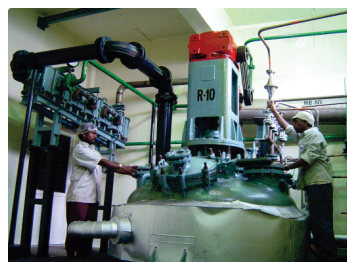


Annual Report

2011 - 2012



 **WANBURY**

Towards Better Healthcare



WANBURY LIMITED

24th Annual Report 2011-2012

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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. A.N. Shinkar	Non-Executive Director (Upto 28 May 2012)

Company Secretary

Mr. Pankaj B. Gupta (Upto 30 June 2011)
Mr. Mangesh Bhosale (From 28 May 2012)

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
Email: 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
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

NOTICE

Notice is hereby given that the Twenty-Fourth Annual General Meeting of the Members of Wanbury Limited will be held on Monday, the 24 day of September 2012 at 12:00 Noon at Hotel Tunga Regency, Plot No. 37, Sector 30-A, 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 31 March 2012 and the Statement of Profit & Loss for the year ended on that date, along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. P. L. Tiwari – Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. 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. Kolath & Co., Chartered Accountants, Chennai,, be and are hereby 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.”

Registered Office:

BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 705
Date: 28 May 2012
Place: Vashi, Navi Mumbai

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

Mangesh Bhosale
Vice President - Finance &
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 Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless Compliances by the Companies pursuant to the applicable provisions of Information Technology Act, 2000. The members are requested to notify their e-mail addresses to Company and enable the Company to send notices, annual report and other documents through electronic mode (e-mail). The members can notify their e-mail addresses to the Company by sending a request on e-mail ID shares@wanbury.com or by sending a letter addressed to the Company Secretary.
3. 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 Dematerialized Form.
4. 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.
5. Members who hold Shares in Dematerialized 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.

6. The Share Transfer Books and the Register of Members will remain closed from Monday, 17 September 2012 to Monday, 24 September 2012 (both days inclusive) for the purpose of Annual General Meeting.
7. At the ensuing Annual General Meeting Dr. P. L. Tiwari retire by rotation and being eligible offer himself for re-appointment. Their brief resume are as under:

Name	Dr. P. L. Tiwari
Age	67 Years
Qualification	M. D. (Med.), MRCP (London, Glasgow), FRCP (Edin.)
Expertise in Specific Area	Cardiology
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	Director: Astec Company Private Limited
Directorship held and Committee Membership/ Chairmanship held.	Committee Membership: Audit Committee - NIL Committee Chairmanship: NIL

8. 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.
9. Section 109A of the Companies Act 1956, provides for 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: 28 May 2012
Place: Vashi, Navi Mumbai

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

Mangesh Bhosale
Vice President - Finance &
Company Secretary

DIRECTORS' REPORT

Your Directors present the Twenty-Fourth Annual Report together with the Audited Accounts of the Company for the year ended on 31 March 2012.

FINANCIAL HIGHLIGHTS:

	(₹ in Lacs)	
	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Total Revenue	35,537.46	33,037.63
Total Expenditure	37,934.35	35,262.16
Profit / (Loss) before Taxation	(1,613.68)	(2,224.53)
Income Tax	-	2.16
Profit / (Loss) for the year after Tax	(1,613.68)	(2,226.69)

OPERATIONAL REVIEW:

The financial highlights are as under:

The Total Revenue for the financial year under review was ₹ 35,537.46 Lacs as against ₹ 33,037.63 Lacs in the previous year. The Total Expenditure was ₹ 37,934.35 Lacs as against ₹ 35,262.16 Lacs.

The Loss before Tax for the financial year under review was ₹ 1,613.68 Lacs as against a Loss before Tax of ₹ 2,224.53 Lacs.

Exports of the Company during the year under review were ₹ 15,266.37 Lacs as against ₹ 12,006.53 Lacs in the previous year.

The Formulation Business revenues declined on account of high rate of attrition, which put the profitability of the division under pressure.

Your Company's management has taken several measures to improve the formulations business. All vacancies have been filled across the country with the best talent. The Company has also engaged some of the best talent in the industry at senior management leadership levels. The new product pipeline is robust and the launch of these products should help achieve a significant growth in formulation business revenues and profitability.

DIVIDEND:

The Board of Directors of the Company has not recommended any dividend for the financial year 2011-2012 on account of negative performance.

ALLOTMENT OF EQUITY SHARES:

The Company has allotted 26,90,000 Equity Shares to Expert Chemicals (I) Pvt. Ltd. on 30 March 2012, a promoter group company, consequent to its contribution made pursuant to the provisions of Corporate Debt Restructuring Scheme approved by Corporate Debt Restructuring (CDR) Cell.

MERGER OF THE PHARMACEUTICAL PRODUCTS OF INDIA LIMITED (PPIL) WITH THE COMPANY:

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) is considering the Rehabilitation and Revival cum Merger of the Pharmaceutical Products of India Limited (PPIL) with the Company afresh, pursuant to the Order of Hon'ble Supreme Court of India dated 16 May 2008.

The PPIL has submitted proposal for rehabilitation cum merger of PPIL with Wanbury Limited, with Operating Agency, IDBI and after considering the same in the joint meeting of all concerned, Operating Agency, IDBI has submitted "Draft Rehabilitation Proposal" with Hon'ble BIFR for their consideration. The Hon'ble BIFR is considering the "Draft Rehabilitation Proposal" submitted by the IDBI, Operating Agency and we expect that the "Draft Rehabilitation Proposal" will be circulated by Hon'ble BIFR shortly for the consideration of the all concerned.

FOREIGN CURRENCY CONVERTIBLE BONDS ISSUE:

Your Company had issued Foreign Currency Convertible Bonds (FCCB) aggregating € 15 Million (Euro Fifteen Million Only)

on 20 April, 2007, in two parts. First part consists of 800 nos. Foreign Currency Convertible “A” Bonds of face value of € 10,000 each i.e. size of Bond A was € 8 Million and second part consists of 700 nos. Foreign Currency Convertible “B” Bonds of face value of € 10,000 each i.e. size of Bond B was € 7 Million, in accordance with the terms and conditions mentioned in the offering circular dated 25 April 2007.

During the year under review the Company has not received any application for conversion of FCCB into equity shares of the Company. However till date 5,29,085 fully paid equity shares of face value of ₹ 10/- each have been issued at a conversion price of ₹ 138.43 per equity share upon conversion of 128 Foreign Currency Convertible A Bonds of face value of € 10,000 each and 424 Foreign Currency Convertible “A” Bonds of face value of € 10,000 each at 90% of their face value have been bought back by the Company.

Total numbers of FCCB(A) outstanding as on 31 March 2012 were 248 and Total No. of FCCB(B) outstanding as on 31 March 2012 were 700.

SUBSIDIARY COMPANIES :

The Company does not have a non listed Indian subsidiary. However, the Company had 5 foreign subsidiaries as on 31 March 2012. Members may kindly refer to the Statement pursuant to the provisions of Section 212 (1) (e) of the Companies Act, 1956 and information on the financials of the subsidiary companies appended thereto, which forms part of this Annual Report. In Compliance with Clause 32 of Listing Agreement, audited consolidated financial statements also form part of this Annual Report.

Pursuant to the exemption given by the Central Government, Ministry of Corporate Affairs, vide its General Circular No. 2/2011 dated 8 February 2011, the Company is not attaching along with its Annual Report, detailed financial statement of accounts comprising of Balance Sheet, Statement of Profit & Loss, reports of Directors & the Auditors and other information of its subsidiary companies.

Any Shareholder interested in obtaining the Balance Sheet, Statement of Profit & Loss, Directors' Report and Auditors' Report of the subsidiaries of the Company may write to the Company for the same.

DIRECTORS:

Dr. P. L. Tiwari, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

PERSONNEL :

Statement of particulars of employees required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, in terms of the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all shareholders of the Company excluding the aforesaid statement of particulars of employees. Any Shareholder interested in obtaining a copy of the statement may write to the Company for the same.

None of the employee of the Company holds (by himself / herself or along with his / her spouse and dependent children) more than 2% of the Paid-up Equity Share Capital of the Company.

AUDITORS AND AUDITORS' REPORT :

M/s. Kapoor & Parekh Associates, Chartered Accountant, retire as Auditor of the Company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed. Your Board recommends their re-appointment.

The Board recommends M/s. Kolath & Co., Chartered Accountants, Chennai as Branch Auditors of the Company to audit the accounts of the Company's Plant situated at Tanaku, West Godavari District, Andhra Pradesh. M/s. Kolath & Co. has confirmed their eligibility and willingness to accept the office of the Branch Auditor, if appointed.

The observations made in the Auditors' Report read together with relevant notes thereon are self explanatory & explained in Notes to Accounts and hence do not call, any further comments under Section 217 of the Companies Act, 1956.

COST AUDITOR :

The report of Mr. Hemant V. Shah, Cost Accountant, in respect of audit of cost accounts for bulk drug and formulation business of the Company for the year ended on 31 March 2012, will be submitted to the Central Government in due course.

The Board of Directors of the Company has approved the appointment of Mr. Hemant V. Shah, Cost Accountant in respect of

audit of cost accounts for bulk drug business of the Company for the financial year 2012-2013 i.e. from 1 April 2012 to 31 March 2013.

An application is being made to the Central Government for its approval for the appointment of Mr. Hemant V. Shah as Cost Accountant for the financial year 2012-2013 i.e. from 1 April 2012 to 31 March 2013.

FIXED DEPOSITS:

The Company has not invited / accepted / renewed any fixed deposits as per the provisions of Section 58 A of the Companies Act, 1956 from the public during the year under review.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Report on Corporate Governance along with Auditors' Certificate, confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges also forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217 (2AA) of the Companies Act, 1956, the directors of the Company would like to state that:

- i) In the preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the Accounts on a going concern basis.

CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as stipulated under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in the separate statement, attached to this report & forms part of it.

ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincere thanks to the Bankers, Central & State Government, Customers, Suppliers, Stakeholders and Staff for their continuous co-operation & guidance and also expect the same in the future.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
VICE CHAIRMAN

DR. P. L. TIWARI
DIRECTOR

Mumbai, 28 May 2012

ANNEXURE TO DIRECTORS' REPORT

Information in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

(1) (A) CONSERVATION OF ENERGY

Company has taken below mentioned measures for conservation of energy during the year under review: -

- (i) Furnace Oil based boiler converted to agro waste based boiler thereby non renewable resource usage has stopped besides providing a significant cost saving in the times of high crude prices
- (ii) Furnace Oil based non IBR inefficient boilers (efficiency 65 %) converted to IBR based efficient boilers (80 – 85 %) hence the reduction in fuel quantity required for operations
- (iii) Process improvement related to Distillation time reduction in crystallizer of Metformin to save fuel as well power reduction in vacuum pumps
- (iv) Pump efficiency improvement by providing coating to the pumps – 2 % efficiency improvement
- (v) Continuous centrifuge in place of batch centrifuge to conserve energy of 210 HP per batch
- (vi) Regular cleaning of cooling towers with descaling agents to improve efficiency there by reduction in timecycle of batches.

INFORMATION AS PER PRESCRIBED FORM A :

	For the year ended on 31.03.2012	For the year ended on 31.03.2011
1. Electricity		
(a) Purchased		
Unit (KWH)	1,08,80,082	1,11,04,187
Total Amount (in ₹)	5,65,49,990	5,41,79,243
Rate / Unit (in ₹)	5.20	4.88
(b) Own Generation		
Unit (KWH)	8,16,783	8,68,395
Total Amount (in ₹)	1,05,64,638	1,00,00,497
Rate / Unit (in ₹)	12.93	11.52
2. Furnace Oil & LDO		
Quantity (Litres)	7,84,050	27,01,126
Total Amount (in ₹)	2,96,64,347	7,66,16,160
Average Rate (₹ per Litre)	37.83	28.36
3. Briquette		
Quantity (MT)	3,714	-
Total Amount (in ₹)	2,16,67,225	-
Average Rate (₹ per MT)	5,833.93	-
4. Coal		
Quantity (MT)	4,346	3,928
Total Amount (in ₹)	1,82,20,067	1,25,47,173
Average Rate (₹. per MT)	4,192.38	3,194.29