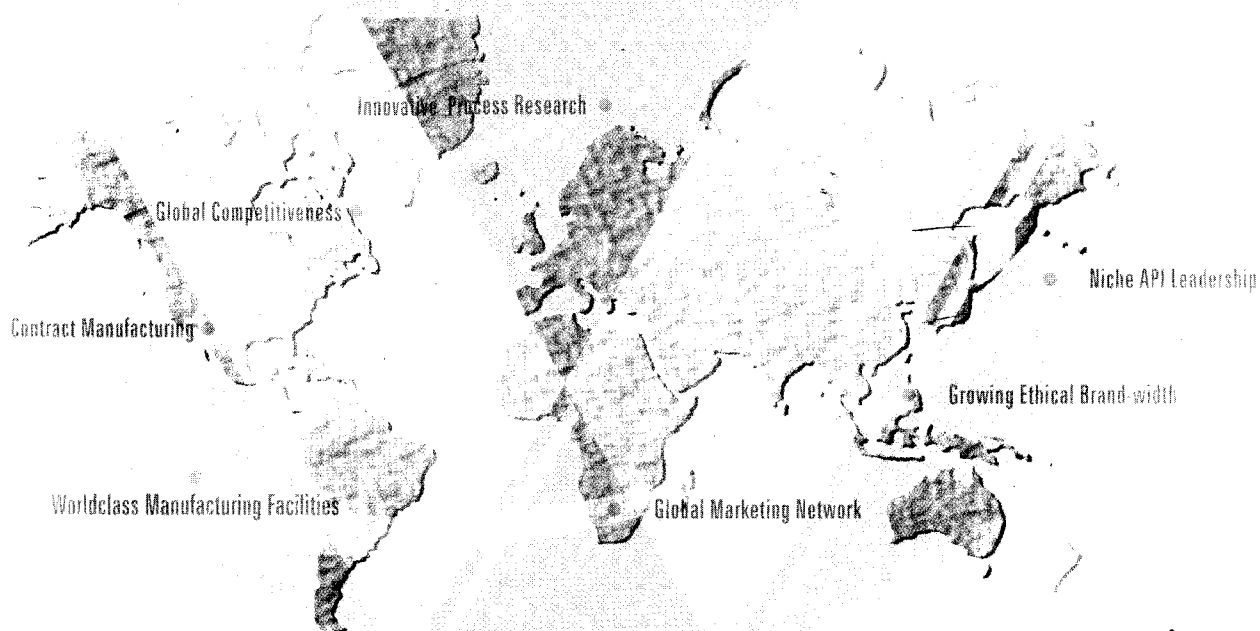


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# WANBURY LIMITED

17th Annual Report 2004-2005

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## Board of Directors

Mr. A. L. Bongirwar	Non-executive Independent Director
Mr. N. K. Puri	Non-executive Independent Director
Dr. P. L. Tiwari	Non-executive Independent Director
Late Dr. S. P. Adarkar	Non-executive Independent Director (till March 7, 2005)
Mr. K. Chandran	Wholetime Director
Mr. K. R. N. Moorthy	Wholetime Director

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## Company Secretary

Mr. Pankaj. B. Gupta

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## Registered Office and Head Office

Plot No.28, 1<sup>ST</sup> Floor, Sector - 19C, Kopri Road,  
Vashi, Navi Mumbai – 400 703.  
Maharashtra, India.  
Tel.: +91-22-27668938/39  
Fax : +91-22-27663944  
Email : shares@wanbury.com  
Website : www.wanbury.com

## Plants at Tarapur and Patalganga (Maharashtra)

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## Auditors

Messrs. KAPOOR & PAREKH ASSOCIATES, Chartered Accountants, Mumbai

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## Bankers

Bank of India, Mumbai

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## Registrars and Transfer Agents

**Sharex Dynamic (India) Pvt. Ltd.,**  
Unit I, Luthra Industrial Premises, Andheri-Kurla Road  
Safed Pool, Andheri (E), Mumbai 400 072  
Telephones: 28515606, 28515644  
Fax : 28512885  
Email : sharexindia@vsnl.com  
Website : www.sharexindia.com

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## NOTICE

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Members of Wanbury Limited will be held on Tuesday the 9<sup>th</sup> day of August 2005 at 11:30 a.m. at Hotel Supreme Heritage, Plot No. L-2, Sector No. 19, Vashi, Navi Mumbai - 400 705 to transact the following business, with or without modification(s).

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2005 and Profit & Loss Account for the year ended on that date along with Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. K. R. N. Moorthy – Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.  
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. N. K. Puri, who was appointed by the Board of Directors as Additional Director as per the Article No. 147 of Article of Association and pursuant to the provisions of Section 260 of Companies Act, 1956, at their meeting held on 9<sup>th</sup> day of March 2005 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite Deposit as per the provisions of Section 257 of Companies Act, 1956, from a member proposing the candidature of Mr. N. K. Puri for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.  
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. A. L. Bongirwar, who was appointed by the Board of Directors as Additional Director as per the Article No. 147 of Article of Association and pursuant to the provisions of Section 260 of Companies Act, 1956, at their meeting held on June 24, 2005 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite Deposit as per the provisions of Section 257 of Companies Act, 1956 from a member proposing the candidature of Mr. A. L. Bongirwar for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to Sec.16, 94 and other applicable provisions of the Companies Act, 1956, the Present Authorised Share Capital of the Company consisting of 2,00,00,000 Equity Shares of Rs.10/- each; 5,00,000 2% Convertible Preference Shares of Rs.100/- each and 5,00,000 5% Cumulative Convertible Preference Shares of Rs.100/- each aggregation Rs. 30,00,00,000/- (Rs. Thirty Crore Only) be and the same is hereby re-classified and increased to Rs. 50,00,00,000/- (Rs. Fifty Crore Only) divided into 2,00,00,000 Equity Shares of Rs.10/- each and 30,00,000 Preference Shares of Rs.100/- each."
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT the Memorandum of Association of the Company be altered in the following manner, that is to say, existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new Clause as Clause V:  
"The Authorised Share Capital of the Company is Rs. 50/- Crore (Rupees Fifty Crore Only) divided into following classes of Shares:  
a) 2,00,00,000 Equity Shares of Rs. 10/- each and  
b) 30,00,000 Preference Shares of Rs.100/- each.  
with a power to increase, decrease or modify as per the provisions of the Companies Act, 1956 as and when necessary."
9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and relevant provisions of the Memorandum and Articles of

- Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, by this resolution, the Board be and is hereby authorised on behalf of the Company to issue, offer and allot, redeemable preference shares to be subscribed by institutions and/or incorporated bodies and/or individuals or otherwise any person, and whether or not such investors are members of the Company, for an aggregate face value of redeemable preference shares up to Rs. 30 Crores, such issue and allotment to be made at such time or times, at such price or prices, at a discount or at a premium, in such manner and on such terms and conditions including security, rate of dividend, redemption period, redemption premium, redemption discount etc., as the Board may, in its absolute discretion think fit."

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

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to necessary approvals, consents, permissions and/or sanctions of the Central Government, SEBI, Reserve Bank of India and any other appropriate authorities, institutions or bodies and subject to such approvals, consents, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or by the duly authorised Committee thereof for the time being exercising the powers conferred by the Board, by this resolution the Board be and is hereby authorised on behalf of the Company to issue, offer and allot, in the course of international offering in one or more foreign markets, equity shares/preference shares including Global Depository Receipts (GDR) and/or any instrument or securities representing equity shares/ preference shares or convertible securities such as Foreign Currency Convertible Bonds (FCCB) or warrants convertible to or representing equity shares/preference shares (hereinafter referred to as "securities") to be subscribed in Foreign Currency(ies) / Rupees by foreign Investors /Non-resident Indians whether institutions and/or incorporated bodies and/or individuals or otherwise, and whether or not such investors are members of the Company, for an aggregate face value of equity shares / preference shares up to Rs. 7 Crores, such issue and allotment to be made at such time or times and with or without voting rights in general meetings/ class meetings of the Company, in one or more tranche or tranches, at such price or prices, at a discount or at a premium or at a market price, in such manner and on such terms and conditions including security, rate of interest, rate of dividend etc., as the Board may, in its absolute discretion think fit."

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

11. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended up to date, consent of the Company be and is hereby accorded to the appointment of and the payment of remuneration & perquisites to Mr. K. Chandran as Whole Time Director of the Company for a period of two years with effect from September 1, 2005 on the terms and conditions (including the terms regarding the payment of remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period), as set out in the Explanatory Statement attached hereto."

"RESOLVED FURTHER THAT the terms and conditions of the said appointment be altered and/or varied from time to time by the Chairman / Board, as it may, at its discretion, deem fit, within the maximum amount payable in accordance with the provisions of Companies Act, 1956 read with Schedule XIII to the said Act or any amendments made hereafter in this regard."

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

12. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended up to date, consent of the Company be and is hereby accorded to the appointment of and the payment of remuneration & perquisites to Mr. K. R. N. Moorthy as Whole Time Director of the Company for a period of three years with effect from September 1, 2005 on the terms and conditions (including the terms regarding the payment of remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period), as set out in the Explanatory Statement

attached hereto."

"RESOLVED FURTHER THAT the terms and conditions of the said appointment be altered and/or varied from time to time by the Chairman / Board, as it may, at its discretion, deem fit, within the maximum amount payable in accordance with the provisions of Companies Act, 1956 read with Schedule XIII to the said Act or any amendments made hereafter in this regard."

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

13. To consider and if thought fit to pass with or without modification (s) the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT consent of the shareholders be and is hereby accorded to the payment of fees to the Directors of the Company (other than the Directors who are in whole-time employment of the Company) for attending meeting of the Board of Directors and / or Committee(s) thereof, of such amount not exceeding the limits prescribed under the provision to Section 310 of the Companies Act, 1956 or any statutory amendment thereto or re-enactment thereof and / or under any rules or regulations framed thereunder, as may be determined by the Board of Directors from time to time."

**By Order of the Board of Directors**  
For Wanbury Limited

Pankaj B. Gupta  
Company Secretary

Mumbai, June 24, 2005.

**Registered Office:** Plot No. 28, Sector 19-C, Kopri Road, Vashi, Navi - Mumbai 400 703.

**Notes:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No. 5 to 13 of the notice set out above is annexed hereto.
3. The members are requested to notify immediately changes, if any, in their registered address to the Company's Registrar & Share Transfer Agent M/s Sharex Dynamic (India) Pvt. Ltd., Unit - 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072.
4. Members who hold Shares in Dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.
5. The Share Transfer Books and the Register of Members will remain closed from Monday, 01.08.2005 to Tuesday, 09.08.2005 (both days inclusive).
6. At the ensuing Annual General Meeting Mr. K. R. N. Moorthy - Director, retires by rotation and being eligible offers himself for re-appointment. His brief resume is as under:

Name	: Mr. K. R. N. Moorthy
Age	: 52 Years
Qualification	: M. Sc. (Mathematics) MBA (Marketing & Finance) from IIM Kolkata
Expertise in Specific Area	: Pharmaceutical Industry
Date of First Appointment on the Board of the Company	: 23.01.2001
No. of Shares held in the Company	: NIL
Name(s) of the other companies in which Directorship held and Committee Membership / Chairmanship held.	: Director : Doctors Organic Chemicals Limited Committee Membership : NIL Committee Chairmanship : NIL



7. Shareholders desiring any information as regards to the Accounts are requested to write to the Company at least Seven days in advance of the Annual General Meeting so that the information, to the extent practicable, can be made available at the Annual General Meeting.
8. Section 109A of the Companies Act, 1956, provides of nomination by the Shareholders of the Company in the prescribed Form No. 2B. Shareholders are requested to avail this facility.
9. If the proposed dividend is approved by the Shareholders at the Annual General Meeting, the same will be paid on or after August 12, 2005 to the eligible shareholders.

**By Order of the Board of Directors**  
For Wanbury Limited

Pankaj B. Gupta  
Company Secretary

Mumbai, June 24, 2005.

**Registered Office:** Plot No. 28, Sector 19-C, Kopri Road, Vashi, Navi - Mumbai 400 703.

## **ANNEXURE TO THE NOTICE DATED 24.6.2005**

### **Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**

#### **Item No. 5**

Mr. N. K. Puri was appointed as an additional director of the Company, by the Board of Directors of the Company, at their meeting held on March 9, 2005, as per the provisions of Section 260 of Companies Act, 1956. Mr. N. K. Puri holds office as Director of the Company up to the conclusion of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice along with requisite deposit has been received from a member signifying his intention to propose the appointment of Mr. N. K. Puri as a Director. Mr. N. K. Puri has rich experience of service in State Bank of India. He is former Dy. Managing Director of State Bank of India and former Managing Director of State Bank of Bikaner & Jaipur. His knowledge and experience will immensely help the Company. The Board recommends his appointment as Director.

None of the directors except Mr. N. K. Puri, is concerned or interested in this resolution.

#### **Item No. 6**

Mr. A. L. Bongirwar was appointed as an additional director of the Company by the Board of Directors of the Company, at their meeting held on June 24, 2005, as per the provisions of Section 260 of Companies Act, 1956. Mr. A. L. Bongirwar holds office as Director of the Company up to the conclusion of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice along with requisite deposit has been received from a member signifying his intention to propose the appointment of Mr. A. L. Bongirwar as a Director. Mr. A. L. Bongirwar has rich experience in the field of Administrative services. He is the former Chief Secretary of the Government of Maharashtra. He is presently serving the Tariff Authority for Major Ports as Chairman. His knowledge and experience will immensely help the Company. The Board recommends his appointment as Director.

None of the Directors except Mr. A. L. Bongirwar, is concerned or interested in this resolution.

#### **Item No. 7 & 8**

The Company is planning to issue Redeemable Preference Shares to investors to mobilize resources for funding capital expansion projects and acquisition/mergers planned by the Company. In order to facilitate the Company to issue the said instrument, it is proposed to increase the authorised share capital suitably.

In terms of Section 94 of the Companies Act, 1956, shareholders consent is required for re-classification and increasing the authorised share capital. The capital clause of the Memorandum of Association states the Capital of the Company. Increase in authorised capital would necessitate consequential amendments to clause V of the Memorandum of Association. In terms of Section 16 of the Companies Act, 1956, shareholders consent is required for amending capital clause of the Memorandum of Association.

In view of the above requirements, both the resolutions have been put up to the Members for their approval.

None of the Directors of the Company is in any way concerned or interested in any of these resolutions.

**Item No. 9**

With a view to augment long term financial resources for the Company and to mobilize resources for funding capital expansion projects and acquisition / mergers planned by the Company, it is proposed to raise an amount not exceeding Rs. 30 Crore (Rupees Thirty Crore Only) through issue of Redeemable Preference Shares.

This is an enabling resolution in the interest of the Company and your Directors recommend the passing of the resolution as the shareholders consent is sought pursuant to Section 81 of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution.

**Item No. 10**

With a view to augment long term financial resources for the Company and to mobilize resources for funding capital expansion projects and acquisition/mergers planned by the Company, it is proposed to raise an amount aggregating US\$ 12 millions (with a right to retain excess subscription to the extent of US\$ 3 millions) through issue of Global Depository Receipts / Foreign Currency Convertible Bonds (FCCBs) or other suitable Financial instruments as contained in the Resolution.

This is an enabling resolution in the interest of the Company and your Directors recommend the passing of the resolution as the shareholders consent is sought pursuant to Section 81 of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution.

**Item No. 11 and 12**

Mr. K. Chandran and Mr. K. R. N. Moorthy have rich experience and knowledge in corporate management and operations. Keeping in this view, the Board of Directors at its meeting held on June 24, 2005, appointed Mr. K. Chandran and Mr. K. R. N. Moorthy as Whole-time Directors of the Company for a period of 2 years and 3 years respectively with effect from September 1, 2005, subject to approval of shareholders in General Meeting. Mr. K. Chandran and Mr. K. R. N. Moorthy fulfil the eligibility criteria set out under part I of Schedule XIII of the Companies Act, 1956.

The following are the details of the remuneration and perquisites payable to each Mr. K. Chandran and Mr. K. R. N. Moorthy as Whole-time Director of the Company:

**A. Period**

Two Years for Mr. K. Chandran and Three Years for Mr. K. R. N. Moorthy w.e.f. September 1, 2005 with liberty to either party to terminate the appointment on three months notice in writing to the other.

**B. Remuneration**

**a) Mr. K. Chandran :**

Basic Salary of Rs. 1,00,000/- (Rupees One Lac Only) per month with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 5,00,000/- (Rupees Five Lac Only) per month as Basic Salary.

**Mr. K. R. N. Moorthy :**

Basic Salary of Rs. 2,25,000/- (Rupees Two Lac Twenty Five Thousand Only) per month with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 5,00,000/- (Rupees Five Lac Only) per month as Basic Salary.

**b) Mr. K. Chandran:**

Special Allowance of Rs. 14,000/- (Rs. Fourteen Thousand Only) per month with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 50,000/- (Rupees Fifty Thousand Only) per month as Basic Salary.

**Mr. K. R. N. Moorthy:**

Special Allowance of Rs. 16,100/- (Rs. Sixteen Thousand One Hundred Only) per month with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 50,000/- (Rupees Fifty Thousand Only) per month as Basic Salary.

**c) Mr. K. Chandran:**

Education Allowance of Rs. 48,000/- (Rupees Forty Eight Thousand Only) per annum.

**Mr. K. R. N. Moorthy :**

Education Allowance of Rs. 72,000/- (Rupees Seventy Two Thousand Only) per annum.

**d) Annual Performance Bonus Linked to the achievement of targets and Long-Term Incentive Compensation as per the scheme applicable to Senior Executives of the Company as may be decided by the Chairman / Board subject to a maximum of Rs. 30,00,000/- (Rupees Thirty Lac Only) per annum.****C. Perquisites**

1. Housing: Company's owned / hired / leased accommodation or House Rent Allowance as may be decided by the Chairman / Board subject to a maximum @ 50 % of the Basic Salary in lieu of Company provided accommodation.
2. Reimbursement of expenses on actual, pertaining to gas, fuel, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of such accommodation.
3. Medical Expenses Reimbursement: Reimbursement of all expenses, incurred in India for self and family (family is defined as spouse and dependant children) at actual (including domiciliary medical expenses and insurance premium for medical and hospitalization policy, as applicable).
4. Leave Travel Allowance: For self and family in accordance with Rules of the Company, subject to a maximum of one month's basic salary. In the event of the amount so payable being lower than one month's basic salary, the balance will be payable as taxable amount to the Whole-time Director.
5. Spouse accompanying on any official domestic and overseas trip will be governed as per the policy of the Company, as applicable to Whole-time Directors / Senior Executives of the Company.
6. Club Fees: Fees of One Corporate Club in India (including admission and membership fees.)
7. Personal Accident Insurance coverage for self as per the Rules of the Company.
8. Company's Contribution towards Provident Fund and Superannuation Fund on basic salary as per the Rules applicable to Senior Executives of the Company.
9. Gratuity as applicable to Senior Executives of the Company.
- 10 Two Cars for use of Company's business.
- 11 Leave and encashment of leave, in accordance with the Rules of the Company.
- 12 Any other policies / benefits that are introduced by the Company from time to time, as applicable at his level.

The aggregate of the salary, special pay, allowances and perquisites in any financial year shall be subject to the limits prescribed from time to time under Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force, or otherwise as may be permissible at law.

Subject as aforesaid, Mr. K. Chandran and Mr. K. R. N. Moorthy will be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

Period of office of Directors shall be liable to determination by retirement of Directors by rotation.

Where in any financial year comprised by the period of appointment, the Company has no profit or its profits are inadequate, the forgoing amount of remuneration and benefits shall be paid or given to the Whole-time Directors in accordance with the applicable provisions of



Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, wherever required.

This explanatory statement together with the accompanying Notice should be treated as an abstract of the terms of the respective Agreements and Memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for approval of Members.

Mr. K. Chandran and Mr. K. R. N. Moorthy are concerned or interested in their respective Resolution.

**Item No. 13**

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, all fees / compensation to be paid to non-executive directors are to be fixed by Board and require prior approval of the Shareholders in general meeting. There are conflicting views as to whether this requirement applies to payment of sitting fees, which in terms of the provision of Section 310 of the Companies Act, 1956 does not require such approval provided it is within the prescribed limits. However, out of abundant caution, approval of the shareholders is being sought to payment of sitting fees to non-executive Directors of the Company.

At present non-executive Directors are paid sitting fees of Rs. 2000/- (Rupees Two Thousand Only) per meeting of the Board or Committee thereof in terms of the resolution passed by the Board of Directors at its meeting held on August 16, 2002, while the maximum prescribed under the provision of Section 310 of the Companies Act, 1956 is Rs. 20,000/- per meeting.

The Board recommends the resolution for your approval.

All the non-executive Directors of the Company are deemed to be concerned or interested in this Resolution, since it relates to payment of sitting fees for Board / Committee Meeting attended by them.

**By Order of the Board of Directors**  
For Wanbury Limited

Pankaj B. Gupta  
Company Secretary

Mumbai, June 24, 2005.

**Registered Office:** Plot No. 28, Sector 19-C, Kopri Road, Vashi, Navi - Mumbai 400 703.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting this 17th Annual Report together with the Audited Accounts of the Company for the year ended on March 31, 2005.

### Financial Highlights :

	(Rs. in Lac)	
	For the year ended on 31.03.2005	For the year ended on 31.03.2004
Turnover	7513.61	5412.40
Less: Excise Duty & Sales Tax	281.53	148.90
Net Sales	7232.08	5263.50
Other Income	292.23	139.77
Total Income	7524.31	5403.27
Total Expenditure	6657.58	5115.13
Profit / (Loss) before Taxation	866.73	288.13
Provision for Current Tax	74.00	22.00
Provision for Deferred Tax	86.92	3.12
Income Tax of earlier years written off / (back)	4.56	(0.05)
Net Profit after Tax	701.25	263.06
Balance b/f from Previous Year	186.18	(76.88)
<b>Amount available for Appropriation</b>	<b>887.43</b>	<b>186.18</b>
<b>APPROPRIATION</b>		
Proposed Dividend on Equity Shares	94.86	-
Corporate Tax on Dividend	13.30	-
<b>Balance Carried to Balance Sheet</b>	<b>779.27</b>	<b>186.18</b>

### OPERATIONAL REVIEW:

The Company had a successful year of Active Pharmaceutical Ingredients (API) Business under review with robust growth in Sales and Profits and further improvements in operating parameters. The formulation business saw a decline in this year on account of loss in sale of Triomonic because of a dispute with Novartis, compounded by the trade's confusion over VAT. Overall turnover during the year grew by 39% to Rs. 7513.61 Lac as against Rs. 5412.40 Lac in the previous year, while Profit After Tax, registered an impressive growth of 167% and increased to Rs. 701.25 Lac as against Rs. 263.06 Lac in the previous year. The basic & diluted Earning Per Equity Share increased to Rs. 7.39 as against Rs. 2.77 in the previous year. This strong performance was driven by excellent growth in sales, operating efficiencies and cost effectiveness.

Export increased from Rs. 2255.36 Lac to Rs. 2578.09 Lac registering a growth of 14 %. The Company has been exporting its products to more than 40 countries.