 31,2006	As at March 31,2005	As at March 31,2004	As at March 31,2003
Estimated amount of contracts remaining to be executed on capital account and not provided for(net of capital advances)	662.39	885.03	370.85	113.63	31.52	44.87

7. **Contingent liabilities (not provided for) in respect of :**

(Rs in Million)

Particulars	As at December 31, 2007	As at March 31,2007	As at March 31,2006	As at March 31,2005	As at March 31,2004	As at March 31,2003
Suit pending with court	--	--	2.00	2.00	2.00	2.00
Customs claim	--	--	--	--	--	16.50

Particulars	As at December 31, 2007	As at March 31,2007	As at March 31,2006	As at March 31,2005	As at March 31,2004	As at March 31,2003
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. As per management, these claims are not likely to devolve on the Company due to their frivolous nature.	10.32	--	--	--	--	--
Disputed commercial tax (Andhra Pradesh)	3.87	--	--	--	--	--
Income tax liability for Assessment Year 2005-06	0.61					

8. Segment Reporting

The Company is primarily engaged in hospital business which is the only reportable business segment as per Accounting Standard- AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

9. The Company has incurred expenses aggregating to Rs.20.72 Million (including Rs.1.91 Million payable to auditors) upto December 31, 2007 in connection with its proposed Initial Public Offer. In terms of Section 78 of the Companies Act, 1956, the management proposes to adjust the same with the Securities Premium amount to be received against the issue and balance brought forward from earlier periods, as the case may be, and hence, the same have not been expensed off.

10. In the current period, the Company changed the basis of actuarial valuation of employee benefits in accordance with Accounting Standard – 15 (Revised) on Employee Benefits issued by the Institute of Chartered Accountants of India. As per the provisions specified in the Standard, the difference in the liability as per the existing policy followed by the Company and that arising on adoption of this revised Standard is required to be charged to opening reserves and surplus account. However, there is no significant impact on adoption of this Standard which is required to be adjusted to opening balance of reserves and surplus.

11. Disclosures under Accounting Standard – 15 (Revised) on 'Employee Benefits'

(Rs in Million)

(A)	**Defined Benefit plan -**		
		Gratuity (Non-funded)	**Leave Encashment (Non - funded)**
I	**Expenses recognised during the Nine months ended December 31, 2007**		
1	Current Service Cost	3.45	2.31
2	Interest cost	0.64	0.47
3	Actuarial Losses / (Gains)	(1.36)	(1.39)
	Total Expenses	**2.73**	**1.39**
II	**Net Asset /(Liability) recognised in the Balance Sheet as at December 31, 2007**		
1	Present value of defined benefit obligation	12.69	8.86
2	Net Asset /(Liability)	(12.69)	(8.86)

(A)	Defined Benefit plan -		
		Gratuity (Non-funded)	Leave Encashment (Non - funded)
III	**Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the period ended December 31, 2007**		
1	Net Asset /(Liability) at the beginning of year	(9.95)	(7.67)
2	Expense as per I above	2.74	1.39
3	Employer contributions	--	0.20
4	Net asset / (liability) at the end of the period	(12.69)	(8.86)
IV	**Actuarial Assumptions:**	**As at December 31, 2007**	**As at December 31, 2007**
1	Discount rate	8.00%	8.00%
2	Expected rate of salary increase	7.00%	7.00%
3	Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Notes			
a)	Amounts recognized as an expense for the period ended December 31, 2007 "Retirement benefits" are Gratuity Rs.3,289,650/- and Leave Encashment Rs.1,878,400/-		
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.		
c)	In the current period, the Company has adopted Accounting Standard 15 (Revised) which is mandatory from accounting periods starting from December 7, 2006. Accordingly, the Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method.		
(B)	**Defined Contribution plan -**		
	Amounts recognized as an expense for the period ended December 31, 2007 "Contribution to provident and other funds" of Profit and Loss Account Rs.13,845,809/-		

12. Disclosure as per Accounting Standard – 22 "Taxes on Income"

(Rs in Million)

Particulars	As at December 31, 2007	As at March 31,2007	As at March 31,2006	As at March 31,2005	As at March 31,2004	As at March 31,2003
Accelerated depreciation	132.70	108.76	104.99	85.79	45.83	13.58
Provision for Gratuity	(3.38)	(2.09)	(1.68)	(1.33)	(0.81)	(0.52)
Provision for Leave Encashment	(2.61)	(1.77)	(0.77)	(0.63)	(0.42)	(0.23)
Provision for Doubtful Debts	(2.91)	(2.60)	(1.98)	(1.21)	(1.13)	(1.09)
Unabsorbed Loss	(56.58)	(18.60)	-	-	-	
Opening Balance	**67.22**	**83.70**	**100.56**	**82.62**	**43.48**	**11.74**
Accelerated depreciation	30.73	23.93	3.77	19.20	39.96	32.25
Provision for Gratuity	(0.9)	(1.29)	(0.42)	(0.35)	(0.51)	(0.29)
Provision for Leave Encashment	(0.4)	(0.83)	(1.01)	(0.13)	(0.22)	(0.19)
Provision for Doubtful Debts	(0.25)	(0.30)	(0.62)	(0.77)	(0.08)	(0.03)
Unabsorbed Loss	36.38	(37.99)	(18.60)	-	-	

Particulars	As at December 31, 2007	As at March 31,2007	As at March 31,2006	As at March 31,2005	As at March 31,2004	As at March 31,2003
Add: Charge for the year	**65.52**	**(16.48)**	**(16.86)**	**17.94**	**39.14**	**31.74**
Accelerated depreciation	163.43	132.70	108.76	104.99	85.79	45.83
Provision for Gratuity	(4.31)	(3.38)	(2.09)	(1.68)	(1.33)	(0.81)
Provision for Leave Encashment	(3.01)	(2.61)	(1.77)	(0.77)	(0.63)	(0.42)
Provision for Doubtful Debts	(3.16)	(2.91)	(2.60)	(1.98)	(1.21)	(1.12)
Unabsorbed Loss	(20.21)	(56.58)	(18.60)	-	-	-
Closing Balance	**132.74**	**67.22**	**83.70**	**100.56**	**82.62**	**43.48**

13. Remuneration to Directors

	(Rs. in Million) For the period ended December 31, 2007
a) Remuneration to Managing Directors:	
Salary	7.71
Contribution to Provident fund	0.43
Other Perquisites	1.29
	9.43

Note: The above remuneration excludes Provision for Gratuity and Leave Encashment.

b) Commission to Directors

i) Executive Directors are entitled to profit linked commission within the limits prescribed under section 309 of the Act and necessary provision for the same will be made at year end.

ii) Non-Executive Directors are entitled to profit linked commission within the limits prescribed under section 198 of the Act and necessary provision for the same will be made at year end.

c) No remuneration has been paid to the Directors during the years ended March 31, 2007, 2006, 2005, 2004 and 2003. Hence no disclosure is required for the respective years.

14. Share Capital Movement :

a) Increase in Authorised Share Capital:

In view of the proposed Initial Pubic Offer of the Company, the members in its Annual General Meeting dated June 11, 2007 approved increase in Authorised Share Capital of the Company from Rs. 500 Million to Rs. 1,250 Million.

b) Consolidation of Shares:

To comply with the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000, and as amended from time to time, the Company vide its Annual General Meeting dated June 11, 2007 approved the resolution for the consolidation of equity shares of Re. 1 each to Rs. 10 each.

c) Further issue and allotment to Mr. H F Khorakiwala:

Under the provision of Section 81(1A) of the Companies Act, 1956, the Company in its Annual General Meeting dated June 11, 2007 passed the resolution for allotment of

5,000,000 shares of Rs 10/- each for cash at par to Mr. H F Khorakiwala, promoter of the Company.

d) Issuance of Bonus Shares:

The Company has on 3rd July ,2007 allotted fully paid up Bonus shares in the proportion of 7 shares for every 20 shares held pursuant to members approval in its Annual General Meeting dated June 11, 2007 by utilizing the reserves of the Company.

As per our report of even date
For Haribhakti & Co. For and on behalf of the Board of Directors
Chartered Accountants

Chetan Desai	**Habil Khorakiwala**	**Anil Kamath**
Partner	Director	Director
Membership No. 17000		
Place: Mumbai		
Date : January 10, 2008		

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL INFORMATION OF WOCKHARDT HOSPITALS GROUP

To,
The Board of Directors
WOCKHARDT HOSPITALS LIMITED
Wockhardt Towers,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.
India

Dear Sirs,

We have examined the consolidated financial information of Wockhardt Hospitals Limited ("WHL" or the "Company") and its subsidiary (collectively referred to, also, as "**WOCKHARDT HOSPITALS GROUP**") for the purpose of its inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such consolidated financial information which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

a. paragraph B (1) of Part II of Schedule II to the Indian Companies Act, 1956 ("the Act");

b. the Securities & Exchange Board of India ("SEBI") (Disclosure & Investor Protection) Guidelines, 2000 (the "Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000, as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

1. We have examined such consolidated financial information taking into consideration:

   a. the terms of reference received from the Company vide their letter dated July 18, 2007 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO;

   b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

2. *Consolidated Financial Information comprises of Restated Consolidated Summary Statements of:*

   - assets and liabilities of Wockhardt Hospitals Group as at December 31, 2007, March 31,2007, 2006, 2005 and 2004;
   - profits and losses of the Wockhardt Hospitals Group for the nine months period ended December 31,2007, and each of the years ended March 31,2007, 2006, 2005 and 2004; and
   - cash flows of the Wockhardt Hospitals Group for the nine months period ended December 31, 2007, and each of the years ended March 31, 2007, 2006, 2005 and 2004.

3. The aforesaid statements as prepared by the Company and approved by its Board of Directors (these statements, hereinafter collectively are referred to as "Restated Consolidated Summary Statements") are attached as **Annexure I, II and III** respectively to this Report.

   The aforesaid statements have been extracted by the Management from (a) the financial statements of the Company for those years which have been audited by us, except Cash Flow Statement for the year ended March 31, 2003 which has been prepared by the Management and reviewed by us, and (ii) from the financial statements of its subsidiary for those years, which have been audited by another firm of Chartered Accountants, namely M/s. J.L.Thakkar & Co., except Cash Flow Statement for those years which has been prepared by the Management and reviewed by us.

   The aforesaid financial statements reflect the following amounts of total assets and total revenue of the subsidiary. (Rs. in Million)

Period/Year ended	*Total Assets*	*Total Revenue*
December 31, 2007	2.61	0.75
March 31, 2007	2.08	0.71
March 31, 2006	1.92	-
March 31, 2005	1.93	-
March 31, 2004	1.93	-

4. The Restated Consolidated Summary Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in **Annexure IV** to this report. Based on our examination of the same, we confirm that:

   - there are no changes in accounting policies that require an adjustment in the Restated Consolidated Summary Statements;
   - material amounts relating to previous years have been adjusted in the Restated Consolidated Summary Statements in the years to which they relate;
   - there are no extraordinary items, which need to be disclosed separately in the Restated Consolidated Summary Statements; and
   - there are no qualifications in auditors' reports that require an adjustment in the Restated Consolidated Summary Statements.

5. In our opinion, the consolidated financial information of Wockhardt Hospitals Group, as stated above, read with the Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Notes to Accounts, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

6. The sufficiency of the procedures performed or adopted by the Company in preparation of the statements as set forth in the above paragraphs of this report is the sole responsibility of the Company. Consequently, we make no representation regarding the sufficiency of the procedures.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company in India and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Haribhakti & Co.,**
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai
Date : January 10, 2008

ANNEXURE I : RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004
Fixed Assets					
Goodwill on consolidation	138.39	138.39	138.39	138.39	138.39
Gross Block	3,743.17	2,841.37	1,315.91	1,204.20	1,125.68
Less : Accumulated Depreciation / Amortisation	718.41	573.32	453.53	366.56	275.96
Net Block	3,024.76	2,268.05	862.38	837.64	849.72
Capital Work in Progress including capital advances	1,391.34	806.43	993.55	377.04	133.49
TOTAL	**4,554.49**	**3,212.87**	**1,994.32**	**1,353.07**	**1,121.60**
Investments	0.00	-	0.70	25.00	-
Current Assets, Loans & Advances					
Inventories	209.40	82.18	38.41	28.33	20.16
Sundry Debtors	342.22	217.90	107.06	65.35	40.64
Cash and Bank Balances	626.88	409.18	84.50	125.71	24.21
Other Current Assets	25.26	2.14	-	0.02	-
Loans & Advances	426.16	267.65	137.25	100.91	252.98
TOTAL ASSETS	**6,184.41**	**4,191.91**	**2,362.23**	**1,698.38**	**1,459.59**
Liabilities and Provisions					
Secured Loans	2,013.96	1,505.68	1,132.61	794.53	714.13
Unsecured Loans	2,350.00	1,356.77	249.23	200.00	527.99
Deferred Tax Liability (Net)	132.74	67.22	83.70	100.56	82.62
Current Liabilities	761.24	490.39	312.40	178.60	167.53
Provisions	86.81	58.41	26.76	10.87	6.61
Minority Interest	(0.00)	0.04	0.03	0.03	-
TOTAL LIABILITIES	**5,344.75**	**3,478.51**	**1,804.73**	**1,284.59**	**1,498.88**
Net Worth	**839.66**	**713.40**	**557.51**	**413.79**	**(39.29)**
Represented by					
Equity Share Capital	742.78	500.00	500.00	250.00	60.00
Preference Share Capital		-	-	250.00	-
Reserves & Surplus	96.88	213.40	57.51	4.59	4.59
Less :					
Debit Balance of Profit & Loss Account	-	-	-	(90.80)	(103.88)
Miscellaneous Expenditure	-	-	-	-	(0.00)
(To the extent not written off or adjusted)					
Net Worth	**839.66**	**713.40**	**557.51**	**413.79**	**(39.29)**

Notes:

1) The above statement should be read with the Notes to the Restated Consolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, appearing in Annexure IV

2) Wockhardt Hospitals Limited ('Parent Company') did not have any subsidiary during the financial year ended March 31, 2003.

As per our report of even date

For **Haribhakti & Co**

Chartered Accountants

For and on behalf of the Board of Directors

Chetan Desai
Partner
Membership No. 17000

Habil Khorakiwala
Director

Anil Kamath
Director

Place : Mumbai
Date : 10/01/2008

ANNEXURE II : RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rs. In Million)

Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004
Income					
Sales and Services	2,594.81	2,364.84	1,586.78	1,290.97	822.53
Other Income	4.98	2.20	4.85	1.33	0.75
Total Income	**2,599.79**	**2,367.04**	**1,591.63**	**1,292.30**	**823.28**
Expenditure					
Purchases	842.07	782.01	515.82	479.93	265.16
(Increase) / Decrease in Inventories	(127.37)	(43.77)	(10.08)	(8.17)	(3.68)
Personnel Expenses	310.41	295.69	192.95	148.21	112.22
Operating Expenses	888.30	789.34	517.17	350.61	256.96
General and Administration Expenses	82.00	79.68	50.81	48.05	35.15
Selling Expenses	59.80	69.06	37.62	55.95	39.99
Interest Expenses (net)	235.55	113.07	56.99	93.51	82.75
Preoperative & Preliminary Expenditure Written Off	-	-	-	-	-
Depreciation Amortisation	145.87	120.12	88.45	90.72	82.21
Total Expenditure	**2,436.63**	**2,205.20**	**1,449.73**	**1,258.81**	**870.76**
Profits / (Losses) before Tax	**163.16**	**161.84**	**141.90**	**33.49**	**(47.48)**
Income Tax	(18.52)	(18.32)	(11.85)	(2.43)	-
Fringe Benefit Tax	(5.95)	(4.03)	(3.16)	-	-
Wealth Tax	(0.11)	(0.06)	(0.04)	(0.04)	(0.02)
Deferred Tax	(65.52)	16.48	16.86	(17.94)	(39.14)
Net Profits /(Losses) as restated	**73.06**	**155.91**	**143.71**	**13.08**	**(86.64)**
Less: Losses/(Profits) transferred to Minority Interest	(0.03)	0.01	(0.00)	(0.00)	-
Net Profits / (Losses) as allocable to the shareholders of Wockhardt Hospitals Limited	**73.09**	**155.90**	**143.71**	**13.08**	**(86.64)**
Profits/ (Losses) at the beginning of the year	208.81	52.91	(90.80)	(103.88)	(17.24)
Balance Carried Forward as restated	**281.90**	**208.81**	**52.91**	**(90.80)**	**(103.88)**

Notes:

1) The above statement should be read with the Notes to the Restated Consolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, appearing in Annexure IV

2) Wockhardt Hospitals Limited ('Parent Company') did not have any subsidiary during the financial year ended March 31, 2003.

As per our report of even date

For **Haribhakti & Co**

Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

For and on behalf of the Board of Directors

Habil Khorakiwala
Director

Anil Kamath
Director

Place : Mumbai
Date : 10/01/2008

ANNEXURE III : RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. In Million)

	Particulars	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004
A	**Cash Flows from Operating Activities**					
	Net profits/(losses) before tax as restated	**163.16**	**161.84**	**141.90**	**33.49**	**(47.48)**
	Adjustment for :					
	Depreciation & Amortisation	145.87	120.12	88.45	90.72	82.21
	(Profit)/Loss on sale of Investments	(0.00)	(0.01)	(0.11)	-	-
	(Profit)/Loss on sale of Fixed assets	(0.19)	0.23	(0.47)	(0.06)	0.05
	Provision for Doubtful debts	-	0.58	1.43	1.10	1.66
	Foreign exchange loss/(gain)	1.60	(0.45)	(0.06)	5.57	0.00
	Interest expense	246.91	118.26	60.31	97.38	83.57
	Interest income	(11.36)	(11.04)	(3.32)	(3.87)	(0.82)
	Miscellaneous expenditure written off	-	-	-	0.00	-
	Operating Profits /(Losses) before Working capital changes	**545.99**	**389.53**	**288.13**	**224.33**	**119.19**
	Movement in working capital:					
	(Increase)/Decrease in Inventories	(127.22)	(43.77)	(10.08)	(8.17)	(3.68)
	(Increase)/Decrease in Sundry Debtors	(124.32)	(111.43)	(43.13)	(25.81)	(22.06)
	(Increase)/Decrease in Loans and advances	(112.17)	(100.33)	(33.31)	4.62	3.97
	(Increase)/Decrease in Other Current Assets	(23.12)	(2.14)	-	-	-
	Increase/(Decrease) in Current Liabilities and provisions	268.77	183.37	137.41	9.18	(192.29)
	Cash generated from /(used in) operations	**427.93**	**315.23**	**339.02**	**204.15**	**(94.87)**
	Tax paid	(36.75)	(27.14)	(6.37)	(2.21)	(4.36)
	Net Cash generated from /(used in) Operations (A)	**391.18**	**288.09**	**332.65**	**201.94**	**(99.23)**
B	**Cash Flows from Investing Activities**					
	Purchase of fixed assets including capital work-in-progress	(1,487.69)	(1,339.16)	(731.97)	(322.42)	(249.43)
	Proceeds from sale of fixed assets	0.38	0.27	2.85	0.28	-
	(Purchase) / sale of investments , net	0.00	0.71	24.30	(25.00)	(139.39)
	Loan (to)/ from Companies , net	(548.51)	443.53	94.22	21.62	(159.58)
	Interest received	11.36	11.04	3.32	3.87	0.82
	Net cash generated from /(used in) Investing activities (B)	**(2,024.46)**	**(883.61)**	**(607.28)**	**(321.65)**	**(547.58)**
C	**Cash Flows from Financing Activities**					
	Proceeds from Equity share capital	53.18	-	249.99	190.03	-
	Proceeds from Preference share capital	-	-	(249.99)	249.99	-
	(Repayment) / Proceeds from long-term borrowings, net	2,040.33	1,037.08	293.08	(119.58)	735.22
	Interest paid	(242.53)	(116.88)	(59.66)	(99.23)	(83.57)
	Net cash generated from /(used in) Financing activities (C)	**1,850.98**	**920.20**	**233.42**	**221.21**	**651.65**
	Net changes in cash & cash equivalents (A+B+C)	**217.70**	**324.68**	**(41.21)**	**101.50**	**4.84**
	Cash & Cash equivalents at the beginning of the year	409.18	84.50	125.71	24.21	19.37
	Cash & Cash equivalents at the end of the year	**626.88**	**409.18**	**84.50**	**125.71**	**24.21**
	Components of cash and cash equivalents :					
	Cash on hand	7.36	11.00	4.45	2.78	1.58
	Balance with Banks	619.52	398.18	80.05	122.93	22.63
	Total	**626.88**	**409.18**	**84.50**	**125.71**	**24.21**

Notes:

1) The above statement should be read with the Notes to the Restated Consolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, appearing in Annexure IV

2) Wockhardt Hospitals Limited ('Parent Company') did not have any subsidiary during the financial year ended March 31, 2003.

As per our report of even date

For **Haribhakti & Co**

Chartered Accountants

For and on behalf of the Board of Directors

Chetan Desai
Partner
Membership No. 17000

Habil Khorakiwala
Director

Anil Kamath
Director

Place : Mumbai
Date : 10/01/2008

WOCKHARDT HOSPITALS LIMITED

ANNEXURE IV - NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP.

1. Nature of Operations

Wockhardt Hospitals Limited ('WHL'or 'the Company') was incorporated in the year 1991 as "First Hospitals & Heart Institute Limited" to set up manage and operate a chain of super speciality hospitals. Subsequently, the Company started commercial operations in the year 1995 and changed its name to "Wockhardt Hospitals Limited" in the year 2000. The Company is principally in the business of hospital services & supply of hospital products and has now set up/ taken over the management of various other hospitals in different parts of the country.

The Restated Consolidated Summary Statements have been prepared specifically in connection with the proposed Initial Public Offering of WHL, for inclusion in its offer document and relate to WHL, and its subsidiary (the Company, together with its subsidiary, hereinafter is referred to as the "Wockhardt Hospitals Group").

2. Significant Accounting Policies:

(a) Basis of preparation of Restated Consolidated Summary Statements

The Restated Consolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows have been prepared by applying the necessary adjustments to the audited financial statements of the respective group entities. These audited financial statements of the group entities have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the provisions of Companies Act,1956 (the 'Act') and Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI').

These Restated Consolidated Summary Statements have been prepared in accordance with the requirements of AS 21(Accounting for Consolidated Financial Statements), issued by ICAI on the following basis:

i) Subsidiary Company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses. The result of operations of subsidiary is included in the consolidated financial statements from the date on which the parent subsidiary relationship comes into existence.

ii) The difference between the cost to the Company of its investment in the subsidiary and its proportionate share in the equity of the subsidiary as at the date of acquisition of stake is recognized as Goodwill or Capital Reserve, as the case may be.

iii) Minorities' interest in net profit/loss of consolidated subsidiary for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same are accounted for by the Holding Company.

iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

v) There are no differences in reporting dates within the Wockhardt Hospitals Group.

(b) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

(c) Depreciation

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

Vehicles are depreciated @ 20% p.a. on SLM.

(d) Intangibles

Management Rights

Management Rights are stated at cost less accumulated amortisation and impairment losses, if any. The same is amortised over a period of ten years, which is based on their estimated useful life

(e) Impairment

The carrying amounts of fixed assets and intangible assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(f) Foreign currency transactions

Foreign currency transactions during the years are recorded at rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the years are translated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those related to fixed assets are recognised in the profit and loss account. Exchange differences with respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amounts of such fixed assets.

(g) 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, wherever required.

(h) Inventories

Inventories of traded products and consumables are valued at cost or net realisable value, whichever is lower on First in First Out (FIFO) basis.

(i) Retirement and other employee benefits

The liabilities on account of gratuity and leave encashment are provided for based on valuation by an independent actuary. Contributions to provident fund and family pension fund are charged to the profit and loss account as incurred.

(j) 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.

Revenues from services (including supplies to patients) are recognised on daily basis. Revenues are recorded at invoice value, net of discounts.

(k) Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax.

Current income tax and fringe benefit 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 reflect 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 that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(l) 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 Profit & Loss account. Initial direct costs are recognised immediately as an expense.

(m) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and 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 management 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 management estimates.

(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.

For the purpose of calculating diluted earnings per share, net profit or loss 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.

3. Material Regroupings

Appropriate adjustments by way of reclassification of corresponding items of assets, liabilities, income and expenses have been made wherever required, in the restated summary statements of the subsidiary, to bring them in line with the groupings as per the restated unconsolidated summary statements, prepared by Wockhardt Hospitals Limited.

4. Material Adjustments

Summary of results of restatements made in the audited financial statements of the entities within the Wockhardt Group for the respective period/years and their impact on the profits & losses of the Group is as under:

(Rs. In Million)

Particulars	Period Ended December 31 , 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003	Opening Balance of Profit & Loss A/c as on April 01, 2002
Difference in Profit on account of restatement	0.75	(0.60)	1.12	2.58	(0.08)	9.04	(12.78)
Adjustments for:							
1) Provision for Doubtful Debts	0.75	0.40	0.68	2.02	(0.94)	-	(2.88)
2) Short / Excess Provision of Tax	-	-	-	-	0.86	(0.43)	(0.43)
3) Prior Period Income	-	-	-	-	-	(2.26)	2.26
4) Other Income	-	(1.00)	0.44	0.56	-	-	-
5) Deferred Tax Adjustments	-	-	-	-	-	11.73	(11.73)
Total	0.75	(0.60)	1.12	2.58	(0.08)	9.04	(12.78)

a) Provision for Doubtful Debts

During the period / years ended December 31, 2007, March 31, 2007, 2006, 2005, 2004, and 2003 certain provisions were made for bad and doubtful debts, which pertained to earlier years. For the purpose of this statement, the said provisions, wherever required, have been appropriately adjusted to the respective years in which these debtors were accounted for.

b) Excess/ (short) provision of tax written back/ (provided)

In the financial statements for the year ended March 31, 2004 & March 31, 2003, certain liabilities not provided in the earlier years have been provided and certain liabilities created in the earlier years were written back. For the purpose of this statement such liabilities, wherever required have been appropriately adjusted to the respective years to which they relate.

c) Prior Period Income

In the financial statements for year ended March 31, 2003, certain items of income were identified as prior period items. For the purpose of this statement such prior period items have been appropriately adjusted to the respective years to which they relate.

e) Other Income

During the year ended March 31, 2007 certain excess provision for bad and doubtful debts were written back as Other Income which pertained to earlier years. For the purpose of this statement such write back, wherever required have been appropriately adjusted to the respective years in which provision was made.

f) Deferred Tax

During the year ended March 31, 2003,deferred tax liability pertaining to earlier years was charged to profit for the year to recognize the initial deferred tax liability as per AS – 22 “Taxes on Income”. For the purpose of this statement such liability, has been adjusted to opening balance of Profit and Loss account as on April 1, 2002.

5. Composition of the Group

The Group comprises of Wockhardt Hospitals Limited and its subsidiary Kanishka Housing Development Company Limited. The details of Kanishka Housing Development Company Limited are as under:

Name of the Company	Country of Incorporation	Proportion of ownership interest as at December 31, 2007	Proportion of ownership interest as at March 31, 2007	Period /years considered in preparation of restated consolidated summary statements
Kanishka Housing Development Company Limited	India	97.56%	97.56%	Period from April 1, 2003 to March 31,2004 and years ended March 31, 2005,2006,2007 and period ended December 31, 2007

6. Related Party Disclosures

a) List of related parties and relationships

Name of the related party	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Dartmour Holdings Private Limited	Holding	Holding	-	-	-
Khorakiwala Holdings & Investments Private Limited	-	-	Holding	Holding	Holding

Name of the related party	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Kanishka Housing Development Company Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Wockhardt Limited	-	-	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Carol Info Services Limited	-	-	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Merind Limited	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
Zaahid Holdings & Investments Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Zeigler Investments Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Fabilau Estate Development Private Limited	-	-	-	Fellow Subsidiary	Fellow Subsidiary
Chetana Trust	Enterprise where control exist	-	-	-	-
Sri Raghavendra Educational Institute & Society	Enterprise where control exist	-	-	-	-
H F Khorakiwala	-	-	Key Management Personnel	-	-
Anil Kamath	Managing Director	-	-	-	-
Vishal Bali	Managing Director	-	-	-	-

b) Transactions with Holding Company and year end balances.

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Guarantee Fees paid					

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Khorakiwala Holdings & Investments Private Limited	-	-	0.17	0.15	-
Preference Share Capital converted to Equity Share Capital					
Khorakiwala Holdings & Investments Private Limited	-	-	250.00	-	-
Loans & Advances given by Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	60.00	69.00	250.00
Loans & Advances repaid to Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	-	69.00	250.00
Related Party Balances					
Payable to Holding Company					
Khorakiwala Holdings & Investments Private Limited	-	-	60.52	0.15	-

c) Transactions with Fellow Subsidiaries and year end balances.

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Purchase of Finished Goods					
Wockhardt	-	-	-	99.58	-

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Limited					
Reimbursement of Support Function Cost					
Wockhardt Limited	-	-	6.00	6.00	4.80
Payment of Rent/Business arrangement Fees					
Carol Info Services Limited	-	-	16.22	16.22	16.22
Merind Limited	2.47	3.00	3.00	3.00	3.00
Services					
Wockhardt Limited	-	-	0.21	0.12	-
Interest on NCD					
Carol Info Services Limited	-	-	7.80	10.40	14.30
Interest paid on Loans					
Wockhardt Limited	-	-	-	-	1.07
Carol Info Services Limited	-	-	1.16	6.68	30.57
Interest Income on Loans given					
Merind Limited	-	-	-	3.75	7.27
Guarantee Fees paid					
Carol Info Services Limited	-	-	0.38	0.94	-
Loans & Advances given to Fellow Subsidiary Companies					
Merind Limited	-	-	-	-	350.27
Loans & Advances repaid by Fellow Subsidiary Companies					
Merind Limited	-	-	-	-	200.64

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Loans & Advances given by Fellow Subsidiary Companies					
Wockhardt Limited	-	-	-	-	303.70
Carol Info Services Limited	-	-	143.36	215.82	980.81
Loans & Advances repaid to Fellow Subsidiary Companies					
Wockhardt Limited	-	-	-	-	303.70
Carol Info Services Limited	-	-	109.49	345.57	852.82
Related Party Balances					
Receivables from Fellow Subsidiary Companies					
Merind Limited	-	0.67	-	-	149.63
Payable to Fellow Subsidiary Companies					
Carol Info Services Limited	-	-	33.71	0.94	127.99
Corporate Guarantees given by Fellow Subsidiary Companies					
Carol Info Services Limited	-	-	-	300.00	300.00
Security Deposit given to Fellow Subsidiary Companies					
Merind Limited	70.00	70.00	70.00	70.00	70.00
Non Convertible					

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Debentures					
Carol Info Services Limited	-	-	130.00	130.00	130.00

d) Transactions with Key Management Personnel and year end balances:

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Remuneration paid (Refer note no.14)	9.43	-	-	-	-

e) Transactions with Enterprises where control exists and year end balances:

Particulars	For the Nine months ended 31 December 2007	For the year ended 31 March 2007	For the year ended 31 March 2006	For the year ended 31 March 2005	For the year ended 31 March 2004
Interest Income					
Chetana Trust	0.71	-	-	-	-
Sri Raghavendra Educational Institute & Society	0.16	-	-	-	-
Loans Given					
Chetana Trust	12.02	-	-	-	-
Sri Raghavendra Educational Institute & Society	6.48	-	-	-	-
Loans Recovered					
Chetana Trust	-	-	-	-	-
Sri Raghavendra Educational Institute & Society	2.20	-	-	-	-
Related Party Balances					
Chetana Trust	12.73	-	-	-	-
Sri Raghavendra Educational Institute & Society	4.44	-	-	-	-

Notes: All figures are in Rs. Million

7. Capital Commitments:

(Rs in Million)

Particulars	**As at December 31, 2007**	**As at March 31,2007**	**As at March 31,2006**	**As at March 31,2005**	**As at March 31,2004**
Estimated amount of contracts remaining to be executed on capital account and not provided for(net of capital advances)	662.39	885.03	370.85	113.63	31.52

8. Contingent liabilities (not provided for) in respect of:

(Rs in Million)

Particulars	**As at December 31, 2007**	**As at March 31,2007**	**As at March 31,2006**	**As at March 31,2005**	**As at March 31,2004**
Suit pending with court	--	--	2.00	2.00	2.00
Customs claim	--	--	--	--	--
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. As per management, these claims are not likely to devolve on the Company due to their frivolous nature.	10.32	--	--	--	--
Disputed commercial tax (Andhra Pradesh)	3.87	--	--	--	--
Income tax liability for Assessment Year 2005-06	0.61				

9. Segment Reporting

The Group is primarily engaged in hospital business which is the only reportable business segment as per Accounting Standard- AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

10. The Company has incurred expenses aggregating to Rs.20.72 Million (including Rs.1.91 Million payable to auditors) upto December 31, 2007 in connection with its proposed Initial Public Offer. In terms of Section 78 of the Companies Act, 1956, the management proposes to adjust the same with the Securities Premium amount to be received against the issue and balance brought forward from earlier periods, as the case may be, and hence, the same have not been expensed off.

11. In the current period, the Group changed the basis of actuarial valuation of employee benefits in accordance with Accounting Standard – 15 (Revised) on Employee Benefits issued by the Institute of Chartered Accountants of India. As per the provisions specified in the Standard, the difference in the liability as per the existing policy followed by the Company and that arising on adoption of this Standard is required to be charged to opening reserves and surplus account. However, there is no significant impact on adoption of this Standard which is required to be adjusted to opening balance of reserves and surplus.

12. Disclosures as per Accounting Standard – 15 (Revised) on 'Employee Benefits'

(Rs in Million)

(A)	**Defined Benefit plan -**		
		Gratuity (Non-funded)	**Leave Encashment (Non - funded)**
I	Expenses recognised during the Nine months ended December 31, 2007		
1	Current Service Cost	3.45	2.31
2	Interest cost	0.64	0.47
3	Actuarial Losses / (Gains)	(1.36)	(1.39)
	Total Expenses	2.73	1.39
II	Net Asset /(Liability) recognised in the Balance Sheet as at December 31, 2007		
1	Present value of defined benefit obligation	12.69	8.86
2	Net Asset /(Liability)	(12.69)	(8.86)
III	Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the period ended December 31, 2007		
1	Net Asset /(Liability) at the beginning of year	(9.95)	(7.67)
2	Expense as per I above	2.74	1.39
3	Employer contributions	--	0.20
4	Net asset / (liability) at the end of the period	(12.69)	(8.86)
IV	Actuarial Assumptions:	As at December 31, 2007	As at December 31, 2007
1	Discount rate	8.00%	8.00%
2	Expected rate of salary increase	7.00%	7.00%
3	Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Notes			
a)	Amounts recognized as an expense for the period ended December 31, 2007 "Retirement benefits" are Gratuity Rs.3,289,650/- and Leave Encashment Rs.1,878,400/-		
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.		
c)	In the current period, the Company has adopted Accounting Standard 15 (Revised) which is mandatory from accounting periods starting from December 7, 2006. Accordingly, the Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method.		
(B)	Defined Contribution plan -		
	Amounts recognized as an expense for the period ended December 31, 2007 "Contribution to provident and other funds" of Profit and Loss Account Rs.13,845,809/-		

13. Disclosures as per Accounting Standard – 22 "Taxes on Income"

(Rs in Million)

Particulars	**As at December 31, 2007**	**As at March 31,2007**	**As at March 31,2006**	**As at March 31,2005**	**As at March 31,2004**
Accelerated depreciation	132.70	108.76	104.99	85.79	45.83
Provision for Gratuity	(3.38)	(2.09)	(1.68)	(1.33)	(0.81)

Particulars	As at December 31, 2007	As at March 31,2007	As at March 31,2006	As at March 31,2005	As at March 31,2004
Provision for Leave Encashment	(2.61)	(1.77)	(0.77)	(0.63)	(0.42)
Provision for Doubtful Debts	(2.91)	(2.60)	(1.98)	(1.21)	(1.13)
Unabsorbed Loss	(56.58)	(18.60)	-	-	-
Opening Balance	67.22	83.70	100.56	82.62	43.48
Accelerated depreciation	30.73	23.93	3.77	19.20	39.96
Provision for Gratuity	(0.9)	(1.29)	(0.42)	(0.35)	(0.51)
Provision for Leave Encashment	(0.4)	(0.83)	(1.01)	(0.13)	(0.22)
Provision for Doubtful Debts	(0.25)	(0.30)	(0.62)	(0.77)	(0.08)
Unabsorbed Loss	36.38	(37.99)	(18.60)	-	-
Add: Charge for the year	65.52	(16.48)	(16.86)	17.94	39.14
Accelerated depreciation	163.43	132.70	108.76	104.99	85.79
Provision for Gratuity	(4.31)	(3.38)	(2.09)	(1.68)	(1.33)
Provision for Leave Encashment	(3.01)	(2.61)	(1.77)	(0.77)	(0.63)
Provision for Doubtful Debts	(3.16)	(2.91)	(2.60)	(1.98)	(1.21)
Unabsorbed Loss	(20.21)	(56.58)	(18.60)	-	-
Closing Balance	132.74	67.22	83.70	100.56	82.62

14. Remuneration to Directors

(Rs. in Million)

	For the period ended December 31, 2007
a) Remuneration to Managing Directors:	
Salary	7.71
Contribution to Provident fund	0.43
Other Perquisites	1.29
	9.43

Note: The above remuneration excludes Provision for Gratuity and Leave Encashment.

b) Commission to Directors

i) Executive Directors are entitled to profit linked commission within the limits prescribed under section 309 of the Act and necessary provision for the same will be made at year end.

ii) Non-Executive Directors are entitled to profit linked commission within the limits prescribed under section 198 of the Act and necessary provision for the same will be made at year end.

c) No remuneration has been paid to the Directors during the years ended March 31, 2007, 2006, 2005 and 2004. Hence no disclosure is required for the respective years.

15. Share Capital Movement:

(a) Increase in Authorised Share Capital:

In view of the proposed Initial Pubic Offer of the Company, the members in its Annual General Meeting dated June 11, 2007 approved increase in Authorised Share Capital of the Company from Rs. 500 Million to Rs. 1,250 Million.

(b) Consolidation of Shares:

To comply with the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000, and as amended from time to time, the Company vide its Annual General Meeting dated June 11, 2007 approved the resolution for the consolidation of equity shares of Re. 1 each to Rs. 10 each.

(c) Further issue and allotment to Mr. H F Khorakiwala:

Under the provision of Section 81(1A) of the Companies Act, 1956, the Company in its Annual General Meeting dated June 11, 2007 passed the resolution for allotment of 5,000,000 shares of Rs 10/- each for cash at par to Mr. H F Khorakiwala, promoter of the Company.

(d) Issuance of Bonus Shares:

The Company has on 3rd July ,2007 allotted fully paid up Bonus shares in the proportion of 7 shares for every 20 shares held pursuant to members approval in its Annual General Meeting dated June 11, 2007 by utilizing the reserves of the Company.

As per our report of even date

For Haribhakti & Co. *Chartered Accountants*	For and on behalf of the Board of Directors	
Chetan Desai Partner Membership No. 17000	Habil Khorakiwala Director	Anil Kamath Director
Place: Mumbai		
Date: 10.01.2008		

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with the Financial Statements, the notes and significant accounting principles thereto and the reports thereon, which appear in pages 158 to 205 of this Red Herring Prospectus. The Financial Statements are based on Indian GAAP, which differ in certain significant respects from U.S. GAAP and IFRS. For more information on these differences, see the section titled "Summary of Significant Differences between Indian GAAP, U.S. GAAP & IFRS", on page 146 of this Red Herring Prospectus.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section titled "Risk Factors", on page XII of this Red Herring Prospectus and elsewhere in this Red Herring Prospectus.

Overview

We are one of the largest private healthcare services companies in India, based on the number of hospital beds, according to information provided by CRIS-INFAC's report published in 2007. We have a super-specialty focus on core areas such as cardiology and cardiac surgery, orthopedics, neurology and neuro-surgery, urology and nephrology and critical care, and we specialize in minimally invasive surgery. We have a pan-India presence with a network of ten super-specialty hospitals and five regional specialty intensive care unit ("ICU") hospitals providing healthcare services in western, southern and eastern India. Our regional specialty ICU hospitals act as referral centers and the first point of critical care for our larger super-specialty hospitals, but are also self-sustaining as they are strategically located to fulfill demand for basic tertiary care and higher secondary care.

We established our first hospital, Wockhardt Medical Centre, in Kolkata in 1989. By 1993, we had opened the Wockhardt Hospital and Heart Institute in Bangalore and the Wockhardt Hospital and Kidney Institute in Kolkata, establishing our super-specialty focus. In 2000, having developed and refined our business model, we undertook a strategy to accelerate our growth, and have since become a leading private healthcare services provider in India, with a presence across the country. Our network consists of super-specialty hospitals, which provide advanced tertiary and higher secondary care, and regional specialty ICU hospitals, which include regional ICU hospitals that provide basic tertiary care and higher secondary care hospitals. Six of our existing facilities are "greenfield" facilities, which we or our group companies have constructed. We operate our remaining nine facilities as "brownfield" facilities, which means that we refurbish, equip and operate hospitals located on the premises of others pursuant to revenue sharing or lease arrangements. We also own and operate ten pharmacies located at our facilities.

In India, we are the only private hospital group associate of Harvard Medical International ("HMI"), a self-supporting not-for-profit subsidiary of Harvard Medical School. Our super-specialty hospital in Mumbai is one of the first hospitals in South Asia to have received international accreditation from Joint Commission International ("JCI"). JCI is part of the Joint Commission on Accreditation of Healthcare Organizations, a non-profit corporation that is the largest accreditor of healthcare organizations in the United States.

Our promoters are part of the Wockhardt group, a global pharmaceutical and biotechnology company with a presence in the world's leading markets. In January 2008, we completed Pre-IPO Placements (the "Pre-IPO Placements") to BCCL of 1,612,903 Equity Shares and to CGMMPL of 3,300,000 Equity Shares, constituting 2.0% and 4.2% of our Equity Shares, respectively. Gross proceeds from the Pre-IPO Placements equaled Rs. 1,493.3 million. For the use of proceeds of the Pre-IPO Placements, see the section entitled "Objects of the Issue" beginning on page 30 of this Red Herring Prospectus.

During the fiscal year ended March 31, 2007, we performed over 10,000 interventional cardiac procedures, 1,000 orthopedic procedures and 400 neuro and spine surgeries. We also performed over 2,100 minimally invasive procedures during the same period. We currently have approximately 1,374 inpatient beds in use across our network of 15 facilities. We also have ongoing greenfield and brownfield projects, which, if successfully completed, will result in 1,957 new beds by March 31, 2009. In the fiscal year ended March 31, 2007 and the nine months ended December 31, 2007, the average occupancy rate for our super-specialty hospitals open for a year or more was approximately 68% and 67%, respectively. For fiscal 2007 and the nine months ended December 31, 2007, our total income was Rs. 2,367.0 million and Rs. 2,599.8 million, respectively, our EBITDA was Rs. 395.0 million and Rs. 544.6 million, respectively, and our net profit was Rs. 155.9 million and Rs. 73.1 million, respectively.

Our primary sources of income are:

(i) inpatient and outpatient hospital services; and

(ii) retail sales at the pharmacies we operate at our hospitals.

Note Regarding Presentation

We have set forth in this Red Herring Prospectus consolidated financial statements as at and for the nine months ended December 31, 2007 and the fiscal years ended March 31, 2003, 2004, 2005, 2006 and 2007 for Wockhardt Hospitals Limited and its subsidiary, Kanishka Housing Development Limited. Our financial statements have been prepared in accordance with Indian GAAP and standards issued by the Institute of Chartered Accountants of India and restated in accordance with SEBI Guidelines. The consolidated financial statements consolidate the accounts of our subsidiary, with intercompany accounts and transactions eliminated in consolidation and minority interests accounted for in accordance with Indian GAAP. We have not included a discussion comparing the consolidated results as at and for the nine months ended December 31, 2007 to a prior period. Because we have not included a comparative period for the nine months ended December 31, 2007, you should not place undue reliance on the discussion below and should review carefully all the financial statements and other information included herein.

Factors Affecting Our Results of Operations

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results on a consolidated level and at our individual facilities. In this section, we discuss several factors that we believe have, or could have, an impact on these results. We also discuss the ways in which we generate income and incur the main expenses associated with generating this income. Please also see the section titled “Risk Factors” on page XII of this Red Herring Prospectus.

Expansion

Since 2000, we have added 12 new hospitals to our network and grown to become a leading private healthcare provider in India with a network of ten super-specialty hospitals and five regional specialty ICU hospitals. Due to our continuing rapid growth, our current and future financial results are not comparable to our past financial results. In addition, our rapid growth has put pressure on our operating margins, due to the upfront costs associated with expansion, as further discussed below.

We grow by undertaking greenfield and brownfield projects, and each newly added facility can materially affect our overall results and financial profile. When evaluating the viability of a new opportunity, we examine the demographics and revenue potential of the local population, the competitive landscape, location, pricing structure and cost, and for existing facilities, the skills, specialty and reputation of doctors and other medical and non-medical staff, the work culture of the institution and the quality of the infrastructure.

As part of greenfield projects, we are developing new hospitals in southern Mumbai, Delhi, Kolkata and Bangalore also expanding our facility in Mulund, Mumbai for an estimated total cost of Rs. 5,225 million through fiscal 2009. In addition, we expect to add 16 new facilities to our network through various brownfield projects that we are undertaking, having signed at least a non-binding memorandum of understanding or term sheet, in each case. We expect our total investment through fiscal 2009 for those facilities to be approximately Rs. 2,586 million. See "Our Business—Projects Under Development" on page 86 of this Red Herring Prospectus.

We are continuously evaluating other greenfield and brownfield development opportunities. We are currently in various stages of considering such projects, including some opportunities which we may implement in the imminent future and which may be material. Some of these projects are among the largest projects in scale that we have attempted to date. Some or all of our projects may not be undertaken or, if undertaken, may be altered or take longer than anticipated to complete or may exceed our cost expectations.

The greenfield and brownfield projects we undertake require substantial funding, including costs of constructing the hospital buildings (in the case of greenfield projects), maintaining and upgrading equipment and financing hospital operations.

We are generally responsible for all costs borne at our brownfield hospitals. These costs include capital expenditures, costs of maintenance and purchase of new equipment, personnel costs and other operating expenses. Typically, our partner in a brownfield project (the owner or lessee of the land or building) only pays for insurance costs and statutory property taxes for the premises.

In addition to the costs relating to the development or acquisition of the facility, we typically take a number of steps, such as increased marketing, when we add a hospital to our network. These efforts often result in additional costs relating to the offered services, facilities and medical staff. Our greenfield hospitals, due to the long gestation period before a hospital matures (particularly with respect to occupancy rates), will typically operate at a loss for two to three years before achieving profitability. Consequently, the financial performance of a newly added hospital may adversely affect our overall operating margins.

Average Length of Stay and Occupancy Rates

As a significant portion of inpatient income is derived from medical services provided in the initial two to three days of an inpatient visit (with the remaining patient stay generating primarily occupancy income), we strive to reduce the length of patient stay at our hospitals. We aim to reduce the average length of stay by using more efficient and less time-consuming clinical protocols and new generation technology.

We particularly focus on minimally invasive surgery, which eliminates the need to make large incisions into the human body, thereby reducing surgical trauma, pain and blood loss. Because we use minimally invasive surgical techniques and modified (epidural) anaesthesia protocols, patient recovery time is shorter, freeing up hospital beds for other patients, thereby reducing the average length of stay.

Through our focus on quality in hiring doctors, establishing processes and better management practices, and installing new generation technology and equipment, we aim to further improve our efficiency in reducing the treatment times for our patients. In the future, we expect our regional specialty ICU hospitals to contribute to the reduction of average length of stay at our hospitals because we believe that providing patients with a broad range of treatments at regional specialty ICU hospitals will free up capacity at our super-specialty hospitals.

Our inpatient income is also dependent on occupancy rates at our hospitals. Due to the substantial fixed costs and personnel costs associated with our business, our occupancy rates are important in optimizing profitability at our facilities. We aim to increase our occupancy rates and also maintain our specialty focus on high yield procedures and high end care.

We also monitor conversion rates at our hospitals, that is conversions of outpatients to inpatients; and diagnosis to therapeutics. We also monitor our mix between surgical and medical treatments. We believe these rates are important tools in evaluating the performance of our hospitals.

We believe that the important factors influencing the overall utilization of a hospital include the quality and market position of the hospital and the number, quality and specialties of the facility's doctors. Generally, we believe that the ability of a hospital to meet the healthcare needs of its community is determined by its breadth of services, level of technology, emphasis on quality of care and convenience for patients and doctors. Other factors which impact utilization include the growth in local economic conditions and local population. Utilization across the healthcare industry is also affected by improved treatment protocols as a result of advances in medical technology and pharmacology.

The following table sets forth certain aggregate statistics for our hospitals, for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005. For a discussion of the performance of our individual hospitals, see the section titled "Our Business—Our Hospitals and Other Facilities" beginning on page 66 of this Red Herring Prospectus.

	Nine months ended December 31,	**Year ended March 31,**		
	2007	**2007**	**2006**	**2005**
Number of hospitals at end of period	15	11	7	5
Number of beds in use at end of period[(a)]	1,374	1,035	570	287
Inpatient admissions[(b)]	39,598	34,739	22,868	17,240
Outpatient registrations[(c)]	266,595	248,974	165,173	150,841
Occupancy Rate	57%	56	56	75
Average Length of Stay	4.4	4.	4	4
Inpatient Income (Rs. millions)	1,973.6	1,836.	1,242	1,012
Outpatient Income (Rs. millions)	328.8	287.	186	155
Pharmacy Income (Rs. millions)	292.3	240.	158	122
Average income per inpatient bed per year (Rs. in millions)[(d)]	2.4	2.	2	3

Notes:

(a) Represents operationalized inpatient beds, which are beds operationally ready to receive patients. Excludes beds in emergency rooms, beds used for dialysis treatments and other outpatient treatments.

(b) Represents the total number of patients admitted (in the facility for at least 23 hours) to our hospitals and is used by management and certain investors as a general measure of inpatient volume.

(c) Multiple visits by the same patient are counted separately, if billed separately.

(d) Represents total income divided by the number of inpatient beds at our hospitals.

Pricing

Premium Pricing: Historically, we have been able to charge premium prices for our services compared to the rates charged for similar services by government-run facilities and smaller hospitals. We are able to charge a premium because we have highly qualified clinicians at our hospitals, we focus on delivering high-end care with technologically advanced equipment in our operating theatres and ICUs, and we have comfortable recovery rooms. We believe we generally price our services at levels comparable to the prices charged by our corporate competitors, although in certain instances prices charged by our competitors for an individual procedure may be higher than ours. The prices and margins for procedures performed at our hospitals located in major metropolitan areas tend to be higher than those for similar procedures performed at our hospitals in non-metropolitan areas.

We believe we do not lose potential patients due to our premium pricing because we have established a multiple pricing policy at our hospitals, based on the type of the room.

Package Pricing: For inpatient procedures carried out at our hospitals, we charge patients a package price based on the type of recovery room, for a set range of services, including charges for the operating theatre, room charges, doctors' fees, nursing services, meals, fixed consumables and medications. The total end price that the patient pays varies depending upon the complication and the risk profile of the patient. By specifying these costs before beginning treatment, we are able to provide patients with a degree of certainty about the costs of a procedure and to maintain a predictable income stream from each procedure. Our packages are determined on a hospital by hospital basis.

Negotiated Rates: We have entered into service agreements on a hospital-by-hospital basis with a number of organizations, including public sector enterprises, such as Central Government Health Scheme (CGHS), Bharat Earth Movers Ltd. and Oil & Natural Gas Corporation, to provide healthcare services to their employees at negotiated or preferential rates, typically at discounts of 5% to 10% to our published rates. We also have similar arrangements with large private sector companies, insurance companies and third party administrators (which act as intermediaries between the insurance companies and the insured in return for a fixed commission). We believe the increase in patient volumes that results from these arrangements more than offsets any discounts we provide under such arrangements. However, because the rates charged under these arrangements are set for a specified period, we may not be able to increase the prices we charge thereunder with the same flexibility as our published prices, even if our costs increase.

Upward Pressure on Wages and Other Expenses: The healthcare industry is relatively labor intensive and wages and other operating expenses have shown an upward trend. Suppliers have also tended to pass on the effects of higher costs by increasing their prices. We try to offset the effects of increasing operating costs by measures such as increasing our own charges, expanding our range of services and implementing other cost control policies. However, we have not always been successful in controlling upward pressure on expenses, and we may be unsuccessful in passing along higher prices in the future to our patients without affecting patient volumes.

Patient Volumes

Patient volumes are driven by, among other things, the hospital image and brand reputation, the type of services offered, the economic and social conditions of local communities, the degree of competition from other healthcare services providers, seasonal illness cycles, climate and weather conditions, the clinical reputation of our doctors, doctor retention and attrition, negotiations or terminations of arrangements with corporate employers to provide healthcare services to their employees.

Service Mix

Charges for inpatient and outpatient services vary significantly depending on the type of service (such as preventive care, medical, surgical or intensive care); the corporate payer; and the geographic location of the hospital. An increasing portion of our income is derived from the provision of services in cardiology and cardiac surgery, neurology and neuro-surgery, orthopaedics, minimally invasive surgery and critical care, and we expect the trend to continue in the near future, as the Indian economy grows, "lifestyle" diseases become more prevalent and the shortage of supply of super-specialty services continues.

Concentration

Our hospitals in Mumbai and Bangalore generate a significant portion of our income. For the fiscal year ended March 31, 2007, Wockhardt Hospital, Mulund in Mumbai, and Wockhardt Hospital, Bannerghatta Road and Wockhardt Hospital and Heart Institute in Bangalore collectively generated Rs. 1,674 million in income, or 70.7% of our total income. For the nine months ended December 31, 2007, these hospitals collectively generated Rs. 1,771 million in income, or 68.3% of our total income. These three hospitals collectively have 483 beds, constituting 35.2% of our total hospital beds. Due to this concentration, any negative economic, regulatory or other developments concerning these hospitals may adversely impact our financial condition and results of operations.

Equipment

The complex nature of the procedures we perform at our hospitals requires us to invest in technologically sophisticated equipment, such as CT, MRI, Neuro navigation systems and scopes used in minimally invasive surgeries. We generally purchase this kind of equipment for our hospitals on a centralized basis. This equipment is generally very expensive and forms a major component of our annual capital expenditures budget. We aim to replace sophisticated medical equipment in our hospitals every four to five years, absent grave damages or break-downs. Our existing equipment may become obsolete more quickly than anticipated. Moreover, as much of this equipment is manufactured outside India, we face foreign exchange risk when we purchase such equipment. Most of the advanced medical equipment is imported from original equipment manufacturers with international reputations, such as Fresenius, GE, Philips, and Siemens. We generally obtain a five-year warranty for this equipment, and pay for the product between 90 to 360 days after the invoice is issued by the suppliers.

Seasonality

Our inpatient and outpatient volumes at our hospitals are generally lower during festival seasons, especially for elective or non-urgent procedures. The festival seasons in India vary depending on the region. As we are continuously expanding, the effects of seasonality may be difficult to ascertain from our financial statements.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with Indian GAAP. The notes to the financial statements contain a summary of our significant accounting policies. The preparation of the financial statements may require us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Set forth below is a summary of our most significant critical accounting policies under Indian GAAP.

Allowance for Bad Debts

We estimate our allowances for bad debts based on the historical trend of our hospitals' cash collections and contractual write-offs, accounts receivable agings, established fee schedules, relationships with payors and procedure statistics. While we believe that our allowances for bad debts are adequate, if the actual write-offs are significantly different from our estimates, our results of operations may, in turn, be significantly impacted.

The following table summarizes our day's sales outstanding as of the dates indicated:

	As of December 31,	**As of March 31,**		
	2007	**2007**	**2006**	**2005**
Day's sales outstanding	47	33	24	18

Our target for day's sales outstanding related to inpatient and outpatient income ranges from 30 days to 90 days. As the majority of our patients typically pay their bills in cash, our day's sales outstanding is generally quite low, but we expect day's sales outstanding to increase as the number of patients covered by insurance or employer-provided benefits increases. We have arrangements with private corporate entities, public sector entities and third party administrators, which have longer payment periods than our individual patients with no coverage. For example, we have an arrangement with a government-run agency, the Central Government Health Scheme (CGHS), which provides healthcare insurance coverage for active and retired government employees. We are required to bill CGHS directly and that agency has long payment review times that can run for six or more months, which increases our day's sales outstanding. We have improved and standardized our collection policies and procedures. In addition, we have established a centralized receivables management services department to supplement our individual hospital collection efforts. This centralized department also serves as a tool to monitor ongoing compliance with our policies and procedures.

For payments due from patients and other payors, our collection policies and procedures are based on the type of payor, size of claim and estimated collection percentage for each patient account. The operating systems used to manage our patient accounts provide for an aging schedule in 30-day increments, by payor, doctor and patient. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with patients or third-party payors, written correspondence and the use of legal or collection agency assistance, as required.

An account is written-off only after we have pursued collection with legal assistance or otherwise deemed an account to be uncollectible. Typically, accounts will be outstanding a minimum of 720 days before being written-off.

Accounting For Fixed Assets and Intangible Assets

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

Intangibles. 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 over a period of ten years, which is based on their estimated useful life.

We depreciate our assets, using the straight line method, over the period of use of assets, based on statutorily prescribed rates specified in Schedule XIV of the Companies Act, 1956 or based on the estimated useful life of the assets, whichever is higher.

We assign useful lives to our assets based on the period of time that the assets is expected to contribute directly or indirectly to our future cash flows. We consider certain factors when assigning useful lives such as legal, regulatory and contractual provisions, as well as the effects of obsolescence, demand, competition and other economic factors. We are required to use judgment and make estimates to determine the useful lives of assets.

Asset Impairment

We review the carrying amounts of fixed assets and intangible assets at each balance sheet date to assess whether there is any indication of impairment based on internal or external factors. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized and assets are written down to the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Management's judgment is critical in assessing the following criteria for asset impairment:

- a significant decrease in the asset's market price;
- a significant adverse change in the extent or manner in which the asset is being used or in its physical condition, including the age of the asset;
- technological obsolescence leading to earlier-than-planned redundancy of equipment;
- a significant adverse change in the operating performance of the asset;
- an accumulation of costs significantly in excess of the amount originally expected for an asset's acquisition or construction;
- a current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associate with an asset's use; and
- a current expectation that it is more likely than not that the asset will be sold or otherwise disposed of significantly before the end of the statutorily prescribed rate of useful life.

Foreign Currency Transactions

Foreign currency transactions during the year are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those related to fixed assets are recognized in the profit and loss account. Exchange differences with respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amounts of such fixed assets.

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 recognize a diminution, other than temporary, in the value of investments.

Inventories

At the end of each fiscal year, stocks of consumables, drugs and medicine procured by us are physically verified and valued at cost or net realizable value, whichever is lower on a First in First Out basis. The determination of obsolete or excess inventory requires us to estimate the future demand for the consumables, drugs and medicine.

Retirement and Other Employee Benefits

The liabilities on account of gratuity and leave encashment are provided based on valuation by an independent actuary. Contributions to our employee's provident fund and our family pension fund are charged to the profit and loss account as incurred.

Income recognition

Income from services (including supplies to patients) are recognized on completion of such services. Income is recorded at invoice value, net of discounts. Inpatient and outpatient income are recognized when the services are billed. We recognize pharmacy income at the point of sale, less any discounts, and we adjust for sales returns during the period in which returns occur.

Taxes on Income

For financial reporting, we use estimates and judgments to determine our current tax liability as well as taxes deferred until future periods.

Tax expense comprises current, deferred and fringe benefit taxes.

Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961 as applicable to the financial year.

Fringe benefit tax is also measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Effective fiscal 2006, we have become obligated to pay fringe benefit taxes in respect of certain perquisites offered to our employees and certain other business expenses. Fringe benefit taxes apply even when an entity has incurred net losses.

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 is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

As part of the process of preparing our financial statements, we are required to estimate our income taxes and this process requires us to estimate our actual current tax exposure and assess temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities. We record a deferred tax asset when we believe that there is reasonable certainty that sufficient future taxable income will be available against which the deferred tax asset can be realized. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The amount of the deferred tax asset considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period differ materially from current estimates. In the event we are not able to realize the deferred tax assets, an adjustment to the deferred tax asset would be charged to income in the period such determination was made which would result in a reduction of our net income.

Provisions

We are subject to significant claims and legal proceedings, some or all of which may not be covered by our insurance policies or indemnification arrangements or which may exceed our insurance coverage or indemnification limits. We are required to assess the likelihood of adverse judgments or outcomes to these matters and record reserves for claims when they are probable and reasonably estimable. Provisions are not discounted to the present value of a contingency and are determined based on management estimates of the amounts required to settle the obligation at each balance sheet date. We estimate reserves for losses and related expenses for these contingencies based on a careful analysis of each individual issue. The ultimate liability could, however, exceed our estimates. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Any such adjustment could have a material adverse effect on our results of operations or financial position.

Overview of Profit and Loss Statement

Income

Income consists of sales and services and other income.

Sales and Services: Sales and services are mainly derived from the provision of healthcare services, consisting of inpatient and outpatient services and the operation of retail pharmacies at our hospitals. The components of sales and services are described below:

Inpatient Income: Inpatient income represents income generated from the provision of inpatient services, including fees for medical services, food and beverages for patients and room charges, with fees for medical services representing the majority of the income. Inpatient income is recognized when the services are billed. For fiscal 2007 and the nine months ended December 31, 2007, inpatient income represented approximately 77.7% and 76.1% of sales and services, respectively. We expect inpatient income to increase in the future both in absolute terms and as a percentage of total income as we expand our hospital network, increase the market share of our existing hospitals and continue to focus on sophisticated procedures in cardiac care, orthopaedics, neuro sciences, minimally invasive surgery and critical care, which generate significant income and for which there is an increasing demand.

Outpatient Income: Outpatient income represents income generated from the provision of outpatient services at the hospitals we own, including fees for medical and diagnostic services. Outpatient income is recognized when the services are billed. For fiscal 2007 and the nine months ended December 31, 2007, outpatient income represented approximately 12.2% and 12.7% of sales and services, respectively. We expect outpatient income to increase in the future as a result of higher demand for healthcare services in India, the expansion of our hospital network and increase of the market share of our existing hospitals. We also believe that our institutional focus, which emphasizes our hospitals' brand and reputation increases the loyalty of outpatients to our hospitals.

Pharmacy Income: Pharmacy income represents income generated from sales (including sales to inpatients and outpatients) at the pharmacies located at our hospitals. We currently own and operate nine pharmacies at our hospitals and we receive a certain portion of the income of the pharmacies at Kamineni Wockhardt Hospitals in King Koti Road, Hyderabad and Wockhardt Heart Center in L B Nagar, Hyderabad, which we do not own and operate. We recognize pharmacy income at the point of sale, less any discounts, and we adjust for sales returns during the period in which returns occur. We expect pharmacy income to increase as a result of higher patient volumes at our existing hospitals and the addition of pharmacies at our new hospitals. For fiscal 2007 and the nine months ended December 31, 2007, pharmacy income represented approximately 10.2% and 11.3% of sales and services, respectively.

Other Income: Other income consists of interest income, income from registration fees received for certain medical campaigns we organize, parking charges collected from visitors' vehicles parked in hospital premises, and income from the sale of scrap. Other income as a percentage of total income is minimal.

Expenditure

The primary categories of our expenditures include purchases, increase/decrease in inventories, operating and other expenses, depreciation/amortization and financial expenses.

Purchases: Purchases include costs of purchases of consumable medical supplies, as well as drugs and consumables administered to a patient while on-site at our hospitals and also include taxes and freight charges. Among our most significant costs are the costs for medical implants and drugs and consumables. Purchase costs also include expenses incurred by the pharmacies that we operate at our facilities, including the cost of medical supplies, drugs and consumables purchased by those pharmacies. We expect purchase costs to increase in absolute terms as we continue to expand our network and increase our market share and as prices for consumables increase, but to decrease as a percentage of total income due to the economies of scale and greater bargaining power that come with being a larger hospital network. However, as we expand our network and our existing hospitals mature, purchase costs could represent an increased or decreased percentage of total income depending on our service mix. For example, joint replacement surgeries tend to have higher purchase costs than women's health procedures.

Increase/Decrease in Inventories: At the end of each fiscal year, stocks of consumables, drugs and medicine procured by us are physically verified and evaluated at cost or net realizable value (whichever is lower). Increase/decrease in inventories consists of the difference between inventories at the end of the fiscal year and inventories at the beginning of the fiscal year.

Personnel Expenses: Personnel expenses consist primarily of salaries and wages, staff welfare expenses, contributions to the statutory provident fund, statutory gratuities, bonus payments and staff recruitment and training for all hospital employees other than clinicians. We expect personnel expenses to increase as a result of business growth and upward pressure on wages for healthcare professionals.

Operating Expenses: Operating expenses primarily consist of fees paid to clinicians, rent for hospital buildings and land, equipment, payments pursuant to revenue sharing arrangements, repairs and maintenance of buildings, plant and machinery, utility charges (including power and fuel), security, housekeeping expenses and food and beverage. Our senior consultants are compensated on a fee for service basis (based on procedures performed). At the commencement of operations of a new hospital, however, for an initial period of one to two years, senior consultants and clinicians are also paid a minimum fixed fee until they exceed the threshold where the fee for service exceeds the minimum fixed fee. In the future, we expect operating expenses to increase in absolute terms as a result of both growth in our business and upward pressure on wages for doctors. Opening a new hospital requires us to install a basically full complement of doctors even if occupancy rates have not yet reached target levels. As a result of ramping up our staffing levels for doctors at new hospitals in anticipation of higher patient volumes in the future, operating expenses will represent a higher percentage of income in respect of a newly opened hospital before it reaches maturity. In addition, much of the infrastructure for a hospital must be put in place when a hospital commences operations and many operating expenses are required to be incurred regardless of patient admission levels, and thus initially, operating expenses will represent a higher percentage of a hospital's total income until patient volumes reach targeted levels. This will decline as patient volumes and manpower utilization rates increase at a hospital.

General and Administration Expenses: General and administration expenses primarily consist of fees for outsourced services, office administration expenses, legal and other professional fees, costs relating to medical conferences and exhibitions and training and development. We expect general and administration expenses to increase as we continue to expand our network.

Selling Expenses: Selling expenses primarily consist of the expenses incurred in connection with our marketing efforts to patients, corporate customers and doctors. Especially during the first year when we start operating a hospital, we incur significant costs in connection with indoor, outdoor and online media advertising we use to promote the hospital. After the first year, as the hospital matures, our marketing efforts start to focus on various community activities and events. We expect selling expenses to increase as we continue to expand our network.

Interest Expenses: Interest expenses are primarily composed of interest paid on loans and also include other bank charges. We expect to incur additional indebtedness in the future to help finance our expansion plans, which would increase our interest cost. We expect interest expenses to decrease as a percentage of total income as our income base grows as a result of growth in our network.

Depreciation/Amortization: We have made significant investments in hospital buildings and medical equipment and we regularly upgrade our property, plant and equipment. We depreciate our property, plant and equipment based on statutorily prescribed rates. If the actual useful life of an asset is shorter than the statutorily prescribed useful life, then we write down the full amount of the remaining value of such asset. We expect an increase in our depreciation and amortization expenses due to the increase in the number of our greenfield and brownfield hospitals.

Results of Operations

The following table sets forth certain profit and loss data in rupees and as a percentage of total income and certain operating data for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005.

(Rs. millions and as a percentage of total income)

	Audited* and Restated Nine months ended December 31,		**Audited* and Restated Year Ended March 31,**					
	2007		**2007**		**2006**		**2005**	
Sales and services	2,594.8	99.8%	2,364.8	99.9%	1,586.8	99.7%	1,291.0	99.9%
Other Income	5.0	0.2%	2.2	0.1%	4.9	0.3%	1.3	0.1%
Total Income	**2,599.8**	**100.0%**	**2,367.0**	**100.0%**	**1,591.6**	**100.0%**	**1,292.3**	**100.0%**
Purchases	842.1	32.4%	782.0	33.0%	515.8	32.4%	479.9	37.1%
(Increase)/Decrease in Inventories	(127.4)	(4.9)%	(43.8)	1.8%	(10.1)	0.6%	(8.2)	0.6%
Personnel Expenses	310.4	11.9%	295.7	12.5%	193.0	12.1%	148.2	11.5%
Operating Expenses	888.3	34.2%	789.3	33.3%	517.2	32.5%	350.6	27.1%
General and Administration Expenses	82.0	3.2%	79.7	3.4%	50.8	3.2%	48.0	3.7%
Selling Expenses	59.8	2.3%	69.1	2.9%	37.6	2.4%	56.0	4.3%
EBITDA**	**544.6**	**20.9%**	**395.0**	**16.7%**	**287.3**	**18.1%**	**217.7**	**16.8%**
Interest Expenses (Net)	235.6	9.1%	113.1	4.8%	57.0	3.6%	93.5	7.2%
Depreciation/ Amortization	145.9	5.6%	120.1	5.1%	88.4	5.6%	90.7	7.0%

	Audited* and Restated Nine months ended December 31,		**Audited* and Restated Year Ended March 31,**					
	2007		**2007**		**2006**		**2005**	
Total Expenditure	**2,436.6**	**93.7%**	**2,205.2**	**93.2%**	**1,449.7**	**91.1%**	**1,258.8**	**97.4%**
Profit Before Tax	**163.2**	**6.3%**	**161.8**	**6.8%**	**141.9**	**8.9%**	**33.5**	**2.6%**
Income Tax	(18.5)	0.7%	(18.3)	0.8%	(11.8)	0.7%	(2.4)	0.2%
Fringe Benefit Tax	(6.0)	0.2%	(4.0)	0.2%	(3.2)	0.2%	-	-
Wealth Tax	(0.1)	0.0%	(0.1)	0.0%	0.0	0.0%	0.0	0.0%
Deferred Tax	(65.5)	2.5%	16.5	0.7%	16.9	1.1%	(17.9)	1.4%
Net Profit (as restated)	**73.1**	**2.8%**	**155.9**	**6.6%**	**143.7**	**9.0%**	**13.1**	**1.0%**
Less: Losses/(Profits) transferred to Minority Interest	0.03	-	0.01	-	**-**	**-**	**-**	**-**
Net Profits / (Losses) as allocable to the shareholders of Wockhardt Hospitals Limited	73.1	-	155.9	-	143.7	**-**	13.1	**-**
Profit/(Loss) at the beginning of the year	208.8	-	52.9	-	(90.8)	-	(103.9)	-
Balance carried forward as restated	281.9	-	208.8	-	52.9	-	(90.8)	-

* All profit and loss data set forth in the above table is audited except for EBITDA, which is unaudited but has been derived from our audited financial statements.

** EBITDA represents net profit before interest, taxes and depreciation of fixed assets. EBITDA is not a measurement of operating performance under Indian GAAP, and should not be considered a substitute for operating profit, net profit, cash flows from operating activities or other income statement data, or as a measure of profitability or liquidity, and EBITDA does not necessarily indicate whether cash flow will be sufficient or available for cash requirements. EBITDA may not be indicative of our historical operating results nor is it meant to be predictive of potential future results. Because all companies do not calculate EBITDA identically, the presentation may not be comparable to similarly entitled measures of other companies. Additionally, EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as they do not consider certain cash requirements such as interest payments and tax payments.

Nine months ended December 31, 2007

Income

Total income was Rs. 2,599.8 million for the nine months ended December 31, 2007.

Sales and Services: Sales and services equalled Rs. 2,594.8 million for the nine months ended December 31, 2007.

Set forth below is a discussion of the components of sales and services in rupees and as a percentage of sales and services for the nine months ended December 31, 2007:

(Rs. millions and as a percentage of operating income)

	Audited and Restated Nine months ended December 31,	
	2007	
Inpatient Income	1,973.7	76.0%
Outpatient Income	328.8	12.7%
Pharmacy Income	292.3	11.3%
Sales and services	**2,594.8**	**100.0%**

Inpatient Income: Inpatient income was Rs. 1,973.7 million for the nine months ended December 31, 2007. This result was positively affected by inpatient admissions and procedures volumes across our hospitals, especially at our hospital in Bannerghatta Road, Bangalore and our new hospitals at Surat, Rajkot and Nagpur (Shankar Nagar). Inpatient income for fiscal 2007 was Rs. 1,836.9 million. Inpatient income as a percentage of sales and services was 76.0% for the nine months ended December 31, 2007 and 77.7% for fiscal 2007.

Outpatient Income: Outpatient income was Rs. 328.8 million for the nine months ended December 31, 2007. This result was positively affected by outpatient registration volumes, including consultations, investigations and minor procedures, at our hospitals in Cunningham Road, Bangalore and Kolkata and our new hospitals in Surat, Rajkot and Nagpur (Shankar Nagar). Outpatient income for fiscal 2007 was Rs. 287.8 million. Outpatient income as a percentage of sales and services was 12.7% for the nine months ended December 31, 2007 and 12.2% for fiscal 2007.

Pharmacy Income: Pharmacy income was Rs. 292.3 million for the nine months ended December 31, 2007. This result was positively affected by inpatient volumes across our network. Pharmacy income for fiscal 2007 was Rs. 240.1 million. Pharmacy income as a percentage of sales and services was 11.3% for the nine months ended December 31, 2007 and 10.1% for fiscal 2007.

Other Income: Other income was Rs. 5.0 million for the nine months ended December 31, 2007. This result was positively affected by interest income from investment of surplus funds temporarily available and write-down of certain liabilities that are no longer payable. Other income for fiscal 2007 was Rs. 2.2 million. Other income as a percentage of total income was 0.2% for the nine months ended December 31, 2007 and 0.1% for fiscal 2007.

Expenditure

Purchases: Purchase costs were Rs. 842.1 million for the nine months ended December 31, 2007, reflecting purchases of consumables during the period in response to inpatient volumes and also consumables-intensive procedures, representing a higher proportion of our total procedure count. Purchase costs for fiscal 2007 was Rs. 782.0 million. Purchase costs as a percentage of total income was 32.4% for the nine months ended December 31, 2007 and 33.0% for fiscal 2007.

Increase/Decrease in Inventories: Increase in inventories equalled Rs. 127.4 million for the nine months ended December 31, 2007 reflecting the commencement of operations at our new hospitals in Surat, Nagpur (Shankar Nagar), Vashi, Kalyan and Nagarbhavi, and an increase in our minimum inventory levels due to the increase in patient volumes at our hospitals in Bannerghatta Road, Bangalore and Rajkot. Increase in inventories for fiscal 2007 was Rs. 43.8 million.

Personnel Expenses: Personnel expenses equalled Rs. 310.4 million for the nine months ended December 31, 2007, reflecting the overall growth in our business and an increase in headcount primarily due to the commencement of operations at our new hospitals in Surat, Rajkot and Nagpur (Shankar Nagar). Personnel expenses for fiscal 2007 were Rs. 295.7 million. Personnel expenses as a percentage of total income equalled 11.9% for the nine months ended December 31, 2007 and 12.5% for fiscal 2007.

Operating Expenses: Operating expenses equalled Rs. 888.3 million for the nine months ended December 31, 2007, reflecting the overall growth in our business, including at our hospital at Bannerghatta Road, Bangalore, and the commencement of operations at our new hospitals in Surat, Rajkot and Nagpur (Shankar Nagar), as well as an increase in power, fuel, water and repair costs. Operating expenses for fiscal 2007 were Rs. 790.0 million. Operating expenses as a percentage of total income equalled 34.2% for the nine months ended December 31, 2007 and 33.4% for fiscal 2007.

General and Administration Expenses: General and administration expenses equalled Rs. 82.0 million for the nine months ended December 31, 2007, reflecting the overall growth in our business, including at our hospital at Bannerghatta Road, Bangalore, and the commencement of operations at our new hospitals in Surat, Rajkot and Nagpur (Shankar Nagar). General and administration expenses for fiscal 2007 were Rs. 79.7 million. General and administration expenses as a percentage of total income equalled 3.1% for the nine months ended December 31, 2007 and 3.4% for fiscal 2007.

Selling Expenses: Selling expenses equalled Rs. 59.8 million for the nine months ended December 31, 2007, reflecting marketing spending for our hospital at Bannerghatta Road, Bangalore and our new hospitals in Surat, Rajkot and Nagpur (Shankar Nagar). Selling expenses for fiscal 2007 were Rs. 69.1 million. Selling expenses as a percentage of total income equalled 2.3% for the nine months ended December 31, 2007 and 2.9% for fiscal 2007.

EBITDA

EBITDA was Rs. 544.6 million for the nine months ended December 31, 2007.

Interest Expenses (Net): Interest expenses equalled Rs. 235.6 million for the nine months ended December 31, 2007, reflecting interest payments relating to our borrowings, especially interest payments relating to our hospitals at Bannerghatta Road, Bangalore, Surat, Vashi, Nagpur (Shankar Nagar) and Rajkot, which are now charged to the profit and loss account (as opposed to being considered capital expenditures while the projects were still under development), as well as an increase in interest rates for certain of our borrowings. Interest expenses for fiscal 2007 were Rs. 113.1 million. Interest expenses as a percentage of total income equalled 9.1% for the nine months ended December 31, 2007 and 4.8% for fiscal 2007.

Depreciation/Amortization: Depreciation and amortization expenses equalled Rs. 145.9 million for the nine months ended December 31, 2007, reflecting the capitalization of expenses relating to our hospital at Bannerghatta Road, Bangalore and our new hospitals in Surat, Rajkot and Nagpur (Shankar Nagar). Depreciation and amortization expenses for fiscal 2007 were Rs. 120.1 million. Depreciation and amortization expenses as a percentage of total income equalled 5.6% for the nine months ended December 31, 2007 and 5.1% for fiscal 2007.

Profit Before Tax

Profit before tax was Rs. 163.2 million for the nine months ended December 31, 2007.

Income Tax

Income tax is determined based on the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Income tax equalled Rs. 18.5 million for the nine months ended December 31, 2007, reflecting an effective tax rate of 11.4%.

Fringe Benefit Tax

With effect from the beginning of fiscal 2006, the Central Government has imposed a fringe benefit tax in respect of certain perquisites offered to employees and certain other business expenses. Fringe benefit tax consists of tax on fringe benefits including, among other things, employer contributions to super-annuation funds, conveyance and travel expenses, and sales promotion expenses. Fringe benefit tax equalled Rs. 6.0 million for the nine months ended December 31, 2007.

Wealth Tax

Wealth tax consists of tax on net wealth of the company calculated as per the Wealth Tax Act of 1957. Wealth tax equalled Rs. 0.1 million for the nine months ended December 31, 2007.

Deferred Tax

Deferred 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 equalled Rs. 65.5 million for the nine months ended December 31, 2007.

Net Profit

Net profit was Rs. 73.1 million for the nine months ended December 31, 2007.

Fiscal Year Ended March 31, 2007 Compared to Fiscal Year Ended March 31, 2006

Income

Total income for the year ended March 31, 2007, was Rs. 2,367.0 million, an increase of 775.4 million, or 48.7% from Rs. 1,591.6 million for the year ended March 31, 2006. This increase was primarily due to an increase in inpatient admissions and the volume of cardiac and orthopaedic surgeries at our hospitals in Mulund, Mumbai and Hyderabad, and the contribution of the hospitals that we added to our network during the year. Our new greenfield hospital in Bannerghatta Road, Bangalore commenced operations in November 2006, and our two new brownfield hospitals in Rajkot and Chord Road, Bangalore commenced operations in January 2007.

Sales and services: Sales and services increased by Rs. 778.0 million, or 49.0%, from Rs. 1,586.8 million in the year ended March 31, 2006 to Rs. 2,364.8 million in the year ended March 31, 2007.

Set forth below is a discussion of the components of sales and services in rupees and as a percentage of sales and services for the year ended March 31, 2007 as compared to the year ended March 31, 2006:

(Rs. millions and as a percentage of sales and services)

	Audited and Restated Year Ended March 31,			
	2007		**2006**	
Inpatient Income	1,836.9	77.7%	1,242.6	78.3%

	Audited and Restated Year Ended March 31,			
	2007		2006	
Outpatient Income	287.8	12.2%	186.0	11.7%
Pharmacy Income	240.1	10.2%	158.2	10.0%
Sales and services	**2,364.8**	**100.0%**	**1,586.8**	**100.0%**

Inpatient Income: Inpatient income increased by Rs. 594.3 million, or 47.8%, from Rs. 1,242.6 million for the year ended March 31, 2006 to Rs. 1,836.9 million for the year ended March 31, 2007. This increase in inpatient income was primarily due to an increase in inpatient admissions and the volume of cardiac and orthopaedic surgeries at our existing hospitals in Mulund, Mumbai and Hyderabad and the contribution of our new hospitals in Bannerghatta Road, Bangalore, Rajkot and Chord Road, Bangalore. From fiscal 2006 to fiscal 2007, inpatient income at our hospital in Mulund, Mumbai, one of our mature hospitals, increased by 32.5%, however inpatient income at our other mature hospital in Cunningham Road, Bangalore stayed flat (1.0% decrease) primarily due to the opening of our other hospital in Bangalore. Our two hospitals in Hyderabad, which commenced operations in 2006, achieved a 204.8% increase in inpatient income over the same period. Inpatient income as a percentage of sales and services was 77.7% for the year ended March 31, 2007 compared to 78.3% for the year ended March 31, 2006.

Outpatient Income: Outpatient income increased by Rs. 101.8 million, or 54.7%, from Rs. 186.0 million for the year ended March 31, 2006 to Rs. 287.8 million for the year ended March 31, 2007. This increase was primarily due to an increase in outpatient volumes throughout our network, especially at our hospital in Mulund, Mumbai, resulting from consultations, examinations and minor procedures and the contribution of our new hospital in Bannerghatta Road, Bangalore. From fiscal 2006 to fiscal 2007, outpatient income at our mature hospitals in Mulund, Mumbai and Cunningham Road, Bangalore increased by 54.2% and 45.7%, respectively. Our two hospitals in Hyderabad, which commenced operations in 2006, achieved a 422.5% increase in outpatient income over the same period. Outpatient income as a percentage of sales and services was 12.2% for the year ended March 31, 2007 compared to 11.7% for the year ended March 31, 2006.

Pharmacy Income: Pharmacy income increased by Rs. 81.9 million, or 51.8%, from Rs. 158.2 million for the year ended March 31, 2006 to Rs. 240.1 million for the year ended March 31, 2007. This increase was primarily due to an increase in patient volumes at our hospitals in Mulund, Mumbai and Hyderabad and the contribution of our new hospitals in Bannerghatta Road, Bangalore, Rajkot and Chord Road, Bangalore. Pharmacy income as a percentage of sales and services was 10.2% for the year ended March 31, 2007 compared to 10.0% for the year ended March 31, 2006.

Other Income: Other income decreased by Rs. 2.7 million, or 55.1%, from Rs. 4.9 million in the year ended March 31, 2006 to Rs. 2.2 million in the year ended March 31, 2007 primarily due to a decrease in interest income.

Expenditure

Purchases: Purchase costs increased by Rs. 266.2 million, or 51.6%, from Rs. 515.8 million in the year ended March 31, 2006 to Rs. 782.0 million in the year ended March 31, 2007. This increase was primarily due to an increase in the volume of cardiac and orthopaedics surgeries at our hospitals in Mulund, Mumbai and Hyderabad, an increase in the number of liver transplants at our hospitals in Kolkata, and the resulting increase in the use of consumables, and the addition of our new hospitals in Bannerghatta Road, Bangalore, Rajkot and Chord Road, Bangalore. From fiscal 2006 to fiscal 2007, purchase costs at our mature hospital in Mulund, Mumbai increased by 25.7%, however purchase costs at our other mature hospital in Cunningham Road, Bangalore decreased by 4.0%, primarily due to the opening of our other hospital in Bangalore. Purchase costs at our two hospitals in Hyderabad, which commenced operations in 2006, increased by 145.0% over the same period. As a percentage of total income, purchase costs were 33.0% in fiscal 2007 and 32.4% in fiscal 2006.

Increase/Decrease in Inventories: Inventories increased by Rs. 33.7 million, or 333.7%, from Rs. 10.1 million in the year ended March 31, 2006 to Rs. 43.8 million in the year ended March 31, 2007. This increase was primarily due to the addition of our new hospitals in Bannerghatta Road, Bangalore, Rajkot and Chord Road, Bangalore.

Personnel Expenses: Personnel expenses increased by Rs. 102.7 million, or 53.2%, from Rs. 193.0 million in the year ended March 31, 2006 to Rs. 295.7 million in the year ended March 31, 2007. This increase was primarily due to the addition of employees for our new greenfield and brownfield hospitals, which commenced operations during the year and an increase in the compensation of existing employees. Personnel expenses as a percentage of total income was 12.5% for the year ended March 31, 2007 compared to 12.1% for the year ended March 31, 2006.

Operating Expenses: Operating expenses increased by Rs. 272.1 million, or 52.6%, from Rs. 517.2 million in the year ended March 31, 2006 to Rs. 789.3 million in the year ended March 31, 2007. This increase was primarily due to the recruitment of additional doctors resulting from an increase in the volume of inpatients and surgeries at our existing hospitals in Mulund, Mumbai, Hyderabad and Kolkata, the addition of our new hospitals in Bannerghatta Road, Bangalore, Rajkot and Chord Road, Bangalore, and the minimum guaranteed compensation payments we made to our new doctors during their first year of employment. This increase was also due to an increase in power and fuel charges, payments pursuant to lease and revenue sharing arrangements, taxes and administrative expenses at our existing hospitals (especially our hospitals in Hyderabad and Mulund, Mumbai) and the addition of our new hospitals in Bannerghatta Road, Bangalore, Rajkot and Chord Road, Bangalore. From fiscal 2006 to fiscal 2007, operating expenses at our mature hospital in Mulund, Mumbai, increased by 33.1%, however operating expenses at our other mature hospital in Cunningham Road, Bangalore stayed flat (2.2% increase), primarily due to the opening of our other hospital in Bangalore. Operating expenses at our two hospitals in Hyderabad, which commenced operations in 2006, increased by 259.6% over the same period. As a percentage of total income, operating and other expenses were 33.4% in fiscal 2007 and 32.5% in fiscal 2006.

General and Administration Expenses: General and administration expenses increased by Rs. 28.9 million, or 56.8%, from Rs. 50.8 million in the year ended March 31, 2006 to Rs. 79.7 million in the year ended March 31, 2007. This increase was primarily due to the commencement of operations at the hospitals in Bannerghatta Road, Bangalore and Rajkot. General and administration expenses as a percentage of total income was 3.4% for the year ended March 31, 2007 compared to 3.2% for the year ended March 31, 2006.

Selling Expenses: Selling expenses increased by Rs. 31.5 million, or 83.8%, from Rs. 37.6 million for the year ended March 31, 2006 to Rs. 69.1 million for the year ended March 31, 2007. This increase was primarily due to indoor, outdoor and online media advertising expenses we incurred in connection with the opening of our new greenfield and brownfield hospitals (especially our hospital in Bannerghatta Road, Bangalore) and also in connection with our existing hospitals at Hyderabad. Selling expenses as a percentage of total income was 2.9% for the year ended March 31, 2007 compared to 2.4% for the year ended March 31, 2006.

EBITDA

EBITDA increased by Rs. 107.7 million, or 37.5%, from Rs. 287.3 million in the year ended March 31, 2006 to Rs. 395.0 million in the year ended March 31, 2007.

Interest Expenses (Net): Interest expenses increased by Rs. 56.1 million, or 98.4%, from Rs. 57.0 million in the year ended March 31, 2006 to Rs. 113.1 million in the year ended March 31, 2007. This increase in interest cost was primarily due to an increase in the interest rates affecting our floating rate obligations and additional borrowings we incurred in order to undertake our greenfield and brownfield projects.

Depreciation/Amortization: Depreciation and amortization expenses increased by Rs. 31.7 million, or 35.8%, from Rs. 88.4 million in the year ended March 31, 2006 to Rs. 120.1 million in the year ended March 31, 2007. This increase in depreciation expenses was primarily due to the capital expenditures we incurred in connection with building our new hospital in Bannerghatta Road, Bangalore and equipment purchases at our brownfield hospitals.

Profit Before Tax

Profit before tax for the fiscal year ended March 31, 2007, was Rs. 161.8 million, an increase of 19.9 million, or 14.1% from Rs. 141.9 million for the year ended March 31, 2006. As a percentage of total income, profit before tax was 6.8% in fiscal 2007 and 8.9% in fiscal 2006.

Income Tax

Income tax increased by Rs. 6.5 million, or 54.6%, from Rs. 11.9 million in the year ended March 31, 2006 to Rs. 18.3 million in the year ended March 31, 2007. This increase in income tax was primarily due an increase in our taxable profit and also due to increase in the tax rates applicable to us.

Fringe Benefit Tax

Fringe benefit tax increased by Rs. 0.8 million, or 25.0%, from Rs. 3.2 million in the year ended March 31, 2006 to Rs. 4.0 million in the year ended March 31, 2007. This increase was primarily due to an increase in expenses on which fringe benefit tax is levied primarily as a result of our recruitment of additional employees in connection with our new hospitals.

Wealth Tax

Wealth tax decreased by Rs. 0.02 million, or 50.0%, from Rs. 0.04 million in the year ended March 31, 2006 to Rs. 0.06 million in the year ended March 31, 2007. This increase was primarily due to an increase in the number of vehicles owned by the company.

Deferred Tax

Deferred tax decreased by Rs. 0.4 million, or 2.4%, from Rs. 16.9 million in the year ended March 31, 2006 to Rs. 16.5 million in the year ended March 31, 2007.

Net Profit

Net profit after tax increased by Rs. 12.2 million, or 8.5%, from Rs. 143.7 million in the year ended March 31, 2006 to Rs. 155.9 million in the year ended March 31, 2007. This increase was primarily due to an increase in the volume of cardiac and orthopaedic surgeries at our hospitals in Mulund, Mumbai and Hyderabad, and the contribution of the hospitals that we added to our network during the year. As a percentage of total income, net profit was 6.6% in fiscal 2007 and 9.0% in fiscal 2006.

Fiscal Year Ended March 31, 2006 Compared to Fiscal Year Ended March 31, 2005

Income

Total income for the year ended March 31, 2006 was Rs. 1,591.6 million, an increase of 299.3 million, or 23.2% from Rs. 1,292.3 million for the year ended March 31, 2005. This increase was primarily due to an increase in inpatient volumes as a result of expansion of bed capacity at our hospitals in Mulund, Mumbai and Cunningham Road, Bangalore, and an increase in cardiac patient volumes at Nagpur. Two new hospitals, Kamineni Wockhardt Hospital and Wockhardt Heart Centre in Hyderabad, which commenced operations in July 2005 and February 2006, respectively, also contributed in this increase.

<u>Sales and Services</u>: Sales and services increased by Rs. 295.8 million, or 22.9%, from Rs. 1,291.0 million in the year ended March 31, 2005 to Rs. 1,586.8 million in the year ended March 31, 2006.

Set forth below is a discussion of the components of sales and services in rupees and as a percentage of sales and services for the fiscal year ended March 31, 2006 as compared to the year ended March 31, 2005:

(Rs. millions and as a percentage of sales and services)

	Audited and Restated Year Ended March 31,			
	2006		**2005**	
Inpatient Income	1,242.6	78.3%	1,012.6	78.4%
Outpatient Income	186.0	11.7%	155.9	12.1%
Pharmacy Income	158.2	10.0%	122.5	9.5%
Sales and services	**1,586.8**	**100%**	**1,291.0**	**100%**

Inpatient Income*:* Inpatient income increased by Rs. 230.0 million, or 22.7%, from Rs. 1,012.6 million in the year ended March 31, 2005 to Rs. 1,242.6 million in the year ended March 31, 2006. This increase in inpatient income was primarily due to an increase in inpatient volumes as a result of expansion of bed capacity at our hospitals in Mulund, Mumbai and Cunningham Road, Bangalore, an increase in cardiac patient volumes at our hospitals in Nagpur, and also the contribution of our two new hospitals in Hyderabad. From fiscal 2005 to fiscal 2006, inpatient income at our mature hospitals in Mulund, Mumbai and Cunningham Road, Bangalore increased by 33.5% and 19.6%, respectively. Our hospital in Nagpur, which commenced operations in 2005, achieved a 106.0% increase in inpatient income over the same period. Inpatient income as a percentage of sales and services was 78.3% for the year ended March 31, 2006 compared to 78.4% for the year ended March 31, 2005.

Outpatient Income: Outpatient income increased by Rs. 30.1 million, or 19.3%, from Rs. 155.9 million in the year ended March 31, 2005 to Rs. 186.0 million in the year ended March 31, 2006. This increase was primarily due to an increase in outpatient volumes at our hospitals in Mulund, Mumbai and Kolkata. From fiscal 2005 to fiscal 2006, outpatient income at our mature hospitals in Mulund, Mumbai and Cunningham Road, Bangalore increased by 30.4% and 10.5%, respectively. Outpatient income as a percentage of sales and services was 11.7% for the year ended March 31, 2006 compared to 12.1% for the year ended March 31, 2005.

Pharmacy Income: Pharmacy income increased by Rs. 35.7 million, or 29.1%, from Rs. 122.5 million in the year ended March 31, 2005 to Rs. 158.2 million in the year ended March 31, 2006. This increase was primarily due to an increase in patient volumes at our existing hospitals and the addition of our two new hospitals in Hyderabad. Pharmacy income as a percentage of sales and services was 10.0% for the year ended March 31, 2006 compared to 9.5% for the year ended March 31, 2005.

Other Income: Other income increased by Rs. 3.6 million, or 264.3%, from Rs. 1.3 million in the year ended March 31, 2005 to Rs. 4.9 million in the year ended March 31, 2006 due to an increase in interest income.

Expenditure

Purchases: Purchase costs increased by Rs. 35.9 million, or 7.5%, from Rs. 479.9 million in the year ended March 31, 2005 to Rs. 515.8 million in the year ended March 31, 2006. This increase was primarily due to an increase in inpatient volumes as a result of expansion of bed capacity at our hospitals in Mulund, Mumbai and Cunningham Road, Bangalore, and also the commencement of operations at our two hospitals in Hyderabad that we added to our network during the year. From fiscal 2005 to fiscal 2006, purchase costs at our mature hospitals in Mulund, Mumbai and Cunningham Road, Bangalore increased by 34.7% and 18.1%, respectively. Purchase costs at our hospital in Nagpur, which commenced operations in 2005, increased by 59.5% over the same period. As a percentage of total income, purchase costs were 32.4% in fiscal 2006 and 37.1% in fiscal 2005.

Increase/Decrease in Inventories: Inventories increased by Rs. 1.9 million, or 23.4%, from Rs. 8.2 million in the year ended March 31, 2005 to Rs. 10.1 million in the year ended March 31, 2006. This increase was primarily due to the addition of our two new hospitals in Hyderabad.

Personnel Expenses: Personnel expenses increased by Rs. 44.8 million, or 30.2%, from Rs. 148.2 million in the year ended March 31, 2005 to Rs. 193.0 million in the year ended March 31, 2006. This increase was primarily due to a general increase in employees' salaries throughout our network, and also the recruitment of employees for our two new hospitals in Hyderabad. The increase was also partly due to the recruitment of additional employees due to the expansion of bed capacity at our hospitals in Mulund, Mumbai and Cunningham Road, Bangalore. Personnel expenses as a percentage of total income was 12.1% for the year ended March 31, 2006 compared to 11.5% for the year ended March 31, 2005.

Operating expenses: Operating expenses increased by Rs. 166.6 million, or 47.5%, from Rs. 350.6 million in the year ended March 31, 2005 to Rs. 517.2 million in the year ended March 31, 2006. This increase was primarily due to the recruitment of additional doctors for our two new hospitals in Hyderabad and the minimum guaranteed compensation payments we made to such doctors during their first year of employment, and a slight increase in doctors' fees at our existing hospitals. The increase was also due to an increase in power and fuel charges, taxes and administrative expenses at our existing hospitals (especially at Mulund, Mumbai, Cunningham Road, Bangalore and Nagpur) and the addition of our new hospitals in Hyderabad. From fiscal 2005 to fiscal 2006, operating expenses at our mature hospital in Mulund, Mumbai and Cunningham Road, Bangalore increased by 35.9% and 20.8%, respectively. Operating expenses at our hospital in Nagpur, which commenced operations in 2005, increased by 106.3% over the same period. As a percentage of total income, operating expenses were 32.5% in fiscal 2006 and 27.1% in fiscal 2005.

General and Administration Expenses: General and administration expenses increased by Rs. 2.8 million, or 5.8%, from Rs. 48.0 million in the year ended March 31, 2005 to Rs. 50.8 million in the year ended March 31, 2006. This increase was primarily due to the contribution of our two new hospitals in Hyderabad and also the expansion of bed capacity at our hospital in Mulund, Mumbai. General and administration expenses as a percentage of total income were 3.2% for the year ended March 31, 2006 compared to 3.7% for the year ended March 31, 2005.

Selling Expenses: Selling expenses decreased by Rs. 18.3 million, or 32.8%, from Rs. 56.0 million in the year ended March 31, 2005 to Rs. 37.6 million in the year ended March 31, 2006. This decrease was primarily due to a decline in marketing expenses at our hospital in Mulund, Mumbai pertaining to the maturing of this hospital. Selling expenses as a percentage of total income were 2.4% for the year ended March 31, 2006 compared to 4.3% for the year ended March 31, 2005.

EBITDA

EBITDA increased by Rs. 69.6 million, or 31.7%, from Rs. 217.7 million in the year ended March 31, 2005 to Rs. 287.3 million in the year ended March 31, 2006.

Interest Expenses (Net): Interest expenses decreased by Rs. 36.5 million, or 39.1%, from Rs. 93.5 million in the year ended March 31, 2005 to Rs. 57.0 million in the year ended March 31, 2006. This decrease in financial expenses was primarily due to a decline in the interest rates affecting our floating rate obligations and the capitalization of the interest cost pertaining to our greenfield projects.

Depreciation/Amortization: Depreciation and amortization expenses decreased by Rs. 2.3 million, or 2.5%, from Rs. 90.7 million in the year ended March 31, 2005 to Rs. 88.4 million in the year ended March 31, 2006. This decrease in depreciation and amortization expenses was primarily due to a reduction in book value of computers purchased in 2002 for our hospital in Mulund, Mumbai.

Profit Before Tax

Profit before tax for the fiscal year ended March 31, 2006, was Rs. 141.9 million, an increase of 108.4 million, or 323.6% from Rs. 33.5 million for the year ended March 31, 2005. As a percentage of total income, profit before tax was 8.9% in fiscal 2006 and 2.6% in fiscal 2005.

Income Tax

Income tax increased by Rs. 9.4 million, or 387.7%, from Rs. 2.4 million in the year ended March 31, 2005 to Rs. 11.8 million in the year ended March 31, 2006. This increase in income tax was primarily due to an increase in taxable profit.

Fringe Benefit Tax

Fringe benefit equalled Rs. 3.2 million for the year ended March 31, 2006. We incurred no fringe benefit tax during the year ended March 31, 2005 since the government started levying this tax in 2006.

Wealth Tax

Wealth tax stayed flat at Rs. 0.04 million in the year ended March 31, 2006 as compared with the year ended March 31, 2005.

Deferred Tax

Deferred tax decreased by Rs. 34.8 million, or 194.0%, from Rs. 17.9 million in the year ended March 31, 2005 to negative Rs. 16.9 million in the year ended March 31, 2006. This decrease was primarily due to the bringing forward of losses we incurred in prior years.

Net Profit

Net profit after tax increased by Rs. 130.6 million, or 997.0%, from Rs. 13.1 million in the year ended March 31, 2005 to Rs. 143.7 million in the year ended March 31, 2006. This increase was primarily due to an increase in inpatient volumes as a result of expansion of bed capacity at our hospitals in Mulund, Mumbai and Cunningham Road, Bangalore, the contribution of the hospitals that we added to our network during the year, and a reduction in financial expenses and tax. As a percentage of total income, net profit was 9.0% in fiscal 2006 and 1.0% in fiscal 2005.

Liquidity and Capital Resources

Cash Flow

The table below summarizes our cash flow for the nine months ended December 31, 2007 and fiscal years ended March 31, 2007, 2006 and 2005.

(Rs. millions)

	Audited and Restated Nine months ended December 31,	**Audited and Restated Year ended March 31,**		
	2007	**2007**	**2006**	**2005**
Net cash generated from (used in) operations..............	391.2	288.1	332.7	201.9
Net cash generated from (used in) investing activities	(2,024.5)	(883.6)	(607.3)	(321.6)
Net cash generated from (used in) financing activities	1,851.0	920.7	233.4	221.2

Net cash generated from (used in) operations. Our net cash generated from operations in the nine months ended December 31, 2007 was Rs. 391.2 million, reflecting profit before tax of Rs. 163.2 million and income tax expense of Rs. 36.8 million, including adjustments of Rs. 235.6 million for net interest expenses and Rs. 145.9 million for depreciation and amortization. Working capital changes resulted in a Rs. 118.1 million increase for the nine months ended December 31, 2007. These changes included a Rs. 124.3 million increase in sundry debtors, a Rs. 127.2 million increase in inventories, a Rs. 112.2 million increase in loans and advances (changes in loans and advances is net of changes in advance tax paid of Rs 36.75 million which has been accounted for as part of income tax expenses under cash flow from operating activities and net of loans to KHDCL of Rs 9.58 million which has been accounted for as part of loans (to)/ from companies under cash flows from investing activities), and a Rs. 268.8 million increase in current liabilities.

Our net cash generated from operations in fiscal 2007 was Rs. 288.1 million, reflecting profit before tax of Rs. 161.8 million and income tax expense of Rs. 27.1 million, including adjustments of Rs. 107.2 million for interest income and Rs. 120.1 million for depreciation and amortization. Working capital changes resulted in a Rs. 74.3 million decrease for fiscal 2007. These changes included a Rs. 111.4 million increase in sundry debtors, a Rs. 43.8 million increase in inventories, a Rs. 100.3 million increase in loans and advances (changes in loans and advances is net of changes in advance tax paid of Rs 30.1 million which has been accounted for as part of income tax expenses under cash flow from operating activities), and a Rs. 183.4 million increase in current liabilities. The decrease in net cash generated from operations in fiscal 2007, as compared to fiscal 2006, was primarily due to an increase in income taxes paid by us and working capital changes.

Our net cash generated from operations in fiscal 2006 was Rs. 332.7 million, reflecting profit before tax of Rs. 141.9 million and income tax expense of Rs. 6.4 million, including adjustments of Rs. 57.0 million for interest income and Rs. 88.4 million for depreciation and amortization. Working capital changes resulted in a Rs. 50.9 million increase for fiscal 2006. Working capital changes included a Rs. 43.1 million increase in sundry debtors, a Rs. 10.1 million increase in inventories, a Rs. 33.3 million increase in loans and advances (changes in loans and advances is net of changes in advance tax paid of Rs 3.0 million which has been accounted for as part of income tax expenses under cash flow from operating activities), and a Rs.137.4 million increase in current liabilities. The increase in net cash generated from operations in fiscal 2006, as compared to fiscal 2005, was primarily due to an increase in operating profit in fiscal 2006.

Our net cash generated from operations in fiscal 2005 was Rs. 201.9 million, reflecting profit before tax of Rs. 33.5 million and income tax expense of Rs. 2.2 million, including adjustments of Rs. 93.5 million for interest income and Rs. 90.7 million for depreciation and amortization. Working capital changes resulted in a Rs. 20.2 decrease for fiscal 2005. Working capital changes included, among other things, a Rs. 25.8 million increase in sundry debtors, a Rs. 8.2 million increase in inventories, a Rs. 4.6 million decrease in loans and advances (changes in loans and advances is net of changes in advance tax paid of Rs 2.2 million which has been accounted for as part of income tax expenses under cash flow from operating activities and net of loans repaid by KHDCL of Rs 149.6 million which has been accounted for as part of loans (to)/ from companies under cash flow from investing activities), and a Rs. 9.2 million increase in current liabilities.

Net cash generated from (used in) investing activities. Our net cash used in investing activities was Rs. 2,024.5 million in the nine months ended December 31, 2007, which comprised primarily repayment of loans from companies and purchases of fixed assets. The fixed assets we purchased included medical equipment, building components, furniture, fixtures, vehicles and computers amounting to Rs. 1,487.7 million.

Our net cash used in investing activities was Rs. 883.6 million in fiscal 2007, composed primarily of loans from companies. The investments included investments made in connection with purchases of fixed assets. The fixed assets we purchased included medical equipment, building components, furniture, fixtures, vehicles and computers amounting to Rs. 1339.2 million. The increase in net cash used in investing activities in fiscal 2007, as compared to fiscal 2006, was primarily due to the commencement of operations at our hospital in Banerghetta, Bangalore and expansion of bed capacity at our hospitals in Mulund, Mumbai, and Cunningham Road, Bangalore.

Our net cash used in investing activities was Rs. 607.3 million in fiscal 2006, composed primarily of loans from companies. The investments included investments made in connection with purchases of fixed assets. The fixed assets we purchased included medical equipment, building components, furniture, fixtures, vehicles and computers amounting to Rs. 732.0 million. The increase in net cash used in investing activities in fiscal 2006, as compared to fiscal 2005, was primarily due to an increase in purchases of fixed assets and loans from companies.

Our net cash used in investing activities was Rs. 321.6 million in fiscal 2005, composed primarily of loans from companies. The investments included investments made in connection with purchases of fixed assets. The fixed assets we purchased included medical equipment, building components, furniture, fixtures, vehicles and computers amounting to Rs. 322.4 million.

Net cash generated from (used in) financing activities. Our net cash generated from financing activities was Rs. 1,851.0 million in the nine months ended December 31, 2007, reflecting primarily increases in unsecured loans and secured loans. From March 31, 2007 to December 31, 2007, unsecured loans increased by Rs 1532.0 million on account of borrowings from banks (gross of loans repaid to companies of Rs 537.2 million which have been accounted for under cash flow from investing activities). Secured loans increased by Rs 508.3 million during the same period on account of borrowings from banks.

Our net cash generated from financing activities was Rs. 920.2 million in fiscal 2007, reflecting primarily increases in unsecured loans and secured loans. .From March 31, 2006 to March 31, 2007, unsecured loans increased by Rs 664.5 million on account of borrowings from banks (net of loans from companies of Rs 443.5 million which have been accounted for under cash flow from investing activities). Secured loans increased by Rs 373.1 million during the same period on account of borrowings from banks.

Our net cash generated from financing activities was Rs. 233.4 million in fiscal 2006, reflecting primarily increases in unsecured loans and secured loans due to financings we obtained in connection with the commencement of operations at our hospital in Banerghetta, Bangalore and expansion of bed capacity at our hospitals in Mulund, Mumbai. Secured loans increased by Rs 338.1 million during this period on account of borrowings from banks.

Our net cash generated from financing activities was Rs. 221.2 million in fiscal 2005, composed primarily of proceeds from equity and preference share capital net of decrease in unsecured loans. Proceeds from issuance of equity share capital equalled Rs 190.0 million and proceeds from issuance of preference share capital equalled Rs 250.0 million. Unsecured loans decreased by Rs 200.0 million on account of repayment of bank borrowings (net of loans to companies of Rs 128.0 million which have been accounted for under cash flows from investing activities).

Capital Expenditures. During fiscal 2007 we incurred capital expenditures of approximately Rs. 1,339.2 million, which we financed primarily from cash flows from operating activities and additional indebtedness. Our capital expenditures primarily related to investments in new hospitals, the purchase of medical equipment and building modification and improvements at our existing hospitals.

During the nine months ended December 31, 2007, we incurred capital expenditures of approximately Rs. 902.8 million, which we financed primarily from cash flows from operating activities and additional indebtedness. Our capital expenditures primarily related to investments in new hospitals, the purchase of medical equipment and building modification and improvements at our existing hospitals.

During the three months ended March 31, 2008, we plan to incur capital expenditures of approximately Rs. 689.4 million, which we expect to finance primarily from cash flows from operating activities, the proceeds of the Issue and additional indebtedness. Our capital expenditures will primarily relate to investments in new hospitals, the purchase of medical equipment and building modification and improvements at our existing hospitals.

During fiscal 2009, we plan to incur capital expenditures of approximately Rs. 3,762.9 million, which we expect to finance primarily from cash flows from operating activities, the proceeds of the Issue and additional indebtedness. Our capital expenditures will primarily relate to investments in new hospitals, the purchase of medical equipment and building modification and improvements at our existing hospitals.

We have not made any commitments to incur these planned capital expenditures and the amounts and purpose of these expenditures may change in accordance with our business requirements.

We expect that the capital expenditures and investments relating to our new projects will primarily be funded with additional indebtedness and the proceeds of future equity offerings and, to the extent available, cash on hand. We typically obtain financing for our expansion plans on a project-by-project basis, raising sufficient funds at the beginning of a project to pay for all anticipated cash costs related to that project. In the past, we have relied on equity funding from members of the Promoter Group and bank financing, often supported by guarantees and security provided by the Promoters, to finance our expansion projects and working capital requirements. The Promoters and other members of the Promoter Group have not committed to provide such forms of credit support on a going-forward basis, and in the future we expect that such forms of credit support will be unnecessary in light of our improved liquidity due to the completion of the Issue, and increased income we expect to generate from our operations as our existing hospitals mature.

Financing Arrangements

Total consolidated debt was Rs. 4,364.0 million at December 31, 2007, compared to Rs. 2,862.5 million at March 31, 2007, Rs. 1,381.8 million at March 31, 2006 and Rs. 994.5 million at March 31, 2005. Rs. 2,850.0 million of this indebtedness at December 31, 2007 represented short-term loans. As described in the section titled "Objects of the Issue" on page 30 of this Red Herring Prospectus, we intend to apply Rs. 2,850.0 million of the proceeds from the Issue to repay such loans.

As of December 31, 2007, March 31, 2007, 2006 and 2005, our outstanding short-term and long-term indebtedness included the following:

(Rs. millions)

Name of the Institution	**Type of Facility**	**Rate of Interest**	**Amount Outstanding as of December 31, 2007**	**Amount Outstanding as of March 31,**			**Maturity**
				2007	**2006**	**2005**	
Wockhardt Hospitals Limited (Borrower)							
Indian Overseas Bank	Secured Loan	Prime Lending Rate (PLR) minus 3% or 7.00% p.a. which ever is higher	210.00	250.00	250.00	110.00	April 2007 , October 2007 and bi-annually
Punjab National Bank	Secured Loan	PLR minus 3.50 % or 7.25% p.a. which ever is higher	180.00	240.00	300.00	300.00	August 2007, February 2008 and bi-annually
Axis Bank Ltd.	Secured Loan	7.90% for the first 3 years and thereafter to be mutually agreed.	1,122.77	1,013.87	450.00	0.00	3 years moratorium for each tranche from drawdown

Name of the Institution	Type of Facility	Rate of Interest	Amount Outstanding as of December 31, 2007	Amount Outstanding as of March 31,			Maturity
				2007	2006	2005	
							date and thereafter in 72 equal monthly instalments, commencing January 09 and ending February 2016
Standard Chartered Bank	Secured Loan	9.55%	0.00	0.00	0.00	251.25	Repaid
Non Convertible Debenture - CISL	Secured	7%	0.00	0.00	130.00	130.00	Redeemed
Vehicle Loan	Secured Loan	Various Rates	1.19	1.81	2.61	3.28	On monthly basis
HDFC Bank Ltd.	Unsecured	12.50%	100.00	0.00	0.00	0.00	March 2008
ING Vysya Bank	Unsecured	9.75%	0.00	250.00	120.00	200.00	Repaid
ING Vysya Bank	Unsecured	12.50%	100.00	0.00	0.00	0.00	February 2008
Indian Overseas bank	Unsecured	8.00%	0.00	0.00	35.00	0.00	Repaid
Punjab National Bank	Unsecured	9.75%	200.00	199.55	0.00	0.00	February 2008
Calyon Bank	Unsecured	8.35%	0.00	120.00	0.00	0.00	Repaid

Name of the Institution	Type of Facility	Rate of Interest	Amount Outstanding as of December 31, 2007	Amount Outstanding as of March 31,			Maturity
				2007	2006	2005	
Union Bank of India	Unsecured	12.75%	250.00	250.00	0.00	0.00	December 2008
Punjab National Bank	Unsecured	11.35%	300.00	0.00	0.00	0.00	November 2008
Union Bank of India	Unsecured	11.50%	300.00	0.00	0.00	0.00	February 2008
ICICI Bank Limited	Secured	11.00%	500.00	0.00	0.00	0.00	February and March 2008
ICICI Bank Limited	Unsecured	10.75%	500.00	0.00	0.00	0.00	March 2008
IDBI Bank	Unsecured	11.50%	200.00	0.00	0.00	0.00	November 2008
Bank of Baroda	Unsecured	11.50%	200.00	0.00	0.00	0.00	November 2008
HSBC Bank Limited	Unsecured	11.00%	100.00	0.00	0.00	0.00	December 2008
ABN Amro Bank	Unsecured	12.25%	100.00	0.00	0.00	0.00	March 2008
Khorakiwala Holdings & Investments Private Limited	Unsecured	8.00%	0.00	294.78	60.52	0.00	Repaid in July, 2007
Carol Info Services Limited	Unsecured	8.00%	0.00	242.44	33.71	0.00	Repaid in July, 2007

The terms of certain of our borrowings contain restrictive covenants, such as requiring lender consent for, among other things, creating encumbrances on our assets, or disposing of our assets. Certain of these borrowings also contain covenants which limit our ability to make any change or alteration in our capital structure, make investments, effect any scheme of amalgamation or restructuring or enlarge or diversify our scope of business. Certain of our short and long-term debt is secured by a charge over our fixed assets, land and buildings and our current assets, including, but not limited to, our inventory and receivables. As of the date of this Red Herring Prospectus, we believe that we are in full compliance with all the covenants and undertakings as described above.

We finance our short-term working capital requirements through cash flow from operations. Management believes that cash flows from operations and financing activities will be sufficient to meet expected liquidity needs during the next 12 months.

Contractual Obligations

The following table shows our total future contractual obligations as of December 31, 2007:

(Rs. Millions)

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 Year**	**1-3 Years**	**4-5 Years**	**More than 5 Years**
Total Debt Obligations	4,364.0	2,950.0	291.2	-	1,122.8
Capital Commitments (net of advances)	662.4	662.4			
Total	**5,026.4**	**3,612.4**	**291.2**	**-**	**1,122.8**

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of the major borrowings of the Company, as on December 31, 2007 together with a brief description of certain significant terms of the relevant financing agreements.

Lender	Facility and Loan Documentation	Interest Rate and Repayment Schedule	Security
Indian Overseas Bank(1) (2) (3)	Term loan for Rs. 250 million availed pursuant to an agreement dated August 19, 2004.	**Interest:** 300 basis points below PLR or at 7% p.a., whichever is higher. **Repayment:** Over six years, in 12 half yearly instalments.	First charge on land and buildings owned by the Company and KHDL and on the movable and fixed assets of the Company at the Company's Bannergheta Hospital.
Axis Bank(4) (5) (6) (7)	Term loan for Rs. 1,500 million availed pursuant to an agreement dated July 26, 2005.	**Interest:** 7.90 %p.a., which is to be reset every three years, on mutually agreeable terms. **Repayment:** Over nine years after a moratorium of three years, in 72 equal instalments.	Mortgage / hypothecation charge on assets financed by the Lender. An irrevocable corporate guarantee has been provided by Khorakiwala Holding and Investment Company Private Limited.
Punjab National Bank(1) (2) (3)	Term loan for Rs. 300 million availed pursuant to an agreement dated February 19, 2004.	**Interest:** 350 basis points below PLR or at 7.25%, whichever is higher. **Repayment:** Over four years, in eight half yearly equal instalments.	First *pari pasu* charge on land and building owned by Merind Limited And the fixed and movable assets of the Company's hospital facility at Mulund, Mumbai. A corporate guarantee has been provided by Merind Limited.
ICICI Bank Limited(4) (8) (9) (10)	Term loan for Rs.500 million availed pursuant to an agreement dated July 31, 2007.	**Interest:** The rate of interest for each tranche of the facility shall be stipulated by ICICI Bank Limited on the date of disbursement of such tranche of the facility, plus applicable interest tax or other statutory levy, if any. The applicable rate as on the date of the agreement was 11.00% per annum. **Repayment:** Repayment in two equal instalments February 15, 2008 and March 15, 2008.	Second *pari passu* charge by way of hypothecation of movable fixed assets at Wockhardt Hospital at Mulund.

(1) Under the terms of the loan agreement, the Company has undertaken to use the proceeds only for the development of the specific hospital as laid out in the loan agreement.

[2] The Company has undertaken to report every year to the Lender with regard to the fact that the Promoters have not transferred or assigned their shareholding in the Company.

[3] The Company, under the terms of the loan agreement, has also undertaken that it shall not enter into any transactions with any shareholder, director or any company, where such shareholder, director or company holds more than 2 % beneficial interest in the Company.

[4] Under the terms of the loan agreement, the Company has undertaken not to enter into any scheme of merger, amalgamation, compromise or reconstruction, effect any major change in its capital structure, invest by way of share capital in or lend or advance funds to or place deposits with any other concern except in the usual course of business, without the consent of the Lender.

[5] The Company has undertaken, under the terms of the loan agreement, not to declare dividends except out of the profits of the Company, after meeting repayment obligations.

[6] Under the terms of the loan agreement, the Company has undertaken not to permit any change in the ownership or control of the Company, without the prior consent of the Lender, whereby effective beneficial ownership or control of the Company shall change.

[7] The terms of the loan agreement grant the Lenders the right to examine whether the liabilities exceed the assets of the Company, or whether the Company is carrying on its business at a loss; the same, among others, has been termed as an event of default.

[8] Under the terms of the loan agreement the Company shall promptly deliver to ICICI Bank Limited, its duly audited annual accounts, in any event, within four months from the close of its accounting year.

[9] Under the terms of the loan agreement the Lender shall have the right to appoint a nominee director on the Board of Directors of the Company.

[10] In accordance with the terms of the loan agreement the Company is required to provide an “End-use Certificate” signed by a Chartered Accountant within a period of 45 days from the date of each draw down or before availing further disbursements.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or regulatory proceedings, including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Promoters, Promoter Group companies or firms, Subsidiaries or Directors and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debentures, bonds, fixed deposits and arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences, (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act), other than unclaimed liabilities of the Company, no Directors' of the Issuer, Promoter Group companies or Subsidiaries have had their names on the RBI's defaulter's list or have been proceeded against for statutory violations and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Promoters, Promoter Group companies or firms, Subsidiaries or Directors.

CONTINGENT LIABILITIES

Except as disclosed in this Red Herring Prospectus, the Company does not have any contingent liabilities. For further details refer to the section "Financial Statements" at page 158 of this Red Herring Prospectus.

The Details of the relevant proceedings have been classified as follows:

A. Proceedings Initiated by or against our directors:

1. Proceedings involving Anil Kamath;
2. Proceedings involving H.F. Khorakiwala;
3. Proceedings involving Dr. Vivek Jawali;
4. Proceedings involving Pradip Shah;
5. Proceedings involving Ashwin Dani.
6. Proceedings involving Berjis Desai

B. Proceedings Initiated by or against the Company

C. Proceedings Initiated by or against our Promoter Companies:

1. Proceedings involving Carol Info Services Limited, ("**Carol**");
2. Proceedings involving Dartmour Holdings Private Limited, ("**DHPL**")

D. Proceedings Involving our Subsidiary, Kanishka Housing Development Company Limited, ("**KHDL**")

E. Proceedings Initiated by or against our Promoter Group entities:

1. Proceedings involving Merind Limited ("**Merind**");
2. Proceedings involving Khorakiwala Foundation (A Section 25 Company);
3. Proceedings involving Wockhardt Infrastructure Development Limited ("**WIDL**");
4. Proceedings involving Khorakiwala Holdings & Investments Private Limited ("**KHIPL**");
5. Proceedings involving Wockhardt Limited.
6. Proceedings involving Wockhardt UK Limited;
7. Proceedings involving CP Pharmaceuticals Limited.

F. Proceedings involving the Director of our Promoter Group entities

A. PROCEEDINGS INITIATED BY OR AGAINST OUR DIRECTORS

1) PROCEEDINGS INITIATED AGAINST ANIL KAMATH.

i.) Jaguar Electronics Private Limited had availed of certain loans from UCO Bank which were guaranteed by Chhabria Investments Private Limited. UCO Bank initiated recovery proceedings for Rs. 19 million with 16.5% interest from November 1, 1990 against both these companies in which a Recovery Certificate was granted in its favour. Mr. Anil Kamath, then being in the employment of the parent company of Jaguar, had subscribed to its Memorandum and Articles of Association. Vide an order dated February 27, 2002 the DRT directed that notice be served upon the Directors of Jaguar Electronics to disclose the assets of the said two companies. Mr. Kamath filed a petition, (**R.P. Case No. 71 of 1998 before DRT-I, Kolkata**), contending that he had signed the Memorandum and Articles of Jaguar Electronics only as an employee and that he was never involved in its affairs, neither was he a party to or signatory to any documents for the loans to the company. Mr Kamath has prayed that his name be deleted from the proceedings. Judgment on the matter has been currently reserved.

ii.) A complaint was filed by the Bank of Maharashtra for defaults with regard to repayment of loans worth Rs. 206.4 million, before the Special Judge, Mumbai, (**Central Bureau of Investigation Case No. RC4(E)/96/BS&FC/Mumbai – Spl. Case No. 88/2001 of 2001**). A charge-sheet has been filed against the accused alleging offences under Sections 120B read with Section 420 of the Indian Penal Code, 1860, and Section 5(2) read with Section 5(1)(d) of the Prevention of Corruption Act, 1947. Mr. Kamath has been made an accused as he was the General Manager, Finance of Orson Electronic Private Limited, the parent company of Orson Distribution Limited, of which he was a Director, to which company, the Bank of Maharashtra granted loans. The applications for credit facilities had been made under the signatures of Mr. Kamath. Mr. Kamath had resigned from the said companies on October 31, 1986. The matter is pending hearing and final disposal.

2) PROCEEDINGS INITIATED AGAINST H. F. KHORAKIWALA

i.) A criminal complaint, (**No. 711/1 of 1992**), was filed before the Judicial Magistrate, 1st Class, Yamuna Nagar against Mr. H. F. Khorakiwala, Wockhardt Limited, Mr. Ashok Thapar and Mr. S.M. Mitra of Wockhardt Company Ltd. under Section 274 and 275 of the Indian Penal Code by one, Dr. Kuldip Singh, Medical Officer, Civil Hospital, Jagadhri, for sale of spurious and adulterated medicines allegedly manufactured by Wockhardt Company Ltd. . The complaint was dismissed against the accused for want of evidence by an order dated March 30, 2007. There has been no appeal filed by the complainant.

ii.) Dhananjay Pandey and some others, (referred to collectively as "**Petitioners**"), have filed a Company Petition, (**Company Petition No. 1/2005**), before the Company Law Board challenging alleged acts of mismanagement and oppression against the majority shareholders of Dr. Bais Surgical & Medical Institute under Section 397, 398 & 402 of the Companies Act, 1956. The Petitioners have also challenged the increase in the total authorized share capital of Dr. Bais Surgical and Medical Institute Pvt. Limited and allotment of 6 million shares to some persons, including the Company and Mr. H. F. Khorakiwala as Respondents 8 and 9. The Petition, *inter alia*, prays that Dr. Bais Surgical and Medical Institute Pvt. Limited be restrained from entering into any agreement with the Company. the Company has since, entered into a management agreement with the Dr. Bais Surgical and Medical Institute Private Limited. The matter is pending hearing and final disposal.

iii.) Harbans Singh, ("**Complainant**"), has filed a consumer dispute against the Company before the District Consumer Disputes Redressal Forum alleging over-charging for the cardiac surgery performed on the Complainant's son-in-law at a Wockhardt hospital. Mr. H. F. Khorakiwala, a Promoter Director of the Company, was made a party to the proceedings. The Complainant claimed damages of approximately Rs. 0.15 million, however, the District Forum passed an award for Rs.0.04 million along with 9% interest per annum from August 27, 2002. The Company and the Complainant filed cross-appeals against such order. The Company and Mr. H. F. Khorakiwala filed an appeal before the State Consumer Dispute Redressal Commission, (**First Appeal No. 1742 of 2004 in Complaint No. DF.MSD/259/03**), denying the allegations made in the complaint and praying, *inter alia,* for setting aside of the order passed by the District Forum. The Complainant has also filed his appeal before the State Consumer Disputes Redressal Commission, (**First Appeal No. 1541 of 2004 in Complaint No. DF.MSD/259/03**), praying that the full amount claimed along with 20 per cent interest per month and costs be granted. The matter is pending hearing and final disposal.

iv.) The Securities and Exchange Board of India, ("**Board**"), vide a letter dated October 15, 2003, addressed to Mr. H.F. Khorakiwala, ("**HK**"), and another, ("**Notice**"), had communicated their investigation findings in terms of Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992, ("**IT Regulations**"), and called upon HK to show cause as to why action should not be initiated against him in terms of Section 11 (4), 11 (B), 15 (G), 24 of the SEBI Act, 1992, and, Regulation 9 (2) and (11) of the IT Regulations.

The sum and substance of the allegations in the Notice were that, (i) the recipients of the Notice had, during the period of investigation, traded in shares of Wockhardt Limited, while in possession of unpublished price sensitive information, (ii) the date, time and manner of transactions correlated to material events such as the date of board meeting, (iii) they had made profit, and, (iv) that accordingly ,the recipients of the Notice had violated Regulation 3 of the IT Regulations, and were guilty of insider trading in terms of Regulation 4 of the IT Regulations.

HK and Tahseel Hire Purchase Co. Pvt. Ltd., (the other recipient of the Notice), responded to the contentions and allegations as contained in the Notice, in detail. Vide letter dated April 29, 2005, ("**Final Communication**"), SEBI advised HK and Tahseel Hire Purchase Co. Pvt. Ltd. to follow the provisions of IT Regulations, strictly in letter and spirit. Pursuant to this, there has been no further action taken by SEBI on this matter.

3) PROCEEDINGS INITIATED AGAINST DR. VIVEK JAWALI

i.) M.R. Virupaksha has filed an appeal before the National Consumer Disputes Resolution Commission, (**F.A. 04 of 2007**). The appeal challenges the order of the Karnataka State Consumer Disputes Redressal Commission, which dismissed the complaint filed by Mr. Virupaksha that alleged medical negligence against the Company and Dr. Vivek Jawali, a Director of the Company. The liability involved in the matter is Rs. 1.39 million. The matter is pending hearing and final disposal.

ii.) M.B. Palaksha, (the **"Complainant**"), had filed a consumer dispute before the Karnataka State Consumer Dispute Redressal Commission alleging deficiency in services and negligence on the part of Dr. Vivek Jawali and the Company in relation to the cardiac treatment given to the Complainant and claimed a compensation of Rs.3.5 million and costs. The State Commission's order dated July 20, 2006 held that since, the Complainant prayed for permission to withdraw the complaint and file it before the District Forum after reducing the claim for damages to less than Rs. 2 million, accordingly, the complaint was dismissed; however, the Complainant was at liberty to file a fresh complaint before the District Forum with a reduced claim for damages. The Complainant has since, filed a fresh complaint before the District Forum, (**Complaint No. 2728/2006**), claiming damages of Rs. 2 million.

NOTICES RECEIVED BY DR. VIVEK JAWALI

Mohammed Haneef, (the "**Claimant**"), has sent a legal notice dated November 7, 2005 to Dr. Vivek Jawali and the Company. The notice alleges that the Claimant had undergone a cardiac surgery at a Wockhardt hospital and was discharged with a surgery cost of Rs.0.2 million. Allegedly, the Claimant felt no improvement and claims that the surgery was a total failure. The notice alleges negligence and claims mental, physical and financial hardships for which damages to the tune of Rs. 0.5 million are sought. Dr. Vivek Jawali, Chief Cardio Vascular and Thoracic, Surgeon, Wockhardt Hospital and Heart Institute, Bangalore, has replied to the notice on December 20, 2006. No further response has been received.

4) PROCEEDINGS INITIATED AGAINST PRADIP SHAH

Mr. Pradip Shah, an independent Direct or, has challenged the assessment of his income made by the Income Tax Department for the Assessment Year 2001-2002 before the Commissioner of Income Tax (Appeals). The Commissioner, vide order dated December 22, 2004, dismissed the appeal. Mr. Shah filed an appeal before the Income Tax Appellate Tribunal. The entire amount claimed by the income tax authorities has been deposited by him subject to the outcome of the appeal. The appeal before the Income Tax Appellate Tribunal is pending hearing and final disposal.

5) PROCEEDINGS INITIATED AGAINST ASHWIN DANI

The Municipal Corporation of Greater Mumbai has initiated proceedings before the Metropolitan Magistrate, Mumbai, against Executive Directors of Asian Paints Ltd, including Ashwin Dani, for alleged violation of storing thinners (highly inflammable petroleum), without obtaining a license under the Mumbai Municipal Corporation Act, 1888, (the "**BMC Act**"). The said thinner was being stored at a warehouse at Sewree, (the "**Warehouse**"). Warrants were issued in these proceedings, (the "**Initial Proceedings**"), and the Directors moved the Sessions Court at Greater Mumbai, (**Criminal Appellate Side, Revision Application No. 561 of 2007**), to quash the Initial Proceedings and have the operation of the said warrants stayed. Before the Sessions Court, it was contended that, (i) they do not store any material at the Warehouse, and that the said thinner was being stored by Asian Paints Limited's joint venture partner, Asian PPG Industries Limited at the Warehouse owned by P K Velu & Company (ii) the Warehouse owner has a valid license to store 64780 litres of inflammable petroleum in the Warehouse, which license is valid till 31.12.2007; and (iii) the operation of Section 394 of the BMC Act has been restricted by notification No.P104 dated May 4, 1950, issued under the Petroleum Act, 1934, and as such any person holding a license under the said Petroleum Act need not hold a license under the BMC Act. At present the operation of the said warrants and the Initial Proceedings has been stayed by the Sessions Court till the disposal of the proceedings before them and the final hearing has been fixed for September 17, 2007.

6) PROCEEDINGS INITIATED AGAINST BERJIS DESAI

i). The Securities and Exchange Board of India, ("**Board**"), had passed a general mass order on December 17, 1999, ("**Order**"), against various directors and companies listed in an Annexure to the said Order. The Order was issued against directors who had not responded to show cause notices issued to them and or to a public notice issued on September 14, 1999, (jointly referred to as the "**Notices**"). The charges levelled in the Notices and Order were in connection with the non-compliance with the listing agreement by the companies in question.

The reference in the Order to Mr. Berjis Desai was in relation to his being a director of Efcon Securities Limited, ("**Efcon**"). After a personal hearing on February 4, 2000, the SEBI Chairman passed a detailed reasoned order on February 8, 2000, completely exonerating Mr. Desai, and pointing out that the Order would not even be applicable to Mr. Desai.

ii). Mr. Ram Gopal Patwari and others, (jointly referred to as the "Complainants"), filed a criminal complaint, (CC no. 148 of 2007), before the Court of Additional Chief Metropolitan Sessions Judge Cum Economic Offence Unit, at Hyderabad against M/s Sterlite Industries (I) Limited, ("Sterlite"), and its directors, (the "Respondents"), which include Mr. Berjis Desai who is an independent director. The Complainants alleged that they ought to have received duplicate share certificates of Sterlite, as applied for by them, and the dividend accrued thereon from 1996 onwards.

The Office of the Additional Chief Metropolitan Magistrate, Hyderabad through directions had issued summons for all the directors of Sterlite to be present before the Court of Additional Chief Metropolitan Sessions Judge, at Hyderabad. The Respondents had filed a petition before the High Court of Andhra Pradesh for quashing the said directions. The High Court has heard the petition and has granted an interim stay in favour of the Respondents. The said criminal complaint is however pending hearing and final disposal.

B. PROCEEDINGS INITIATED BY OR AGAINST THE COMPANY

1) PROCEEDINGS INITIATED AGAINST THE COMPANY

a. CIVIL PROCEEDINGS

i.) Jitendra Vinodrai Laktaria and some others, (**"Petitioners**"), have instituted a suit, (**Case No. 41/36/2006**), before the Deputy Charity Commissioner, Rajkot, *inter alia*, claiming to be the beneficiaries of the Ashok Gondhia Memorial Trust, ("**Trust**"). It is alleged that the hospital management agreement entered into by the Company with the Trust is void *ab initio* as requisite permissions and approvals for *inter alia*, obtaining loans, change in name etc., have not been obtained. The matter is pending hearing and final disposal.

ii.) A suit, (**Title Suit No. 385 of 2005**), has been filed before Civil Judge, Alipore, by Purna Chandra Mandal (the "**Plaintiff**"), *inter alia*, for a declaration that he is the absolute owner of a piece of land marked as Dag No. 525/581 in Khaitan No. 250, Tousi No. 1298/2834 Mouza Nonadanga, J.L. No. 10, Pargana Panchannagaram, P.S. Tiljala on which the Company had allegedly commenced illegal construction, ("**Suit Premises**"), of a boundary wall around the suit premises. The Plaintiff has, *inter alia*, sought an injunction to restrain the Company from carrying out construction works on the suit premises. The Company, in its written statement has contended that the pieces of land where it proposes to carry out construction works have been allotted to it for a consideration of Rs. 45 million by the Kolkata Metropolitan Development Authority ("**KDMA**") vide Deed of License dated August 16, 2005 and alleged that it has nothing to do with the writ premises. The matter is pending hearing and final disposal.

iii.) A Writ Petition, (**W.P. No. 16454 (W) of 2005**), has been filed before the Calcutta High Court by Nanda Roy and six others, (**"Petitioners"**), who claim ownership of a piece of land marked as Dag No. 525/581 in Khaitan No. 339, Tousi No. 1298/2834 Mouza Nonadanga, J.L. No. 10, Pargana Panchannagaram, P.S. Tiljala, ("**Writ Premises**"), through deceased Shushil Chandra Roy Mandal. The petitioners have alleged that the employees of KDMA forcibly entered the writ premises without notice and demolished the structures thereon and thereafter, allegedly the employees of the Company forcibly entered the writ premises and destroyed the Petitioners' standing crop and started making a wide road thereon. The Petitioners have, *inter alia*, prayed that the Company and KDMA be directed to vacate the writ premises and deliver peaceful possession thereof to the Petitioners. The Company has contended that the pieces of land marked as where it proposes to carry out construction works have been allotted to it for a consideration of Rs. 45 million by the KDMA vide Deed of License dated August 16, 2005 alleged that it has nothing to do with the Writ Premises. The matter is pending for hearing and final disposal.

iv.) A petition has been filed by the Official Trustee, State of Maharashtra, (**M.P. 48/1990**), with regard to the administration of the Adam Wylie Hospital by Indian Red Cross Society and the Company. Previously, prior to 1993, the Official Trustee was vested with the property of the Adam Wylie Memorial Foundation, (the "**Trust**"), but was discharged as trustee by the Bombay High Court's order dated November 8, 1993 wherein the Indian Red Cross Society was appointed as the sole trustee and vested with the Trust's assets. In 2004, the Company signed a Memorandum of Understanding, ("**MoU**"), and a three-year license agreement with the Indian Red Cross Society to construct a hospital upon the Trust property. Upon completion of the construction, the Company intends to enter into a lease agreement with the Indian Red Cross Society for a term of 51 years. The Official Trustee filed a suit in 2006 against the Indian Red Cross Society and the Company. The Official Trustee challenged the validity of the MoU, claiming that it was still the trustee of the property. The Company has filed an application in the proceedings praying, *inter alia*, that the Official Trustee be directed to take steps to complete the implementation of the Bombay High Court's order dated November 8, 1993 and complete the transfer of all assets of the Trust to the Indian Red Cross Society. The Official Trustee has also filed an application in the matter, praying, *inter alia*, that the earlier orders of the High Court be recalled and the trust properties be reverted to it. The matter is pending hearing and final disposal.

v.) A Company Petition has been filed by Dr. Vithal Kasbekar, who is the majority shareholder of Sterling Hospitals Limited, before the Company Law Board, against the alleged wrongdoings of Dr. Prakash Kasbekar for having entered into a hospital management agreement with Wockhardt

Hospitals in the name of Sterling Hospitals Limited. Though this is a dispute between the shareholders of Sterling Hospitals Limited, the Company is an affected party to the Company Petition. Interim orders have been passed directing, *inter alia*, that *status quo* be maintained on the shareholding and fixed assets of Sterling Hospitals Limited. The Company has not been served with any summons as yet from the Company Law Board. The Company has written a letter on July 10, 2007 to the Dr. Vithal Kasbekar's advocate, calling for a copy of the proceedings.

b. CONSUMER COURT PROCEEDINGS

i.) P.K. Shah, ("**Complainant**") has filed a Complaint, (**Complaint No. 147 of 2005**), before the District Consumer Disputes Redressal Forum, Bandra alleging medical negligence against the Company and Dr. Anand Subramanium with regard to the conduct of a cataract operation. An amount of Rs. 0.5 million has been claimed as compensation for the damage suffered by and mental agony caused to the Complainant. The matter is pending hearing and final disposal.

ii.) Pavan Kumar Sahu ("**Complainant**") has filed a Complaint (**Complaint No. 282 of 2006**) before the District Consumer Disputes Redressal Forum, Bandra alleging medical negligence against the Company in the performance of a hip surgery. The Complainant claims that the negligence resulted in a loose hip joint, an infection and caused him pain and suffering. It further has constrained him to undergo corrective surgery and is causing him a recurring loss of earnings every year. The complainant has prayed for a consolidated amount of Rs. 1.94 million with interest at the rate of 18 per cent per annum. The matter is pending hearing and final disposal.

iii.) Rafeeq Fateemah, ("**Complainant**") has filed a Complaint, (**Complaint No. 362 of 2007**), before the Consumer Disputes Redressal Forum, Hyderabad, alleging medical negligence against the Company and its doctor, Dr. P.N. Rao. It is alleged that no preoperative investigation was conducted before conducting cardiac surgery on the Complainant's husband, which is said to have resulted in his death. The Complainant has claimed Rs. 1.5 million as compensation for mental agony and suffering caused by the death of her husband along with 15% interest and costs. The matter is pending hearing and final disposal.

iv.) A complaint, (**S.C. Case No. 40/O/2005**), has been filed by Aniket Dey, ("**Complainant**"), before the State Consumer Disputes Resolution Commission, Kolkata, alleging wrong diagnosis and surgery on his kidney. The Complainant has claimed damages along with costs of litigation. The Company and its doctor, Dr. Shivaji Basu, have filed their response contending that the Complainant has suppressed material facts and that the procedures performed on the Complainant were correct and appropriate. The amount involved in the matter is approximately Rs. 2.52 million. The matter is pending for hearing and final disposal.

v.). A complaint, (**CDF/Unit-I/Case No. 18/2007**) ,has been filed by Bhim Chandra Saha, ("**Complainant**"), before the Kolkata District Consumer Disputes Redressal Forum alleging medical negligence against the Company for failing to conduct pre-operative investigation before performing surgery on his kidney for removal of kidney stone, which allegedly led to the loss of his left kidney. The amount claimed in the Complaint is Rs. 1.8 million. The Company has filed its written statement, denying negligence on its part and contending that the Complainant's failure to follow the prescribed course of treatment led to further complications. The matter is pending hearing and final disposal.

vi.). Gautam Nag has filed a complaint before State Consumer Disputes Redressal Commission, Bhavani Bhawan, Kolkata (**S.C. Case No. 4510/O/2001**) alleging medical negligence against the Company which allegedly led to the loss of his left kidney. Mr. Nag has prayed that a consolidated amount of Rs. 1.6 million with interest as damages be awarded. The Company has filed its written statement. The matter is pending for hearing and final disposal.

vii) M.R. Shantappa filed a consumer dispute against the Company for conducting an angiography on him which resulted in respiratory and cardiac arrest and renal failure before the Karnataka State Consumer Dispute Redressal Commission claiming Rs.1 million as damages. The State Commission passed an award against the Company for 0.15 million at 12 per cent interest per annum. The Company has filed an appeal, (**F.A. No. 43 of 2006 in OC No. 18/99**), before the National Consumer Disputes Resolution Commission, for setting side of the order passed against it. The appeal is pending for hearing and final disposal.

viii.). Mr. Abbasi Ameen has filed a consumer appeal before the Additional Consumer Disputes Redressal Commission, Maharashtra, (**F.A. No. 2594 of 2006**). Earlier, Mr. Ameen had filed a complaint before the District Consumer Forum alleging negligence and deficiency in service against Ekvira Heart Institute (a unit of Dr. Bais Surgical and Medical Institute Private Limited) with regard to cardiac treatment received by him at the said hospital. Initially compensation of Rs. 0.35 Million had been claimed, however the same was enhanced to Rs. 2 Million alongwith interest during the course of the proceedings. The Company, through its Board of Directors, was joined as a party to the dispute as a necessary party after it took over the Ekvira Heart Institute. The District Consumer Forum found that on the basis of the evidence and arguments, no medical negligence could be proved by Mr. Ameen and the complaint was dismissed vide an order dated September 9, 2006. Mr. Ameen has challenged the said order by way of his appeal.

ix.) Mr. B. Chitti Babu, ("**Complainant**"), has filed a complaint dated August 16, 2007, before the IV Additional District Consumer Dispute Redressal Forum, Bangalore, (**Complaint No. 1649/07**), against the Company and Others. The Complainant has alleged that the negligence and deficiency of service on the part of the Company resulted in the death of his father, who was admitted in one of the hospitals run by the Company, for treatment. The Complainant has claimed a refund of medical expenses amounting to Rs. 0.047 million from the Company. Additionally, the Complainant has also claimed an amount of Rs. 1.8 million jointly and severally from all the opposite parties along with an interest at the rate of 18% per annum as compensation. The Company has filed its written statement, dated October 18, 2007 and the proceedings are pending hearing and final disposal.

x.) Mrs. Leelamma N., ("**Complainant**"), has filed a complaint dated October 6, 2007, before the III Additional Urban District Consumer Dispute Redressal Forum, Bangalore, (**Complaint no. 1886/2007**), against the Chairman/CEO of Yeshasvini Co-operative Farmers Health Care Scheme and the Company. The Complainant has alleged Wockhardt Hospitals limited was negligent in its part for not considering her request to deduct her medical bills from the Yeshasvini Co-operative Farmers Health Care Scheme. She was allegedly a member, and therefore, entitled to the benefits thereunder, which included deductions in medical bills. The Complainant has claimed an amount of Rs. 0.28 million as compensation with an interest of 12% per annum. The Company has filed its written statement, dated November 13, 2007, the proceedings are pending hearing and final disposal.

c. INCOME TAX PROCEEDINGS

The Additional Commissioner of Income Tax, *vide* an assessment order dated November 30, 2007 for the Assessment Year 2005-2006, has made various disallowances, *inter alia,* include (i) membership fees and other expenses for a club, (ii) untimely contributions to the Provident Fund, interest in respect of certain borrowed funds and loans. The aforementioned assessment order states that the business losses for the said assessment year will be reduced by 13.3 million and there will be no tax liability as a result of accumulated losses. The period of limitation for preferring an appeal against the said order has not expired, and the Company is in the process of preferring such appeal.

d. CUSTOMS PROCEEDINGS

The Commissioner of Customs (Import) Special Investigation and Intelligence Branch had served a show cause notice dated March 1, 2002 on the Company with regard to defibrillators imported by the Company for which import duty exemption was claimed. These defibrillators could be used externally also, whereas, the exemption was allegedly only for defibrillators for internal use. The notice has been issued to show cause as to why the differential customs duty of Rs. 0.5 million along with interest should not be charged and why the defibrillators worth approximately Rs. 2 million should not be confiscated. The Company has replied to the show cause on July 2, 2007. The Office of the Commissioner of Customs (Import) Special Investigation and Intelligence Branch (SIIB) Air Cargo Complex has on December 13, 2007 passed an order in the above notice. The order, inter alia, imposes payment of differential duty of Rs. 0.51 million under Section 28 (1) of the Customs Act, 1962 by the Company, a redemption fine of Rs. 0.15 million in lieu of confiscation in terms of Section 125 of the Customs Act, 1962 and also imposed a penalty of Rs. 0.06 million on one of the employees of the Company.

2) PROCEEDINGS INITIATED BY THE COMPANY

a. INCOME TAX PROCEEDINGS

i.) The Company has filed an appeal, (**CIT (A)/IT 212/2006-07**), before the Commissioner of Income Tax (Appeals) – X, Mumbai against the Assessment Order for the Assessment Year 2004-2005, passed by the Assistant Commissioner of Income Tax – 10(1), Mumbai. This appeal challenges various disallowances made in the said order. As a result of disallowance, the business losses for the said assessment year will be reduced by Rs. 7.6 million and there will be no tax liability as a result of accumulated losses. The matter is pending hearing and final disposal.

b. CUSTOMS PROCEEDINGS

The Company, (the "**Petitioner**"), has filed a Special Leave Petition, (**SLP No. 13416/2006**), before the Supreme Court. The Petitioner had imported a Cardiac Catherization Laboratory, ("CCL"), against a customs duty exemption certificate. The Commissioner of Customs, ("**Respondent**"), issued a show cause notice pursuant to which an order dated July 11, 2002, was passed, directing that the CCL be confiscated, to be redeemed on payment of a fine of Rs. 100,000, and, that payment of customs duty of Rs. 16.55 million be made in view of alleged failure to discharge obligations under the notification dated March 1, 1998 along with a penalty of Rs. 0.02 million. The Petitioners elected not to redeem the confiscated CCL and consequently also did not pay the differential duty. An appeal was preferred to the Customs Excise and Service Tax Appellate Tribunal, ("**CESTAT**"), against the order of the Commissioner of Customs. The CESTAT partly allowed the appeal and upheld the Petitioner's contention that since the confiscated CCL was not redeemed no duty was payable. The Respondent filed an appeal, (**Customs Appeal No. 22 of 2004),** against the CESTAT's order. The said appeal was allowed by the Bombay High Court vide oral order dated April 28, 2006. The Bombay High Court's order has been challenged in the present SLP. The matter is pending for hearing and final disposal.

c. SALES TAX / VAT PROCEEDINGS

The Company has filed a writ petition, (**WP No. 14421/2006**), before the High Court of Andhra Pradesh, praying, *inter alia* for setting aside of the show cause notice dated June 28, 2006 issued by the Commercial Tax Officer. The said show cause notice levied value added tax of approximately Rs. 2.9 million with a separate levy of penalty and interest on the ground that the Company had failed to register itself as a 'dealer' and pay taxes on sales of consumables such as heart stents, valves, balloons, medicines etc. The matter is pending hearing and final disposal.

d. DUES TO SMALL SCALE CREDITORS

There are no small scale creditors to whom the Company owes a sum exceeding Rs. 100,000, which is outstanding for more than thirty days.

3) NOTICES ISSUED TO THE COMPANY

i.) Gulnaz Inamdar has issued a legal notice dated April 11, 2007 alleging deficiency in services with regard to gynaecological treatment received at the Wockhardt hospital at Mulund. Approximately a sum of Rs. 0.05 million is demanded as compensation. The Company has replied to the notice on May 22, 2007. No further response has been received.

ii.) Pradeep Kushwar has served a legal notice dated June 6, 2006 on the Company alleging that wrong treatment was given to his son by Dr. Sujit Sankhe of the Company at Mulund. A sum of Rs. 0.25 million has been claimed as compensation in the notice. The Company has replied to the notice on August 21, 2006. No further response has been received.

iii.) Venkata Ramana has served legal notices dated August 1, 2006 and August 18, 2006 on the Company alleging that his mother's death was caused due to the negligence of the Company. He has further claimed that fictitious bills have been raised thereby, cheating him. A sum of Rs. 1.5 million has been claimed as compensation and damages. The Company has replied to the notice on August 14, 2006. There has been no further development in the matter.

iv.) P.C. Srivastava has served notices dated January 8 and 22, 2007 and March 22, 2007 on the Company requesting for the records relating to the treatment of his father-in-law at the Wockhardt Hospital where he had passed away. Being suspicious of the cause of the death, Mr. Srivastava requested Dr. Pramod Mundra and Wockhardt Hospital Limited for the medical records. He was provided a death summary which he was not satisfied with and had asked the Company to provide him the complete papers. The Company has replied to the notices on January 17, 2007 and March 19, 2007, providing Mr. Srivastava all necessary information. Another notice was received from Mr. Srivastava on March 22, 2007 since Mr Srivastava had not received the reply dated March 19, 2002. No further communication has been received.

v.) The Inspector, Public Trusts Registration Office, Mumbai has served a notice dated March 26, 2007 on the Company informing the Company that he would make an inquiry under the Bombay Public Trusts Act, 1950 to see whether the Company is managed by a public trust and is registered under the provisions of the Bombay Trust Act, 1950. The Company has replied to the said notice on April 2, 2007 contending that it is a company incorporated under the Companies Act, 1956 and that it is not managed by a trust.

vi.) Mr. Dinesh Kumar Kedia, (**"Claimant"**), has served notices dated January 3, 2007 and April 2, 2007 on the Company alleging that the unpleasant environment and poor treatment at the Wockhardt Hospital worsened his mother's condition, ultimately leading to her death. Mr. Kedia has blamed Wockhardt Hospital Limited for excessive billing and asked for a refund of the excessive billed amount; however no amount has been specified in the notice.

vii.) The Rajkot Saher/Jilla Grahak Suraksha Mandal has served a notice dated June 13, 2007, on behalf of one, Mrs. Savitaben on the Company. The notice alleges that Mrs. Savitaben was admitted to the Rajkot Hospital and was sold and administered the wrong brand of medicine which constrained her to be repeatedly hospitalized for treatment. The notice claims a compensation of Rs. 2 million as deficiency in service. Rs. 0.001 million has also been claimed as costs of the notice. Wockhardt hospitals Limited has replied to the said notice on July 7, 2007. No further response has been received in the matter.

viii.) Mr. Basavaraj .M. Hanamanal, ("**Complainant**"), has served a legal notice, dated November 12, 2007, on Dr. N. Shridhar and Dr. Sharda A., working at Wockhardt Hospital, Bangalore. The Complainant has alleged maltreatment, negligence, violation of medical ethics, "ill and perfunctory medical treatment" and has also stated that he was discharged without affording appropriate treatment to him. The Complainant has claimed a compensation of Rs. 0.015 million. The Company has sent an interim reply, dated November 29, 2007, refuting the claims made in the aforementioned notice.

ix.) Mr. B. Shankar, ("**Complainant**"), has served a notice, dated August 31, 2007, on the Company and others, in alleging negligence in administering medical treatment on the daughter of the Complainant and malafide intentions to extract more money, resulting in the death of Complainant's daughter. The Complainant has claimed a compensation of Rs. 0.25 million. The Company has sent a detailed reply vide letter dated October 12, 2007, refuting the claims made in the aforementioned notice.

x.) Ms. Ramadevi K.N., ("**Complainant**"), has served a legal notice dated October 9, 2007, on the Company, alleging medical negligence in the treatment of the father of the Complainant which resulted in his death. The Complainant has claimed a compensation of Rs. 0.80 million. The Company has sent a reply vide letter dated November 29, 2007, refuting the claims made in the aforementioned notice.

xi.) Mrs. Maya H. Parwani, ("**Complainant**"), has served a legal notice, dated September 13, 2007, on the Company, alleging medical negligence in the medical procedures performed on the Complainant which resulted in the loss of eyesight in her right eye. The Complainant has claimed a compensation of Rs. 2.50 million. The Company has sent a reply vide letter dated October 15, 2007, refuting the claims made in the aforementioned notice.

C. PROCEEDINGS INITIATED BY OR AGAINST OUR PROMOTER COMPANIES

I. PROCEEDINGS INITIATED BY CAROL INFO SERVICES LIMITED ("CAROL")

ARBITRATION PROCEEDINGS

i.) Carol has initiated arbitration proceedings against the State of Maharashtra before the sole arbitrator, Justice V.P. Tipnis (retired) in respect to a joint venture agreement between the State and the Company dated May 10, 2001 pertaining to the development of GT Hospital. Carol took various steps for the implementation of the said agreement; however, when the time came for the parties to subscribe to the equity of the joint venture company, the State claimed that the contract had been frustrated and requested Carol to consent to the termination of the agreement. This request was rejected by Carol. Carol has claimed specific performance of the agreement and Rs. 155.06 million along with 18 per cent interest for losses suffered and expenditure incurred by it. The matter is pending final disposal.

ii.) Carol has initiated arbitration proceedings against Baxton (India) Private Limited before a tribunal consisting of Justice B.P. Reddy (retired), Justice Shri Krishna (retired) and Justice Dhanuka (retired) for a claim to receive a part of the consideration payable on the sale of Carol's IV fluids business to Baxton (India) Private Limited under an agreement dated March 6, 2002. The amount claimed in the matter is US $ 1.7 million along with interest and costs of arbitration. Baxton (India) Private Limited has filed its response. The matter is pending hearing and final disposal.

II. PROCEEDINGS INITIATED AGAINST CAROL INFO SERVICES LIMITED

a. CIVIL PROCEEDINGS

Sri Durga Agencies Limited has filed a suit before the 2nd Civil Judge, Senior Division, Alipore (**Title Suit No. 49 of 2006**), for recovery, possession, damages and mesne profits in respect of office spaces situated at Vasundhara Building, 2/7, Sarat Bose Road, Calcutta, ("**Tenanted Premises**"). Carol's monthly tenancy had allegedly been terminated and Sri Durga Agencies Limited prays for Carol's eviction, handing over of possession of the tenanted premises, recovery of mesne profits and damages along with interest. The matter is pending for hearing and final disposal.

b. INCOME TAX PROCEEDINGS

i.) The Assistant Commissioner of Income Tax, Mumbai has filed an appeal before the Income Tax Appellate Tribunal, ("**ITAT**"), (**ITA 5446/M/05**), with respect to the assessment year 1990-1991. The total income declared by Wockhardt Lifesciences Limited (now Carol) was Rs. 7.91 million whereas, the total income computed by Assessment Officer was Rs.28.63 million. Carol's appeal against the said assessment was successful. The Assistant Commissioner has challenged the appellate order by these proceedings. The tax liability in the matter is Rs. 30.37 million along with interest. The matter is pending for hearing and final disposal.

ii.) The Assistant Commissioner of Income Tax, Mumbai has filed an appeal before the ITAT, (**ITA 5447/M/05**), with respect to the assessment year 1991-1992. The total income declared by Wockhardt Lifesciences Limited (now Carol) was nil, whereas, the total income computed by Assessment Officer was Rs. 26.65 million. Carol's appeal against the said assessment was successful. The Assistant Commissioner has challenged the appellate order by these proceedings. The tax liability in the matter is Rs. 52.39 million along with interest. The matter is pending for hearing and final disposal.

iii.) The Assistant Commissioner of Income Tax, Mumbai has filed an appeal before the ITAT, (**ITA 5448/M/05**), with respect to the assessment year 1992-1993. The total income declared by Wockhardt Lifesciences Limited (now Carol) was Rs.0.30 million, whereas, the total income computed by Assessment Officer was Rs. 25.89 million. Carol's appeal against the said assessment was successful. The Assistant Commissioner has challenged the appellate order by these proceedings. The tax liability in the matter is Rs. 4.18 million along with interest**.** The matter is pending for hearing and final disposal.

iv.) The Assistant Commissioner of Income Tax, Mumbai has filed an appeal before the ITAT, (**ITA 4764/M/06**), with respect to the assessment year 1993-1994. The total income declared by Wockhardt Lifesciences Limited (now Carol) was nil, whereas the total income computed by Assessment Officer was Rs. 45.76 million. Carol's appeal against the said assessment was successful. The Assistant Commissioner has challenged the appellate order by these proceedings. The tax liability in the matter is Rs. 35.52 million along with interest. The matter is pending for hearing and final disposal.

v.) The Assistant Commissioner of Income Tax, Mumbai had filed an appeal before the Commissioner of Income Tax (Appeals), (**"CIT(A)"**), against the Assessment Order made by the Assessment Officer which negated a claim of Rs. 49.33 million made by the Income Tax Department against Carol. The Assistant Commissioner's appeal, which was limited to approximately Rs.0.4 million, was rejected by the CIT(A). The Assistant Commissioner filed a second appeal before the ITAT, which dismissed his second appeal by its order dated July 5, 2007. No further appeal has been filed by the Income Tax Department.

vi.) The Assistant Commissioner of Income Tax, Mumbai has filed an appeal before the ITAT, (**ITA 4522/M/06**), with respect to the assessment year 1995-1996. The net losses declared by Wockhardt Lifesciences Limited (now Carol) was Rs. 61.65 million, whereas, the total income computed by Assessment Officer was Rs. 169.85 million. Carol's appeal against the said assessment was successful. The Assistant Commissioner has challenged the appellate order by these proceedings. The tax liability in the matter is Rs. 114.37 million**.** The matter is pending for hearing and final disposal.

vii.) The Assistant Commissioner of Income Tax, Mumbai has filed an appeal before the ITAT, (**ITA 5797/M/06**), with respect to the assessment year 2000-2001. The Commissioner (Appeals) had allowed Wockhardt Lifesciences Limited's (now Carol) prayer for deduction under Section 80IB of the Income Tax Act, 1961 up to the gross total income instead of restricting it to the extent of the positive business income. Aggrieved by the same, the Assistant Commissioner has filed this appeal praying, *inter alia*, that the order of the Commissioner (Appeals) be set aside and the assessment order of the Assessment Officer be restored. The tax liability in the matter is Rs. 10.02 million approximately**.** The matter is pending for hearing and final disposal.

viii.) Carol has filed an appeal before the Commissioner of Income Tax, Appeals, Mumbai against the Assessment Order for the Assessment Year 1999-2000, as passed by the Deputy Commissioner of Income tax, Mumbai under Section 143(3) of the Income Tax Act, 1961. This appeal challenge various disallowances made in the said Order. The tax liability in the matter is Rs. 51.66 million alongwith interest. The matter is pending for hearing and final disposal.

ix.) Carol has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai against the Assessment Order for the Assessment Year 2002-2003, as passed by the Deputy Commissioner of Income Tax, Mumbai which, *inter alia*, determined the business loss to be Rs. 49.2 million, instead of Rs. 240.41 million as claimed by Carol. As a result of disallowance, the losses for the said assessment year will be reduced by Rs. 215.4 million and there is no tax liability as a result of accumulated losses. The matter is pending for hearing and final disposal.

x.) Carol has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai against the Assessment Order for the Assessment Year 2003-2004, passed by the Deputy Commissioner of Income tax, Mumbai which, *inter alia*, determined that the business loss to be Rs. 209.5 million, instead of Rs. 253.9 million as claimed by Carol. As a result of disallowance, the losses for the said assessment year will be reduced to the extent of Rs. 44.4 million and there will be no tax impact as a result of accumulated losses. The matter is pending for hearing and final disposal.

c. CUSTOMS PROCEEDINGS

Wockhardt Lifesciences Limited (now Carol Info Services Limited) had filed an appeal before the Customs, Excise & Service Tax Appellate Tribunal, (**Appeal No. C-96 of 2006 – Mum)**, Western

Zone, Mumbai, ("**CESTAT**"), against the order dated October 31, 2005 passed by the Commissioner of Customs (Appeals), Mumbai. The said order was passed in an appeal regarding a classification dispute *vis-à-vis* import of 6720 Kg of soluble seaweed extract powder. The tax liability in the matter is Rs. 0.4 million.

An order dated August 17, 2007 was passed by the CESTAT, setting aside the impugned order dated October 31, 2005 passed by the Commissioner of Customs (Appeals) and the case has been remanded to the adjudicating authority for deciding the matter afresh.

2. PROCEEDINGS INVOLVING DARTMOUR HOLDINGS PRIVATE LIMITED ("DHPL")

INCOME TAX PROCEEDINGS

i.) The Deputy Commissioner of Income Tax has filed an appeal before the Income Tax Appellate Tribunal (ITA No. 8877/M/04) against the assessment order in favour of DHPL in respect to the assessment year 2001-2002. The tax liability in the matter is Rs. 10.88 million along with interest. The matter is pending for hearing and final disposal.

ii.) DHPL has filed an appeal before the ITAT. The DHPL had filed its return of income for the assessment year 2001-2002 declaring business losses of Rs. 142.29 million; however, the Assistant Commissioner of Income Tax, Mumbai assessed the business losses at Rs. 125.74 million. DHPL's appeal against the said assessment was dismissed by the CIT(A). The present appeal challenges the said order of dismissal. As a result of disallowance, the losses for the said assessment year will be reduced to by Rs. 16.56 million and there will be no tax impact as a result of accumulated losses. The matter is pending hearing and final disposal.

iii.) DHPL has filed an appeal before the ITAT**.** DHPL had filed its return of income for the assessment year 2003-2004 declaring its income as Rs. 0.46 million; however, the Assistant Commissioner of Income Tax, Mumbai assessed the income at Rs. 10.11 million. DHPL's appeal against the said assessment was dismissed by the CIT(A). The present appeal challenges the said order of dismissal. The tax liability is Rs. 4.72 million alongwith interest. The matter is pending for hearing and final disposal.

D. PROCEEDINGS INVOVING OUR SUBSIDIARY, KANISHKA HOUSING DEVELOPMENT COMPANY LIMITED ("KHDL")

M/s Emaculate Conception Church (the "**Petitioner**") had filed a suit (**O.S. No. 5290 of 2006**), before the Court of Additional City Civil Judge (the "**Trial Court**"), against KHDL (the "**Respondent**"), *inter alia*, seeking relief of permanent injunction, restraining the Respondent from making any construction on 3 acres 5 guntas of land in Old Survey No. 141, Re- Survey No. 154/9 Bilekalahally Dhakale, Begur Hobli, Bangalore South Taluk ("**Suit Property**"). The Petitioner filed an application in the said suit seeking an amendment to the plaint and relief claimed thereunder, *inter alia*, to the effect that (i) the Plaintiff be declared as the absolute owner of the Suit Property, (ii) the sale deeds in relation to the suit property executed in favour of the Respondents be cancelled, (iii) vacant possession of the suit property be handed over to the Petitioner and issuance of mandatory injunction directing the defendants to remove the structures existing on the suit property. The application was partly disallowed by the Trial Court vide order dated April 18, 2007. The Petitioner has filed a Writ Petition dated July 6, 2007, before the High Court of Karnataka at Bangalore (**W.P. No. 10588/07**), against the order dated April 18, 2007 seeking, *inter alia*, the issuance of a writ of certiorari, quashing of the impugned order April 18, 2007 and pass an interim order seeking stay of all the proceedings in the suit before the Trial Court. The Writ Petition and the suit before the Trial Court are currently pending.

E. PROCEEDINGS INITIATED BY OR AGAINST OUR PROMOTER GROUP ENTITIES

1. PROCEEDINGS INITIATED BY OR AGAINST MERIND LIMITED ("MERIND")

I. PROCEEDINGS INITIATED BY MERIND

a. CRIMINAL PROCEEDINGS

Merind has filed a complaint, against Chandrakant Bhat, before the Additional Chief Metropolitan Magistrate, Mayo Hall, Bangalore (**CC No. 3899 of 1999**), under Section 200 of the Criminal Procedure Code read with Sections 138 and 140 of the Negotiable Instruments Act, 1881 for a cheque which was returned dishonoured. The matter is pending for hearing and final disposal.

b. CIVIL PROCEEDINGS

i.) Merind has filed an application before the High Court of Delhi (**C.A. No. 17 of 2001 in C.P. No.191 OF 1997**) where the Federal Bank Limited is a party ("Respondent"). Merind had taken certain machinery on hire-purchase from M/s CRB Capital Markets Ltd. ("**CRB**"). There were defaults in payment of the rentals by Merind. Later, CRB went into liquidation. The Respondent had a floating charge over CRB's fixed and current assets, and therefore, claimed the defaulted rent amounts from Merind. The Court directed Merind to deposit the principal amount of Rs. 6.46 million on November 21, 2003 which was so deposited. The Court further directed Merind to pay interest of Rs. 6.70 million vide orders dated July 23, 2005 and August 22, 2005. Merind has deposited a sum of Rs. 3.25 million and has moved the present application for clarification/ modification of the orders dated July 23, 2005 and August 22, 2005. The amount involved in the matter is approximately Rs. 13.16 million. The matter is pending for hearing and final disposal.

ii.) Merind has filed a writ petition against the Union of India which is pending for hearing and final disposal before the High Court of Bombay (**Writ Petition No. 1057/1997**). The writ petition challenges a demand of Rs. 9.07 million raised by the Inspector of Food and Drugs Administration, Union of India for alleged violations of the Drugs Price Control Order, 1987. It is prayed that the said demand be set aside. The amount involved in the matter is approximately Rs. 9 million. The matter is pending for hearing and final disposal.

II. PROCEEDINGS INITIATED AGAINST MERIND

a. LABOUR PROCEEDINGS

i.) Jayanta Mukherjee has filed a complaint before the Vth Labour Court, Mumbai (**Complaint (ULP) No. 225 of 2003**) challenging the termination of his employment as an unfair labour practice and praying that he be reinstated at his earlier post with full back wages, continuity of service and consequential benefits. The matter is pending for hearing and final disposal.

ii.) Hitendra Roy Chowdhary and some others have filed a complaint before the Vth Labour Court at Mumbai (**ULP –No.365/2003**) challenging the termination of his employment, as an unfair labour practice and praying that he be reinstated at his earlier post with full back wages, continuity of service and consequential benefits. The matter is pending for hearing and final disposal.

iii.) Jyoti Kanta Mohapatra has filed a complaint before the Labour Court, Bhubaneswar (**Misc. Case No. 84 of 2005**) challenging his transfer as an unfair labour practice and praying that the same be set aside. The matter is pending for hearing and final disposal.

iv.) Dinesh Rajoria has filed a complaint before the IXth Labour Court, Mumbai (**Application (IDA) No. 396 of 2001**) claiming that he is entitled to certain alleged reimbursements of expenses incurred by him while working in the capacity of a Wockhardt veterinary service representative. The amount involved in the matter is Rs. 0.14 million. The matter is pending for hearing and final disposal.

v.) Dinesh Rajoria has filed a complaint before the IXth Labour Court, Mumbai (**Complaint (ULP) No. 413/2002**) challenging the termination of his employment as an unfair labour practice and praying that he be reinstated at his earlier post with full back wages, continuity of service and consequential benefits. The matter is pending for hearing and final disposal.

vi.) Manoj Kumar has filed a complaint before the 5th Labour Court at Mumbai (**Complaint (ULP) No. 70 of 2006**) challenging termination of his employment as an unfair labour practice and praying that he be reinstated at his earlier post with full back wages, continuity of service and consequential benefits. The matter is pending for hearing and final disposal.

vii.) Mr. Anandi Ghatak has filed a complaint before the 5th Labour Court, Mumbai (**Complaint No. 350 of 2003**) challenging the termination of his employment as an unfair labour practice and praying that he be reinstated at his earlier post with full back wages, continuity of service and consequential benefits. The matter is pending for hearing and final disposal.

viii.) Subaschandra Bhattacharya has filed a complaint before the Industrial Court at Mumbai (**Complaint (ULP) No. 314/2003**) challenging his transfer as an unfair labour practice and praying that the transfer be set aside. The matter is pending for hearing and final disposal.

ix.) The Federation of Medical & Sales Representatives Association ("FMRAI") has filed a complaint before the Industrial Court, Mumbai (**Complaint (ULP) No. 255 of 2003**) alleging unfair labour practices with regard to service conditions, termination and transfers of Merind's employees. The matter is pending for hearing and final disposal.

b. CONSUMER COURT PROCEEDINGS

B.K. Gadhavi has filed a complaint before the District Consumer Dispute Redressal Commission, Ahmedabad, Gujarat (**Original Complaint No. 167/1999**) accusing Merind of marketing a defective drug, namely, an injection called "Trypnil", manufactured by one M/s Samrudh Pharmaceuticals. The complaint prays for an amount of Rs. 1 million as damages. The matter is pending for hearing and final disposal.

c. PROCEEDINGS BEFORE THE DRUGS PRICES LIABILITIES REVIEW COMMITTEE

The Government of India, Ministry of Chemicals and Fertilizers has initiated proceedings before the Drugs Prices Liabilities Review Committee (**Case No. 5/1995**). Merind had filed Civil Writ Petition No. 1940 of 1981 before the Delhi High Court challenging the review of drug prices by the Government. Merind had given an undertaking to the effect that, in case the writ petition was dismissed, it would pay the differential amount with respect to the concerned drug formulations into the Drug Prices Equalisation Account. The Writ Petition was allowed by the Delhi High Court, however, on appeal, the order of the Delhi High Court was set aside by the Supreme Court. According to the Government, Merind's undertaking has become operative by passing of the Supreme Court order. By this petition, the Government seeks to enforce the undertaking given by Merind. The amount involved in the matter is Rs. 239.1 million. The matter is pending for hearing and final disposal.

d. EXCISE PROCEEDINGS

i.) The Commissioner of Central Excise, Mumbai II, vide its order dated January 3, 2002, found that Merind had mis-declared its drug Trineurosol-H. The order confirmed a demand of Rs. 2.13 million as duty payable by Merind and imposed Rs. 1.23 million as penalty. Merind filed an appeal before the CESTAT which was allowed. The Commissioner of Central Excise, Mumbai II has filed an appeal (**Appeal No. 614/2007**) against the CESTAT's order. The tax liability in the matter is Rs. 3.2 million along with interest and the matter is pending hearing and final disposal.

ii.) The Commissioner of Central Excise, Mumbai –III had filed appeals before the CESTAT, (**Appeal No. E/2312/01 mum, E/3799 &3780/03 Mum**) against the order dated March 29, 2001 passed by the Commissioner (Appeals), Mumbai II, whereby Merind's claim for Modvat Credit was allowed even though Merind failed to file the advance declaration in respect of the capital goods received at its factory premises. The CESTAT remanded the matter back to the original authority (Deputy Commissioner, Central Excise, Bhandup Division) to decide the matter afresh after hearing Merind. The consolidated amount of duty and penalty involved in the matters is Rs. 5.4 million along with interest. The matter is pending hearing and final disposal.

iii.) Merind has filed an appeal (**No. E/462/05-Mum**) before the CESTAT against the order of the Commissioner of Central Excise, Mumbai –III. The aforesaid order confirmed a demand of Rs. 4.98 million and Rs. 4.98 million penalty on Merind on the ground that Merind had undervalued its goods by claiming a 15% discount on the maximum retail price of its products. The CESTAT passed an order of stay on the demand on the ground that the same was, *prima facie*, barred by limitation. The amount involved in the matter is approximately Rs. 10 million along with interest. The matter is pending further hearing and final disposal.

III. SHOW CAUSE NOTICES RECEIVED BY MERIND LIMITED ("MERIND")

Merind has received the following show cause notices for alleged evasion of duty liability by incorrect self-determination of the duty payable:

1. F. No. Demand /V-Vii/MER/14E/85/923 dated May 23, 1985,

2. F. No. Demand /V-Vii/MSD/14E/85/101 dated January 18, 1985,

3. F. No. V-Adj/Dem-DSCN-3/ML/94/pt.I/Bombay dated October 25, 1994,

4. F. No. V-Adj/Dem-DSCN-15-264/96/M-3 dated September 3, 1996.

The combined liability involved in the aforesaid four notices is Rs. 5.7 million along with interest.

2. PROCEEDINGS INVOLVING KHORAKIWALA FOUNDATION ("THE FOUNDATION")

CIVIL PROCEEDINGS

Save Andheri Versova Environment Forum ("**SAVE**") has filed a writ petition before the High Court of Bombay (**Writ Petition No. 1126 of 2002**). The petition has been filed as a public interest litigation to protect the mangroves in the Juhu Versova Creek and sought a stay on any kind of construction and development activity, including reclamation at Survey No. 161. The Petitioners also sought investigation into the violations of the CRZ Notifications dated February 19, 1991 and taking of suitable action against the persons involved in causing such violations. Since the Foundation was likely to be effected by any orders passed in the matter, it was impleaded as Respondent No. 7 on an oral prayer for the same, vide order dated October 8, 2003. It has since filed its affidavit in response to the writ petition. The response details the manner in which Foundation came into possession of the plot of land. It further contends that the Foundation plot comes within CRZ II and not CRZ I. Reliance is placed on the order of the High Court of Bombay, dated January 21, 2000 in WP No. 2042 of 1997 wherein time was granted to the Foundation to approach the Collector for extending time for constructing a hospital on the said land. Therefore, the Foundation contends that their plot of land cannot be treated as a part of CRZ I and no bund should be constructed thereon. Vide order dated April 24, 2006 the High Court was pleased to direct the Municipal Corporation to start the work on the bund in the area except on the disputed site. The matter is pending hearing and final disposal.

3. PROCEEDINGS INVOLVING WOCKHARDT INFRASTRUCTURE DEVELOPMENT LIMITED ("WIDL")

INCOME TAX PROCEEDINGS

WIDL has filed an appeal before the ITAT (**ITA 6785/M/2004**) against the order dated July 26, 2004 passed by the Commissioner of Income Tax (Appeals). WIDL had appealed against the assessment order for the year 2001-2002 passed by the Assistant Commissioner of Income Tax; however, the said appeal was only partly allowed by the CIT(A). Aggrieved by the same, WIDL has filed the present appeal praying that the Assistant Commissioner of Income tax be directed to :

a. treat WIDL's interest income of Rs. 17.45 million as "Profits and Gains of Business or Profession";

b. delete the addition of Rs. 0.92 million made under head "Profits and Gains of Business or Profession"; and

c. allow business expenditure of Rs. 0.071 million.

The tax liability in the matter is Rs. 1.24 million along with interest and the matter is pending for hearing and final disposal.

4. PROCEEDINGS INVOLVING KHORAKIWALA HOLDINGS & INVESTMENTS PRIVATE LIMITED ("KHIDL")

INCOME TAX PROCEEDINGS

KHIDL has filed an appeal before the CIT(A), Mumbai against the Assessment Order for the Assessment Year 2004-2005, as passed by Deputy Commissioner of Income Tax, Mumbai under Section 143(3) of the Income Tax Act, 1961. This appeal challenge various disallowances made in the said assessment order. The amount involved in the matter is Rs. 6.28 million along with interest. The matter is pending for hearing and final disposal.

5. PROCEEDINGS INVOLVING M/S. WOCKHARDT LIMITED

I. PROCEEDINGS FILED BY M/S. WOCKHARDT LIMITED

a. CRIMINAL PROCEEDINGS

i.) Wockhardt Limited has filed 41 different complaints under Section 200 of the Criminal Procedure Code read with Sections 138 and 140 of the Negotiable Instruments Act, 1881 with regard to cheque(s) which were returned dishonoured. The total amount involved in the complaints is approximately Rs. 15.58 million.

ii.) Wockhardt Limited has filed a complaint against Mr. S.K. Agarwal and Tanishq Pharmaceuticals, before Additional Chief Metropolitan Magistrate, Ghaziabad, (**Criminal Complaint No. 1051/2000**) alleging that the accused wrongfully withheld their goods and are punishable under section 411 of the Indian Penal Code. The matter is pending for hearing and final disposal.

iii.) Wockhardt Limited has filed a complaint before Chief Judicial Magistrate, Junagadh (**Criminal Complaint No. 331/2007**) under Sections 499 and 500 of the Indian Penal Code against Dr. Kuldip Singh alleging that the said Dr. Singh defamed Wockhardt Limited and its Chairman. The matter is pending for hearing and final disposal.

iv.) Wockhardt Limited has filed a complaint before Chief Judicial Magistrate, Yamuna Nagar, Jagadhri against Dr Kuldip Singh and Mrs. Sunita Sharma seeking damages and punishment for malicious prosecution by the accused by filing a false and frivolous case to harass it. The amount involved in the matter is Rs. 30 million. The matter is pending for hearing and final disposal.

v). Wockhardt Limited has filed a complaint before the Judicial Magistrate First Class, Aurangabad (**Criminal complaint no. 863/2007**) against Dr. K. Singh alleging that Dr. Singh had filed a malicious and false complaint against Wockhardt Limited to harm its reputation and goodwill. The Complaint seeks that the accused be tried and punished for the offence of defamation under Section 499 and 500 of the Indian Penal Code. The matter is pending for hearing and final disposal. VI). Wockhardt Limited has filed an appeal before the Supreme Court of India (**Cri.M.C. 4342/2002**) against an order passed by the High Court of Kerala in Wockhardt Limited's petition for quashing of a complaint filed by a Food Inspector. The complaint was lodged by the Food Inspector against Wockhardt Limited with respect to a sample of skimmed milk which was found to be adulterated. Thereafter, when samples were tested by the Central Food Laboratory they were found to be only mis-branded and not adulterated. Wockhardt Limited approached the High Court of Kerala to quash the complaint. The High Court dismissed the petition. Wockhardt Limited has, therefore, appealed to the Supreme Court. The matter is pending for hearing and final disposal.

vii). Wockhardt Limited has preferred an appeal to the Court of Sessions Judge, Thrissur (**Crl. M.P. 2911/2007 in Crl. A. 760/2007**) against the order dated September 19, 2007, passed by the Court of Judicial Magistrate First Class, Chalakudy, whereby Wockhardt Limited and the Deputy General Manager, Wockhardt Limited (the "**Accused**") were found guilty of offences under sections 2(ia) (a) , 2 (ix) (g) 7 (i) (ii), 16 (1) (a) (i) & (ii) of the Prevention of Food Adulteration Act, 1954. The Accused were sentenced to 6 months of simple imprisonment and a fine of Rs. 0.01 million each. The Court of Sessions Judge, Thrissur has by an order dated October 23, 2007 granted bail to Wockhardt Limited and the Deputy General Manager, Wockhardt Limited upon furnishing of the required security. The matter is pending hearing and final disposal

b. IPR PROCEEDINGS

i.) Wockhardt Limited has filed 11 suits in various courts across India, under Sections 27(2), 28 and 29 read with Sections 134 and 135 of the Trade Marks Act, 1999 and Sections 51 & 55 of the Copyright Act, 1957 for protection of their trade marks and copyrights in the marks **SPASMO-PROXYVON, PROXYVON, PROTINEX, PROTINA & PROTIMIN**. The said proceedings inter alia pray for permanent injunction(s) restraining infringement, passing off and renditions of accounts with respect to the respective trademarks.

ii.) Wockhardt Limited and Tridoss Laboratories Private Limited (the "**Petitioners**") have filed a writ petition (**W.P. No. 23471 (W) of 2007**) dated October 12, 2007 (the "**Writ Petition**"), before the High Court of Calcutta, against the Controller of Patents and Designs, Kolkata; the Assistant Controller of Patents and Designs, Kolkata; the Examiner of Patents and Designs, Kolkata (the "**Respondent Authorities**") and Eli Lilly and Company ("**ELC**"). ELC had filed an application for the grant of patent, claiming the invention, *inter alia*, of hexameric LysB28ProB29 insulin. The Petitioners had filed pre-grant oppositions on various grounds, under section 25 (1) of the Patents Act, to the application filed by ELC. The Respondent Authorities combined the proceeding relating to the patent application filed by ELC and the pre-grant oppositions filed by the Petitioners, and through order dated July 4, 2007 rejected the pre-grant oppositions. The Petitioners have filed the Writ Petition challenging the said order dated July 4, 2007. The Petition is currently pending.

c. LABOUR PROCEEDINGS

i.) Wockhardt Limited filed this complaint Industrial Court, Mumbai (**Complaint (ULP) No. 378 of 2001**), inter alia, praying for a declaration that the acts of the FMRAI are in the realm of unfair labour practices and that an order of permanent injunction be passed against FMRAI to prevent it and its agents from crowding, assembling or holding demonstrations within a radius of 500 meters from the boundary of their establishments, or from physically threatening their employees, agents, managers or customers or from intimidating them in any manner. An ad-interim injunction has been granted. The matter is pending hearing and final disposal.

ii.) Wockhardt Limited has filed a revision petition (**Revision Application (ULP) No. 72 of 2003 in Misc. Crim. Comp (ULP) No. 112 of 2003**) before the Industrial Court, Mumbai. Wockhardt Hospitals limited had filed a complaint under the Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act, 1971 alleging non-compliance of an earlier order passed by the Industrial Court against FMRAI. The process issued in the aforesaid complaint was recalled by the court vide its order dated 31.3.2003. The said order of recall of process has been challenged in the present petition. The matter is pending hearing and final disposal.

d. ARBITRATION PROCEEDINGS

Wockhardt Limited has filed an arbitration claim of US $ 4 million against Ranbaxy Pharmaceuticals Incorporated, USA, to redress repeated failures of Ranbaxy Pharmaceuticals Incorporated to pay for goods sold and delivered to them by Wockhardt Limited under a license and supply agreement dated July 14, 2003. Apart from the money claim as aforesaid, Wockhardt Limited has also prayed for a declaration that the aforesaid agreement has been duly terminated by it. The matter is pending hearing and final disposal before the American Arbitration Association.

II. PROCEEDINGS FILED AGAINST M/S WOCKHARDT LIMITED

a. CRIMINAL PROCEEDINGS

i.) Advance Medico has filed a complaint **(Complaint case No. 3535 (C) of 2006)** before Judicial Magistrate, First Class, Patna against Arogya Drug Distributors, Ashok Kumar, Tapan Saha, The Chairman, Wockhardt Limited & Merind Limited alleging offenses under sections 467, 468, 420 and 120B of the India Penal Code. The principal allegation in the complaint is that the accused had conspired and filed false invoices in the name of the complainant with the Sales Tax Office. The matter is pending hearing and final disposal.

ii.) The Food Inspector, Rajkot has filed a criminal revision petition against Wockhardt Limited (**Criminal Revision Application 461 of 2003**). Initially the Food Inspector had filed Criminal Case No. 173/1989 before the Judicial First Class Magistrate against 13 persons including Wockhardt Limited and some distributors based at Rajkot. Wockhardt Limited was discharged for the proceedings vide an order dated March 31, 2003. The said order has been impugned in the present criminal revision. The matter is pending hearing and final disposal.

iii.) The State of Maharashtra ("**Complainant**") has filed a complaint **(Criminal Case No. 240/97)** before the Chief Judicial Magistrate, Aurangabad. The Complainant, is an Inspector appointed under Section 21 of the Drugs and Cosmetics Act, 1940. The Complainant allegedly discovered that Wockhardt Limited was selling banned drugs in the market even thought their license to manufacture the drug was cancelled on January 31, 1996. The matter is pending hearing and final disposal.

iv.) The State of Maharashtra ("**Complainant**") has filed a complaint **(S.C.C No. 336/97)** before the Chief Judicial Magistrate, First Class, Aurangabad. The Complainant, is an Inspector appointed under Section 21 of the Drugs and Cosmetics Act, 1940 (the "**Act**"). The inspector after sending a drug sample for testing to the Government Analyst found and declared that the sample was not of the standard and quality prescribed by the Act and accordingly, filed this complaint. The matter is pending hearing and final disposal.

v.) H.K. Dholakiya has filed a complaint **(Criminal Case No. 5490/97)** before the Chief Judicial Magistrate, Bhavnagar. Wockhardt Limited's is alleged to have misbranded its products. An application for discharge has been moved by Wockhardt Limited in these proceedings. The matter is pending for final hearing and disposal.

vi.) The State of Maharashtra ("**Complainant**") has filed a complaint **(Cr. R.A. No. 1713/98)** before the Chief Judicial Magistrate, Jaipur against one Mr. Mohan Ravtani and 17 others. Chairman and Managing Director, Wockhardt Limited and Wockhardt Limited are impleaded as Respondents 17 and 18, respectively. An application has been filed on behalf of the CMD for deletion of his name from the array of respondents in the matter. The matter is pending hearing and final disposal.

vii). The Food Inspector, Kunnamkullam has filed a criminal complaint (**Case No. S.T. No. 3711/1999**) against Wockhardt Limited alleging violations of the Prevention of Food Adulteration Act in relation to partially skimmed milk powder manufactured by it. The matter is pending hearing and final disposal.

b. CIVIL PROCEEDINGS

i.) M/s. Vijay Electricals & Furnishers, ("**Plaintiff**"), has filed a suit, **(Summary Suit No. 1952 of 1999),** before the High Court of Bombay, alleging that Wockhardt Limited had asked the Plaintiff to carry out a job of electrical installation at its office at Worli, Mumbai. The present suit has been filed for the recovery of the allegedly outstanding bill amount of Rs. 0.06 million. The matter is pending hearing and final disposal.

ii.) Indian Bank, (**Plaintiff**"), has filed a suit, **(Summary Suit No. 4858 of 1996),** before the High Court of Bombay for the recovery of monies allegedly owed to the Plaintiff by Wockhardt Limited on account of "hundies" issued by one M/s S.M. Dye Chemical Limited. The Plaintiff has claimed that the said hundies were allegedly accepted by Wockhardt Limited, who refused to honour the same on being presented. The Plaintiff has prayed for an amount of Rs. 0.05 million. The matter is pending hearing and final disposal.

iii.) M/s Mehra Sons, ("**Plaintiff**"), has filed a suit, **(Suit no. 178 of 2003),** before the Civil Judge, Junior Division, Amritsar. The Plaintiff was a stockist of Wockhardt Limited and has alleged that certain goods were returned to Wockhardt Limited and has claimed Rs. 2.6 million in respect of the same. The matter is pending hearing and final disposal.

iv.) M/s Mehra Sons has filed a suit, **(Suit No. 181 of 2003),** before the Civil Judge, Junior Division, Amritsar for recovery of Rs.0.76 million. These claims have been denied by Wockhardt Limited and a written statement has been accordingly filed alongwith a counter claim of Rs. 1.55 million. The quantum involved in these proceedings is Rs. 0.76 million. The matter is pending hearing and final disposal.

v.) Laxminarayan Gupta, ("**Plaintiff**"), has filed a suit, **(Civil Suit No. 119/2002),** before the Court of Additional District and Sessions Judge, Jaipur City. The Plaintiff was in the business of selling country *ghee* which was manufactured by the Wockhardt Limited. Wockhardt Limited has stopped the supply of *ghee* to Rajasthan from February 2001. The Plaintiff allegedly had certain balance amounts due from the Wockhardt Limited which totalled Rs. 0.83 million. Wockhardt Limited allegedly paid only part of the said amount. Hence, the Plaintiff had filed the present suit for recovery of the alleged balance amount of Rs. 0.2 million. The matter is pending hearing and final disposal.

vi.) M/s Generic Computer Technologies Pvt. Ltd., ("**Plaintiff**"), has filed a suit, **(Suit No. 5927 of 1998),** before the City Civil Court, Bombay for recovery of alleged dues with respect to supplies of electrical equipments to Wockhardt Limited by the Plaintiff. The Plaintiff has prayed for an amount of Rs. 0.03 million. The matter is pending hearing and final disposal.

vii.) Scintilla Software Technologies, ("**Plaintiff**"), has filed a suit, (**Suit No. 5927 /1998**), before the High Court of Bombay. The Plaintiff was one of the occupants of the building "Poonam Chambers" which allegedly collapsed due to structural alterations made by Wockhardt Limited, who occupied the 5th floor of the said building. An amount of Rs. 573.4 million has been claimed by way of compensation for the loss of life and property by the Plaintiff. The matter is pending hearing and final disposal.

viii.) European Software Alliance Limited, ("**Plaintiff**"), has filed a suit, **(Suit No. 1439/1999),** before the High Court of Bombay. The Plaintiff was one of the occupants of the building, "Poonam Chambers" which allegedly collapsed due to structural alterations made by Wockhardt Limited, who occupied the 5th floor of the said building. An amount of Rs. 328.63 million has been claimed by way of compensation for loss of life and property by the Plaintiff. The matter is pending hearing and final disposal.

ix.) Uniport Computers Limited, ("**Plaintiff**"), has field a suit, **(Suit No. 4186/1999),** before the High Court of Bombay. The Plaintiff was one of the occupants of the building "Poonam Chambers" which allegedly collapsed due to structural alterations made by Wockhardt Limited, who occupied the 5th floor of the said building. An amount of Rs. 565.66 million has been claimed by way of compensation for the loss of life and property by the Plaintiff. The matter is pending hearing and final disposal.

x.) Cauvery Software Engineering Systems Limited, ("**Plaintiff**"), has filed a suit, **(Suit No. 4077/1998),** before the High Court of Bombay. The Plaintiff was one of the occupants of the building, "Poonam Chambers" which allegedly collapsed due to structural alterations made by Wockhardt Limited, who occupied the 5th floor of the said building. . An amount of Rs. 647.4 million has been claimed by way of compensation for the loss of life and property by the Plaintiff. The matter is pending hearing and final disposal.

xi.) Raj Mahal Travels & Tours, ("**Plaintiff**"), has filed a suit, (**Suit No. 472 of 2006**), before the Civil Judge, Division No. 3, Guwahati, for the recovery of the alleged defaults in payment by Wockhardt Limited for booking of air tickets. The total amount claimed is Rs. 0.08 million. The matter is pending hearing and final disposal.

xii.) Mr. Charanjeet Talwar (the "**Petitioner**") has filed a writ petition (**W.P. No. 5728 (M/B) of 2007**) dated August 10, 2007 in the nature of public interest litigation (the "**PIL**"), against the state of Uttar Pradesh, Wockhardt Limited ("**WL**") and others, before the High Court of Allahabad (Lucknow Bench). The instant PIL is in relation to the alleged negligence of the State Government in taking appropriate action against Wockhardt Limited, for manufacturing a drug, Wosulin – 30/70 (the "**Drug**") which was not in conformity with the prescribed standards. Allegedly, a sample of the Drug was sent for testing to the Central Drug Laboratory, Kolkata, ("**CDL**") by the Drug Controller of the State of Uttar Pradesh, under the directions of the Consumer Disputes Redressal Commission, Uttar Pradesh. According to the findings of the CDL, the sample was not in conformity with the prescribed standards. The PIL has been filed seeking, *inter alia*, the issuance of a writ in the nature of Mandamus commanding the State Government authorities to take suitable action against Wockhardt Limited and to ensure that the Drug is seized and is not available in the market. The Petitioner has also sought the registration of First Information Report against Wockhardt Limited, for manufacture and sale of misbranded drug, as interim relief. The respondents have filed separate counter affidavits in reply to the petition. The petition is currently pending.

c. LABOUR PROCEEDINGS

i.) Rushikesh A. Shah has filed a complaint **(Complaint (ULP) No. 630 of 2001)** before the VIth Labour Court at Mumbai, alia challenging the termination of his employment as an unfair labour practice and praying that he be reinstated at his earlier post with full back wages, continuity of service and consequential benefits. The matter is pending hearing and final disposal.

ii.) Atul Trivedi has filed a complaint **(Complaint (ULP) No. 907 of 2002)** before the Industrial Court, Mumbai, challenging his transfer as unfair labour practice and praying that the same be set aside.

iii.) Atul Trivedi ("**Complainant**") has filed a complaint **(Complaint (ULP) No. 525 of 2002)** before the Labour Court, Mumbai, inter alia challenging the alleged illegal termination of his employment. The Complainant has claimed that the termination amounts to unfair labour practice and has prayed that he be reemployed to his earlier post with full back wages, continuity of service and consequential benefits. The matter is pending hearing and final disposal.

iv.) The National Federation of Sales Representatives has filed a complaint before the Industrial Court, Mumbai (**Complaint (ULP) No. 224 of 2005**) under the Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act, 1971 praying for a declaration that the Company has been indulging in unfair labour practices including *mala fide* transfers, suspension orders, disciplinary actions and summary terminations against its employees. Further orders to restrain the Company from indulging in the alleged unfair labour practices and for quashing the orders of transfer and/or termination against some of the members of the complainant are sought. The matter is pending for hearing and final disposal.

v.) The Federation of Medical & Sales Representatives Association and some others have filed a revision petition before the Industrial Court, Mumbai (**Revision Application No. 98 of 2003 in Misc Crim Comp (ULP) No. 118 of 2001**) praying for revision of an order passed by the Presiding Officer of the Labour Court vide which an earlier order passed by the court had been recalled. The matter is pending for hearing and final disposal.

vi.) Anandi Ghatak, ("**Complainant**"), has filed a complaint before the Vth Labour Court, Mumbai (**Complaint No. 350 of 2003**) challenging the termination of his services as an unfair labour practice and praying that the termination order be set aside and the Complainant be reinstated with full backwages and continuity of services. The matter is pending for hearing and final disposal.

d. CUSTOM PROCEEDINGS

i.) The Office of Commissioner of Customs, Jawahar Custom House, Sheva has initiated a custom proceeding **(SCN F.No. S/26-MISC-328/02 VB(JCH))** against Wockhardt Limited. A show cause notice was issued in relation to import of a new Mercedes Benz S500L RIID Motor Vehicle wherein it was alleged that Wockhardt Limited had violated the conditions of the Import Policy rendering the imported car liable for confiscation and the Wockhardt Limited liable for penal action. On January 27, 2003 Wockhardt Limited furnished a bank guarantee of the entire import amount (Rs. 4.46 million) and paid entire duty amount (Rs. 5.34 million) as directed by the Assistant Commissioner of Customs. However, the car could not be cleared because the homologation certificate had not been submitted by Wockhardt. The homologation certificate was accordingly furnished by Wockhardt at the time of hearing in December 2003. The quantum involved in this proceeding is Rs. 4.46 million. The matter is pending final disposal.

ii.) Wockhardt Limited has filed an appeal before the CESTAT (**Appeal No. C/706/06-Mum of 2006**) against the Commissioner of Customs (Exports) Mumbai ("**Respondent**"). The appeal challenged the order dated January 31, 2006 passed by the Respondent. Wockhardt Limited had imported 40 sets of magnetic mixers/agitators which were to be covered under its EPCG License. However there was an error in invoicing at the supplier's end, the shipments actually made did not tally with the corresponding invoices. Vide order dated August 30, 2003, the Commissioner of Customs (Export), Air Cargo Complex, Sahar found against Wockhardt Limited. Wockhardt Limited appealed before the CESTAT, which set aside the order and remanded the matter back to the Respondent. The Respondent after hearing the matter afresh was pleased to pass an order dated January 31, 2006. The appeal before CESTAT challenges the penalty of Rs. 0.1 million imposed by the order dated January 31, 2006. The matter is pending for hearing and final disposal.

iii.) Wockhardt Limited has filed an appeal before the CESTAT (**Appeal No. 424 of 2005**) against the Commissioner of Customs (Appeals), Mumbai-1. This appeal impugns the order dated February 11, 2005 passed by the Commissioner of Customs (Appeals), Mumbai-1. Wockhardt Limited had imported a shipment of sodium bicarbonate from at a price of USD 0.5 per kg. The customs authorities proposed to enhance the value of the goods inasmuch as a consignment of the same product by Cipla was valued at USD 0.96 per kilogram. Wockhardt Limited submitted that the difference in value was largely due to the difference in quantity. While Wockhardt Limited's consignment was for 21,000 kilogram, the Cipla consignment was only for 5 MT. However, the Additional Commissioner did not accept Wockhardt Limited's contentions. Wockhardt Limited challenged the Assistant Commissioner's order dated January 18, 2005. However, the Commissioner of Customs (Appeals), rejected Wockhardt Limited's appeal. Wockhardt Limited has appealed the dismissal of its appeal. The tax liability in the matter is Rs. 0.23 million and the matter is pending for hearing and final disposal.

e. INCOME TAX PROCEEDINGS

i.) The Commissioner of Income Tax, Mumbai has filed an appeal **(Income Tax Appeal No. 1340 of 2006)** before the High Court of Bombay against the order passed by the ITAT dated February 24, 2006 ("**Order**"). This order was passed in pursuance of an appeal filed by Wockhardt Limited against the Assessing Officer who had computed Wockhardt Limited's total income at Rs. 6228.88 million as against the returns filed by Wockhardt Limited which were filed as nil for the assessment year 2001-2002. The tax liability in this proceeding is Rs. 27.63 million alongwith interest. The matter is pending hearing and final disposal.

ii.) The Assistant Commissioner of Income Tax, Mumbai ("**ACIT**") has filed an appeal **(Income Tax Appeal No. 71/m/07)** before the ITAT in pursuance of the appeal which was partially allowed by the CIT(A) in Wockhardt Limited's favour against the assessment order passed by ACIT with respect to the Assessment year 2002-2003. The tax liability in this proceeding is Rs. 92.83 million. The matter is pending hearing and final disposal.

iii.) The Assistant Commissioner of Income Tax, Mumbai ("**ACIT**") has filed an appeal before the ITAT in pursuance of the appeal which was partially allowed by the CIT(A) in Wockhardt Limited's favour against the assessment order passed by ACIT with respect to the Assessment year 2003-2004. The tax liability in this proceeding is Rs. 65.75 million. The matter is pending hearing and final disposal.

iv.) Wockhardt Limited has filed an appeal before the CIT(A) , Mumbai (**Deputy CIT/CC-14/Block Asstt.2002-03**) against the order of the Deputy Commissioner of Income Tax Central circle- 14 ("Deputy CIT"). The matter pertains to the Block period April 1, 1990 to September 19, 2000. A notice was issued to Wockhardt Veterinary Limited (now Wockhardt Limited) on February 12, 2001 in response to which the Wockhardt Veterinary Limited filed its block return on March 2, 2001 declaring total undisclosed income as Rs.28,210,490. It is the allegation of the Income Tax Department that Wockhardt Veterinary Limited has not allocated the Research and Development expenses to the different production units. Such non-allocation has inflated the income of those units which have a huge claim of deduction under Section 801A of the Income Tax Act. The Deputy CIT allocated the above mentioned expenses amounting to Rs. 2,345,000 to the Daman Unit and aggrieved by this order of the Deputy CIT, Wockhardt Veterinary Limited has filed the present appeal before the CIT(A). The tax liability in the matter is Rs. 2.47 million alongwith interest and the matter is pending for hearing and final disposal.

v.) Wockhardt Limited has filed an appeal before the CIT(A) Central –III, Mumbai against the order of the Deputy Commissioner of Income Tax Central circle- 14, challenging the assessment order for the year 2000-2001. The said assessment order disallowed various deductions claimed by Wockhardt Limited in its return for the concerned assessment year. The tax liability in the matter is Rs. 4.36 million along with interest and the matter is pending for hearing and final disposal.

vi.) Wockhardt Limited has filed an appeal before the CIT(A) Central – III against the order of the Deputy Commissioner of Income Tax, Mumbai with respect to the Assessment Order for the year 1999-2000. The said assessment order disallowed various deductions claimed by Wockhardt Limited in its return for the concerned assessment year. The tax liability in the matter is Rs. 6.47 million along with interest and the matter is pending for hearing and final disposal.

vii.) Wockhardt Limited has filed an appeal before the CIT(A) Central-III (**OE Scrutiny No. 22/M:20/06-07**) against the order of the Assistant Commissioner of Income Tax, Mumbai. The tax liability in the matter is Rs. 209.02 million along with interest and the matter is pending for hearing and final disposal.

f. EXCISE PROCEEDINGS

i.) The Commissioner of Central Excise & Customs, Aurangabad ("Appellant") has filed an appeal (Departmental Appeal No. E / 2062 / 06 –MUM) before the CESTAT challenging the order passed by Commissioner (Appeals) Central Excise, Aurangabad, allowing the appeal filed by Wockhardt Limited against the classification under Chapter 30 of the Central Excise Tariff Act, 1985 made by the adjudicating authority. Wockhardt Limited manufactures a product called Vankol, which the Appellant, vide a show cause notice dated August 31, 1995, declared to be excisable and demanded excise duty in respect of it. Wockhardt Limited appealed to the Commissioner (Appeals) Pune who remanded the matter back to the original authority with a direction that he should obtain the opinion of the Deputy Chief Chemist. The tax liability in this proceeding is Rs. 0.173 million along with interest. The matter is pending hearing and final disposal.

ii.) The Commissioner of Central Excise & Customs, Aurangabad (collectively referred to as the "Appellants") has filed an appeal (Departmental Appeal No. E / 1390 / 03/1146 – MUM) before the Central Excise & Gold (Control) Appellate Tribunal challenging the order passed by Commissioner (A) Pune in allowing the appeal by setting aside the order passed by the adjudicating authority. Wockhardt Limited (the "Respondent") had availed MODVAT credit on inputs used in the production of their final products. The Respondent claimed certain refunds on accumulated MODVAT credits. The adjudicating authority rejected the refund claims, observing, that they were partly time barred and were incomplete as they did not have original papers. The Respondent filed an appeal to the Commissioner (A) Pune who remanded the cases back to the adjudicating authority, who dismissed the matter. The Respondent, again, filed an appeal to the Commissioner (A) Pune who, again, remanded the cases back to the adjudicating authority, who rejected the matter for the second time. The tax liability in these proceedings is Rs. 5.4 million along with interest. The matter is pending hearing and final disposal.

iii.) Wockhardt Limited had claimed MODVAT credit of Rs. 0.067 million on the basis of invoices of a dealer who was not registered with the Central Excise Department. A show cause notice was issued to Wockhardt Limited on October 26, 1994 proposing to deny the credit claimed by it. The Order in Original was passed by the Additional Commissioner, Central Excise, Aurangabad on January 21, 1997, holding that the invoices were not valid for taking credit as the concerned dealer was not registered with the Central Excise Department. Vide the said order the Additional

Commissioner denied the MODVAT credit of Rs. 0.067 million and imposed a penalty of Rs. 5,000 on Wockhardt Limited. Wockhardt Limited appealed against the said Order in Original before the Commissioner (A) Pune. The Commissioner (A) Pune, vide his order dated October 27, 1999 allowed the appeal filed by Wockhardt Limited. The Additional Commissioner, Central Excise, Aurangabad has filed an appeal (Appeal no. E/1183/2003-Mum) before the CESTAT, challenging the correctness of the order dated October 27, 1999 of the Commissioner (A) Pune and praying that the same be set aside. The excise liability along with penalty involved in the matter is Rs. 0.07 million. The matter is pending hearing and final disposal.

iv.) The Commissioner of Central Excise & Customs, Aurangabad ("Appellant") has filed an appeal (Civil Application No. 783- 803 of 2004) before the Supreme Court of India challenging the order passed by the Customs, Excise and Gold (Control) Appellate Tribunal, Mumbai in allowing the appeal filed by Wockhardt Limited, ("Respondent"). The Respondent is engaged in the manufacture of Povidone Iodine Cleansing Solution USP and Wokadine Surgical Scrub which were classified by the Appellant as medicaments which had therapeutic and prophylactic use, whereas, the Respondent claimed they are not used in the treatment or prevention of any specific disease but are only used for cleansing surgeon's hands and for preoperative use on patients. Due to the dispute in classification of the excisable product, the Appellant issued show cause notices demanding excise duty amounting to Rs. 5.56 million for the period from September 1992 to December 1999. The Additional Commissioner and jurisdictional Assistant Commissioner confirmed the demands with a penalty of Rs. 2.86 million. The Respondent appealed before the Commissioner of Central Excise (Appeals) Mumbai, who rejected the appeal and upheld the order. The Respondent again appealed to the, Customs, Excise and Gold (Control) Appellate Tribunal, Mumbai who allowed the appeal on the ground that these products are not used as a general cleansing solution and are only used in places where surgery is performed. The tax liability in this proceeding is Rs. 8.431 million along with interest. The matter is pending hearing and final disposal.

v.) The Commissioner of Central Excise & Customs, Aurangabad (collectively referred to as the "Appellants") has filed an appeal (Civil Application No. 4529 of 2006 in First Appeal No. 9225) before the High Court of Bombay, Aurangabad Bench challenging the dismissal of its appeal by CESTAT. Wockhardt Limited (the "Respondent") is the manufacturer of medicaments. After submitting capital goods declaration to the Assistant Commissioner and after installation of the capital goods in the factory, the Respondent claimed MODVAT credit of Rs. 0.36 million on the said capital goods. The Appellant issued a show cause notice to the Respondent calling upon the Respondent to show cause why the MODVAT credit should not be confirmed and adjusted and why penalty and interest should not be charged. The show cause notice was decided by the Appellant who confirmed the MODVAT credit and also charged interest and penalty. The Respondent appealed to the Commissioner of Central Excise & Customs (Appeals), who allowed the appeal. The Appellant thereon filed an appeal to the CESTAT, which dismissed the appeal. The quantum involved in the proceeding is Rs. 0.73 million along with interest. The matter is pending hearing and final disposal.

vi.) Apart from the aforesaid proceedings, Wockhardt Limited has also received 9 Show Cause Notices from the Customs and Excise Departments of Aurangabad, Surat and Daman, with respect to which adjudication proceedings are pending hearing and final disposal. The consolidated amount involved in these notices is approximately Rs. 112 million along with interest.

vii.) Wockhardt Limited has filed an appeal before the CESTAT (E/289/07-MUM E/Stay/386/07-MUM) against the Additional Commissioner of Central Excise & Customs, Aurangabad. Due to a classification dispute over certain excisable products manufactured by Wockhardt Limited, the Additional Commissioner of Central Excise & Customs, Aurangabad, issued a show cause notice and demanded payment of Rs. 3.66 million as excise duty amount and Rs. 3.66 million as penalty. Aggrieved by the aforesaid demand, Wockhardt Limited appealed before the Commissioner, Central Excise & Customs (Appeals), Aurangabad, who rejected the appeal and confirmed the order. Hence, Wockhardt Limited has preferred the present appeal. The amount involved in the matter is Rs. 7.32 million and the matter is pending for hearing and final disposal.

g. CONSUMER PROCEEDINGS

i.) Sharad Laljee Tambe has filed a complaint before the District Consumer Dispute Redressal Forum, Mumbai Suburban District (**Original Complaint No. 94/2007**) accusing Wockhardt Limited of selling him defective "Wosulin 50:50" (an injection manufactured and marketed by Wockhardt Limited), the continuous use of which is allegedly fatal. Rs. 2 million has been claimed as damages. The matter is pending for hearing and final disposal.

ii.) Shailendra Chaudhari (the **"Complainant"**) has filed a complaint before the District Consumer Dispute Redressal Forum, Bhopal (**Original Complaint No. 121/2007**). The complainant, a diabetes patient, has accused the Wockhardt Limited of manufacturing and marketing a defective stock of "Wosulin 30:70" mono-components insulation. The amount claimed as compensation is Rs. 0.5 million. The matter is pending for hearing and final disposal.

h. PROCEEDINGS UNDER THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969

Proceedings under the Monopolies and Restrictive Trade Practices Act, 1969, (the "MRTP Act"), have been initiated by M/s. Vijay Agencies and Mr. Ravi Bhatt, (collectively referred to as the "**Complainants**"), against the Chemists & Druggists Federation of Uttar Pradesh ("**CDFUP**"), the All India Organisation of Chemists and Druggists, ("**AIOCD**"), Wockhardt Limited and others.

The Complainants have alleged that CDFUP with aid of its parent body, AIOCD, has been indulging in various restrictive practices, which, *inter alia*, include (i) that a manufacturer shall not appoint a person as its stockist/ wholeseller without obtaining a no objection certificate or a Letter of Co-ordination from CDFUP or its affiliates, (ii) that the CDFUP could bring disciplinary actions against its members as a coercive measure and (iii) that the measures adopted by the CDFUP was resulting in exclusion of its non members from the pharmaceutical trade.

Further, it has also been alleged that CDFUP had adopted coercive methods to implement its directions as a result of which M/s. Wockhardt Limited had to succumb into entering a Memorandum of Understanding with CDFUP, whereby M/s. Wockhardt Limited agreed to discontinue its supplies to certain stockists, which included the Complainants, with immediate effect.

Accordingly, the Complainant has sought to restrain the respondents from the aforementioned practices, regularizing the same. The Complainants have also applied for an ad-interim injunction against M/s. Wockhardt Limited in relation thereto. The Monopolies and Restrictive Trade Practices Commission has passed an oral order dated October 3, 2007 directing the respondents to file their respective replies within the prescribed period.

3. NOTICES ISSUED TO WOCKHARDT LIMITED

i.) Mr. Kamal Motiram Vidhani (the **"Claimant**") has sent a legal notice dated March 15, 2007 alleging deterioration of his health by usage of an allegedly defective product, Wosulin 30:70, manufactured by Wockhardt Limited. The Claimant had bought ten bottles of this product and claims that he had consumed six bottles over a period of time, which led to deterioration of his health as the product was defective. The Claimant has claimed for Rs. 50 million. Wockhardt Limited has replied to the notice on April 18, 2007. There has been no further development in this matter.

ii.) Mrs. Bharati Dubey (the **"Claimant"**) has sent a legal notice dated March 12, 2007 alleging that she fell seriously ill due to the usage of a product called Wosulin 30:70, manufactured by Wockhardt Limited as prescribed by her doctor, and was told by the druggists that the drug she had used was defective. The Claimant has claimed for Rs. 0.09 million. Wockhardt Limited has replied to the notice on April 3, 2007.

iii.) The Office of the Commissioner, Food and Drugs Administration, Maharashtra (**the "Office"**) has sent a legal notice dated April 12, 2007 to Wockhardt Limited. During previous investigations by the Office, samples of Wosulin 50:50 and Wosulin 30:70 taken from the various places in

Maharashtra were tested and found to be "Not of Standard Quality" as they had failed the description test. The Office had cancelled the product permission of Wosulin 50:50 and had advised the manufacturer to take trial batches of Wosulin 50:50 and submit stability studies for the issue of a fresh license. On the basis of the reports of fresh stability studies, the production and sale of Wosulin 30:70 was allowed. The samples of Wosulin N and Wosulin R were reported to be of standard quality; hence, no penal action was taken. Wockhardt Limited was directed to destroy stocks of batches recalled from the market in presence of the Drug Inspector of the Office. There has been no further development in this matter by Wockhardt Limited.

iv.) Syed Mohammed Iqbal has sent a legal notice dated May 11, 2007 claiming that he has the registered power of attorney of a property in Bhandup, which he claims was leased to Wockhardt Limited and that the lease expires on May 15, 2007 and he does not wish the lease to extended and so has requested Wockhardt Limited to release the land. M/s. Merind Limited who claims to be the owner of the subject land has replied to the notice on May 24, 2007. There has no further development in the matter.

v.) Advocate Subash Chandra Lenka (the"**Claimant**") has sent a legal notice dated June 8, 2007 claiming that he had bought a cough syrup Zedex and found it to be adulterated, and has therefore asked Wockhardt Limited to look into and settle the matter accordingly. A preliminary reply was sent to the notice on June 21, 2007 wherein, the Claimant has been requested to provide further information with regard to the allegedly defective product purchased by him. There has been no further development in the matter.

vi.) Chemplant Services (the"**Claimant**") has sent various notices to Wockhardt Ltd with regard to a dispute involving payment for purchase order pertaining to Wockhardt Limited's engineering project at Ankleshwar. The amount claimed is Rs. 2.5 million. Wockhardt Limited has replied to the notice on November 27, 2006, stating that they are ready to settle the matter by making a full and final payment of Rs. 0.85 million out of which Rs. 0.72 million would go to the Claimant and Rs. 0.12 million would go to one Mr. Ganoo for his services.

vii.) Martina Rodriques (the"**Complainant**") has sent a legal notice received on December 29, 2006 claiming that she was a regular purchaser of "Grow-Up" and had purchased the same from M/s Dhuri Medical & General Stores. Upon opening the said packet, she found that the inner pack containing the powder had holes and was full of small brownish insects. The Complainant used to feed her baby with the product and the baby vomited every time it was fed. The Complainant has asked the company to explain its lack of quality control which would harm babies. There has been no further development on this matter.

viii.) The Drug Inspector had sent a letter dated September 25, 2006 to Wockhardt Limited in connection with the inspection made by him wherein he had asked Wockhardt Limited to stop the sale of Libotryp Group (Chlordiazepoxide) as it should be labelled according to Schedule H of Drugs & Cosmetics Act, 1985. A reply was sent to the Drug Inspector by a letter dated October 4, 2006 by Wockhardt Limited, informing him that Chlordiazepoxideis not a narcotic drug as per Govt. of India's Notification S.O. 826 (E) dated November 11, 1985 & S.O. 40(E) dated January 29, 1993.

ix.) Director General of Foreign Trade ("**DGFT**") had sent a show cause notice dated December 5, 2005 to the Directors of Wockhardt Limited, Mr. Vinod Pabi and Mr. Rajiv Gandhi under the Foreign Trade (Development & Regulation) Act, 1992, to submit the information and documents pertaining to export obligations. A reply dated January 19, 2006 and April 10, 2006 was sent to the DGFT and it stated that Mr. Vinod Pabi and Mr. Rajiv Gandhi are no more associated with Taulis Pharma Limited and it would be difficult for them to provide the required information. It was also stated that Mr. Vinod Pabi and Mr. Rajiv Gandhi had appeared before the DGFT and had made an application to allow them to inspect the relevant documents, papers and proceedings in the matter so as to enable them to prepare before the hearing. The matter is pending.

6. PROCEEDINGS INVOLVING WOCKHARDT U.K. LIMITED

There are 7 claims against Wockhardt UK Ltd.

i.) Sharon Gabriel for injury to right hand due to breaking of glass cartridge.

ii.) Brynley Jones for injury to head and back due to slip from safety steps.

iii.) Helen Rogers for strain to right wrist due to repetitive manual handling work.

iv.) Sarah Roberts for tripping over a magnetic door stopper resulting in injury to head and knees.

v.) Nerys Roscoe for chest problems, breathing difficulties and sore throat due to leakage of a chemical from a VHP unit.

vi.) Sheila Parry for chest problems, breathing difficulties and sore throat due to leakage of a chemical from a VHP unit.

vii.) Susan Williams for injury to foot due to fall from pallets.

7. PROCEEDINGS INVOLVING C. P. PHARMACEUTICALS LIMITED

Farmaprojects SA has sent a notice to the C.P. Pharmaceuticals Limited alleging breach of contract. C.P. Pharmaceuticals Limited allegedly failed to meet the contractually stipulated delivery deadlines resulting in breach of contract. Farmaprojects SA has claimed a compensation of Euro 0.14 million.

F. PROCEEDINGS INVOLVING THE DIRECTORS OF OUR PROMOTER GROUP ENTITIES

1. Proceedings Initiated Against Mr. Rajiv Gandhi, Director of Wockhardt Limited

SEBI had commenced an investigation against Mr. Rajiv Gandhi, his wife and his sister (the "**accused**") for allegedly engaging in insider trading in the shares of Wockhardt Limited. The investigation alleged that the accused had made a profit of Rs.0.5 million and averted a loss of Rs.0.065 million approximately. The Accused denied that they engaged in insider trading. The SEBI Adjudicating Officer passed an adjudication order against the Accused and ordered the payment of Rs.0.5 million by each of them. The Accused filed an appeal before the Securities Appellate Tribunal on January 16, 2007, challenging the adjudication order. The appeal is currently pending.

Further, for the above alleged insider trading, a communication dated October 14, 2003 (the "**Communication**") was issued to the Accused in terms of Regulation 9 (1) SEBI (Prohibition of Insider Trading Regulations), 1992 ("**ITR**"), whereby the Accused were called upon to file a reply to the Communication and indicate why action under various provisions of SEBI Act and ITR cannot be taken against them. The Accused filed a reply through letter dated November 24, 2003 denying the allegations in the Communication and seeking a personal hearing, in case further action is contemplated in the matter. Subsequently, SEBI issued show cause notice dated May 6, 2005 wherein certain trades were excluded from the scope of investigations and the Accused were called upon to show cause as to why action should not be initiated against them under Sections 11 B and 11 (4) of the SEBI Act read with Regulation 11, ITR. The Accused through letters dated May 30, 2005 and July 11, 2005 replied to the show cause dated May 6, 2005. Thereafter, SEBI through letter dated April 25, 2006 granted a personal hearing to the Accused before the Whole-time Member of SEBI. Consequent to the hearing, no final order has been passed by the Whole-time Member.

SECTION VII

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake the Issue and our current business activities and except as stated in this Red Herring Prospectus, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of this Red Herring Prospectus.

A. Approvals for the Issue

We have received the following approvals relating to the Issue:

The Board of Directors has, pursuant to a resolution dated August 13, 2007, authorized the Issue.

The shareholders of the Company have, pursuant to a resolution dated August 13, 2007 under Section 81(1A) of the Companies Act, authorized the Issue.

B. Approvals for our Business

We have received the following major Government and other approvals pertaining to our business:

1. Approvals relating to the Company

Description	Reference/License No.	Date of Issue	Date of Expiry
Permanent Account Number	AAACW3342G	March 13, 2001	N.A
Tax Deduction Account Number	MUMW01768E	March 13, 2001	N.A
Registration with the Regional Provident Fund Commissioner, under the Employees Provident Fund and Miscellaneous Provision Act, 1952.	MH/1151/F	April 1, 2002	N.A
Tax Deduction Account Number	SRTW00102E	May 5, 2007	N.A.

2. Approvals for Wockhardt Hospitals, Cunningham Road, Bangalore

Sr. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act / Regulation	Date of Issue	Valid Upto / Validity
1.	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C, C(1) and Schedule X	Assistant Drugs Controller & Licensing Authority, Bangalore	MYB/20/2523	Drugs and Cosmetics Act, 1940	December 23, 1989	December 31, 2007 Renewal applied for on December 28, 2007

Sr. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act / Regulation	Date of Issue	Valid Upto / Validity
	(Form 20)					
2.	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule X (Form 21)	Assistant Drugs Controller & Licensing Authority, Bangalore	MYB/21/2523	Drugs and Cosmetics Act, 1940	December 23, 1989	December 31, 2007 Renewal applied for on December 28, 2007
3.	Certificate of Renewal of License to sell stock or exhibit for sale or distribute drugs.	Assistant Drugs Controller & Licensing Authority, Bangalore	20-MYB/2523-23/12/89 21- MYB/2523-23/12/89	Drugs and Cosmetics Act, 1940	December 23, 1989	December 31, 2007 Renewal applied for on December 28, 2007
4.	Certificate of Registration under Pre-Natal Diagnostic Technique Act	The Appropriate Authority of Bangalore Urban District	201	Pre-natal Diagnostic Technique (Regulation and Prevention of Misuse) Act 1994	March 16, 2007	March 15, 2012
5.	Certificate of Approval of Blood Storage Centre for storage of whole human blood I.P./components	Drugs Controller and Licensing Authority	KTK/26G/10/ 2002-06	Drugs and Cosmetics Rules, 1945, under Rule 122-G.	January 1, 2002	December 31, 2006 Renewal applied for on December 30, 2006
6.	License to sell, stock, exhibit or offer for sale or distribute drugs other than those specified in Schedule C, C1 and X (Form 20B).	Assistant Drugs Controller and Licensing Authority	KA/BNG/ I / 20B/ 1012	Drugs and Cosmetics Rules, 1945	March 13, 2007	March 12, 2012
7.	License to sell, stock, exhibit or offer for sale or distribute drugs other than those specified in Schedule X (Form 20B).	Assistant Drugs Controller and Licensing Authority	KA/BNG/ I / 20B/ 969	Drugs and Cosmetics Rules, 1945	March 13, 2007	March 12, 2012

Sr. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act / Regulation	Date of Issue	Valid Upto / Validity
8.	Authorisation for generation, collection, reception, storage, transportation, treatment, disposal of Bio Medical Waste.	Karnataka State Pollution Control Board	KSPCB/EO/ BC	Bio-Medical Waste (Management and Handling Rules), 1998 (Rule 3 (3) and 7 (5))	January 1, 2007	December 31, 2009
9.	Consent for operation of the plant.	Karnataka State Pollution Control Board	KSPCB/APC/SEO-4/TC/2007-08/4725	Air (Prevention and Control of Pollution) Act, 1974	October 26, 2007	Valid from July 1, 2007 to June 30, 2008
10.	Karnataka State Pollution Control Board-consent for discharge of domestic and hospital effluents.	Karnataka State Pollution Control Board	KPSCB/WPC/SEO-4TC/2007-08/4724	Water (Prevention and Control of Pollution) Act, 1974	October 26, 2007	Valid from July 1, 2007 to June 30, 2008

Approvals/Licenses which have been applied for but not yet received

An application dated December 30, 2006, has been made for renewal of the Certificate of Approval of Blood Storage Centre for storage of whole human blood I.P./components, to the Drugs Controller and Licensing Authority.

3. Approvals for Wockhardt Hospital, Nagarbhavi Road, Bangalore

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
1	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C, C(1) and Schedule X	Assistant Drugs Controller & Licensing Authority, Bangalore	KA/BNG/IV/20/508	Drugs and Cosmetics Act, 1940	March 1, 2007	February 28, 2012

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
2	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule X	Assistant Drugs Controller & Licensing Authority, Bangalore	KA/BNG/IV/21/508	Drugs and Cosmetics Act, 1940	March 1, 2007	February 28, 2012
3	Certificate of Registration under Pre-Natal Diagnostic Technique Act	The Appropriate Authority of Bangalore Urban District	762	Pre-natal Diagnostic Technique (Regulation and Prevention of Misuse) Act 1994	October 3, 2006	October 2, 2011
4	Trade license for operating the hospital.	Commissioner, Burhat, Bangalore Mahanagar Palika, Health Department	401/07-08	Bangalore Municipal Corporation Act, 1949	July 5, 2007	July 31, 2008
5	Trade license for operating pharmacy.	Commissioner, Burhat, Bangalore Mahanagar Palika, Health Department	400/07-08	Bangalore Municipal Corporation Act, 1949	July 4, 2007	July 5, 2008

4. Approvals for Wockhardt Hospital , West of Chord Road, Bangalore

S. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
1.	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C,	Assistant Drugs Controller & Licensing Authority, Bangalore	KA/BNG/ IV/ 20/ 484	Drugs and Cosmetics Act, 1940	Novembe r 14, 2006	Novembe r 13, 2011

S. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
	C(1) and Schedule X					
2.	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule X	Assistant Drugs Controller & Licensing Authority, Bangalore	KA/BNG/ IV/ 20/ 484	Drugs and Cosmetics Act, 1940	November 14, 2006	November 13, 2011
3.	Certificate of Approval of Blood Storage Centre for storage of whole human blood I.P./components	Drugs Controller and Licensing Authority	DCD/TC-27/BBC/2007-08	Drugs and Cosmetics Rules, 1945 under Rule 122-G.	April 5, 2006	April 4, 2009
4.	Certificate of Registration under Prenatal Diagnostic Technique Act	The Appropriate Authority of Bangalore Urban District	749	Pre-natal Diagnostic Technique (Regulation and Prevention of Misuse) Act 1994	September 5, 2006	September 4, 2011
5.	Certificate of Approval for Medical Termination of Pregnancy.	Chairman, District MTP Committee and D.H. & FWO, Bangalore	133-06-07	Medical Termination of Pregnancy Act, 1971 (34 of 1971)	December 12, 2006	Permanent license.
6.	Trade License Certificate to operate a 50 bed hospital	Commissioner, Burhat, Bangalore Mahanagar Palika, Health Department	TLC No. 2006-016-05-110-200596	Bangalore Municipal Corporation Act, 1949	April 10, 2007	March 31, 2008
7.	Trade License Certificate to operate a pharmacy	Commissioner, Burhat, Bangalore Mahanagar Palika, Health Department	TLC No. 01/07-08	Bangalore Municipal Corporation Act, 1949	March 27, 2007	March 31, 2008

Approvals/Licenses which have been applied for but not yet received

(i) An application dated May 1, 2007 has been made for renewal of the consent for operation of plant, Karnataka State Pollution Control Board.

(ii) An application dated May 1, 2007 has been made for renewal of the existing/ discharge of sewage and other effluents, Karnataka State Pollution Control Board.

5. Approvals for Wockhardt Hospitals, Bannerghatta

S. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
1.	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C, C(1) and X	Assistant Drugs Controller & Licensing Authority, Bangalore	KA/BNG/III/ 20/1764	Drugs and Cosmetics Act, 1940	May 16, 2006	May 15, 2011
2.	Retail License to sell, stock exhibit for sale or distribute by retail, drugs specified in Schedule C, C(1) excluding those specified in Schedule X (Form 21)	Assistant Drugs Controller & Licensing Authority, Bangalore	KA/BNG/III/ 21/1764	Drugs and Cosmetics Act, 1940	May 16, 2006	May 15, 2011
3.	Certificate of Registration under Pre-Natal Diagnostic Technique Act	The Appropriate Authority of Bangalore Urban District	712	Pre-natal Diagnostic Technique (Regulation and Prevention of Misuse) Act 1994	March 5, 2006	March 4, 2011
4.	Certificate of Approval for Medical Termination of Pregnancy.	Chairman, District MTP Committee and D.H. & FWO, Bangalore	Sl. No. 123-06-07	Medical Termination of Pregnancy Act, 1971 (34 of 1971)	October 3, 2006	NA
5.	Consent for existing/ discharge of Sewage and	Karnataka State Pollution	KPSCB/WPC/SEO-4/TC/2007-08/4115	Water (Prevention and Control of Pollution)	October 1, 2007	Valid from July 1, 2007 to

S. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
	other effluents	Board		Act, 1974		June 30, 2008
6.	Karnataka State Pollution Control Board- consent for operation of the plant	Karnataka State Pollution Board	KPSCB/APC/SEO-4/TC/2007-08/4116	Air (Prevention and Control of Pollution) Act, 1974	October 1, 2007	Valid from July 1, 2007 to June 30, 2008
7.	Consent for Establishment (CFE) under the Air Act and the Water Act for setting up a new hospital of 175 beds capacity.	Karnataka State Pollution Board	CFE-CELL/WHL/NE-1047/2005-2006/37	Air (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Act, 1974	June 25, 2006	CFE is valid for a period of three years.
8.	Occupancy Certificate for Hospital building, Block-I.	Engineer Member, Bangalore Development Authority	BDA/EM/TA-II/OC/T296/06-07	Bangalore Development Authority Act, 1949	September 2, 2006	NA
9.	Environmental Clearance for establishing 175 bed Hospital.	Under Secretary, Forest, Ecology and Environment Department	FEE 280 ECO 2005	Air (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Act, 1974	April 28, 2006	April 27, 2011
10.	Commencement Certificate For Construction Of Hospital Building	Engineer Member, Bangalore Development Authority	PS/EMTA-3/S/06/05-06	Bangalore Development Authority Act, 1949	July 11, 2005	N.A.

6. **Approvals for Wockhardt Hospitals, Hyderabad**

S. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
1.	Certificate of Registration (Form-II)	Office Of the Registering Officer and Deputy Commissioner of Labour	DU/83/2006/PE	Contract Labour (Regulation and Abolition) Act, 1970	February 7, 2006	NA
2.	APNA Life Member Certification	Andhra Pradesh Private Hospitals and Nursing Homes Association	HYB/K158/2004	NA	September 16, 2004	Life membership
3.	Pre Natal Diagnostic Technique Registration for Ultrasound	Appropriate Authority, Health Authority, Hyderabad District	0116A396	Pre Natal Diagnostic Techniques and Registration Act, 1994	July 13, 2004	July 12, 2009
4.	Trade License for dispensaries, clinics, either allopathic or homeopathic or ayurvedic.	Municipal Corporation of Hyderabad	Trade Id No. 036-297-2065	Hyderabad Municipal Corporation Act, 1955	January 4, 2004	The license is renewed annually and has been renewed for the year 2007-2008 in May 23, 2007.
5.	Andhra Pradesh Pollution Control Board-Consent Orders (Domestic Effluents)	Andhra Pradesh Control Board	77/PCB/ZO HYD/BMWA/HYD/2006-2290	Water (Prevention and Control of Pollution) Act,1974	October 30, 2006	This license has been renewed till October 30, 2011

S. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
6.	Andhra Pradesh Pollution Control Board – Consent Orders DG Set	Joint Chief Environmental Manager	77/PCB/ZO HYD/BMWA/HYD/2006-2290	Water (Prevention and Control of Pollution) Act,1974	October 30, 2006	This license has been renewed till October 30, 2011

7. **Approvals for Wockhardt Hospitals , Kolkata**

S. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
1.	No Objection Certificate/ Occupancy Certificate	Director, West Bengal Fire Services.	WBFS/2060/ CAL-B/99/95	Kolkata Municipal Corporation Act, 1980	November 11, 1998	NA
2.	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C, C(1) and Schedule X	Licensing Authority, Director of Drug Control, West Bengal	DL/ 6562 –S	Drugs and Cosmetics Rules, 1945 (Rule 61 (1)	May 10, 2006	May 9, 2011
3.	Retail License to sell, stock exhibit for sale or distribute drugs for retail purpose other than those specified in	Licensing Authority, Director of Drug Control, West Bengal	DL: 6573 -SB	Drugs and Cosmetics Rules, 1945 (Rule 61 (1)	May 10, 2006	May 9, 2011

S. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
	Schedule X					
4.	Trade License (Medicine)	Kolkata Municipal Corporation	0003 1402 8153	Kolkata Municipal Corporation Act, 1980	November 6, 2007	November 5, 2008
5.	Trade License Renewal (Pathological Laboratory)	Kolkata Municipal Corporation	4069 4300 2115	Kolkata Municipal Corporation Act, 1980	November 16, 2007	November 15, 2008
6.	Trade License Renewal (Pathological Laboratory)	Kolkata Municipal Corporation	4085 2100 1076	Kolkata Municipal Corporation Act, 1980	November 6, 2007	November 5, 2008
7.	Approval for performing Renal Transplant	Director of Health Services, West Bengal	L/753(04)/07/0157	Transplantation on of Human Organs Act, 1994	March 14, 2007	April 30, 2008
8.	Pre Natal Diagnostic Techniques Registration Certificate.	Deputy Director of Health Services, West Bengal	PNDT-AMEND/ KOL/ 98/ 2003	Pre Natal Diagnostic Techniques Act 1972	May 21, 2007	January 18, 2012
9.	License under the West Bengal Clinical Establishments Act , FORM –IV (Rashbehari Avenue)	Deputy Director of Health Services, West Bengal	L/753/04/465	West Bengal Clinical Establishments Act, 1950	September 27, 2004 Renewed on March 30, 2007	April 30, 2008
10.	Consent to operate from Health Care Establishments under the Water Act, 1974 and Air Act,	West Bengal Pollution Control Board	17/WBPCB-ROI/R/59/2000	Water (Prevention and control of Pollution) Act, 1974 and Air (Prevention and control	July 29, 2005	July 31, 2008

S. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Upto / Validity
	1974 (Sarat Bose Road Hospital)			of Pollution) Act, 1981		
11.	Consent to Establish and enhance beds from 3 to 6 from environmental point of view.	West Bengal Pollution Control Board	890/WBPCB-RO-I/ R /59/ 2000	Water (Prevention and control of Pollution) Act, 1974 and Air (Prevention and control of Pollution) Act, 1981	July 28, 2007	NA
12.	Authorisation for the generation, collection storage and transportation of bio medical waste (Sarat Bose Road Hospital).	West Bengal Pollution Control Board	254/WBPCB-ROI/Authorisation/39/ 2002	Management and Handling Rules 1998	July 11, 2005	July 10, 2008
13.	Authorisation for the generation, collection storage and transportation of bio medical waste (Rashbehari Road Hospital).	West Bengal Pollution Control Board	253/WBPCB-ROI/Authorisation/ 40/2002	Management and Handling Rules 1998	July 26, 2005	July 25, 2008
14.	Consent to operate Health Care Establishments under the Water Act, 1974 and Air Act, 1974 (Rashbehari Road Hospital)	West Bengal Pollution Control Board	07/WBPCB-ROI/R/417/2001	Water (Prevention and control of Pollution) Act, 1974 and Air (Prevention and control of Pollution) Act, 1981	June 18, 2005	June 30, 2008

8. **Approvals for Wockhardt Hospitals , Mumbai**

Sr. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
1.	License to operate Pharmacy – Chemist Druggist	Deputy Collector, S-Ward, Brihan Mumbai Mahanagar Palika	ACS/01/OW/ RCV	Bombay Municipal Corporation Act, 1988	June 21, 2006	June 30, 2008
2.	License to operate a canteen.	Division Officer Bombay Municipal Corporation	761406188	Bombay Municipal Corporation Act, 1988	December 13, 2007	December 31, 2008
3.	Registration/license for Pre-Natal Diagnostic Techniques	Deputy Secretary, Public Health Department, Maharashtra	No. 3235	Pre Natal Diagnostic And Termination Of Pregnancy Act, 1971	June 28, 2004	NA
4.	License to operate a Blood Bank	Commissioner, Food and Drug Administration, Maharashtra State	28-C/ 41	Drug and Cosmetics Act,1940	August 5, 2003	August 4, 2008
5.	License for possession, transport and use of ordinary denatured spirits Form D.S.IV	Superintendent of Prohibition and Excise.	1596/2006-2009	Bombay Denatured Spirit Rules,1959, (Rule 26)	February 27, 2003	March 31, 2009
6.	Registration Certificate for contract labour	Assistant Commissioner of Labour & Registering Office	DYCL/CLA/ 5305/RC-34/A-3/ Desk-24/ S	Section 7 of Contract Labour Act, 1970	January 3, 2006	December 31, 2008
7.	Registration Certificate for contract labour	Assistant Commissioner of Labour & Registering Office	DYCL/CLA/ REGN/PLB/34/ A1	Section 7 of Contract Labour Act, 1970	December 17, 2007	December 31, 2008

Sr. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
8.	License to store liquid oxygen in pressure vessel.	Chief Controller of Explosives	S/HO/MH/03/ 840 (s12677)	Indian Explosives Act,1884	March 8, 2004	Renewed till March 31, 2009
9.	Certificate of Establishment	Inspector under the Bombay Shops and Establishments Act, 1948	S-11/006511	Bombay Shops and Establishment Act, 1948	December 24, 2001	Renewed till December 31, 2008.
10.	Certificate of registration under the Bombay Nursing Homes Act, 1949	Medical Officer of Health	Reg. No. 1624	Bombay Nursing Homes Registration Act, 1949	April 1, 2007	March 31, 2008
11.	Registration certificate of the Nagri Sanrakshan Dal	Additional Controller of City Defence, Bombay	ACCD/TRG-23/ HCDU-15/2004	Civil Defence Act, 1968	October 21, 2004	NA
12.	Certificate Of Registration of Organ Transplant	Appropriate Authority, Director Of Health Services	NA	Transplantation of Human Organs Act,1994	June 28, 2006	June 27, 2011
13.	Certificate Of Establishment (Form-D)	Inspector under the Bombay Shops and Establishments Act, 1948	S IV/ 000617	Bombay Shops and Establishment Act, 1948	January 11, 2000	Renewed till December 31, 2008
14.	Pre Natal Diagnostic Technique Registration	Appropriate Authority, Medical Officer for Health	PNDT/0024/ MOH-S LOGIQ P5, VIVI32	Pre Natal Diagnostic Technique (Regulation and Prevention of Misuse) Act 1994	January 31, 2007	January 30, 2012
15.	NOC to surrender area to the Mumbai	Deputy Vice President,	WITCO/202/VGP/ 2913	Mumbai Municipal Corporation	October 22,	NA

Sr. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
	Municipal Corporation	MMC		Act, 1888.	2002	
16.	Occupation Certificate	Executive Engineer (Eastern Suburbs) Municipal Corporation of Greater Mumbai	LS/U/19	Mumbai Municipal Corporation Act, 1888.	December 18, 2003	NA
17.	Certificate Of Registration for Retrieval and Cornea Transplant	Appropriate Authority, Director Of Health Services	H0098	Transplantation of Human Organs Act,1994	June 23, 2006	June 23, 2008
18.	Commencement Certificate FORM- A	Municipal Corporation Of Greater Mumbai	CE/7/BPES/AS	Mumbai Municipal Corporation Act, 1888.	April 23, 2001	N.A.
19.	Establishment of Hospitals Civil Defense Unit, at Mulund Hospital	Additional Controller of Civil Defense, Brihan, Mumbai	ACCD/TRG-23/HCDU-15/2004/1387	Civil Defense Act, 1968	October 21, 2004	N.A.
20.	Authorisation for generation of Bio-Medical Waste	Maharashtra State Pollution Control Board	MPCB/RO(HQ)/BMW-MUMBAI-196/2007	Bio-Medical Waste (Management and Handling) Rules, 1998	November 23, 2007	October 31, 2010.

Approvals/Licenses which have been applied for but not yet received

(i) 3 different applications, all dated March 20, 2007, have been made for renewal of the Certificates to register X Ray Department, to the Head of Department, Radiation Security Department, Atomic Energy and Regulatory Board.

(ii) An application dated December 15, 2007 has been made for Form NDPS License for manufacture, possession and sale, otherwise other than on prescription of manufactured drugs by dealers, to the Superintendent of Prohibition and Excise.

9. **Approvals for Wockhardt Towers , Bandra, Bombay**

Sr. No.	Type of License / Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act / Regulation	Date of Issue	Valid Up to
1.	License to Work Lift	Inspector of Lifts, Bombay	40573	Rule 4 of Bombay Lift Rules , 1958	May 27, 2002	N.A.
2.	License to Work Lift	Inspector of Lifts, Bombay	404572	Rule 4 of Bombay Lift Rules , 1958	May 27, 2002	N.A.
3.	License to Work Lift	Inspector of Lifts, Bombay	40571	Rule 4 of Bombay Lift Rules , 1958	May 27, 2002	N.A.
4.	License to Work Lift	Inspector of Lifts, Bombay	40570	Rule 4 of Bombay Lift Rules , 1958	May 27, 2002	N.A.
5.	License to Work Lift	Inspector of Lifts, Bombay	40572	Rule 4 of Bombay Lift Rules , 1958	May 27, 2002	N.A.
6.	License to Work Lift	Inspector of Lifts, Bombay	4057	Rule 4 of Bombay Lift Rules , 1958	May 27, 2002	N.A.

10. **Approvals for Wockhardt Hospitals , Nagpur**

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
1.	Nursing Home Registration	Nagpur Municipal Corporation	649	Bombay Nursing Homes Registration Act, 1949	May 15, 2006	March 31, 2009
2.	Registration under Bombay Shops and Commercial Establishments Act	Supervisor, Bombay Shop and Establishments	16732	Bombay Shops and Establishments Act, 1948	February 2, 2005	December 31, 2008
3.	Bio-medical Waste Authorization: for operating a facility for	Regional Officer, Maharashtra Pollution Control	MPCB/NRO/BMW-Nagpur/202-2005	Environment (Protection) Act, 1986	July 21, 2005	March 31, 2010

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
	(Generation, collection, reception transportation treatments, storage and disposal) of Bio-Medical Waste.	Board				
4.	Retail License to sell, stock to exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C, C(1) and other than those specified in Sch. X	Licensing Authority, Food and Drug Administration M.S. Nagpur	NAG/99/2006	Drugs and Cosmetics Rules, 1945	August 4, 2006	August 3, 2011
5.	Retail License to sell, stock to exhibit for sale or distribute drugs specified in Schedule C, C(1) for retail purpose other than those specified in Schedule X	Licensing Authority, Food and Drug Administration M.S. Nagpur	NAG/99/2006	Drugs and Cosmetics Rules, 1945	August 4, 2006	August 3, 2011
6.	NDPS License to manufacture, possession and sale otherwise than on the prescription of	Deputy Superintendent, State Excise	8/2006-2009	Narcotic Drugs and Psychotropic Act, 1985	November 13, 2006	March 31, 2009

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
	manufactured drugs and dealers					
7.	Permission to operate Diesel Generator Set.	Electricity Supervisor, Department Of Electricity, Nagpur	VNN/660	Indian Electricity Act, 1910	March 19, 2005	NA
8.	Pre-Natal Diagnostic Technique Certificate	Appropriate Authority, Public Health Department	190/2004	Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994	December 29, 2004	December 30, 2009
9.	Certificate of Bio Medical Waste Authorization	Maharashtra Pollution control Board	MPCB/NRO/BMW-Nagpur/130/2006	Bio Medical Waste (Management and Handling) Rules, 1998	June 5, 2007	March 31, 2010

Approvals/Licenses which have been applied for but not yet received

An application, dated June 4, 2007, has been made for renewal of the Recommendation for fire safety measures & fire protection under the National Building Code, 1970, to the Chief Fire Officer, Nagpur Fire Service.

11. Approvals for Wockhardt Hospitals, Rajkot

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
1.	Retail License to sell, stock to exhibit for sale or distribute by wholesale drugs other than those specified in	Assistant Commissioner, Food and Drugs Control Admin.	G/RR-2447	Drugs and Cosmetics Rules, 1945	November 29, 2006	November 28, 2011

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
	Schedule C and C(I), excluding those specified in Schedule X					
2.	Retail License to sell, stock to exhibit for sale or distribute by wholesale drugs other than those specified in Schedule C and C(I), excluding those specified in Schedule X	Assistant Commissioner, Food and Drugs Control Admin.	G/RR-2420	Drugs and Cosmetics Rules, 1945	November 29, 2006	November 28, 2011
3.	Retail License to sell, stock to exhibit for sale or distribute by wholesale drugs specified in Schedule C and C(I), excluding those specified in Schedule X	Assistant Commissioner, Food and Drugs Control Admin.	G/RR-2342	Drugs and Cosmetics Rules, 1945	November 29, 2006	November 28, 2011

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
4.	Retail License to sell, stock to exhibit for sale or distribute by wholesale drugs specified in Schedule X	Assistant Commissioner, Food and Drugs Control Admin.	G/RR-27	Drugs and Cosmetics Rules, 1945	November 29, 2006	November 28, 2011
5.	Retail License to sell, stock to exhibit for sale or distribute by wholesale drugs specified in Schedule C and C(I), excluding those specified in Schedule X	Assistant Commissioner, Food and Drugs Control Admin.	G/RR-2448	Drugs and Cosmetics Rules, 1945	November 29, 2006	November 28, 2011
6.	Octroi Duty Exemption Letter	Octroi Officer, Rajkot Municipal Corporation	902	Bombay Provincial Municipal Corporation Act, 1949 & Gujarat Municipality Act, 1963	October 19, 2006	NA
7.	Occupancy Certificate	Deputy Town Planner, Rajkot Urban Development Authority	RUDA/Tech/Dev./ Nanamava/960/90/286/92	Gujarat Town Planning and Urban Development Act, 1976	May 25, 1992	NA
8.	Occupancy	Deputy Town Planner,	RUDA/Tech/Dev./	Gujarat Town Planning	January 31, 1989	NA

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
	Certificate	Rajkot Urban Development Authority	Nanamava/1658	and Urban Development Act, 1976		
9.	Occupancy Certificate	Deputy Town Planner, Rajkot Urban Development Authority	RUDA/Tech/Dev./ Nanamava/1658/64	Gujarat Town Planning and Urban Development Act, 1976	April 10, 1992	NA
10.	Registration of Employer under Contract Labour (R & A) Act, 1970	Registration Officer	14/2005-2006	Section 7(2) Contract Labour (Regulation & Abolition) Act, 1970.	September 15, 2005	NA
11.	Application for transfer of PF Code pursuant to change of name of hospital.	Assistant Provident Fund Commissioner.	GJ/16774	Employees Provident Funds and Miscellaneous Provisions Act, 1952	August 1, 2006	Application is pending.
12	Certificate of Inspection of electrical installation of transformer.	Electrical Inspector, Rajkot	EI/RJT/Certificate/HT/366	The Indian Electricity Rules, 1956	January 21, 2004	NA
13.	Certificate of Inspection of electrical installation of Diesel Generator Sets.	Electrical Inspector, Rajkot	EI/RJT/Certificate/D.G./3492	The Indian Electricity Rules, 1956	August 2, 2004	NA
14	Registration of	Collector of Electricity	Registration No.	The Indian Electricity	November 23,	NA

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
.	Diesel Generator Set	Duty, Rajkot	Rajkot/406	Rules, 1956	2004	
15.	Registration of Diesel Generator Set	Collector of Electricity Duty, Rajkot	Registration No. Rajkot/406-A	The Indian Electricity Rules, 1956	November 23, 2004	NA
16.	Registration of Diesel Generator Set	Collector of Electricity Duty, Rajkot	Registration No. Rajkot/406-B	The Indian Electricity Rules, 1956	November 23, 2004	NA
17.	Amendment in authorization under Bio Medical waste (M and H) Rules	Senior Scientific Officer, Gujarat Pollution Control Board	PPR/BMW/RAJ-13/30848	Bio Medical Waste (Management and Handling) (amendment) Rules, 2003	March 18, 2005	NA
18.	Certificate of Registration with Distromed Services	Gujarat Pollution Control Board	Registration No. 1; Authorization No. for Distormed Services : BMW/ Raj-19(2)	Notification No. So-630 dated July 20, 1998 of the Ministry of Environment & Forests, Government of India.	August 1, 2006	December 31, 2008
19.	License for acquiring Spirits	Prohibition Officer	141/2005-2010	Drugs and Cosmetics Act, 1945	April 1, 2005	March 31, 2010
20.	License to use a lift	Chief Inspector of Lifts and Escalators	G/9/376/9607/05	Mines Act	March 31, 2005	March 17, 2008
21.	Employees welfare Fund Contribution	Welfare Commissioner	Not allotted.	Provident Funds and Miscellaneous Provisions	NA	NA

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
				Act, 1952		
22.	Allotment of Tax Deduction Number	Income Tax Officer, TDS, Rajkot	No. RKTA00543E	Income Tax Act, 1961	June 11, 2003	NA
23.	Drugs Licenses	Licensing Authority & Assistant Commissioner Food and Drugs Controller	RR-2447 RR-2448 RR-2420 RR-2342 RR 27	Drugs and Cosmetic Rules, 1945	November 29, 2006	November 28, 2011

Approvals/Licenses which have been applied for but not yet received

(i) An application, dated November 10, 2006, has been made for renewal of the Retail License to sell, stock to exhibit for sale or distribute drugs other than those specified in the schedule under the Drugs and Cosmetics Rules, 1945, to the Assistant Drugs Controller & Licensing Authority.

(ii) The application dated August 1, 2006, for transfer of Provident Fund Code under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, pursuant to change of name of hospital is pending before Assistant Provident Fund Commissioner.

(iii) An application dated December 7, 2007 has been made for the authorization to operate health care facility for collection, storage, reception, transport, treatment and disposal of biomedical wastes, under Bio Medical Waste Management and Handling Rules, 1998, to the Regional Officer, Gujarat Pollution Control Board, Rajkot.

12. Approvals for Sterling Wockhardt Hospital at Vashi

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
1	Certificate of Registration for running Nursing Home	Medical Officer of Health, Navi Mumbai Municipal Corporation	Registration No. 124	Bombay Nursing Home Registration (Amendment) Act 2005	April 1, 2007	March 31, 2010
2	Certificate of Registration for pre-conception	Medical Officer of Health, Navi Mumbai	Registration No. NMMC/PNDT/108	Preconception & Pre-natal Diagnostic	June 12, 200	June 11, 2012

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
	and pre-natal diagnostic techniques	Municipal Corporation		Techniques (Prohibition of Sex Selection Act), 2003	7	
3	Occupancy Certificate	City Developer, Navi Mumbai Municipal Corporation	Certificate No. J/K/N/BP/PKB/4351/1874/07	Bombay Municipal Corporation Act, 1888	May 29, 2007	NA
4	No objection Certificate for setting up Diagnostic X-ray installation	Scientific Officer "G", Radiological Safety Division, Atomic Energy Regulatory Board.	Ref. No. AERB/RSD/X-ray/MH/2007/5185	Atomic Energy Act, 1962	May 7, 2007	NA
5	Retail License to sell, stock or exhibit (or offer) for sale, or distribute by retail drugs specified in Schedule C and C(1) (excluding those specified in Sch X)	Licensing Authority, Assistant Commissioner, Thane- Z4, Food & Drug Administration, Maharashtra State	21/TNZ-4/1239	The Drugs and Cosmetics Act, 1944 read with the Drugs and Cosmetics Rules 1945	April 23, 2007	April 22, 2012
6	Retail License to sell, stock or exhibit (or offer) for sale, or distribute by retail drugs other than specified in Schedule C and C(1) and Sch X	Licensing Authority, Assistant Commissioner, Thane- Z4, Food & Drug Administration, Maharashtra State	20/TNZ-4/1239	The Drugs and Cosmetics Act, 1944 read with the Drugs and Cosmetics Rules 1945	April 23, 2007	April 22, 2012

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
7	Retail License to sell, stock or exhibit (or offer) for sale, or distribute Homoeopathic medicines by retail	Licensing Authority, Assistant Commissioner, Thane- Z4, Food & Drug Administration, Maharashtra State	20 C/TNZ-4/1239	The Drugs and Cosmetics Act, 1944 read with the Drugs and Cosmetics Rules 1945	April 23, 2007	April 22, 2012
8	Form D S IV ((Rule 26 (3)	Collector of Superintendent of prohibition of Excise	License No. 49	Bombay Prohibition Act, 1949 read with Bombay Denatured Spirit Rules,1959, (Rule 26)	June 1, 2007	March 31, 2010
9	Letter of Biomedical Waste Authorization	Regional Officer, Navi Mumbai and Prescribed Authority	MPCB/RONM BMW/Autho No. 71	Environment (Protection) Act, 1986	July 19, 2007	July 31, 2010
11	License to Work the Lift	Chief Engineer (Electrical), Government of Maharashtra, Industries, Energy & Labour Department	License No. 70738, Registration No. V/DB/15556	Issued under Rule 4 of Bombay Lift Rules, 1958	N.A.	N.A.

13. Approvals for Wockhardt Hospitals at Shankar Nagar, Nagpur-2

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
1.	Certificate of Registration	Nagpur Municipal Corporation	002172	The Bombay Nursing Homes Registration Act, 1949	September 29, 2007	March 31, 2008

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
				and Rules framed thereunder.		
2.	Certificate for Bio Medical Waste Management System	Superb Hygienic Disposals	Ref No.: SHD/NGP/C219/07	Bio Medical Waste (Management and Handling) Rules, 1998	October 4, 2007	N.A.
3.	Retail License to sell, stock to exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C, C(1) and other than those specified in Sch. X (Form 20)	Licensing Authority , Food and Drug Administration, Nagpur	NAG/170/2007	Drugs and Cosmetics Rules, 1945	September 26, 2007	September 25, 2012
4.	Retail License to sell, stock to exhibit for sale or distribute drugs specified in Schedule C, C(1) for retail purpose other than those specified in Schedule X (Form 21)	Licensing Authority , Food and Drug Administration, Nagpur	NAG/170/2007	Drugs and Cosmetics Rules, 1945	September 26, 2007	September 25, 2012
5.	Retail License to sell, stock to exhibit for sale or distribute	Licensing Authority , Food and Drug Administratio	NAG/141/2007	Drugs and Cosmetics Rules, 1945	September 26, 2007	September 25, 2012

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
	drugs by wholesale other than those specified in Schedules C, C(1) and X	n, Nagpur				
6.	Retail License to sell, stock to exhibit for sale or distribute drugs by wholesale drugs specified in Schedules C and C(1) and excluding those specified in Schedule X	Licensing Authority , Food and Drug Administration, Nagpur	NAG/139/2007	Drugs and Cosmetics Rules, 1945	September 26, 2007	September 25, 2012
7.	License for the possession and sale on prescription of manufactured drugs by chemists and medical practitioners	Assistant Commissioner & Licensing Authority, Food and Drug Administration, Nagpur	39/2007	The Narcotic Drugs and Psychotropic Substances Act, 1985	September 5, 2007	From October 5, 2007 to December 31, 2008

Approvals/Licenses which have been applied for but not yet received

(i) An application, dated October 23, 2007, has been made for a Certificate under the Bombay Shops and Establishments Act, 1948, to the Inspector of Shops and Establishments.

(ii) An application, dated September 17, 2007, has been made for approval of layout drawing and grant of a No Objection Certificate under the Drugs and Cosmetics Act, 1940 to the Chief Controller of Explosives, Petroleum and Explosive Safety Organisation.

(iii) An application, dated September 5, 2007, has been made for grant of License to purchase stock and use of denatured spirit for medical and scientific purposes under the Bombay Nursing Home Registration Act, 1949 to the Superintendent, State Excise, Government of Maharashtra.

(iv) An application, dated September 28, 2007, has been made for registration of Ultrasound facility under the Pre Conception and Pre Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994, to the Health Officer, Nagpur Municipal Corporation.

(v) An application, dated October 4, 2007, has been made for authorisation under the Bio Medical Waste (Management and Handling) Rules, 1998, to the Maharashtra State Pollution Control Board.

14. Approvals for Wockhardt Hospitals, Surat

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
1.	Retail License to sell, stock to exhibit for sale or distribute drugs for retail purpose other than those specified in Schedule C, C(1) and other than those specified in Sch. X (Form 20)	Licensing Authority , Food and Drug Administration , Surat	SUR-72822	Drugs and Cosmetics Rules, 1945	September 24, 2007	September 23, 2012
2.	Retail License to sell, stock to exhibit for sale or distribute drugs specified in Schedule C, C(1) for retail purpose other than those specified in Schedule X (Form 21)	Licensing Authority , Food and Drug Administration , Surat	SUR-72823	Drugs and Cosmetics Rules, 1945	September 24, 2007	September 23, 2012
3.	Registration Certificate	Inspecting Authority, Labour Office Surat	493/2007	Contract Labour Abolition and Regulation Act, 1970	October 24, 2007	N.A.

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
4.	Allotment of separate Provident Fund Code No.	Assistant Provident Fund Commissioner, Surat	GJ/SRT/35872	Employee's Provident Fund and Miscellaneous Provision Act, 1952	August 8, 2007	N.A.
5.	Certificate for Electrical Installation	Electrical Inspector, Surat	2041/2007	Electricity Rules, 2007	June 19, 2007	N.A.
6.	Occupancy Certificate	Assistant Commissioner, South West Zone, Surat	1138	Gujrat Town Planning and Urban Development Act, 1976	May 18, 2007	N.A.
7.	License to use Lift	Chief Inspector of Lifts and Escalators, South Zone, Government of Gujrat	GSZ/457/645/07	Gujrat Town Planning and Urban Development Act, 1976	October 15, 2007	October 14, 2010
8.	Certificate of Registration	Chief District Health Officer, Surat	GJ-13-00123-AAA-2007	Pre Natal Diagnostic Techniques and Registration Act, 1994	March 24, 2007	Valid from February 21, 2007 to February 20, 2012
9.	Certificate from Envision Enviro Engineers (P) Limited	Director of the Company	Membership Code ST 1661	The Environment (Protection) Act, 1986 and Bio Medical Waste (Management and Handling) Rules 1998	August 21, 2007	March 21, 2010
10.	Tax Deduction Account Number (TAN)	Income Tax Department	SRTW00102E	Income Tax Act, 1961	May 05, 2007	N.A.

15. **Approvals for Wockhardt Hospitals, Kalyan**

Sr. No.	Type of License/ Permit Approval	Issuing Authority	License / Registration / Reference Number	Applicable Act/ Regulation	Date of Issue	Valid Up to
1.	Occupancy Certificate	Kalyan Dombivali Municipal Corporation	CC/KV/491	Bombay Municipal Corporation Act, 1888	November 12, 2007	N.A.

C. **Export Promotion Capital Goods ("EPCG Scheme")**

Our Company has to fulfill the export obligations under various licences issued to it under the EPCG Scheme aggregating to US$ 26.2 million within eight years of the date of issuance of each respective license.

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
1.	330001625	December 28, 2001	Elevators, Trane Water Cooled Series, Speed Pumping System, Ceiling, Floors	1,851,738	-
2.	330002096	May 16, 2002	NIBP Monitors, OT Lights, Ventilators	2,197,631	-
3.	330002141	May 28, 2002	Generator, Operating Camera, Operating Lamp, Ceiling System	361,955	-
4.	330002317	July 12, 2002	Steamer Oven, Philips Heartstream	247,535	-
5.	330002811	November 8, 2002	Cardiac Monitoring System, Ventilator System, Ceiling System	1,246,925	-
6.	330002954	December 18, 2002	Operating Zoom Microscope	509,495	-
7.	330003000	December 27, 2002	Defibrillator, Non-invasive Pacing, Switchless Paddles, Pads, CT Scanner	2,852,260	-
8.	330003106	January 13, 2003	Electrotom 630, Electroencephalogram, Micro-Electrode Recording, Stereotactic System	246,683	-
9.	330003362	March 10, 2003	Ultrascan	110,000	-

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
10.	330003615	May 12, 2003	Stereotactic System, Diagnostic & Therapeutic Instrumentation, Neurosurgery Accessories	253,639	1,517,079
11.	330004319	September 12, 2003	ERBOTOM ICC Internation with Agron Coagulation Software	35,648	213,220
12.	330006665	September 22, 2004	Monitoring System with Accessories	85,036	508,620
13.	330007271	December 3, 2004	Dash Monitors	78,233	467,930
14.	330008984	June 24, 2005	MR Adaptor	21,042	125,856
15.	330009014	June 27, 2005	Dash Monitors	36,513	218,396
16.	330008983	June 24, 2005	York Water Screw Chiller	401,942	2,404,115
17.	330009214	July 19, 2005	Ceiling Grid and Ceiling Tiles	129,011	771,646
18.	330009254	July 22, 2005	Surgical Microscope, Triton MP Traction System, Microwave Diathermy Unit	458,420	2,741,922
19.	330009262	July 25, 2005	Suture Attachment, Cystoscope, Resectoscope, Optical Urethrotome	47,370	283,333
20.	330009405	August 12, 2005	Armaflex Sheets	71,764	572,320
21.	330009407	August 12, 2005	Elevators	356,127	2,840,112
22.	330009718	September 15, 2005	Electric Water Heater	42,633	255,000
23.	330009924	October 4, 2005	Water Pump, UPS & Optima Flooring	445,353	2,663,767
24.	330009925	October 4, 2005	Reservoir Dissimuler, Switch Gear-Safe Plus, Variable Frequency Drive, Elevators & Door Closer	213,003	1,274,026
25.	330009974	October 7,	Water Heater and Balancing	52,938	316,634

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
		2005	Valves		
26.	330010110	October 25, 2005	Building Management System	73,140	437,468
27.	330010282	October 22, 2005	Door Frames, Anchor Bolts & Plastic Caps	65,776	393,420
28.	330009597	September 1, 2005	D.G Set	647,503	3,872,880
29.	330010363	November 29, 2005	D.P.V 18-40 Pump Set	6,489	38,815
30.	330010341	November 28, 2005	Bed Pan Washer & Steam Sterilizer	573,590	3,430,785
31.	330010366	November 29, 2005	Steris Surgical Lighting System	361,258	2,160,774
32.	330010513	December 15, 2005	Doors and Accessories	246,996	1,477,344
33.	330010624	December 23, 2005	Test Systems and Monitors	203,645	1,218,052
34.	330010699	January 2, 2006	Chairs	130,687	781,671
35.	330010745	January 5, 2006	OT Ceiling Lights	39,340	235,305
36.	330010814	January 13, 2006	Alphastar Mobile Operating Table	124,570	745,085
37.	330010815	January 13, 2006	Birthright Delivery Bed System	61,325	366,799
38.	330010819	January 13, 2006	Steel and SS Doors	57,854	346,037
39.	330010820	January 13, 2006	Free Standing Table & Workstation	81,467	487,276
40.	330010880	January 19, 2006	Philips Monitors	1,608,087	9,618,370
41.	330011199	March 2, 2006	Micro Neuro Instruments	78,173	434,351
42.	330011200	March 2, 2006	Dialysis Chairs	35,777	198,788

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
43.	330011212	March 3, 2006	Neuro & NeuroEndoscopy Instruments	198,683	1,103,933
44.	330011214	March 3, 2006	Carl Zeiss Surgical Operating Microscope	360,873	2,005,103
45.	330011244	March 7, 2006	Infusion Pump	301,750	1,684,140
46.	330011282	March 9, 2006	Audio Visual Equipment	84,370	468,781
47.	330011287	March 10, 2006	Digitiser	167,832	936,713
48.	330011344	March 17, 2006	Trinocular Microscope and Binocular	52,718	294,230
49.	330011356	March 17, 2006	Motvita & Agila Arm - Single/ Double	304,296	1,698,353
50.	330011485	March 27, 2006	Neuro-Ortho Navigation System	580,515	3,240,000
51.	330011491	March 28, 2006	Viasys EEG & EP System	18,802	104,940
52.	330011494	March 28, 2006	Fiber Optic Endoscopic Equipments	38,381	214,216
53.	330011516	March 29, 2006	Flat E/BYM Mammography Unit	15,645	87,318
54.	330011633	April 5, 2006	Flat SE Mammography Unit	10,749	59,994
55.	330011517	March 29, 2006	Mobile Image Intensifier	17,028	95,040
56.	330011661	April 10, 2006	Mobile Electrohydraulic Tables	46,619	261,360
57.	330011492	March 28, 2006	Video Endoscopes	24,124	134,640
58.	330011692	April 13, 2006	Tyco Light Weight ARC, Accessories & Console	84,164	471,844
59.	330011751	April 20, 2006	Scanner Laser, Microwave Diathermy, & Traction Unit	158,412	888,099
60.	330011786	April 24,	Carl Zeiss Surgical Operating Microscope	267,483	1,499,577

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
		2006	Model OPMI		
61.	330011994	May 15, 2006	Diagnosis Station	157,010	890,053
62.	330012213	June 7, 2006	Shadowless Operating Lights	59,328	336,313
63.	330012245	June 8, 2006	Incubator Care Plus	66,972	386,763
64.	330012344	June 16, 2006	Video Endoscope	19,695	113,740
65.	330012346	June 16, 2006	Dash 4000 Monitors	30,478	176,011
66.	330012457	June 29, 2006	Ventilator used with Anaesthesia Apparatus	46,990	271,369
67.	330012488	July 7, 2006	Fiamm Batteries	44,176	255,115
68.	330012790	August 2, 2006	IntelliVue MP40, Multi Measurement Server, SpO2 Extension Cable, Headstart Defibrillators	94,165	547,924
69.	330012908	August 17, 2006	Baloon Pumping System, Blood Pressure Transducer, Refillable Helium Cylinder, Baloon Catheters	18,332	108,156
70.	330013213	September 12, 2006	Duet Logic G/2	87,321	510,825
71.	330013247	September 15, 2006	Fiber Optic Endoscopic Equipments	15,590	91,199
72.	330013460	October 3, 2006	Sterilizers	86,456	505,767
73.	330013498	October 5, 2006	Steris Surgical Lighting System, MAC 5500 Stress Test System	32,180	188,255
74.	330013499	October 5, 2006	Steris Surgical Lighting System, MAC 5500 Stress Test System	38,645	226,071
75.	330013507	October 6, 2006	Dash Monitors	87,974	514,650

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
76.	330013532	October 9, 2006	Steris Surgical Lighting System, MAC 5500 Stress Test System	51,185	295,274
77.	330013599	October 13, 2006	Philips Intellivue, Heartstart Monitor	267,392	1,542,515
78.	330013600	October 13, 2006	Philips Intellivue, Heartstart Monitor	220,207	1,270,322
79.	330013605	October 16, 2006	Philips Intellivue, Heartstart Monitor	217,629	1,255,447
80.	330013606	October 16, 2006	Steam Sterilizer	283,650	1,636,305
81.	330013650	October 18, 2006	Evis Exera 145 Series Video System	18,641	107,536
82.	330013741	October 30, 2006	Stress Test System, Treadmill, Software	37,633	217,093
83.	330013777	November 2, 2006	Draeger Pendants	193,011	1,113,435
84.	330013778	November 2, 2006	Heart Lung Machine, Spot Light, Heater Cooler Unit	206,291	1,190,040
85.	330013823	November 6, 2006	Steam Sterilizer	143,693	818,153
86.	330013873	November 9, 2006	Movita Pendants	104,435	602,458
87.	330013874	November 9, 2006	Dash, Solar Moniters	387,186	2,233,581
88.	330014104	November 28, 2006	Philips Intellivue Patient Monitor	748,249	4,260,342
89.	330014105	November 28, 2006	Evis Exera 145 Series Video System	17,797	101,332
90.	330014131	November 29, 2006	Steris Dual Lighting System	81,929	466,484
91.	330014132	November 29, 2006	Mac 5500 Stress Test System & Treadmill	33,581	191,200
92.	330014134	November 29, 2006	Mac 5500 Stress Test System & Treadmill	61,159	348,223

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
93.	330014135	November 29, 2006	Evis Exera 160 Series Video System	22,809	129,870
94.	330014136	November 29, 2006	Steris Dual Lighting System	38,992	222,009
95.	330014264	December 7, 2006	Ergometer	49,375	227,428
96.	330014269	December 8, 2006	Mediland Electro Hydrolic Operating Table & Extension Device	57,320	322,065
97.	330014329	December 13, 2006	Mac 5500 Stress Test System & Treadmill	42,908	241,091
98.	330014331	December 13, 2006	Mac 5500 Stress Test System & Treadmill	42,908	241,091
99.	330014629	January 9, 2007	Electronic Bed	68,040	382,300
100.	330014682	January 12, 2007	Tyco Footswitch	41,265	230,570
101.	330014686	January 12, 2007	Tyco Force FX Electrosurgical Unit	136,841	764,601
102.	330014723	January 12, 2007	Steri-Vac Sterilizer	61,169	341,779
103.	330014940	February 2, 2007	Alpha Lithotripsy Machine	211,838	1,183,647
104.	330015177	February 22, 2007	Oxygen Medical Gas Outlet	43,438	241,355
105.	330015491	March 21, 2007	Gas Outlets	49,889	277,198
106.	330015493	March 21 ,2007	High Speed Sterilizer	206,297	1,146,237
107.	330015532	March 23, 2007	Draeger Pendants	138,698	770,640
108.	330015534	March 23, 2007	Steris Dual Surgical Lighting System	124,515	691,835
109.	330015535	March 23, 2007	Washer Disinfector, Sterilizer	61,586	342,188

Sr. No.	License / Registration / Reference Number	Date	Capital Goods Imported	Export Obligation USD	Duty Saved Rs.
110.	330015612	March 28, 2007	Elevators	105,693	587,254
111.	330015670	March 30, 2007	Surgical Instruments (Brown)	18,766	104,270
112.	330015729	April 5, 2007	Elevators	116,564	647,657
113.	330015801	April 17, 2007	Air Conditioner	125,087	695,014
114.	330015803	April 17, 2007	OT Lights	49,738	272,936
115.	330015814	April 18, 2007	Air Conditioner	318,670	1,748,700
116.	330015865	April 24, 2007	Anestesia Pendents	142,688	783,000
117.	330015866	April 24, 2007	Anestesia Pendents	65,108	357,280
118.	330015883	April 26, 2007	Stress Test System, Treadmill, Software	39,530	216,920
119.	330015884	April 26, 2007	Stress Test System, Treadmill, Software	39,394	216,172
120.	330016188	May 24, 2007	Stress Test System, Treadmill, Software	66,356	347,956
121.	330016189	May 24, 2007	Anestesia Pendents	102,257	536,210
122.	330016190	May 24, 2007	Anestesia Pendents	38,049	199,520
123.	330016255	June 1, 2007	Dash Moniters	40,665	213,237
124.	330016257	June 1, 2007	Intelect Colour Combo	11,177	58,609
125.	330016264	June 1, 2007	Tiles and Ceiling Grids	48,732	255,537
126.	330016265	June 1, 2007	Tiles and Ceiling Grids	35,074	183,919
TOTAL				**26,201,432**	**97,747,423**

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board has, pursuant to a resolution passed at its meeting held on August 13, 2007 authorized the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

The shareholders of the Company have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the EGM of the Company held on August 13, 2007 at its Registered Office.

Prohibition by SEBI

The Company, its directors, its Promoters, their directors or person(s) in control of the Company's Promoters, Subsidiaries and affiliates and companies with which the directors are associated with, as directors or promoters have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Eligibility for the Issue

As per Clause 2.2.1 of SEBI DIP Guidelines, an unlisted company may make an initial public offering of equity shares, only if it meets the following conditions; with eligibility criteria calculated in accordance with financial statements under Indian GAAP:

a) *The company has net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets;*

Provided that, if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

b) *The company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three out of immediately preceding five years;*

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of section 205 of Companies Act, 1956;

c) *The company has a net worth of at least Rs. 10 million in each of the preceding three full years (of 12 months each);*

d) *In case the company has changed its name within the last one year, at least 50% of the revenue for the preceding one full year is earned by the company from the activity suggested by the new name; and*

e) *The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document and firm allotment and promoters' contribution through the offer document), does not exceed five times its pre-issue networth as per the audited balance sheet of the last financial year.)*

The Company does not satisfy the eligibility criteria as specified in clause 2.2.1 of the SEBI DIP Guidelines.

The Company is eligible to make the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines as explained below:

"An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of Equity Shares or any other security which may be converted into or exchanged with Equity Shares at a later date, only if it meets both the conditions (a) and (b) given below:

(a)(i) *The issue is made through the book-building process, with at least 50% of net offer to public being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.*

OR

(a)(ii) *The "project" has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.*

AND

(b)(i) *The minimum post-issue face value capital of the company shall be Rs. 10 crores.*

OR

(b)(ii) *There shall be a compulsory market-making for at least 2 years from the date of listing of the shares, subject to the following:*

(a) *Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*

(b) *Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*

(c) *The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company."*

- The Company will comply with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Issue shall be allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event the Company fails to do so, the full subscription monies shall be refunded to the Bidders.

- The Company will comply with the second proviso to Clause 11.3.5(i) of the SEBI Guidelines; accordingly, not less than 10% and 30% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received.

The Company will comply with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-Issue face value capital of the Company shall be Rs. 1,042,780,000, which is more than the minimum requirement of Rs. 10 crore (Rs. 10 crore).

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, the Company shall ensure that the number of prospective allotees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI

(DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS, MORE PARTICULARLY REFERRED TO IN THE ANNEXURE, IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

A) THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE PUBLIC ISSUE;

B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

C) THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

(D) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

(E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(F) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS."

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956. ALL LEGAL REQUIREMENTS

PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT, 1956.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

Caution Disclaimer from the Company and the BRLMs

The Company, its Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including the Company's website, www.wockhardthospitals.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs and the Company dated August 20, 2007 and the Underwriting Agreement to be entered into among the Underwriters and Company.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Company's Equity Shares and will not issue, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Company's Equity Shares. The Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares of the Company.

All information shall be made available by the Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers etc.

Neither the Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India) and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted Non-Residents including Eligible NRIs, FIIs and eligible foreign investors. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for observations. Accordingly, the Company's Equity Shares, represented thereby may not be Issued or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold (i) in the United States to only "Qualified Institutional Buyers", as defined in Rule 144A of the U.S. Securities Act (as used in this context, such term does not refer to a category of institutional investor defined under applicable Indian regulations and referred to elsewhere in this Red Herring Prospectus as "QIBs"), and (ii) outside the United States in compliance with Regulations under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers occur.

The equity shares have not been and will not be registered, listed or otherwise qualify in any other jurisdiction outside India and may not be offered or sold and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer clause of the BSE

Bombay Stock Exchange Limited has given vide its letter dated September 24, 2007 permission to the Company to use the BSE's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. The BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The BSE does not in any manner:-

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that the Company's securities will be listed or will continue to be listed on the BSE; or

iii. take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of this offer document has been submitted to NSE. NSE has given vide its letter ref: NSE/LISR/57444-U dated October 3, 2007 permission to the Company to use the Exchange's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. The Exchange has scrutinised the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the offer document, nor does it warrant that the Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

IPO Grading

The Grading is a point-in-time assessment and does not constitute a credit rating by Fitch. The procedures for issuing a credit rating differ from the procedures used to issue the Grading. The Grading has been arrived at based on information and documents provided to Fitch by the Company and other parties. Fitch relies on these parties for the accuracy of such information and documents. Fitch did not audit or verify the truth or accuracy of any such information and does not take responsibility for the appropriateness of the information provided and used in their analysis. The Grading is provided “as is” and Fitch does not represent, warrant or guarantee (i) the accuracy, correctness, integrity, completeness or timeliness of any part of the Grading, or (ii) that the Grading (or any credit rating) and the information and analyses contained in, and constituting a part thereof, will fulfil any person’s particular purposes or needs. The Grading reflects the opinion of Fitch as at the date of publication and will not be monitored, and therefore will not be updated to reflect changed circumstances or information that may affect the Grading. The report providing the Grading is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of securities. The Grading does not comment on the suitability of the issue process, the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including, without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Fitch is not providing any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. The Grading should not be viewed as a replacement for such advice or services. In providing the Grading, Fitch is not making any recommendation or suggestion, directly or indirectly, to any person to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security of any issuer. Any person who uses the Grading does so entirely at its own risk. Investors are advised to obtain individual financial advice based on their risk profile before taking any action based on the Grading. There is no fiduciary relationship between us and any third party, including, without limitation, any user of the Grading. Fitch is not responsible for any underwriting, credit, loan, purchase, strategic or investment decision, or damages or other losses resulting from use of the Grading. None of Fitch, its officers, employees, affiliated companies and their officers and employees shall have any liability in contract, tort, or otherwise (including, without limitation, for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits) in relation to the use of the Grading by any third party. Fitch receives fees from the issuer for performing the Grading exercise.

Filing

A copy of the Draft Red Herring Prospectus dated August 21, 2007 was filed with the Corporate Finance Department of SEBI, SEBI Bhavan, Block G, Plot No. C-4A, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under section 60 of the Companies Act will be delivered for registration with ROC situated at Mumbai.

Listing

Applications have been made to the BSE and the NSE for permission for listing of the Equity Shares being issued through this Red Herring Prospectus. The BSE will be the Designated Stock Exchange with which the basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after the Company will become liable to repay it (i.e. from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then the Company along with every Director of the Company who is default shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Issue; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the ROC as required under sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, M/s Haribhakti & Company, Chartered Accountants, the Company's Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

Fitch, a SEBI registered credit rating agency has given its written consent to being named as a expert for purposes of grading of the issue and to the inclusion of its grading of the Issue in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Designated Stock Exchange.

Expert Opinion

The Company has obtained a grading of this Issue from Fitch, a credit rating agency registered with SEBI.

Issue Related Expenses

The expenses of this Issue payable by the Company include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

*(in Rs. million)**

Activity	Expense	Percentage of Issue Expenses	Percentage of Issue Size
Lead management, underwriting and selling commissions	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]

Activity	Expense	Percentage of Issue Expenses	Percentage of Issue Size
Other (Registrar's fees, legal fees, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* Will be completed after finalisation of the Issue Price.

The listing fee and all other expenses with respect to the Issue will be borne by the Company.

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the BRLMs and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the engagement letter with the BRLMs, a copy of which is available for inspection at the Company's registered office located at 6th Floor Wockhardt Towers, East Wing, Bandra-Kurla Complex, Bandra (East), Mumbai.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the Company's registered office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues since incorporation.

The Company has not made any rights issues since incorporation.

Issues otherwise than for Cash

Except as stated in the sections titled "Capital Structure" beginning on page 22 and "History and Other Corporate Matters" beginning on page 106 of this Red Herring Prospectus, the Company has not issued any equity shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Company's equity shares

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Company's Equity Shares since inception.

Companies under the Same Management

There are no listed companies under the same management within the meaning of erstwhile section 370 (1B) of the Companies Act, other than the Promoter Group companies, details of which companies are provided in the section "Our Promoters and Promoter Group" beginning on page 120 of this Red Herring Prospectus.

Promise vs. Performance – Last Issue of Group/Associate Companies

There has been no public issue by any of the Group/Associate Companies in the past except as mentioned in the section "Our Promoters and Promoter Group" beginning on page 120 in this Red Herring Prospectus.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds.

Outstanding Preference Shares

There are no outstanding preference shares issued by the Company except as described in the section "Capital Structure" beginning on page 22 of this Red Herring Prospectus.

Stock Market Data of the Company's Equity Shares

This being an initial public issue, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

Disposal of Investor Grievances

The Company estimates that the average time required by the Company, or the Registrar to the Issue for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed an Investors' Grievance Committee comprising Mr. Berjis Desai, Chairman, Mr. Susim Mukul Datta and Mr. Anil Kamath as members.

The Company has appointed Mr. Bhavik Desai as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Bhavik Desai
Wockhardt Hospitals Limited,
Wockhardt Towers, Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051
Tel: +91 22 2659 6222
Fax: +91 22 2659 6814
E-mail: whlipo@wockhardthospitals.com

Mechanism for Redressal of Investor Grievances by Companies under the same management

The Company has a listed company under the same management, viz., Carol Info Services Limited within the meaning of Section 370 (1B) of the Companies Act, 1956. The Company has appointed Intime Spectrum Registry Limited as its registrar and share transfer agent for redressing Investors' grievances. The Complaint received, if any are normally attended to and are replied within 10 days of receipt. There are no investor complaints pending against the Company as on March 31, 2007.

Changes in the Auditors During last three years and reasons thereof

There have been no changes in the auditors of the Company since the last three years/inception.

Capitalisation of reserves of profits since incorporation

There has been no capitalisation of reserves of profits of the Company since its incorporation.

Revaluation of assets since incorporation

There has been no revaluation of assets of the Company since its incorporation.

Interest of Promoters and Directors

For details, see the sections titled as "Our Promoters and Promoter Group" and "Our Management" beginning on pages 120 and 109 of this Red Herring Prospectus.

Payment or benefit to Officers of the Company

Except as stated otherwise in this Red Herring Prospectus no amount or benefit has been paid or given or is intended to be paid or given to any of the Company's officers except the normal remuneration for services rendered as directors, officers or employees since the inception of the company. None of the beneficiaries of loans and advances and sundry debtors are related to the directors of the Company.

Other Disclosures

Except as stated in this Red Herring Prospectus, the Promoters, Promoter Group or the directors of the Promoter company or the Directors have not purchased or sold any securities of the Company during the period of six months preceding the date on which this prospectus is filed with SEBI.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. In addition, the Equity Shares shall also be subject to applicable laws, guidelines, notifications, rules and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of, the Companies Act, the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend**.** See the section titled "Main Provisions of the Articles of Association of the Company" beginning on page 343 of this Red Herring Prospectus for a description of the Articles of Association. The allotees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of allotment.

Mode of Payment of Dividend

The Company shall pay dividend, if any, to its shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being issued in terms of this Red Herring Prospectus at a total price of Rs. [●] per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see the section titled "Main Provisions of Articles of Association of the Company," beginning on page 343 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, trading in the Equity Shares shall only be in Dematerialised form for all investors. Since trading of the Equity Shares is in Dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment through the Issue will be done only in electronic form in multiples of 1 Equity Shares subject to a minimum Allotment of 20 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall, in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Company's Registered Office or with the registrar and transfer agent of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in Dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Application by Eligible NRIs / FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per RBI regulations, OCBs cannot participate in the Issue.

Jurisdiction

Exclusive jurisdiction for purposes of this Issue is with the competent Courts in Mumbai, India.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue, including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest as per Section 73 of the Companies Act.

Further, in terms of clause 2.2.2A of the SEBI Guidelines, the Company shall ensure that the number of prospective allotees to whom Equity Shares will be allotted will not be less than 1,000.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdictions.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

There are no restrictions on transfers and transmissions of share and on their consolidation/splitting except as provided in our Articles of Association. For details see the section titled "Main Provisions of our Articles of Association" beginning on page 343 of this Red Herring Prospectus.

ISSUE STRUCTURE

The present Issue of 25,087,097 Equity Shares comprising of a Net Issue of 24,587,097 Equity Shares and an Employee Reservation Portion of 500,000 Equity Shares, at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through the Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares available for allocation*#	Up to 14,752,258 Equity Shares.	At least 2,458,710 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	At least 7,376,129 Equity Shares or Net Issue less allocation to QIB Bidders and Non Institutional Bidders.	Upto 500,000 Equity Shares. *
Percentage of Issue Size available for allocation.	At least 60% of Net Issue Size being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Upto 10% of the Net Issue or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Upto 30% of the Net Issue or Issue less allocation to QIB Bidders and Non Institutional Bidders.	1.99 % of the Issue.
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: (a) Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds portion; (b) Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.	Not applicable.
Minimum Bid	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs. 100,000.	20 Equity Shares and in multiples of 20 Equity Shares thereafter.	As per the Employee Reservation procedure described in section titled "Issue Procedure-Bids by Eligible Employees" beginning on page 321 of this Red Herring Prospectus.
Maximum Bid	Such number of Equity Shares, not exceeding the Issue, subject to applicable	Such number of Equity Shares so that the Bid does not exceed the	Such number of Equity Shares in multiples of 20 Equity Shares so	As per the Employee Reservation procedure

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	limits.	Issue, subject to applicable limits.	that the Bid Amount does not exceed Rs. 100,000.	described in section titled "Issue Procedure-Bids by Eligible Employees" beginning on page 321 of this Red Herring Prospectus.
Mode of Allotment	Compulsorily in Dematerialised form.	Compulsorily in Dematerialised form.	Compulsorily in Dematerialised form.	Compulsorily in Dematerialised form.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, Mutual Funds registered with SEBI, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts.	Resident Indian Individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.	Eligible Employees.
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.***	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Margin Amount	10% of Bid Amount.	100% of Bid Amount.	100% of Bid Amount.	100% of Bid Amount.

* Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19 (2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. In case of undersubscription in the Net Issue, spill over to the extent of undersubscription shall be permitted from the Employee Reservation Portion. Under-subscription, if any, in any category would be met with spill- over from other categories in the Company's sole discretion, in consultation with the BRLMs and the Designated Stock Exchange.

** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the Demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid Cum Application Form.

*** After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be required to be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Offer Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefor.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allocation. Applicants residing at 15 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. The Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 under certificates of posting, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's, if there are joint Bidders, sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of the Issue.

Interest in Case of Delay in Despatch of Allotment Letters/ Refund Orders.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, the Company undertakes that:

- Allotment shall be made only in Dematerialised form within 15 days from the Bid/ Issue Closing Date;
- Despatch of refund orders shall be done within 15 days from the Bid/ Issue Closing Date; and
- The Company shall pay interest at 15% per annum, if the Allotment is not made, on refund orders that are not despatched and/ or if Demat credits are not made to investors within the 15-day period prescribed above.

We will provide adequate funds required for despatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Programme

Bidding Period/Issue Period

BID/PUBLIC ISSUE OPENS ON	**THURSDAY JANUARY 31, 2008**
BID/PUBLIC ISSUE CLOSES ON	**TUESDAY, FEBRUARY 05, 2008**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form and uploaded until such time as permitted by the BSE and the NSE on the Bid/Issue Closing Date.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The Cap Price should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the Floor Price advertised at least one day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital of the Company, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further, 500.000 Equity Shares shall be are available for allocation to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only to the BRLMs. The Company, in consultation with the BRLMs, may reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of receiving of the Bid cum Application Form and the reasons therefor shall be disclosed to the respective QIB Bidder, at the time of the rejection of the Bid. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be allotted to all successful Bidders only in the Dematerialised form. Bidders will not have the option of allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the Dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public and Eligible NRIs applying on a non-repatriation basis	White
Non Residents, including Eligible NRIs, FVCIs or FIIs applying on a repatriation basis	Blue
Eligible Employees	Red

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

2. Indian nationals resident in India who are majors, in single or joint names (not more than three);

3. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not permitted to participate in the Issue;

5. Companies and corporate bodies registered under the applicable laws in India and authorised to invest in equity shares;

6. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;

7. Scientific and/or industrial research organisations authorised to invest in equity shares;

8. Indian financial institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);

9. Mutual funds registered with SEBI;

10. FIIs registered with SEBI, on a repatriation basis;

11. Multilateral and bilateral development financial institutions;

12. Venture capital funds registered with SEBI;

13. Foreign venture capital investors registered with SEBI;

14. State industrial development corporations;

15. Insurance companies registered with the Insurance Regulatory and Development Authority, India;

16. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;

17. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;

18. Eligible Employees; and

19. Any other QIBs permitted to invest, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in the Issue.

As per existing regulations, OCBS cannot Bid in the Issue.

Participation by Associates of the BRLMs and Syndicate Members:

The BRLMs and the Syndicate Members shall not be entitled to participate in this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLMs and Syndicate Member are entitled to bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allotment will be on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of an option to bid at the Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to bid at the Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid /Issue Closing Date and is required to pay the QIB Margin upon submission of the Bid cum Application Form.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not entitled to the option of bidding at the Cut-off Price.

(c) **For Eligible Employees:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. The allotment in the Employee Reservation Portion will be on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under "Payment of Refund" beginning on page 328 of this Red Herring Prospectus.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus, along with the Bid cum Application Form, to Eligible Employees one day after filing the Red Herring Prospectus with the RoC.

(c) Eligible Employees bidding in the Employee Reservation Portion must deposit the Bid Amount at least three days prior to the Bid/Issue Opening Date at the Cut-Off Price.

(d) The members of the Syndicate will circulate copies of the Red Herring Prospectus, along with the Bid cum Application Form, to potential investors. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid Cum Application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.

(e) Eligible investors who are interested in subscribing for the Equity Shares should approach the

BRLMs or the Syndicate Members or their authorised agent(s) to register their Bid.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

(a) The Company and the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines.

(b) The members of the Syndicate shall accept Bids from the Bidders, during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement. During the Bidding/Issue period eligible investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

(c) The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two widely circulated newspapers (one each in English and Hindi) and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period may be extended, if required, by an additional three working days, subject to the total Bidding/Issue Period not exceeding 10 working days.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details, see the section titled "Issue Procedure - Bids at Different Price Levels," beginning on page 318 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder, and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a member of the Syndicate. Submission of a second Bid cum Application Form, to either the same or to another member of the Syndicate, will be treated as multiple Bids and is liable to be rejected, either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in the Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure - Build up of the Book and Revision of Bids," beginning on page 325 of this Red Herring Prospectus.

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bidding/Issue Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described in the section titled "Issue Procedure - Terms of Payment" beginning on page 320 of this Red Herring Prospectus.

Bids at different price levels

The Price Band has been fixed at Rs. 280 to Rs. 310 per Equity Share of Rs. 10 each, Rs. 280 being the Floor Price and Rs. 310 being the Cap Price. The Bidders can Bid at any price within the Price Band, in multiples of Re. 1.

(a) In accordance with the SEBI Guidelines, the Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least one day prior to the Bid/Issue Opening Date in three widely circulated newspapers (one each in English, Hindi and Marathi).

(b) In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of the Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE by issuing a public notice in two widely circulated newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) The Company, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

(d) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Eligible Employees applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB Bidders, Non-Institutional Bidders and Eligible Employees in excess of Rs. 100,000, and such Bids from QIBs, Non-Institutional Bidders and Eligible Employees shall be rejected.**

(e) Retail Individual Bidders who bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at the Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.

(f) Eligible Employees bidding in the Employee Reservation Portion who bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Eligible Employees bidding in the Employee Reservation Portion, who Bid at the Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Eligible Employees bidding in the Employee Reservation Portion, who Bid at the Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at the Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000 for any Retail Individual Bidder, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

In case of an upward revision in the Price Band announced as above, Eligible Employees bidding in the Employee Reservation Portion who had Bid at the Cut-off Price could have to revise their Bid and make additional payment based on the cap of the revised Price Band, with the Syndicate Member to whom the original Bid was submitted. In the case of Eligible Employees, if they do not make additional payment based on the cap of the revised Price Band, the same shall be treated as a withdrawal of the Bid and the Promoter shall apply to the extent of Equity Shares offered to such Eligible Employee upto a maximum of 500,000 Equity Shares.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.

(h) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 20 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white, blue or red colour).

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected

(d) The Bids from the Retail Individual Bidders must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 20 Equity Shares such that the Bid Amount exceeds Rs. 100,000. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Escrow Mechanism

The Company shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement among the Company, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details see the section titled "Issue Procedure - Payment Instructions" beginning on page 323 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to the BRLMs. Bid cum Application Forms accompanied by cash or stock invest or money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The remaining amount after transfer to the Issue Account shall be transferred to the Refund Account.

Each category of Bidders, i.e. QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 314 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 10% per annum for any delay beyond the periods as mentioned above.

Application in the Issue

Equity Shares being issued through the Red Herring Prospectus can be applied for in the Dematerialised form only.

Application by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 737,613 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. Neither the Company nor the BRLMs are liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Form from the Registered Office, the corporate office of the Company, members of the Syndicate or the Registrar to the Issue.

2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in colour).

Bids by Eligible Employees

The following permanent employees, Directors of the Company, except any Promoters or members of the Promoter Group, present in India as on the date of submission of the Bid cum Application Form.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. red colour Form).

- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.

- The sole/first Bidder shall be Eligible Employees.

- Only Eligible Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.

- Eligible Employees can apply at Cut-Off Price if the Bid Amount does not exceed Rs. 100,000.

- For the Employee Reservation Portion at the Cut-Off Price and for a maximum Bid which is calculated on the basis of Equity Shares provided in the Employee Reservation Portion into the Cut-Off Price.

- If the aggregate demand in this category is less than or equal to 500,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. If the aggregate demand in this category is greater than 500,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to "Basis of Allocation" on page 336 of this Red Herring Prospectus.

- Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Potion in the ratio of 50:50. In case of undersubscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

- Bid by Eligible Employees can also be made in the "Net Issue" portion and such Bids shall not be treated as multiple bids.

Bids by FIIs registered with SEBI / FVCIs registered with SEBI on a repatriation basis

(i) As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the Company's post-Issue paid-up capital (i.e., 10% of 104,278,000 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the Company's total issued capital or 5% of the Company's total issued capital in case such sub account is a foreign corporate body or an individual.

As of now, the aggregate FII holding in the Company cannot exceed 24% of the Company's total issued capital. With approval of our Board and that of the shareholders of the Company by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%.

However, as of the date of this Red Herring Prospectus, no such resolution has been recommended to our shareholders for approval.

(ii) As per the current regulations, any venture capital fund or foreign venture capital investors shall not invest more than 33.33% of their investible funds by way of subscription to initial public offer of a venture capital undertaking, whose shares are proposed to be listed or in a preferential allotment of equity shares of a listed company subject to a lock-in period of one year.

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

3. By Eligible NRIs – Bids for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of Allocation.

4. By FIIs /FVCIs registered with SEBI – for a minimum of such number of Equity Shares and in multiples of 20 thereafter, such that the Bid Amount exceeds Rs. 100,000.

5. In the names of individuals, or in the names of FIIs or FVCIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

The Company does not require any approval for the Issue of Equity Shares to Eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and other Eligible NRIs. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs, and all such Bidders will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue. Further, NRIs who are not Eligible NRIs are not permitted to participate in the Issue.

PAYMENT INSTRUCTIONS

The Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form, and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bidders, during the Bidding/Issue Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the remaining amount shall be paid by the Bidders, into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:

a. In case of resident QIB Bidders: **"Escrow Account – WHL Public Issue – QIB-R"**

b. In case of Non Resident QIB Bidders: **"Escrow Account – WHL Public Issue – QIB-QIB-NR"**

c. In case of resident Retail and Non-Institutional Bidders: **"Escrow Account – WHL Public Issue – R"**

d. In case of Non Resident Retail and Non-Institutional Bidders: **"Escrow Account – WHL Public Issue – NR"**

e. In case of Eligible Employees: **"Escrow Account – WHL Public Issue – Employee"**

f. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of the Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.

g. In case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out if funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on non-repatriation basis. Payments by drafts should be accompanies by a bank certificate confirming that the draft has been issued by debiting to the NRE or a FCNR or NRD Account.

h. In the case of Bids by FIIs, or FVCIs registered with SEBI the payment should be made out of funds held in the Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.

i. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the remaining amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

j. The monies deposited in the Escrow Account will be held for the benefit of the Bidders until the Designated Date.

k. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.

l. On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stock invest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India's Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

Electronic registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be displayed on-line at all bidding centres and on the websites of the BSE and the NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder(s). Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application form is submitted in joint names, Bidders should ensure that that Depository Accounts also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;

- Investor category – individual, corporate, or Mutual Fund etc;

- Numbers of Equity Shares bid for;
- Bid price;
- Bid cum Application Form number;
- Margin Amount paid upon submission of Bid cum Application Form; and
- Depository participant identification no. and client identification no. of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) It is to be distinctly understood that the permission given by the BSE and the NSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or the BRLMs are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoters, the management or any scheme or project of the Company.

(h) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

(i) The members of the Syndicate have the right to review the Bid. Consequently QIB Bids procured can be rejected by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, their Bids shall not be rejected except on the technical grounds listed in section titled "Issue Procedure- Grounds for Technical Rejection" beginning on page 334 of this Red Herring Prospectus.

Build up of the Book and Revision of Bids

(a) Bids registered through the members of the Syndicate shall be electronically transmitted to the BSE and the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate

Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation. In case of discrepancy of data between the BSE and the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss pricing strategy with the Company.

(b) The Company, in consultation with the BRLMs, shall finalise the "Issue Price" and the number of Equity Shares to be allocated in each investor category.

(c) QIB Bidders will be required to deposit the QIB Margin Amount at the time of submission of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional margin money within a period of two days from the date of the letter communicating the request for such additional margin money.

(d) Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. Under subscription, if any, in any category, other than the category of QIB Bidders and Employee Reservation Portion, in the Issue would be allowed to be met with spill-over from any of the other categories at the discretion of the Company, in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 737,613 Equity Shares, the remaining Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.

(e) The allocation to QIBs will be at least 60% of the Net Issue and allocation to Non-Institutional and Retail Individual Bidders will be 10% and 30% of the Net Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(f) Allocation to Non Residents applying on a repatriation basis will be subject to the terms and conditions stipulated by the RBI while granting permission for the transfer of Equity Shares to them and to applicable law.

(g) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(h) The Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reasons whatsoever.

(i) In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(j) The Company, in consultation with the BRLMs, reserves the right to reject any Bid from QIBs, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that reasons for rejecting the same shall be provided to such Bidder in writing.

(k) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs, and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, the Company would update the Red Herring Prospectus and file it with the RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price and Issue size and would be complete in all material respects.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of the pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in two national newspapers (one each in English and Hindi).

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by the Company in two widely circulated newspapers (one each in English and Hindi). This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of the Prospectus will be included in such statutory advertisement.

Issuance of CAN

Subject to the section set forth below titled "Issue Procedure- Notice to QIBs: Allotment Reconciliation and revised CANs" beginning on page 312 of this Red Herring Prospectus:

(a) upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate, a list of their Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall ensure that the Demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in the Issue;

(b) the BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the Bid Amount in full into the Escrow Account at the time if Bidding shall pay in full the amount, payable into the Escrow Account by the Pay-in Date specified in the CAN; and

(c) such Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

INVESTORS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THIS PUBLIC ISSUE.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be required to be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Offer Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede its earlier CAN in entirety.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account and the Refund Account on the Designated Date, the Company will ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares to the allotees within two working days from the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued, transferred and allotted only in the Dematerialised form to the allotees**. Allotees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to the Issue.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, would be done through the following various modes:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres where the Reserve Bank of India permits such payment. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. NEFT– Payment of refund shall be undertaken through NEFT wherever the applicants' bank has

been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The Process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

3. Direct Credit – Applicants having bank accounts with the Refund Banker(s) as mentioned in the Bid cum Application Form, in this case being, [•] shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

4. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that only Bidders having a bank account at any of the 15 centres where the clearing houses for the ECS are managed by the RBI are eligible to receive refunds through the modes stated above. For all the other Bidders, including Bidders who have not updated their bank particulars, alongwith the nine-digit MICR code, the refund orders shall be dispatched "Under Certificate of Posting" for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply.

b) Read all the instructions carefully and complete the Bid cum Application Form (white, blue or red colour), as the case may be.

c) Ensure that you Bid only within the Price Band. If you are applying in the Employee Reservation Portion, ensure that you Bid at the Cut-Off Price.

d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the Dematerialised form only.

e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate.

f) Ensure that you have been given a TRS for all your Bid options.

g) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.

h) Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the I.T. Act. The copies of the PAN card or PAN allotment letter should be submitted with the Bid cum Application Form. If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

j) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size.

(b) Do not Bid/revise Bid price to less than Floor Price or higher than the Cap Price.

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate.

(d) Do not pay the Bid amount in cash, by money order or by postal order or by stock invest.

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only.

(f) Do not Bid at the Cut-off Price (for QIB Bidders, Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000).

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus.

(h) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

(i) Do not Bid at Bid Amount exceeding Rs. 100,000, in case of a Bid by a Retail Individual Bidder.

(j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

Bidder's depository account details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository demographic details of the Bidders

such as address, bank account details for printing on refund orders or give credit through ECS, direct credit, RTGS or NEFT, and occupation ("Demographic Details"). Bidders should also note that in the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other applicable modes. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/CANs/allocation advice and printing of Company particulars the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar to the Issue. Hence, Bidders are advised to update their demographic details as provided to their Depository Participants.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advices/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may be delayed if the same, once sent to the address obtained from the Depositories, are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay, nor shall they be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, the names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Bidders should note that on the basis of names of the Bidders, the Depository Participant's name, the Depository Participant Identification Number and the Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository, the Bidder bank Account details, including the nine digit MICR code as appearing on a cheque leaf. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through ECS, hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the Bidders sole risk, and neither the BRLMs nor the Company shall have any responsibility or undertake any liability for the same.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or, if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies or registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye-laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to reject such Bids in whole or in part, in either case without assigning any reason therefor.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to reject such Bid in whole or in part, in either case, without assigning any reason therefor.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we/the BRLMs may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to instruct the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details provided on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as provided in the Bid cum Application Form instead of those obtained from the depositories.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to reject such Bids in whole or in part, in either case, without assigning any reason therefor.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the First Bidder and will be dispatched to his or her address, as per the demographic details received form the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from Depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

4. The addresses of all the applicants in the multiple masters will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be taken to check for common names. Any applications with the same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for their DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a printout of multiple master will be taken and applications physically verified to tally signatures, and father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **The copy of the PAN card(s) or PAN allotment letter(s) is required to be submitted with the Bid cum Application Form. Applications without this information and documents will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In the event that the sole Bidder and/or the joint Bidder(s) have applied for a PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for", the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled, along with a copy of any one of the following documents in support of the address: (a) ration card; (b) passport; (c) driving licence; (d) identity card issued by any institution; (e) copy of the electricity bill or telephone bill showing residential address; (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address; or (g) any other documentary evidence in support of the address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UINs and the requirement to contain/quote UINs under the SEBI MAPIN Regulations/Circulars pursuant to its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press states that the cut-off limit for obtaining a UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. Therefore, MAPIN is not required to be quoted with the Bids. At present, investors are not required to provide a UIN.

Right to Reject Bids

In case of QIBs, the Company, in consultation with the BRLMs, may reject Bids, provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non- Institutional Bidders and Retail Individual Bidders the Company has the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;

2. Age of first Bidder not given;

3. Bank account details (for refund are not given);

4. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;

6. **PAN not stated or copy of the PAN, Form 60 or Form 61, as applicable, or GIR number furnished instead of the PAN. See the section titled "Issue Procedure—PAN or GIR No" beginning on page 333 of this Red Herring Prospectus;**

7. Bids for a lower number of Equity Shares than specified for that category of investors;

8. Bids at a price less than the lower end of the Price Band;

9. Bids at a price more than the higher end of the Price Band;

10. Bids at the Cut-off Price by Non-Institutional Bidders and QIBs where the Bid Amount exceeds Rs. 100,000;

11. Bids for a number of Equity Shares, which are not in multiples of 20;

12. Category not ticked;

13. Multiple Bids as defined in this Draft Red Herring Prospectus;

14. In case of a Bid under power of attorney or by limited companies, corporate bodies, trust etc., relevant documents are not submitted;

15. Bids accompanied by stockinvest/money order/postal order/cash;

16. Bids that are not accompanied by the applicable Margin Amount;

17. Signature of sole and/or joint Bidders missing;

18. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;

19. Bid cum Application Form does not have the Bidder's depository account details;

20. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;

21. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary account number;

22. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For further details, see the section titled "Issue Procedure – Bids at Different Price Levels," beginning on page 318 of this Red Herring Prospectus;

23. Bids by OCBs;

24. Bids by U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act, 1933;

25. Bids by QIBs not submitted through members of the Syndicate;

26. Bids by persons who are not eligible to acquire Equity Shares in terms of applicable laws, rules, regulations, guidelines and approvals.

27. Bids in respect whereof the bid cum application forms do not reach the registrar prior to the date of finalization of basis of allotment.

28. Bids in respect whereof clear funds are not available in the escrow account upto the date of receipt of final certificates from escrow collection banks.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in the Issue shall be allotted only in Dematerialised form, (i.e. not in the form of physical certificates but fungible and represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

a) an agreement dated October 3, 2007 among NSDL, the Company and the Registrar to the Issue;

b) an agreement dated September 24, 2007 among CDSL, the Company and the Registrar to the Issue.

All Bidders can seek Allotment only in Dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the beneficiary account number and

Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares would be in Dematerialised form only for all investors in the Demat segment of the respective Stock Exchanges.

i) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.

BASIS OF ALLOCATION.

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.

- The Issue less allocation to Non Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category are for less than or equal to 7,376,129 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this category are for more than 7,3716,129 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in increments of one Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non Institutional Bidders will be made at the Issue Price.

- The Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category are for less than or equal to 2,458,709 Equity Shares at or above the Issue Price, full Allotment shall be made to Non Institutional Bidders to the extent of their valid Bids.

- In case the valid Bids in this category are for more than 2,458,709 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in increments of one Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Issue less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 737,613 Equity Shares (the "Mutual Funds Portion"), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e., after excluding the Mutual Funds Portion). If the valid Bids by Mutual Funds are for less than 737,613 Equity Shares, the remaining Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to at least 60% of the Net Issue size, i.e. 14,752,258 Equity Shares.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceed 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds, shall be available to all QIB Bidders as set out in (b) below;

  (b) In the second instance allocation to all QIBs shall be determined as follows:

    (i) The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

    (ii) The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

  (c) Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.

(d) The aggregate allocation to QIB shall be at least 14,752,258 Equity Shares.

D. For Eligible Employees

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 500,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 500,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 500,000 Equity Shares. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees (as defined above) are eligible to apply under Employee Reservation Portion.

Method of proportionate basis of allocation in the Issue

Bidders will be categorised according to the number of Equity Shares applied for by them.

(a) The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) The number of Equity Shares to be allotted to the successful Bidders, will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate allotment is less than 20 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 20 Equity Shares; and

- The successful Bidders out of the total Bidders for a category shall be determined by a draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

If the proportionate allotment to a Bidder is a number that is more than 20 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The remaining Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for a minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

COMMUNICATIONS

All future communication in connection with Bids made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of

Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refunds orders etc.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Bhavik Desai, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Wockhardt Towers, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel: +91 22 2659 6222
Fax: +91 22 2659 6814
E-mail: whlipo@wockhardthospitals.com

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) **makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**

(b) **otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years."

DISPOSAL OF APPLICATIONS AND APPLICATION MONIES

The Company shall give credit for the Equity Shares allotted to the beneficiary account with Depository Participants within 15 working days of the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS), expect where the applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS.

In the case of other applicants, the Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by under certificates of posting, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the ECS facility.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of the Issue.

The Company shall ensure dispatch of refund orders, if any, under a certificate of posting" or registered post or speed post or ECS, or Direct Credit or RTGS as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

The Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 7 (seven) working days of the finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- allotment of Equity Shares shall be made only in Dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;

- dispatch of refund orders, except for Bidders who have opted to receive refunds through the ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and

- we shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or Demat credits are not made to investors within the 15 (fifteen) day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility, NEFT, direct credit or RTGS. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertaking by the Company

The Company undertakes as follows:

- that the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;

- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;

- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Company;

- that the certificates of the securities/refund orders/allotment advice to the Non-residents shall be dispatched within specific time;

- that where refund are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund; and

- Subject to the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue proceeds

The Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in the balance sheet indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any, shall be disclosed under the appropriate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the current foreign investment policy, foreign equity participation up to 100% is permissible, in the healthcare delivery service.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. As of the date hereof aggregate FII holding cannot exceed 24% of the total post-Issue share capital of the Company.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, Indian law does not prohibit an FII or its sub-account to issue, deal or hold offshore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance with "Know Your Client" requirements, which stipulate fortnightly disclosures by the FII to SEBI informing them about the name, location, type of investor (hedge fund, corporate body, individual, pension fund or trust), quantity and value of investment made on behalf of the investor. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity

As per the RBI regulations, OCBs cannot participate in the Issue.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Foreign Direct Investment (FDI) Policy, (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act),

except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Neither, the Company, nor the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividends, liens, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalised/defined terms herein have the same meaning given to them in the Articles of Association.

The regulations contained in Table A in Schedule 1 to the Companies Act shall apply to the Company, save as has been provided and incorporated into the Articles of Association of the Company. Specifically, Regulations 64, 66 and 84 of Table A shall not apply to the Company.

CAPITAL

4. The Authorised Share Capital of the Company is Rs. 1,250,000,000 (Rupees One Hundred Twenty Five Crore Only) divided into 125,000,000 (Twelve Crores and Fifty lakhs) Equity Shares of Rs. 10 each.

SHARES AT THE DISPOSAL OF THE DIRECTORS

5. Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares.

Provided that option or right to call of Shares shall not be given to any Person or persons without the sanction of the Company in the General Meeting.

INCREASE AND ALTERATION OF CAPITAL

6(1) The Company in general meeting may from time to time increase its share capital by the creation of further shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts, as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as the Board shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company.

6(2) Subject to the provision of Section 94 of the Act, the Company in general Meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others and others. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

FURTHER ISSUE OF CAPITAL

7(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed Capital of the Company by allotment of further Shares out of the unissued capital or out of the increased share capital then:

(a) such further Shares shall be offered to the Persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Capital Paid up on those Shares at that date;

(b) such offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than fifteen days from the date of the offer, within which the offer if not accepted, will be deemed to have been declined;

(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

Provided that the directors may decline, without assigning any reason to allot any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(d) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner and to such person(s) as they may think, in their sole discretion, fit and most beneficial to the Company.

7(2) Notwithstanding anything contained in clause 7(1) of this Article, the further Shares aforesaid may be offered to any Persons (whether or not those persons include the persons referred to in clause (a) of sub clause 7(1) of this Article), in any manner whatsoever;

(a) if such offer is authorised by a Special Resolution of the Company in General Meeting or,

(b) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.

7(3) Nothing in sub-clause (c) of 7(1) hereof shall be deemed

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

7(4) Nothing in this Article shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the Debentures issued by the Company:

(a) To convert such Debentures or loans into Shares in the Company; or

(b) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of Issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of Debentures or loans or other than Debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the Special Resolution passed by the Company in General Meeting before the issue of the loans.

CUMULATIVE CONVERTIBLE PREFERENCE SHARES

8. Subject to the provisions of the Act, the Company shall have the power to issue cumulative convertible preference shares to which the following provisions shall apply:-

(a) The dividend payable on the said share shall be on a preferential basis and shall be at such rate as may be prescribed or permitted under the applicable rules and regulations prevailing at the relevant time.

(b) The dividend shall be cumulative and arrears shall be payable to the shareholders registered with the Company on the date fixed for determining to whom the dividend then declared is payable.

(c) All such shares shall be converted into equity shares any time between the expiry of three years and the expiry of five years from the date of allotment of the shares as may be decided by the Board subject to any applicable regulations or sanctions that may be in force at the time. Upon conversion into equity shares the right to receive arrears of dividend if any, on the preference shares upto the date of conversion shall devolve on the holders of the equity shares registered with the Company on the date prescribed in the declaration of the said dividend.

(d) Such conversion shall be deemed to be a redemption of the preference shares out of the proceeds of a fresh issue of shares.

RESTRICTIONS ON PURCHASE BY COMPANY OF ITS OWN SHARES

9(1) Pursuant to a resolution of the Board of Directors, the Company may purchase its own shares by way of a buy back arrangement, in accordance with section 77A of the Act and the Securities and Exchange Board of India (Buy- back of Securities) Regulations, 1998.

9(2) Except as provided in sub-clause (1) of this Article the Company shall not have the power to buy its own Shares, unless the consequent reduction of Capital is effected and sanctioned in accordance with Article 13 and in accordance with Section 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

9(3) Except to the extent permitted by section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise, any financial assistance for the purchase of, or in connection with the purchase or subscription made or to be made by any person of or for any Shares in the Company.

9(4) Nothing in this Article shall affect the right of the Company to redeem any redeemable preference Share issued under these Articles or under section 80 or other relevant provisions (if any) of the Act.

DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

10. Subject to the provisions of the Act, and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted

may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid-up shares.

INSTALLMENT ON SHARES

11. If by the terms of issue of any shares or otherwise the whole or any part of the amount or issue price thereof shall be payable by instalments at a fixed time, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time to time is the registered holder of the shares or by his legal representatives.

ACCEPTANCE OF SHARES

12. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for by or allotted to a minor, insolvent or person of unsound mind.

DEPOSITS AND CALLS ETC. TO BE A DEBT PAYABLE IMMEDIATELY

13. The money (if any), which the Board of Directors shall on the allotment of any shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

LIABILITY OF MEMBERS

14. Every member, or his heirs, executors or administrators, shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts at such time or times and in such manner, as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

15(1) Every members shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or, if the directors so approve (upon paying such fee as the Directors may determine) , to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holder.

15(2) Any two or more joint allotees or holders of a share shall, for purposes of Article be treated as a single member and the certificate for any share, which may be subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

15(3) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

16. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

PROVIDED THAT the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall *mutatis mutandis* apply to the Debenture certificates of the Company.

THE FIRST NAMED JOINT HOLDER DEEMED SOLE HOLDER

17. If any share stands in the name of two or more persons, the person first named in the Register of Members, shall as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be, severally as well as jointly, liable for the payment of all instalments and calls due in respect of such share, and for all incidents thereof according to these articles.

COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

18(1) The Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these presents otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or the survivors of them.

18(2) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognise any benami, trust or other claim or claims or right to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof.

INTEREST OUT OF CAPITAL

19. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions contained in Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of the plant.

CALLS TO DATE FROM RESOLUTION

20. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed at the meeting of the Board of Directors, and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

DIRECTORS MAY EXTEND TIME

21. The Board of Directors, may from time to time, at its discretion, extend the time for the payment of any call, and may extend such time as to all or any of the members, who for residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour.

COMPANY'S LIEN ON SHARES/DEBENTURES

22. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/ debentures) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except on the condition that this Article will have full affect. Such lien shall extend to all dividends and bonuses from time to time declared in respect if such shares/debenture. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provision of the clause.

PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

23. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the register of members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which debt is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that the notice of such call was duly given to the member or his representatives sued in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted.

PAYMENTS IN ANTICIPATION OF CALLS MAY CARRY INTEREST

24. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due/unpaid upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

DEMATERIALISATION OF SECURITIES

The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

25(1) DEMATERIALIZATION OF SECURITIES

The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

25(2) OPTIONS TO HOLD SECURITIES

Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a Person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a Person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

25(3) SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

25(4) RIGHT OF DEPOSITORIES AND BENEFICIAL OWNERS

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.

(ii) Save as required by the Applicable Law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every Person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a Member of the Company.

25(5) SERVICE OF DOCUMENTS

Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficiary Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

25(6) TRANSFER OF SECURITIES

Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

25(7) ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

25(8) DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

25(9) REGISTER AND INDEX OF BENEFICIAL OWNERS

The register of Members and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

REGISTER OF TRANSFER

26. The Company shall keep a book to be called the Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

FORM OF TRANSFER

27. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modifications thereof for the time being shall be duly complied with in respect of all transfers of shares and of the registration thereof.

BOARD MAY DECLINE TO REGISTER TRANSFER

29. The Board may, subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board of Directors may at their own, absolute and uncontrolled discretion and by giving reason, decline to register or acknowledge any transfer of any shares, whether fully paid or not and the right of refusal shall not be affected by the circumstance that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company or any account whatsoever except when the Company has a lien on the shares. However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots.

NO TRANSFER TO A PERSON OF UNSOUND MIND

30. No shares shall in any circumstances be allotted or transferred to any minor, insolvent or person of unsound mind.

WHEN TRANSFER TO BE RETAINED

31. All instruments of transfer, which are registered, shall be retained by the Company, but any instrument of transfer, which the Board declines to register, shall on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years as it may determine.

DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

32. In the case of death of any one or more of the persons named in the Register of Members as joint shareholders of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

TITLE TO SHARES OF DECEASED MEMBER

33. The executors or administrators or holders of Succession Certificate or the legal representatives of a deceased member (not being one of two or more joint-holders) shall be the only persons recognized by the Company as having any title to shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or holders of a Succession certificate or the legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion may think fit,

the Board may dispense with production of probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 57 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

TRANSMISSION OF SHARES

34. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, approved by the Board, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

BOARD MAY REFUSE TO TRANSMIT

35. The Board shall, subject to the provisions of Article 69 hereof, have the same right to refuse to register a person entitled by transmission to any share, or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF A TRANSFER

36. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title to or interest in the same shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company, and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

BOARD MAY REFUSE TRANSFER TO MORE THAN FOUR NAMES

37. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than four persons.

TERMS OF ISSUE OF DEBENTURES

38. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.

FIRST DIRECTORS

39. The first directors of the Company on its incorporation are:

1. Mr. H. F. Khorakiwala

2. Mr. Juzar S Khorakiwala

3. Dr. Gurukumar B Parulkar

CHAIRMAN NOT TO RETIRE BY ROTATION

40. The Chairman shall not be liable to retire by rotation.

QUALIFICATION OF DIRECTORS

41(1) The Holding of any share of the Company shall not be requisite for being appointed as a director of the Company.

41(2) Subject to the provisions of section 252 of the Act and unless the Company, in general meeting, otherwise determine, the number of directors shall not be less than three and more than twelve.

CASUAL VACANCY

42. Subject to the provisions of section 262 of the Act or any other statutory modifications thereof, the Board of Directors shall have power to fill up casual vacancies.

ALTERNATE DIRECTOR

43. Subject to the provisions of section 313, of the Act or any statutory modifications thereof, the Board of Director shall have powers to appoint a person as alternate Director during the absence of Director, for a period of not les than three months in the state in which meetings of the Board are ordinarily held.

DIRECTORS MAY ACT NOT WITHSTANDING VACANCY

44. The continuing Director may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company but for no other purpose.

ALL ACTS OF THE BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTIVE APPOINTMENT

45. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or committee or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office, or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be valid as if every such person had been duly appointed and was qualified to be a director and had not vacated office or his appointed had not been terminated. Provided that nothing in his article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have terminated.

RESOLUTION BY CIRCULATION

46(1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers if any, to all the directors or to all the members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or committee as the case may be) and to all other directors or members at their usual address in India or by a majority of them as are entitled to vote on the resolution.

46(2) A resolution passed by circular without a meeting of the Board or of a Committee of the Board shall subject to the provisions of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the committee duly called and held.

POWERS OF THE BOARD

47(1) The Board of Directors shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do;

Provided that the Board shall not exercise any power or do any act or thing, which is directly or required by the Act or any other provisions of the law or by the Memorandum of Association of the Company or by these Articles, to be exercised or done by the Company in the General Meeting.

Provided further that in exercising any such powers or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other provisions of law or the Memorandum of Association of the Company or these Articles or in any regulations not inconsistent therewith and duly made hereunder, including regulations made by the Company in General Meeting.

47(2) No regulation made by the Company in general meeting shall invalidate any prior act of the Board, which would have been valid, if that regulation had not been made.

REMUNERATION OF DIRECTORS

48(1) Payment of remuneration to Director including Managing and Whole the Directors, and Manager, if any, shall be subject to the provisions of section 198, 309, 310 and 311 of the Act or any statutory modifications thereof, either by the of monthly payment and/or by way of specified percentage of the net profits of the Company calculated in the manner laid down in section 349, 350 and 351 of the Act.

48(2) If any Director being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad or in negotiating or carrying into effect any contract or arrangement by the Company or otherwise for any purpose of the Company, the Company may remunerate such Director either by a fixed sum and/or percentage of profits or otherwise, as may be permissible under the Act.

SITTINGS FEES

49(1) The fees payable to a Director for attending each meeting of the Board shall be such amount subject to the limit prescribed under the Act, as the Board may determine from time to time.

49(2) Travelling and daily allowance of the Director while travelling on the Company's business including the attendance of Board Meetings may be fixed by the Board of Directors from time to time or in the event the same is not fixed by the Board the same shall be reimbursed as per actuals.

MANAGING DIRECTOR/WHOLE TIME DIRECTOR

50(1) The Board of Directors may from time to time and subject to the requisite approval of the Company in the General Meeting and where necessary also that of the Central Government under the provisions of the Companies Act, 1956, appoint a Managing Director, Whole Time Director Technical Director, on such terms and conditions and for such period that it may consider proper.

50(2) The Managing Director or Directors and the Joint Managing Director shall be responsible for carrying on and conducting the business of the Company subject to the supervision, directions and control of the Board of Directors. In the conduct and management of the said business, the Managing Director and the Joint Managing Director may exercise such powers, authorities and discretion, as may from time to time, be vested in them under an agreement or delegated to them by the Board of Directors.

BORROWING POWERS

The Board may from time to time. at their discretion subject to the provisions of sections, 58A, 292, 293 and 372A of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company.

SEAL OF THE COMPANY

52. The Clause 84 of Table A shall not apply to the Company. The directors shall procure as seal to be made for the Company and shall provide for the safe custody thereof. The seal shall not be affixed to any instrument except in the presence of at least one director, or any officer of the Company (who is authorized by the Board of Directors or a committee of directors) who shall sign every instrument to which the seal is so affixed in his presence.

UNPAID OR UNCLAIMED DIVIDEND

53. Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall with 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called Unpaid Dividend of WOCKHARDT HOSPITALS LIMITED and transfer to the said account, the total, amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the said unpaid dividend account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under section 205C of the Act.

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

INDEMNITY

54. Subject to the provisions of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company, or as an auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted by the Court.

LIABILITY OF OFFICERS

55. Subject to the provisions of Section 201 of the Act no director, Manager of other officer of the Company shall be liable for the acts, receipts, neglects of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by error of judgment, omission, default or oversight, on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

SECRECY CLAUSE

56. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in nature of a trade secret, mystery of trade, secret of process or any other matter which

may relate to the conduct of the business of the Company and which in the opinion of the Board it would be inexpedient in the interest of the Company to disclose.

SECRECY UNDERTAKING

57. Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, agent, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders if any or by a Court of Law, or by the person to whom the matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

MEMBERS KNOWLEDGE IMPLIED

58. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all contents of these presents.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered into or will be entered into by the Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of the Company situated at Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, from 10.00 am to 4.00 pm on working days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement Letter dated August 20, 2007 for the appointment of Citigroup Global Markets India Private Limited and Kotak Mahindra Capital Company Limited as the BRLMs.

2. Memorandum of Understanding dated August 20, 2007 among the Company and the BRLMs.

3. Engagement Letter dated November 15, 2007 for the appointment of ICICI Securities Limited and Engagement Letter dated October 4, 2007 for the appointment of SBI Capital Markets Limited as the BRLMs.

4. Amendment Agreement to Book Running Lead Managers' Memorandum of Understanding dated December 17, 2007

5. Memorandum of Understanding dated August 13, 2007 executed by the Company with the Registrar to the Issue.

6. Escrow Agreement dated [•] among the Company, the BRLMs, Escrow Collection Banks and the Registrar to the Issue.

7. Syndicate Agreement dated [•] among the Company, the BRLMs and the Syndicate Members.

8. Underwriting Agreement dated [•] among the Company, the BRLMs and the Syndicate Members.

Material Documents

1. Memorandum and Articles of Association of the Company as amended through the date hereof.

2. Certificate of incorporation dated August 28, 1991.

3. Shareholders' resolutions dated August 13, 2007 in relation to the Issue and other related matters.

4. Resolutions of the Board dated August 13, 2007 authorizing the Issue.

5. Report of the Auditors, Haribhakti & Co., Chartered Accountants, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus and letters from the auditors dated January 10, 2008.

6. Copies of annual reports of the Company and its subsidiaries for the past five financial years.

7. Consents of the Auditors, Haribhakti & Co., Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Red Herring Prospectus.

8. General Powers of Attorney executed by the Directors of the Company in favour of person(s) for signing and making necessary changes to this Red Herring Prospectus and other related documents.

9. Consents of Auditors, Bankers to the Company, the BRLMs, Syndicate Members, Registrar to the Issue, Banker to the Issue, Bankers to the Company, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Auditors, International Legal Counsel to the BRLMs, Directors of the Company, Company Secretary and Compliance Officer, IPO Grading Agency and Monitoring Agency, as referred to, in their respective capacities.

10. Applications dated August 21, 2007 for in-principle listing approval to BSE and NSE, respectively.

11. In-principle listing approval dated September 24, 2007 and October 3, 2007 from BSE and NSE respectively.

12. Agreement among NSDL, the Company and the Registrar to the Issue dated August 8, 2007.

13. Agreement among CDSL, the Company and the Registrar to the Issue dated August 20, 2007.

14. Due diligence certificate dated August 21, 2007 to SEBI from the BRLMs.

15. IPO Grading Report dated December 5, 2007.

16. SEBI observation letter no. CFD/DIL/PB/PN/109398/2007 dated November 27, 2007 and the Company's in-seriatim replies to the same dated December 17, 2007 and January 14, 2008.

17. Share Subscription Agreement dated December 12, 2007 between the Company, DHPL and BCCL.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued there under, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. H. F. Khorakiwala

Mr. Anil Kamath
Managing Director

Mr. Vishal Bali
Managing Director

Mr. Ashwin Dani

Mr. Pradip Shah

Mr. Berjis Desai

Dr. Vivekanad Jawali

Mr. Susim Mukul Datta

Mr. K Srivastava
Chief Financial Officer

Date: January 17, 2008

Place: Mumbai