



22nd Annual Report
2009-2010

 **WANBURY**
Towards Better Healthcare

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WANBURY LIMITED

22ND Annual Report 2009-2010

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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
Mr. P. R. Dalal	EXIM Bank Nominee
Mr. K. Chandran	Vice Chairman
Mr. K. R. N. Moorthy	Joint Managing Director
Mr. A. N. Shinkar	Executive Director

Company Secretary

Mr. Pankaj B. Gupta

Registered & Head Office

BSEL Tech Park, B-Wing, 10th Floor,
Sector 30-A, Opp. Vashi Railway Station,
Vashi, Navi Mumbai - 400 705, India
Tel : +91-22-67942222
Fax : +91-22-67942111/333
E-mail : shares@wanbury.com
Website : www.wanbury.com

Plants at Patalganga, Turbhe, Tarapur, Mazgaon (Mah) and Tanaku (AP)

Auditors

Kapoor & Parekh Associates

Chartered Accountants, Mumbai

Bankers

Bank of India
EXIM Bank
State Bank of India
State Bank of Mysore
State Bank of Indore
Axis Bank
Andhra Bank
IDBI Bank

Registrars and Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.

Unit – 1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai – 400 072, India
Telephone : +91-22-28516338, 28528087
Fax : +91-22-28512885

FIVE YEARS FINANCIAL PERFORMANCE

Rs. in Lacs					
Particular	2009-2010	2008-2009*	2007-2008**	2006-2007	2005-2006
Total Income	37,587.47	17,205.23	40,278.60	15,263.52	11,492.54
Total Expenditure	34,433.24	20,308.56	37,236.74	13,729.39	10,049.91
Profit / (Loss) Before Tax	3,154.23	(3,103.33)	3,041.86	1,534.13	1,442.63
Provision for Taxation	162.08	25.17	64.26	(548.50)	369.60
Profit / (Loss) After Tax	2,992.15	(3,128.50)	2,977.60	2,082.63	1,073.03
Outstanding Number of Shares	14,689,286	14,689,286	14,689,286	12,747,358	12,747,358
Earning Per Share (in Rs.)	20.37	(21.30)	20.54	15.65	9.67
Face Value of Equity Share (in Rs.)	10.00	10.00	10.00	10.00	10.00
Sources of Funds:					
Share Capital	1,468.93	1,468.93	1,468.93	1,274.74	1,274.74
Share Capital Suspense Account	-	-	-	56.26	-
Reserve & Surplus	17,024.48	10,192.05	14,222.51	11,580.90	8,839.49
Secured Loan	26,326.93	19,990.02	17,282.61	8,397.95	2,801.89
Unsecured Loan	5,791.34	9,585.13	9,971.79	4,971.41	2,731.10
Deferred Sales Tax Liability	31.94	53.25	55.44	-	586.65
Total	50,643.62	41,289.38	43,001.28	26,281.26	16,233.87
Application of Funds:					
Fixed Assets (Net)	23,550.18	19,562.96	19,638.73	11,804.28	6,992.13
Investment	10,172.31	12,432.29	8,511.35	4,940.83	2,871.28
Inventories	3,235.61	3,608.85	4,380.05	1,619.66	1,326.36
Sundry Debtors	8,722.68	8,352.70	9,678.78	4,576.79	3,835.29
Cash & Bank Balances	1,042.20	2,517.55	1,128.39	312.67	2,311.42
Loan and Advances	14,465.79	8,571.99	10,825.88	8,788.48	2,154.84
Current Liabilities	9,035.99	9,010.54	9,749.59	4,556.83	2,584.67
Provisions	1,509.16	4,746.42	1,412.31	1,204.62	672.78
Net Current Assets	16,921.13	9,294.13	14,851.20	9,536.15	6,370.46
Total	50,643.62	41,289.38	43,001.28	26,281.26	16,233.87

* Financial Year 2008-2009 was of six months from 1st October 2008 to 31st March 2009.

** Financial Year 2007-2008 was of eighteen months from 1st April 2007 to 30th September 2008.

NOTICE

Notice is hereby given that the **Twenty-Second Annual General Meeting** of the Members of Wanbury Limited will be held on Thursday the 12th day of August, 2010 at 12:00 Noon at Silk Lounge, Imperial Banquets, Raghuleela Arcade, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400 705, to transact the following business, with or without modifications.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date, along with the 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. N. K. Puri – 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 a Director in place of Mr. K. Chandran – Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions relating to the appointment of Auditors of the Company:
 - (a) “RESOLVED THAT pursuant to the provision of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Kapoor & Parekh Associates, Chartered Accountant, Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors.”
 - (b) “RESOLVED THAT pursuant to the provision of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Brahmayya & Co., Chartered Accountants, Vijayawada, be and are hereby re-appointed as Branch Auditors of the Company, to audit the accounts of the Company’s Plant situated at Tanaku, West Godavari District, Andhra Pradesh, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors.”

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, consent of the members of the Company be and is hereby accorded to the re-appointment of and the payment of remuneration & perquisites to Mr. K. Chandran as Whole Time Director of the Company for a period of three years with effect from 1st September, 2010 on the following 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):

A. Period

Three Years w.e.f. 1st September, 2010, with liberty to either party to terminate the appointment on three months notice in writing to the other.

B. Remuneration:

Basic Salary:

Basic Salary of Rs. 3,63,000/- (Rs. Three Lac Sixty Three Thousand only) per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of Rs. 6,00,000/- (Rs. Six Lac only) per month.

House Rent Allowance:

House Rent Allowance of Rs. 1,40,190/- (Rs. One Lac Forty Thousand One Hundred Ninety only) per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of Rs. 3,00,000/- (Rs. Three Lac only) per month.

Special Allowance:

Special Allowance of Rs. 50,000/- (Rs. Fifty Thousand only) per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of Rs. 2,00,000/- (Rs. Two Lac only) per month.

Leave Travel Allowance:

Leave Travel Allowance of Rs. 7,000/- (Rs. Seven Thousand only) per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of actual expenses.

Medical Allowance:

Medical Allowance of Rs. 1,250/- (Rs. One Thousand Two Hundred Fifty only) per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of actual expenses.

Annual Performance Bonus:

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 Board subject to a maximum of Rs. 75,00,000/- (Rs. Seventy Five Lac only) per annum.

C. Perquisites

1. Reimbursement of expenses on actual, pertaining to gas, fuel, electricity and telephones.
2. Personal Accident Insurance coverage for self as per the Rules of the Company.
3. Company's Contribution towards Provident Fund and Superannuation Fund on basic salary as per the Rules applicable to Senior Executives of the Company.
4. Gratuity as applicable to Senior Executives of the Company including continuity of service for time served elsewhere, within the Group.
5. A Car for use of Company's business.
6. Leave and encashment of leave, in accordance with the Rules of the Company.
7. 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.
8. Club Fees: Fees of One Corporate Club in India (including admission and membership fees.)
9. Any other policies / benefits that are introduced by the Group from time to time, as applicable at his level.

AND THAT the terms and conditions of the said re-appointment be altered and/or varied from time to time by the Board, as it may, at its discretion, deem fit, within the maximum amount payable as mentioned aforesaid and the provisions of Companies Act, 1956, read with Schedule XIII to the said Act or any amendments made hereinafter in this regard.

AND THAT the aggregate of the salary, allowances and perquisites in any financial year shall be subject to the limits prescribed from time to time under Section 198, 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.

AND THAT where in any financial year comprised by the period of appointment, the Company has no profit or its profits are inadequate, the aforesaid remuneration will be minimum remuneration subject to the approval of the Central Government, wherever required.

AND THAT subject as aforesaid, Mr. K. Chandran shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

AND THAT the period of office shall be liable to determination by retirement of Directors by rotation.

AND THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

AND THAT the 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."

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 the provisions of Section 190 read with provisions of Section 284 and other applicable provisions of Companies Act, 1956, Dr. Rajaram Samant, a Director of the Company, whose office is liable for retirement by rotation, be and is hereby removed as a Director of the Company.”

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 705
Date: 28th May, 2010
Place: Vashi, Navi Mumbai

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

Pankaj B. Gupta
Company Secretary

NOTES:

1. A Member is entitled to attend and vote at the meeting and is also entitled to appoint a proxy to attend the meeting and vote on poll; instead of himself / herself and the proxy need not be a member. The instrument appointing a Proxy should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The members are requested to notify immediately changes, if any, in their registered address: (i) 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, in respect of the Shares held in Physical Form, and (ii) to their Depository Participants (DPs) in respect of Shares held in Dematerialised Form.
3. In case the mailing address mentioned on this Annual Report is without the PINCODE, shareholders are requested to kindly inform their PINCODE immediately to their DP or the Company's Registrar & Share Transfer Agent, M/s Sharex Dynamic (India) Pvt. Ltd., as mentioned above.
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, 2nd August, 2010 to Thursday, 12th August, 2010 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the financial year ended on 31st March, 2010.
6. At the ensuing Annual General Meeting Mr. N. K. Puri and Mr. K. Chandran, retire by rotation and being eligible offer themselves for re-appointment. Their brief resume are as under:

Name	Mr. N. K. Puri
Age	67 Years
Qualification	M Sc (Physics)
Expertise in Specific Area	Banking
Date of First Appointment on the Board of the Company	09.03.2005
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	Director: NIL Committee Membership: NIL Committee Chairmanship: NIL

Name	Mr. K. Chandran
Age	51 Years
Qualification	Graduate
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 of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	Director: (1) Magnum Equifin Pvt. Ltd. (2) Cantabria Pharma S.L., Spain Committee Membership: NIL Committee Chairmanship: NIL

7. Shareholders desiring any information as regards to the Accounts of the Company 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.

Registered Office:

BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 705

Date: 28th May, 2010

Place: Vashi, Navi Mumbai

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

Pankaj B. Gupta
Company Secretary

ANNEXURE TO THE NOTICE DATED 28.05.2010

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

Item No. 6:

The Members of the Company had approved the appointment of Mr. K. Chandran as Whole Time Director for a period of 3 years w.e.f 1st September, 2007, at their 19th Annual General Meeting held on 27th September, 2007.

Mr. K. Chandran has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company. Keeping this in view, the Board of Directors at its meeting held on 28th May, 2010, has approved the re-appointment of Mr. K. Chandran as Whole-time Director of the Company for a period of 3 years with effect from 1st September, 2010, subject to approval of shareholders in General Meeting. Mr. K. Chandran fulfills the eligibility criteria set out under part I of Schedule XIII to the Companies Act, 1956.

The information as required under Schedule XIII of the Companies Act, 1956, is as under:

I. GENERAL INFORMATION:

- (1) Nature of Industry – Pharmaceutical Industry
- (2) Date of commencement of commercial production – The Company commenced its pharmaceutical business from 1988 onwards.

- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable

(4) **Financial Performance:**

(Amount Rs. in Lacs)

Financial Parameters	2009-2010	*2008-2009	**2007-2008	2006-2007	2005-2006	2004-2005
Total Income	37,587.47	17,205.23	40,278.60	15,263.52	11,492.54	7,524.31
Total Expenditure	34,433.24	20,308.56	37,236.74	13,729.39	10,049.91	6,657.58
Profit / (Loss) Before Tax	3,154.23	(3,103.33)	3,041.86	1,534.13	1,442.63	866.73
Profit / (Loss) After Tax	2,992.15	(3,128.50)	2,977.60	2,082.63	1,073.03	701.25
Rate of Dividend recommended/ declared	10%	0%	5%	20%	20%	10%

* Financial Year 2008-2009 was of 6 months from 1st October, 2008 to 31st March, 2009.

** Financial Year 2007-2008 was of 18 months from 1st April, 2007 to 30th September, 2008.

(5) **Export Performance and net foreign exchange collaborations:**

(Amount Rs. in Lacs)

Year	Foreign Exchange Earnings (Income)	Foreign Exchange Outgo (Expenditure)
2009-2010	13,945.56	4,175.40
2008-2009 *	8,751.31	2,442.57
2007-2008 **	18,729.26	5,671.27
2006-2007	7,676.24	1,690.98
2005-2006	5,941.35	1,188.33

* Financial Year 2008-2009 was of 6 months from 1st October, 2008 to 31st March, 2009.

** Financial Year 2007-2008 was of 18 months from 1st April, 2007 to 30th September, 2008.

(6) **Foreign investments or collaborators, if any**

The Company has five foreign subsidiaries namely Wanbury Holdings B.V., Cantabria Pharma S. L., Laboratories Wanbury S. L., Ningxia Wanbury Fine Chemicals Company Limited and Wanbury Global FZE. Kindly refer to the Statement pursuant to the provisions of Section 212 (1) (e) of the Companies Act, 1956 for the investment made by the Company in the subsidiaries and the financials of the subsidiary companies, which forms part of Annual Report.

II. INFORMATION ABOUT THE APPOINTEE

- (1) Background details: Mr. K. Chandran aged about 51 years, is a Science Graduate and has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company.
- (2) Past Remuneration – Remuneration of Rs. 103.63 Lacs including performance pay was paid to Mr. K. Chandran for the year 2009-2010.
- (3) Job profile and his suitability – Mr. K. Chandran is in-charge of the overall administration of the Company and its Subsidiary Companies, subject to the superintendence, direction and control of the Board the Company.
- (4) Remuneration proposed – As set out in the Resolution, the remuneration of Mr. K. Chandran has the approval of Board and Remuneration Committee.
- (5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – Taking into consideration size of the Company, the profile of Mr. K. Chandran, an Indian National, the responsibility shouldered by him, the remuneration package set out in resolution is commensurate with the remuneration package paid to managerial position in other Companies.

- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any – Besides, the remuneration proposed, Mr. K. Chandran does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION

- (1) Reason of loss or inadequate profits:

The Company is profit making Company.

- (2) Steps taken or proposed to be taken for improvement

The Company has taken a number of initiatives to improve the yield and other cost reduction by improving the manufacturing process. The Company is also focusing the high margin business of Contract Research and Manufacturing Services (CRAMS) and significant growth is planned in the formulation division of the Company by launching new products / divisions.

- (3) Expected increase in productivity and profits in measurable terms

The Company's operations continue to remain profitable. The Company is targeting a sales growth of over 50% in domestic formulations on the back of strong growth of its existing products, new product launches in its existing divisions and addition of new divisions. Over the past three years the Company has ranked as the fastest growing Company in the top 50 companies in India as per ORG IMS. Productivity per capita is increasing across divisions.

The Company continues to add new products APIs and new customers across domestic and global market. The Company is nearly doubling the revenues from its CRAMS business.

Over the next three years the Company is targeting an overall compounded annual growth rate of 33%, which as aforesaid would be laid by growth in existing products, new product introductions, foray in new divisions and markets, increased geographical spread of the Company and expansion of its manufacturing and research capacities.

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

None of the Directors except Mr. K. Chandran is concerned or interested in the said resolutions.

This resolution and explanatory statement 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.

Item No. 7:

The Company has received a special notice from a shareholder of the Company, pursuant to the provisions of Section 190 read with provisions of Section 284 and other applicable provisions of Companies Act, 1956, for the purpose of removal of Dr. Rajaram Samant as Director of the Company. The Shareholder requested the Company for putting the matter before the Shareholders of the Company in the General Meeting for their consideration.

A copy of the special notice received from the shareholder has been sent to Dr. Rajaram Samant. If Dr. Rajaram Samant sends his representations in writing to the Company well within time then a copy of the representation will be sent to the Shareholders of the Company, otherwise the representation shall be read out at the Annual General Meeting.

Registered Office:

BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 705

Date: 28th May, 2010

Place: Vashi, Navi Mumbai

By Order of the Board of Directors

For **Wanbury Limited**

Pankaj B. Gupta

Company Secretary