





WANBURY LIMITED

21ST Annual Report 2008-2009

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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. S. Bhattacharyya	EXIM Bank Nominee
Mr. K. Chandran	Whole-time Director
Mr. K. R. N. Moorthy	Deputy 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
Dhanalakshmi Bank
Axis Bank
State Bank of Indore
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-First Annual General Meeting of the Members of Wanbury Limited will be held on Tuesday the 29th day of September, 2009 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 modification(s).

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date i.e. from 1st October, 2008 to 31st March, 2009, 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 Accountants, 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:

4. 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 other applicable provisions, if any, of the Companies Act 1956, Mr. Ashok Shinkar, who was appointed by the Board as Additional Director, pursuant to the provisions of Article No. 147 of Article of Association and Section 260 of Companies Act 1956, at their meeting held on 30th June, 2009, 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. Ashok Shinkar 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.”
5. 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 appointment of and the payment of remuneration & perquisites to Mr. Ashok Shinkar as Whole Time Director of the Company for a period of three years with effect from 30th June, 2009 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.”

“AND THAT the terms and conditions of the said 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 in accordance with the explanatory statement attached hereto and the provisions of Companies Act, 1956 read with Schedule XIII to the said Act or any amendments made hereafter in this regard.”

“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.”

Registered Office:

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

Date: 30th June, 2009

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, 21st September, 2009 to Tuesday, 29th September, 2009 (both days inclusive) for the purpose of Annual General Meeting.
6. At the ensuing Annual General Meeting Dr. P. L. Tiwari - Director, retire by rotation and being eligible offer himself for re-appointment. His brief resume is as under :

Name	Dr. P. L. Tiwari
Age	64 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 /private limited companies in which Directorship held and Committee Membership/ Chairmanship held.	Director: Astec Company Private Limited Committee Membership : NIL Committee Chairmanship : NIL

7. A member of the Company has proposed the candidature of Mr. Ashok Shinkar for the office of the Director. His brief resume is as under:

Name	Mr. Ashok Shinkar
Age	41 Years
Qualification	Chartered Accountant
Expertise in Specific Area	Finance
Date of First Appointment on the Board of the Company	30.06.2009
No. of Shares held in the Company	32,129 Equity Shares
Name of the other public /private limited companies in which Directorship held and Committee Membership/ Chairmanship held.	Director: NIL Committee Membership : 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 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: 30th June, 2009

Place: Vashi, Navi Mumbai

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

Pankaj B. Gupta
Company Secretary

ANNEXURE TO THE NOTICE DATED 30.06.2009

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

Item No. 4 & 5:

Mr. Ashok Shinkar is a Chartered Accountant and has over 15 years of rich experience of Corporate Finance and is associated with the Company since the last 5 years. Keeping this in view, the Board has, at its meeting held on 30th June, 2009, appointed Mr. Ashok Shinkar as an additional director of the Company, pursuant to the provisions of Article No. 147 of Article of Association and Section 260 of Companies Act, 1956. Mr. Ashok Shinkar 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 Mr. Ashok Shinkar as a candidate for the office of Director.

The Board has also appointed Mr. Ashok Shinkar as a Whole-time Director of the Company for a period of 3 years effective from 30th June, 2009 on the terms and conditions as set out in the explanatory statement, subject to the approval of the shareholders. Mr. Ashok Shinkar fulfills the eligibility criteria set out under part I of Schedule XIII to the Companies Act, 1956.

The following are the details of the remuneration and perquisites payable to Mr. Ashok Shinkar as Whole-time Director of the Company.

A. Period

Three Years w.e.f. 30th June, 2009, 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. 4,00,000/- (Rupees Four Lac 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/- (Rupees Six Lac only) per month.

Special Allowance:

Special Allowance of Rs. 2,47,184/- (Rs. Two Lac Forty Seven Thousand One Hundred Eighty Four only) per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of Rs. 4,00,000/- (Rupees Four Lac only) per month.

Education Allowance:

Education Allowance of Rs. 2,400/- (Rupees Two Thousand Four Hundred) per annum.

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/- (Rupees Seventy Five Lac only) per annum.

C. Perquisites

1. Housing: Company's owned / hired / leased accommodation or House Rent Allowance as may be decided by the 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 Allowance: Rs. 15,000/- (Rupees Fifteen Thousand only) per annum. Further 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: Rs. 72,000/- (Rupees Seventy Two Thousand only) per annum.
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 including continuity of service for time served elsewhere, within the Group.
10. A Car for use of Company's business.
11. Driver Salary: Rs. 6,000 per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of Rs. 15,000/- (Rupees Fifteen Thousand only) per month.
12. Leave and encashment of leave, in accordance with the Rules of the Company.
13. Any other policies / benefits that are introduced by the Group from time to time, as applicable at his level.

The aggregate of the salary, allowances and perquisites in any financial year shall be subject to the limits prescribed from time to time under Sections 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.

Subject as aforesaid, Mr. Ashok Shinkar shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

Period of office 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 aforesaid remuneration will be minimum remuneration 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 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	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Total Income	17,205.23	40,278.60	15,263.52	11,492.54	7,524.31
Total Expenditure	20,308.56	37,236.74	13,729.39	10,049.91	6,657.58
Profit / (Loss) Before Tax	(3,103.33)	3,041.86	1,534.13	1,442.63	866.73
Profit / (Loss) After Tax	(3,128.50)	2,977.60	2,082.63	1,073.03	701.25
Rate of Dividend declared	0%	5%	20%	20%	10%

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

	(Amount Rs. in Lacs)	
Year	Foreign Exchange Earnings (Income)	Foreign Exchange Outgo (Expenditure)
2008-2009	8,751.31	2,442.57
2007-2008	18,729.26	5,671.27
2006-2007	7,676.24	5,013.47
2005-2006	5,941.35	1,188.33
2004-2005	2,730.60	1,126.86

- (6) Foreign investments or collaborators, if any

The Company has four foreign subsidiaries namely Wanbury Holdings B.V., Cantabria Pharma S. L., Laboratories Wanbury S. L. and Ningxia Wanbury Fine Chemicals Company Limited. 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. Ashok Shinkar aged about 41 years, is a Chartered Accountant and has over 15 years of experience of Corporate Finance.
- (2) Past Remuneration – Remuneration of Rs. 61.87 Lac was paid to Mr. Shinkar for the year 2008-2009 i.e. for the 6 months period from 1st October, 2008 to 31st March, 2009. Further Rs. 60 Lac was paid to Mr. Shinkar as performance Bonus for the year 2007-2008 i.e. for the 18 months period from 1st April, 2007 to 30th September, 2008.

- (3) Job profile and his suitability – Mr. Ashok Shinkar is in-charge of the Group Finances, Subject to the superintendence, direction and control of the Board of the Company.
- (4) Remuneration proposed – As set out in the explanatory statement. The remuneration of Mr. Ashok Shinkar 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 of size of the Company, the profile of Mr. Ashok Shinkar, an Indian National, the responsibility shouldered by him, the remuneration package set out in explanatory statement 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. Ashok Shinkar does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION

- (1) Reason of loss or inadequate profits:

The Company entered into derivative contracts essentially to realise its export sales proceeds at the average rate of Rs. 40.67 (the market rate prevailing at the time of entering into that contract was around Rs. 38.00)

As a result of the appreciation of US \$ against the Indian Rupee the total potential foreign exchange loss is approx. Rs. 50 Crore as of 31st March, 2009. Though a provision for mark to market foreign exchange losses is not mandatory under the Accounting Standards, the Company is making a full provision as a measure of extreme prudence of the aforesaid foreign exchange losses.

- (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 60% 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 two years the Company has ranked as the fastest growing company in the top 100 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 Members.

None of the Directors except Mr. Ashok Shinkar is concerned or interested in the said resolutions.

Registered Office:

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

Date: 30th June, 2009

Place: Vashi, Navi Mumbai

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

Pankaj B. Gupta
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-First Annual Report together with the Audited Accounts of the Company for the 6 months period ended on 31st March, 2009.

FINANCIAL HIGHLIGHTS:

	(Rs. in Lacs)	
	For the 6 months period ended on 31.03.2009	For the 18 months period ended on 30.09.2008
Gross Sales	17,196.76	39,604.95
Less: Excise Duty & Sales Tax	431.20	1,212.97
Net Sales	16,765.56	38,391.98
Other Income	439.67	1,886.62
Total Income	17,205.23	40,278.60
Total Expenditure	20,308.56	37,236.74
Profit / (Loss) before Taxation	(3,103.33)	3,041.86
Provision for Taxation:		
- Current Tax	0.58	338.36
- Mat Credit Entitlement	-	(337.14)
- Fringe Benefit Tax	28.52	66.19
- Income Tax of earlier years	(3.93)	(3.15)
Profit / (Loss) after Tax	(3,128.50)	2,977.60
Balance b/f from Previous Year	6,239.33	3,764.74
Amount available for Appropriation	3,110.83	6,742.34
APPROPRIATION		
Proposed Dividend	-	73.45
Tax on Dividend	-	12.48
Short Provision of Dividend of Earlier Year	0.01	4.13
Tax on Dividend of Earlier Year – Rs. 175		0.70
Transfer to Debenture Redemption Reserve	-	412.25
Balance Carried to Balance Sheet	3,110.82	6,239.33

OPERATIONAL REVIEW:

The figures given above are not strictly comparable because the current financial year covers the period of 6 months against previous financial year of 18 months. However the highlights are as under:

The Total Income for the financial year under review was Rs. 17,205.23 Lac as against Rs. 40,278.60 Lac in the previous year. The Total Expenditure was Rs. 20,308.56 Lac as against Rs. 37,236.74 Lac.

The Company entered into derivative contracts essentially to realise its export sales proceeds at the average rate of Rs. 40.67 (the market rate prevailing at the time of entering into that contract was around Rs. 38.00)

As a result of the appreciation of US \$ against the Indian Rupee the total potential foreign exchange loss is Rs. 3,501.60 Lac as of 31st March, 2009. Though a provision for mark to market foreign exchange losses is not mandatory under the Accounting Standards,

the Company has made a provision for an amount of Rs. 3,500 Lac to meet anticipated foreign exchange losses as a measure of extreme prudence. As a result the Loss After Tax was Rs. 3,128.50 Lac for the 6 months period ended as on 31st March, 2009.

Exports of the Company during the year under review were Rs. 8,642.36 Lac and were Rs. 17,811.07 Lac for the 18th Months period ended as on 30th September, 2008. The Company has been exporting its products to approx. 50 Countries.

DIVIDEND

In view of losses incurred by the Company, no dividend has been recommended for the year 2008-2009 i.e. for the 6 months period from 1st October, 2008 to 31st March, 2009.

ACCOUNTING YEAR OF THE COMPANY

The financial year of the Company is from April to March. However 20th financial year of the Company was of 18 months from 1st April, 2007 to 30th September, 2008 and the 21st financial year of the Company under review is of 6 months from 1st October, 2008 to 31st March, 2009.

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

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

The BIFR held a review hearing on 14th May, 2009, pursuant to the Order of Hon'ble Supreme Court and directed all the parties to file their written submissions with regard to proceeding further for implementing the order of Hon'ble Supreme Court of India. BIFR also directed the Operating Agency to submit a consolidated report for implementing the decision of the Hon'ble Supreme Court of India, covering all legal aspects of the case. Next hearing in this matter will be held on 11th August, 2009.

FOREIGN CURRENCY CONVERTIBLE BONDS ISSUE:

Your Company has issued Foreign Currency Convertible Bonds (FCCB) aggregating EURO 15 Million (Euro Fifteen Million only) on 20th April, 2007, in two parts. First part consists of 800 nos. Foreign Currency Convertible "A" Bonds of face value of EURO 10,000 each i.e. size of Bond A was EURO 8 Million and second part consists of 700 nos. Foreign Currency Convertible "B" Bonds of face value of EURO 10,000 each i.e. size of Bond B was EURO 7 Million, in accordance with the terms and conditions mentioned in the offering circular dated 25th April, 2007.

During the year under review the Company has not received any application for conversion of FCCB into equity shares of the Company. Till date 5,29,085 fully paid equity shares of face value of Rs. 10/- each have been issued at a conversion price of Rs. 138.43 per equity share upon conversion of 128 Foreign Currency Convertible A Bonds of face value of EURO 10,000 each.

SUBSIDIARY COMPANIES

The Company does not have a non listed Indian subsidiary.

However, the Company had 4 foreign subsidiaries as on 31st March, 2009. 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 Order dated 26/06/2009, the Company is not attaching along with its Annual Report, detailed financial statement of accounts comprising of Balance Sheet, Profit & Loss Account, reports of Directors & the Auditors and other information of its subsidiary companies.

Any Shareholder interested in obtaining the Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report of the subsidiaries of the Company may write to the Company Secretary at the Registered Office of the Company.

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.

Mr. Ashok Shinkar has been appointed as an Additional Director and thereafter Whole Time Director, subject to the approval of members of the Company, w.e.f. 30th June, 2009 by the Board at its meeting held on 30th June, 2009.

Mr. Ashok Shinkar 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 the Companies Act, 1956, from a member proposing the candidature of Mr. Ashok Shinkar for the office of the Director. 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 Secretary at the Registered Office of the Company.

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 Accountants, 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.

M/s. Brahmayya & Co., Chartered Accountants, Vijayawada, retire as Branch Auditors of the Company at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Branch Auditor, to audit the accounts of the Company's Plant situated at Tanaku, West Godavari District, Andhra Pradesh, if re-appointed. Your Board recommends their re-appointment.

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 Hemant V. Shah, Cost Accountant, in respect of audit of cost accounts for bulk business of the Company for the 6 months period ended on 31st March, 2009, will be submitted to the Central Government in due course.

The Board of Directors of the Company has approved the appointment of Hemant V. Shah, Cost Accountant, in respect of audit of cost accounts for bulk business of the Company for the financial year 2009-2010, i.e. from 1st April, 2009 to 31st March, 2010 at their meeting held on 23rd March, 2009. An application for the approval of Central Government has been made towards the appointment of Mr. Hemant V. Shah as Cost Auditor for the financial year 2009-2010.

FIXED DEPOSITS:

The Company has not invited / accepted / renewed any fixed deposits as per the provisions of Section 58A 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the period under review and of the loss of the Company for the period under review.
- 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 Earnings 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**

WHOLE-TIME DIRECTOR

K. R. N. MOORTHY

DEPUTY MANAGING DIRECTOR

Mumbai, 30th June, 2009

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: -

1. DG overhauled at Patalganga plant to achieve the rated unit generation capacity i.e. 3.5 units/ltr of diesel consumption. (Earlier it was 2.8 to 2.9 units/ltr).
2. HPMV lamps replaced with CFL lamps.
3. One reactor conventional gear box replaced with helical gear box to save motor HP, i.e. 3hp being used instead of 5hp motor.
4. Recycle of boiler water in order to achieve heat recovery is under implementation.

INFORMATION AS PER PRESCRIBED FORM A:

	For the 6 months period ended on 31.03.2009	For the 18 months period ended on 30.09.2008
1. Electricity		
(a) Purchased		
Unit (KWH)	58,28,723	1,55,02,971
Total Amount (in Rupees)	2,33,78,280	6,21,19,625
Rate / Unit (in Rupees)	4.01	4.01
(b) Own Generation		
Unit (KWH)	5,66,775	8,99,398
Total Amount (in Rupees)	66,69,581	1,11,14,952
Rate / Unit (in Rupees)	11.77	12.36
2. Furnace Oil & LDO		
Quantity (Litres)	14,73,829	37,73,137
Total Amount (in Rupees)	2,66,22,235	8,74,76,355
Average Rate (Rs. per Litre)	18.06	23.18
3. Coal		
Quantity (MT)	2,041	4,613
Total Amount (in Rupees)	72,08,507	1,32,48,704
Average Rate (Rs. per MT)	3,531.23	2,872.04

(B) CONSUMPTION PER UNIT OF PRODUCTION

The Company manufactures APIs having varied product cycles. It is therefore, impractical to apportion the consumption and cost of utilities to each product.

NOTE: There are no specific standards, as the consumption per unit depends upon the product mix. Variations in consumption are due to different product mix.

(2) ABSORPTION OF TECHNOLOGY AND RESEARCH & DEVELOPMENT

API DIVISION

The R & D centre has improved its strength to a team of over 25 scientists, who continue to offer dedicated services for R&D projects such as Process Research, Contract Research & Manufacturing Services (CRAMS) etc.

During the year, the R & D centre of your Company has developed lab scale processes for 5 APIs, completed two cost reduction projects and CRAMS (4 Nos.) . In addition to this DMF for 2 APIs in US and CTD for 2 APIs in Europe have been filed.

The synthesis of APIs today is governed by stringent norms as the process chemistry employed needs to be cost effective, hazard-free, non-infringing, adhering to Pharmacopoeia quality and eco-friendly. R&D centre has successfully improved the process through backward integration for its key API wherein nearly a 10 % cost reduction has been achieved. It has also improved the yields of another key API of company by 10% there by not only reducing the cost but also minimizing the ecological load.

Our CRAMS business is about customized solutions – providing advance intermediates, fine chemicals and APIs to our customers after understanding their requirements. Your Company has a very strong products portfolio with more than 30 products in the pipeline, 5 out of these have already been on lab development and 2 on plant scale.

FORMULATION DIVISION

The R&D Centre has entered into an agreement with a Canadian Company to develop ANDA's for the Canadian market. Work on four such products has started.

The R&D Centre has also started work on 7-8 novel fixed dose combinations and NDDS projects.

Many new products have been launched in the Indian market. One such novel product is Cdense Gems. This is a sugar coated chewable calcium supplement for kids which is similar in concept to the hugely popular Cadbury Gems. The product has been launched in the domestic market in May.

The R&D Centre has also developed many DC Granule based products. Metformin DC 86.6 % is now being supplied on a commercial scale to customers.

Meanwhile research work continues in the field of Novel Drug Delivery Systems and many new concepts are on an exploratory stage.

Expenditure on R&D	(Rs. in Lacs)
Capital	18.49
Recurring	187.02
Total	205.51
Total R&D expenditure as a percentage of net sales	Approx. 1%

(3) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. In Lacs)	
	For the 6 months period ended on 31.03.2009	For the 18 months period ended on 30.09.2008
INCOME:		
Foreign Exchange earned by the Company:		
F.O.B. Value of Exports.	8,642.36	17,811.07
Freight, Insurance Etc.	108.24	829.44
Fixed Deposit Interest	0.71	88.75
Total Income	8,751.31	18,729.26
EXPENDITURE:		
C.I.F. Value of Imports		
Raw Material (including High Seas purchases)	2,061.65	4,972.51
Capital Goods	18.15	66.99
Interest	158.45	343.57
Commission Paid	34.37	116.47
Legal & Professional Fees	27.29	4.25
FCCB Issue Expenses	-	51.17
Other Expenses	142.66	116.31
TOTAL EXPENDITURE	2,442.57	5,671.27

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
WHOLE-TIME DIRECTOR

K. R. N. MOORTHY
DEPUTY MANAGING DIRECTOR

Mumbai, 30th June, 2009

STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Financial year / period of the subsidiary company	Date from which it became subsidiary	Extent of Interest of the holding Company in the Capital and Reserve of the subsidiary company at the end of the financial year / period of the subsidiary company		Net aggregate amount of the subsidiary company's profit / (loss) not dealt with in the holding Company's accounts		Net aggregate amount of the subsidiary company's profit / (loss) dealt with in the holding Company's accounts	
			a) Number of shares held	b) extent of holding	Current year / period	Previous year / period	Current year / period (Rs in Lacs)	Previous year/ period (Rs in Lacs)
Wanbury Holdings B. V., Netherlands	1st April to 31st March	15th September, 2006	5,098 Ordinary Equity Shares of Face Value of Euro 1000 each.	100%	NIL	NIL	(207.72)	(50.88)
Cantabria Pharma S. L., Spain	1st April to 31st March	2nd October, 2006	900 shares of Face Value of Euro 60 each. (Refer Note 1)	90%	NIL	NIL	50.37	227.00
Laboratories Wanbury S. L., Spain	1st January to 31st December	28th September, 2007	2709 shares of Face Value of Euro 1 each. (Refer Note 2)	90%	NIL	NIL	(1.47)	NIL
Ningxia Wanbury Fine Chemicals Co. Ltd., China	1st January to 31st December	24th October, 2007	13,260 shares of Face Value of USD 1 each.	100%	NIL	NIL	9.20	NIL

Notes:

- (1) Shares are held by Wanbury Holdings B. V., Netherlands, a wholly owned subsidiary of the Company. Further Wanbury Holdings B. V. holds 100% of the beneficial interest.
- (2) Shares are held by Cantabria Pharma S. L., Spain.
- (3) There is no change in holding Company's interest in the subsidiaries between the end of the financial year of the subsidiaries and the end of the holding Company's financial year.
- (4) No material changes have been occurred between the end of financial year of the subsidiaries and end of the holding Company's financial year in respect of - (a) the subsidiary's fixed assets (b) the subsidiary's investment (c) the monies lent by subsidiary (d) the money borrowed by subsidiary for any purpose other than that of meeting current liabilities.
- (5) Pursuant to the exemption given by the Central Government, Ministry of Corporate Affairs, under Section 212(8) of the Companies Act, 1956, vide its Order dated 26/06/2009, the Company is not attaching along with its Annual Report, detailed financial statement of accounts comprising of Balance Sheet, Profit & Loss Account, reports of Directors & the Auditors and other information of its above mentioned subsidiary companies. Any Shareholder interested in obtaining a copy of the Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report of said subsidiaries, may write to the Company Secretary at the Registered Office of the Company.

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

Mumbai, 30th June, 2009

**INFORMATION ON THE FINANCIAL OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED
31ST MARCH, 2009**

Name of the Subsidiary Company	Wanbury Holdings B. V., Netherlands	Cantabria Pharma S. L., Spain	Laboratories Wanbury S. L., Spain	Ningxia Wanbury Fine Chemicals Co. Ltd., China
The financial year / period ended on	31st March, 2009	31st March, 2009	31st December, 2008	31st December, 2008
	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)
Capital	3,793.30	34.49	2.03	5.29
Ordinary Share Application Money	5,512.50	-	-	-
Preference Share Application Money	2,119.55	-	-	-
Reserves	927.20	298.56	(1.66)	5.22
Total Liabilities	12,352.55	31,835.83	0.37	10.51
Total Assets	12,352.55	31,835.83	0.37	10.51
Investment (other than in subsidiaries)	-	-	-	-
Turnover (net)	2.75	13,091.17	-	907.70
Profit / (Loss) before Tax	(207.72)	245.57	(1.47)	12.35
Provision for Tax	-	195.20	-	3.15
Profit / (Loss) after Tax	(207.72)	50.37	(1.47)	9.20
Proposed Dividend	-	-	-	-

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

Mumbai, 30th June, 2009

Management Discussion and Analysis Report

Industry: Development and Opportunities

As per IMS Health, the global pharmaceutical market grew by 8.1% to USD 770 billion in 2008. It expects a slow down in the market over the next 4-5 years and predicts a 3-6% CAGR growth through 2013. Global economic downturn and currency exchange fluctuations it believes will lead to a 2.5-3.5% growth in the market in 2009. However, the pharmaceutical market is expected to rebound as the global economy recovers.

While the U.S. market estimated at USD 290 billion in 2008 is expected to contract in 2009 the Pharmerging markets are estimated to grow at CAGR of 13-16% through 2013. The seven Pharmerging markets China, Brazil, India, South Korea, Mexico, Turkey and Russia will contribute more than half of global market growth in 2009 and sustain an average 40 per cent contribution through 2013. China, which is currently the sixth-largest pharmaceutical market, will become the third largest by 2011.

Among the developed markets of Japan, France, Germany, Italy, the U.K., Spain and Canada, their CAGR over the next five years is expected to be 1-4 per cent.

The Indian pharmaceutical industry estimated at USD 8 billion is expected to grow by 12-13% through 2015 to reach USD 20 billion. This incremental growth will make India the third largest market in the world after U.S. and China in value terms in 10 years. According to ORG IMS rural areas currently account for 40% of the market, and are expected to grow much faster than the rest of the country.

The domestic formulations market has witnessed double digit growth in recent years. Population growth, increased healthcare access, increased affordability and better epidemiology are the key factors that led to rising growth levels.

Patent-protected drugs worth nearly USD 80 billion will go off-patent (including 30 of the best selling U.S. patent-protected drugs) by 2012. In addition, there is global shift towards use of generics as governments worldwide are under tremendous pressure to curtail steeply escalating healthcare budgets. Consequently, the generics industry in India after capturing the U.S. market is gradually making its foray into Japan, South Africa, Europe and the Commonwealth countries. Indian pharmaceutical companies with their reverse-engineering expertise, abundant investment in research facilities and availability of skilled manpower are favourably placed in the global generic market. India currently accounts for over 25% of the total generic drug applications made to the U.S. FDA, which accounts for over half of the USD 60 billion market. Further, the U.S. FDA's latest generic initiative GIVE (Generic Initiative for Value and Efficiency) aimed at increasing the number and variety of generic medicines available to consumers and healthcare providers is expected to further fuel the export plans of Indian pharmaceutical companies.

CRAMS (Contract Research and Manufacturing Services)

With a number of blockbuster drugs getting off patent in the coming years and increasing R&D costs coupled with low R&D productivity, major pharmaceutical companies worldwide are finding it difficult to maintain their bottom lines. They have taken recourse to outsourcing part of their research and manufacturing activities to lower cost countries, thereby saving costs and time, in the process. According to Cygnus the global pharmaceutical outsourcing market was worth USD 55.0 billion in 2007 and is expected to reach USD 76 billion by 2010, at a CAGR of 10%. The above trends have led to the evolution of Contract Research and Manufacturing Services (CRAMS) as a fast emerging business opportunities for cost-efficient players in emerging markets like China, India, Brazil and Mexico which have over the last few decades developed considerable expertise and skills in pharmaceutical chemistry and created world class manufacturing facilities.

India capitalised on the aforesaid opportunity and is emerging as a major destination for contract research and manufacturing services with its existing pool of skilled human resource, low cost advantage, technical expertise, manufacturing capability, diverse genetic pool, confidentiality and trust worthiness. Over the last 5 years, the CRAMS industry has been contributing close to 8% of the total Indian pharmaceutical business. Developed countries are expected to further propel the CRAMS industry to grow at a CAGR of nearly 32% from 2008 to 2013 as India offers global pharmaceutical companies both quality and cost advantage. The Indian CRAMS market stood at USD 1.2 billion in 2007 and is estimated to reach USD 3.16 billion by 2010. Growth in contract manufacturing is likely to be driven by increasing outsourcing of later stage and off-patent molecules by big pharma companies to compete with generics.

Contract manufacturing (CMO) is one of the fastest growing segments in the Indian Pharmaceutical market. India has the largest number of U.S. FDA approved plants outside the U.S. with over 100 facilities. The CMO market stood at USD 869 million in 2007 and is expected to have a CAGR of 41.7% to reach USD 2.46 billion by 2010.

Contract research, including drug discovery research and clinical research has also been growing at a phenomenal rate. Frost and Sullivan estimates outsourced contract research in India to reach USD 2 billion by 2012. Similarly, according to a McKinsey report, the global clinical trial outsourcing to India in the pharmaceutical industry is estimated to be worth USD 1.23 billion by 2010.

Company Outlook

Domestic Formulations Business

Your Company has won the 'Best Launch of the Year' award by ORG IMS for the second year in succession for its Anti-Ulcerant brand Rabiplus, launched in 2008.

Rabiplus, known for its unique NDDS (Novel Drug Delivery System) reached its first milestone in just 50 days of its launch as it crossed the Rs. 1 crore sales mark. The vision was to reach Rs. 10 crore mark in the 1st year but Rabiplus outperformed at Rs. 15 crore in the 1st year of launch itself. Rabiplus is indicated for the treatment of Hyperacidity, NSAID induced Gastritis, Stomach Ulcer, Duodenal Ulcer, and GERD (Gastro Esophageal Reflux Disorder).

Your Company continues to be the fastest growing pharmaceutical company in India amongst the top 150 companies and moved from 56th position in September 2008 to 47th position as of March, 2009. The Company continues to focus on Orthopedics, Gastrointestinal, Gynecology and Surgery therapeutic segments and has launched two new super specialty divisions in the existing therapeutic segments;

WOW – A super focus division in the Gynecology therapeutic segment launched in March-2009. The division would have a Sales force of nearly 100 people and would launch about 5-6 products in the next 8-10 months.

Wellbone – A super focus division in the orthopedic therapeutic segment launched in May-2009. The division introduced 'Lorqrs', an NDDS product based on Lornoxicam, which has a 90% dissolution in 10 minutes as compared to 10% dissolution in 90 minutes by other products based out of the same generic. The division would have a Sales force of nearly 100 persons by 2011.

Your Company expects to win the 'Best launch of the year' award for the third year in a row led by its two new product launches in the Gynecology and Surgery therapeutic segments.

Cdense – Your's is the first company to launch a Calcium drug with Calcium Orotate. The brand was 234th to enter the Calcium market and within a span of less than 6 months has reached the 7th position.

Cheer – The only product in the market that constitutes essential amino acids which the body is not capable of generating. The product has been received very well in the market.

Your Company currently has 4 of its products viz. Cpink, Rabiplus, Folinine and Adtrol in the 'Top 3' brands in the respective segments. The Company hired nearly 200 people in the last 6 months and has managed to nearly double its Sales per month. The Company has nearly 20 products in the pipeline and is expected to launch nearly 10 products over the next 3-6 months.

API (Active Pharmaceutical Ingredients)

Your Company continues to remain the largest manufacturer of Metformin in the world with over 30% market share. It faced certain challenges in the U.S. market due the unfavourable market conditions and also because of the change in inventory policies of some of its key clients. However, the Company overcame the challenges by increasing its Sales in the rest of the world. The Company continues to dominate the U.S. Market in Tramadol and Salsalate catering to more than 50% of the market. The Company increased the Tramadol sales by almost three times and owing to its process engineering (re-processing the residual) initiatives have managed to increase its productivity by significantly.

The Company appointed world renowned Consultancy firm Alvarez and Marsal for engineering growth in CRAMS and improving profitability.

The Company has a basket of over 23 API products and exports to over 50 countries, 65% of which comprise regulated markets. It has 2 USFDA approved multi-product APIs facilities and over 4 other plants under operations for semi-regulated markets. The Company successfully completed the 3rd USFDA audit for its Tanuku plant over the last 6 months. Your Company is a preferred supplier to some of the top generic companies in the world including, Apotex, Teva, Mylan, Pfizer etc. The Company has filed 27 DMFs, 1 product patent and 7 process patents till date. Three of the 7 process patents, namely Sertraline Hydrochloride, Carvedilol and Paroxetine have already been approved.

Drug Master Files (DMFs):

- Metformin HCl
- Tramadol Hydrochloride
- Promethazine Hydrochloride
- Sertraline Hydrochloride (Form-II)
- Amitriptyline Hydrochloride
- Paroxetine Hydrochloride
- Metformin HCl DC grade 90%
- Metformin HCl DC grade 95%
- Ibuprofen DC grade 90%
- Glucosamine HCl
- Glucosamine sulfate potassium chloride
- Glucosamine sulfate sodium chloride
- Ibuprofen
- Mefenamic acid
- Sertraline hydrochloride (Form-1)
- Ibuprofen DC grade 65%
- Diphenhydramine Citrate
- Methoxsalen
- Atenolol
- Carvedilol
- Risperidone
- Clopidogrel Bisulfate
- Diphenhydramine Hydrochloride
- Metformin HCl SR Grade 70%
- Pantoprazole Sodium Sesquihydrate
- Carvedilol Phosphate Hemihydrate
- Levetiracetam

CRAMS

Your Company has managed to double its CRAMS business over the last one year and it expects to cross Rs.10,000 lac mark by 2012. It already has a potential order book Rs. 6,000 lac, which it expects to grow by 30-40% annually over the next 5 years. The Company's USFDA approved plant Tanuku is being continuously audited by some of the largest Pharma companies in the world, which would result in potential orders going forward. The Company's initiative of opening a Swiss office has paid reach dividend with everyday enquiries and site inspections by a number of European Pharma majors.

Your Company has identified CRAMS as its principal growth driver over the next years and is also contemplating in organic options to meet its target growth.

International Formulations Business / European Generics: Cantabria Pharma

Your Company undertook strategic initiatives in the following key areas:

Business Development / New Product Launches

Your Company launched 5 new branded generics Epilmax (topiramate), Flaxen (venlafaxine retard), Nasotricin (Fluticasone nasal spray), Ilufren (quetiapine) and Panproton (Pantoprazole) over the last one year, which generated Sales of nearly Euro 1.5 million for the 6 months period ended 31st March, 2009. The Company contracted a generic sales force launch in May 2009 to capitalise on distribution effort for branded generics and old generics in the mix and estimates incremental sales of Euro 2 million.

To mitigate the risk of price reductions, which are prevalent in the Spanish markets, your Company is increasingly focusing on in-licensing patent products. In this regard the Company has already launched Picasum an anti-inflammatory product in June, 2009, which is estimated to achieve a Sales of Euro 4 million in the very first year. The Company has also acquired the marketing rights for two more patented products Xazal and Stopcold from UCB (a Belgian Pharmaceutical Company). The Company is also in active negotiations for in-licensing 5 more price protected drugs.

Human Resource Initiatives

Your Company has completed the gradual replacement process of its entire first line sales management with more appropriate managers and replaced bottom 8 non-performers with new experienced sales representatives. Cantabria Pharma conducted 6 motivation and vision workshops to cover 80% of the total team.

Cost Reduction Initiative

The Company has taken measures to reduce the cost of goods with the vendors and is expected to save up to Euro 1 million annually.

Process Improvement

Your Company completed 2 phases of internal audit and SOP for sales, marketing, HR and purchases. It installed system to evaluate brick-wise potential of each sales representative and performance and a new CRM system to take care of issues with legality.

R & D

The Company's R & D is recognised by DSIR (Department for Scientific & Industrial Research) – India and its team of dedicated Scientists and Research Doctors are into:

- **Process Research:** APIs for Regulated Markets / Emerging Markets and Custom Synthesis
- **Pharma Research:** Development of ANDAs and finished dosages for Regulated Markets
- **NDDS:** Development of Novel platforms for Speciality Generics and IPR

Threats, Risk and Concern

As any other business, your Company is subject to various risks and threats. The key risks/ threats are as follows;

Competition

Your Company operates in a highly competitive environment with pricing being one of the key determining factors of success. In the API segment, your Company has been able to overcome this risk by influencing the prices as it is the market leader for Metformin, which accounts for nearly 70% of the Company's total sales and is also one of the market leaders for Tramadol and Salsalite, which collectively account for 6% of its total sales. In the Formulations Business the Company has mitigated this risk to a very large extent by diversifying its product portfolio and launching new value added products. The continuous rise in crude oil and other commodities prices impact the prices of raw material and intermediates and in turn increase the cost of APIs. However, Your Company's backward integration initiatives and number of arrangements with suppliers has reduced commodity risk to an extent.

Patents / IPR

The success of your Company depends largely on its ability to obtain patents, protect trade secrets and other proprietary information and operate without infringing on the proprietary rights of others. Your Company has a dedicated Research and Development team that continuously innovates and remains competitive by developing / acquiring ability to sort out simple and effective solutions to practical problems. Your Company has filed 27 DMFs, 1 product patent and 7 process patents till date. Three of the 7 process patents, namely Sertraline Hydrochloride, Carvedilol and Paroxetine have already been approved. The Company has a team of highly competitive scientists supported by excellent instrumentation, which includes sophisticated instruments like High-performance liquid chromatography (HPLC), Fourier transform spectroscopy (FTIR), GC (Gas Chromatography) with head space, particle size analyzer etc.

Foreign Exchange Fluctuations

As the share of exports to total sales made by your Company is considerable, it is prone to losses due to exchange rate fluctuations; however, the Company has hedged its exposure to a large extent thereby reducing the risk.

Internal Control Systems and its Adequacy

Your Company has sound, well-established and adequate internal control systems commensurate with its size and nature of business. The internal control systems ensure protection of assets and proper recording of all transactions. The Company has an

Internal Audit Department consisting of a team of skilled employees, which carries out regular audits across all operations of the Company.

Developments in Human Resources

Human Resources are valuable asset at your Company and critical to achieve organisational goals and hence the Company seeks to attract and retain the best talent available. The Company provides an environment, which encourages initiative, innovative thinking and rewards performance. Training and development of its personnel are ensured through job rotation, on the job training, training programmes and workshops. Prime focus of Human Resource Management has been overall development.

Financial Review

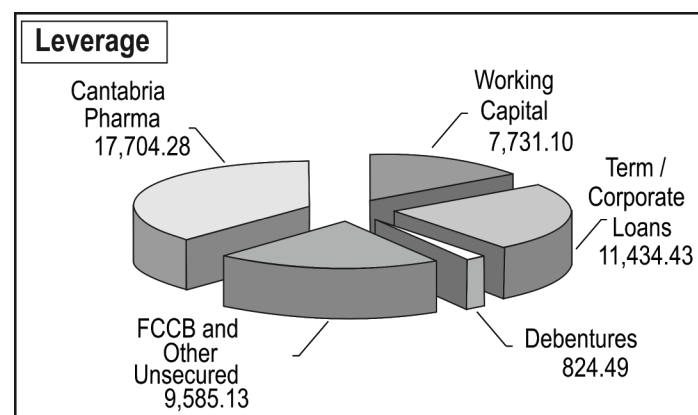
Particulars	(Amount Rs. in Lacs)	
	FY 08-09 6 Months Standalone	FY 07-08 18 Months Standalone
Net Sales	16,766	38,392
Exports	8,642	17,811
Total Income	17,205	40,279
Total Cost	20,309	37,237
EBITDA	(1,761)	6,017
PBT	(3,103)	3,042
PAT	(3,129)	2,978

The Company had an 18 months period in FY08 ending in September-2008 because of certain uncertainties relating to PPIL (Pharmaceutical Products of India Limited) merger. In order to get back to a March year end going forward the Company has reduced its financial year to 6 months period ended 31st March, 2009.

The financial year ended 31st March, 2009 being a 6 months period is not comparable with FY 2008. Your Company has generated Net Sales of Rs. 16,766 Lac for the period and had exports of Rs. 8,642 Lac accounting for nearly 52% of Total Sales. Total Income for the period was Rs. 17,205 Lac.

The API business generated Net Sales of Rs. 10,827 lac led by exports to new regions. The Formulations registered Net Sale of Rs. 5,939 Lac led by new product launches and a significant growth in the new products introduced during the last fiscal. The Spanish business represented by Cantabria Pharma had a Net Sales of Rs. 7,528 Lac and accounted for nearly 31% of the Total Consolidated Sales of the Company.

Your Company had a negative EBITDA of Rs. 1,761 Lac largely on account of Derivative Losses and Forex provisions. On an operational basis and after adjusting for the Exchange Fluctuation Losses (Rs. 1406 lac) and the Forex Provisions (Rs. 3,500 Lac) the Company made an Operating Profit (EBITDA) of Rs. 3,145 Lac.



Similarly, your Company had a negative PBT of Rs. 3,103 Lac after absorbing the Derivative losses and making provision for Forex losses. However, on an operational basis and after adjusting for the Exchange Fluctuation Losses and Forex Provisions the Company had PBT of Rs. 1,803 Lac.

Leverage

The Company had a consolidated Debt of Rs. 47,279.43 Lac as on 31st March, 2009. The breakup of the same is as shown in the chart.

The average maturity of the Domestic Term Loans is

3-5 years and the maturity of its overseas borrowings is 5 years. The Company continues to generate healthy cash from operations to repay the debt. The FCCBs have a maturity of 5 years with a conversion price of Rs. 138.43 and a mandatory conversion option at a market price of 30%-50% premium to Conversion Price. Your Company stock had 52 week high of Rs. 106 as on 31st March, 2009 and is confident of redeeming the bonds on maturity.

The Company has successfully entered into a non-cash settlement with the seller (Industria Farmaceutuca Cantabria) of its Spanish subsidiary Cantabria Pharma, by transferring one of its marketing rights back to the seller. In lieu of the final tranche of payment of Euro 8.2 million including accrued interest and 10% stake in Cantabria held by IFC, the Company has transferred back its marketing right on the de-growing brand Varidasa as a full and final settlement.

Pursuant to the above transaction the Company will not be drawing the last tranche of Euro 11 million of the Euro 34 million Term Loan facility it enjoys with the consortium including, SBI, BOI and ABN AMRO Bank. The Company thereby has capped its drawing at Euro 23 million and has Euro 21.2 million outstanding as of 31st March, 2009 against the facility. Your Company has requested the Banks for the extension of the tenure of the Euro Term Loan facility by 2 years from 2012 to 2014. The banks are favourably considering the request and final decision on the same is expected by end of September, 2009.

Forward Looking Statement

Caution: Statements in the Management Discussion and Analysis Report describing the Company objectives, vision and road map for the Company's growth are forward looking statements and progressive within the meaning of applicable Security Law and Regulations. Actual results and actions of the Company may vary depending on opportunities, circumstances, economic conditions, government policies and other incidental factors.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
WHOLE-TIME DIRECTOR

K. R. N. MOORTHY
DEPUTY MANAGING DIRECTOR

Mumbai, 30th June, 2009

CORPORATE GOVERNANCE REPORT

(1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy on Code of Corporate Governance lays strong emphasis on transparency, accountability, fairness, integrity and adherence to the highest standards of ethics in all its operations.

Your Company strongly believes in maintaining highest business ethics and complies with all the statutory and regulatory requirements. Your Company is fully Compliant with all the provisions of Clause 49 of the Listing Agreement of Stock Exchanges. The details of Compliances are as follows:

(2) BOARD OF DIRECTORS

The composition of the Board, Category of the Directors and Number of Directorship & Membership / Chairmanship of Committees in other Companies are as under:

Name of Director	Category	No. of Directorship (s) Held ¹	No. of Outside Committee Position Held	
			Member	Chairman
Mr. K. Chandran	Promoter - Whole-time Director	NIL	NIL	NIL
Mr. K. R. N. Moorthy	Non-promoter - Deputy Managing Director	1	NIL	NIL
Dr. P. L. Tiwari	Independent Director	NIL	NIL	NIL
Mr. N. K. Puri	Independent Director	NIL	NIL	NIL
Mr. A. L. Bongirwar	Independent Director	2	1	NIL
Mr. Sudip Bhattacharyya	Nominee-Director of Export Import Bank of India	1	1	NIL

¹ Excluding Directorship in private limited companies and foreign companies.

The Board/Committee Meetings are generally scheduled well in advance. The Notice and Agenda papers of each Board/Committee Meeting are given to each Director well in advance. All the items on the Agenda are accompanied by notes / Memorandum to the Board giving comprehensive information on the related subject. In certain matters such as financial / business plans, financial results, etc., detailed presentations are made at the Board Meeting. The Board / Committee Members are free to recommend the inclusion of any matter for discussion in consultation with the Chairman of the meeting.

The Board Members meet at least once in a quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major decisions like policy formulation, strategy and business plans, new investments, compliance with statutory / regulatory requirements, major accounting provisions etc. are considered by the Board.

The Minutes of the Board/Committee Meetings are circulated on conclusion of the Board/Committee Meeting to the Board / Committee Members for their comments and confirmed at the subsequent meeting.

During the period under review i.e. financial year 2008-2009 (from 1st October, 2008 to 31st March, 2009), 4 Board Meetings were held on 27/11/2008 (adjourned board meeting held on 28/11/2008), 31/12/2008, 30/01/2009 and 23/03/2009. The gap between two Board Meetings has not exceeded four months.

Directors Attendance Record

Name of Director	No. of Board Meetings attended during the year	Whether last AGM attended
Mr. K. Chandran	4	YES
Mr. K. R. N. Moorthy	4	YES
Dr. P. L. Tiwari	4	YES
Mr. N. K. Puri	4	YES
Mr. A. L. Bongirwar	4	NO
Mr. Sudip Bhattacharyya	4	YES

(3) BOARD COMMITTEES:

At present, the Board has six committees namely the Audit Committee, the Investors' Grievance Committee, the Remuneration Committee, the Borrowing Committee, the Share Transfer Committee and the Day to Day Affairs Committee.

(A) AUDIT COMMITTEE :

Your Company's Audit Committee has been constituted in accordance with the provisions of Clause 49 of Listing Agreement and Section 292 A of the Companies Act, 1956.

During the period under review, the Audit Committee met 4 times on 27/11/2008 (adjourned committee meeting held on 28/11/2008), 31/12/2008, 30/01/2009 and 23/03/2009.

The audit committee comprises of below mentioned directors and their attendance was as under:

Name of Director	No. of Meetings Attended
Mr. N. K. Puri – Chairman	4
Dr. P. L. Tiwari – Member	4
Mr. A. L. Bongirwar – Member	4
Mr. Sudip Bhattacharyya – Member	4
Mr. K. R. N. Moorthy – Member	4

Mr. Pankaj B. Gupta, Company Secretary and Compliance Officer acted as Secretary of the Audit Committee.

Terms of Reference:

The terms of reference to the Audit Committee include:

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommend the appointment, re-appointment and if required the replacement or removal of the statutory and cost auditor, fix audit fee and also approval for payment of any other services rendered.
- c. Review with management the financial statements before submission to the Board for approval.
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Review adequacy of control systems with the management, external and internal auditors.
- e. Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discuss with internal auditors any significant findings and follow up there on.
- g. Discuss with external auditors before commencement of audit about nature and scope of audit and post audit about any area of concern.
- h. Review the Company's financial and risk management policies.
- i. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.

(B) INVESTORS' GRIEVANCE COMMITTEE :

Your Company's Investors' Grievance Committee has been constituted in accordance with the provisions of Clause 49 of Listing Agreement. The committee consists of 5 Directors. The Chairman of the Committee is an Independent Director. The Committee met 2 times during the period under review on 28/11/2008 and 30/01/2009. The attendance record of the members at the meeting is as under:

Name of Director	Category	No. of Meetings Attended
Mr. N. K. Puri – Chairman	Independent Director	2
Dr. P. L. Tiwari – Member	Independent Director	2
Mr. A. L. Bongirwar – Member	Independent Director	2
Mr. K. Chandran – Member	Executive Director	2
Mr. K. R. N. Moorthy – Member	Executive Director	2

The total numbers of complaints received and replied to the satisfaction of shareholders during the period under review were 18. No complaint and no Share Transfer request were pending as on 31st March, 2009.

(C) REMUNERATION COMMITTEE:

The Remuneration Committee has been formed for evaluating & recommending the executive directors' remuneration plan & policy to the Board of Directors for their approval.

All the members of the Remuneration Committee are Independent Directors namely Mr. N. K. Puri (Chairman), Mr. A. L. Bongirwar (Member) and Dr. P. L. Tiwari (Member). During the period under review, the Remuneration Committee met only once on 28/11/2008 (adjourned remuneration committee meeting held on 31/12/2008). All the members were present in the committee meeting held on 28/11/2008 and adjourned committee meeting held on 31/12/2008.

The remuneration structure of the Executive Directors comprises of salary, perquisites & allowances, performance linked bonus, contribution to provident fund and gratuity. Annual increment and performance linked bonus of Executive Directors are evaluated by the Remuneration Committee and recommended to the Board of Directors for their approval. The Non-executive Directors do not draw any remuneration from the Company except sitting fees.

The Company does not have a scheme of Stock Options and none of the Directors of the Company holds any equity share of the Company as on 31st March, 2009.

The sitting fees paid to Non-executive Directors for the period under review is as under:

Name of Non-executive Director	Sitting Fees (Rs.)
Mr. A. L. Bongirwar	94,000/-
Mr. N. K. Puri	102,000/-
Dr. P. L. Tiwari	94,000/-
Mr. Sudip Bhattacharyya (EXIM Bank Nominee)	96,000/-

Remuneration to Executive Directors:

Name of Director	Salary & Perquisites (Rs. In lacs)	Performance Linked Bonus (Rs. in lacs)	Total (Rs. in lacs)	Service Tenure
Mr. K. Chandran	29.92	-	29.92	Up to 30.08.2010
Mr. K. R. N. Moorthy	49.56	10.00	59.56	Up to 30.09.2010

(D) BORROWING COMMITTEE:

The Borrowing Committee has been formed by the Board on 28/11/2008 and authorised to exercise borrowing options to the extent of Rs. 81.50 Crore (Rupees Eighty One Crore Fifty Lac only) in the form of Term Debts to the extent of Rs 34.50 Crore (Rupees Thirty Four Crore Fifty Lac only), Corporate Loan to the extent of Rs. 15 Crore (Rupees Fifteen Crore only) and the Working Capital Finance to the extent of Rs. 32 Crore (Rupees Thirty Two Crore only).

During the period under review Borrowing Committee met 4 times on 18/12/2008, 09/03/2009, 12/03/2009 and 28/03/2009.

The Borrowing Committee comprises of below mentioned Directors and their attendance were as under:

Name of Director	No. of Meetings Attended
Mr. K. Chandran – Member	4
Mr. K. R. N. Moorthy – Member	4
Mr. N. K. Puri – Member	4
Mr. Sudip Bhattacharyya – Member	4

(E) SHARE TRANSFER COMMITTEE:

The Share Transfer Committee has two members - Mr. K. Chandran - Chairman and Mr. K. R. N. Moorthy - Member. Share Transfer Committee meets fortnightly to consider and approve physical share transfer requests. During the period under review 13 meetings of the Committee were held and attended by both the members.

The Company has appointed M/s Sharex Dynamic (India) Pvt. Ltd. as Registrar & Share Transfer Agent, pursuant to the circular issued by Security and Exchange Board of India (SEBI), in order to facilitate prompt and efficient services to the Shareholders, for transactions in connections with transfer, transmission, dematerialization etc.

(F) DAY-TO-DAY AFFAIRS COMMITTEE:

The Day-to-Day Affairs Committee has two members - Mr. K. Chandran - Chairman and Mr. K. R. N. Moorthy - Member. The Day-to-Day Affairs Committee meets to take decisions on the matters delegated by the Board of Directors. During the period under review 5 meetings of the Committee were held and attended by both the members.

At present the Day-to-Day Affairs Committee has been authorised by the Board of Directors to consider following matters:

- (i) To take decisions relating to Bank Accounts i.e. opening of Account, change of authorisation, closing of account, availing any facility (internet banking, at par facility) etc.
- (ii) To undertake borrowings and give guarantees to the extent of Rs. 5 Crore and to decide terms & conditions of such borrowings and guarantees.
- (iii) Giving Power of Attorney to personnel of the Company to deal with Government Authorities / Semi Government Authorities and private bodies including Income Tax Department, Excise Department, Sales Tax Department, Custom Department, Court Matters, Company Law Matters, Maharashtra Industrial Development Corporation, Maharashtra Pollution Control Board etc.
- (iv) To appoint C&F Agent, Selling Agent, Purchasing Agent, Distributor on Consignment Basis (DCBs), Transport Agent, Warehouse Agent, and other agents relating to the operations of the Company.
- (v) To authorise the persons to represent the Company in the general meeting of the other company, in which the Company is member.
- (vi) To obtain manufacturing license or any other license on loan license basis or any other basis.
- (vii) To issue and allot Equity Shares of the Company upon conversion request from the FCCB Holders.
- (viii) To issue and allot Equity Shares of the Company to the OFCD Holders, as and when the OFCD holders exercise conversion option.
- (ix) To issue and allot Equity Shares of the Company to the Warrant Holders, as and when the Warrant Holders exercise conversion option.
- (x) To allow companies, whether already incorporated or to be incorporated, to use “Wanbury” word in their name and also to use logo of the Company.

(4) GENERAL BODY MEETING

(a) Details of last three Annual General Meetings are as under:

Financial Year	Date	Time	Venue
2007-2008	23 rd March, 2009	12:00 Noon	Hotel Tunga Regency, Plot No. 37, Sector 30A, Vashi, Navi Mumbai
2006-2007	27 th September, 2007	12:00 Noon	Hotel Tunga Regency, Plot No. 37, Sector 30A, Vashi, Navi Mumbai
2005-2006	19 th September, 2006	11:30 A. M.	Hotel Supreme Heritage, Vashi, Navi Mumbai

(b) Postal Ballot:

The Company has not passed any resolution through Postal Ballot during the period under review.

(c) Special Resolutions passed in the Last Three Annual General Meetings :

The Company has not passed any special resolution in the last three Annual General Meetings.

(d) Subsidiaries:

The Company does not have a non listed Indian Subsidiary. However the Company has below mentioned 5 foreign subsidiaries:

- (i) Wanbury Holdings B. V, Netherlands
- (ii) Cantabria Pharma S. L., Spain
- (iii) Laboratories Wanbury S. L., Spain
- (iv) Ningxia Wanbury Fine Chemicals Co. Ltd., China
- (v) Wanbury Global FZE, Ras Al Khaimah, UAE ***

*** Wanbury Global FZE became subsidiary on 06/04/2009.

(e) Means of Communication:

The Quarterly (un-audited financial results) and Annual Audited Financial Results of the Company are submitted to the Stock Exchanges immediately after approval of the Board, pursuant to the provisions of Clause 41 of Listing Agreement with Stock Exchanges. The same results are published in Newspapers in accordance with the provisions of Listing Agreement with Stock Exchanges and also posted on the Website of the Company (www.wanbury.com).

(5) GENERAL SHAREHOLDERS' INFORMATION

(a) Annual General Meeting

Day & Date: Tuesday, 29th September, 2009

Venue: Hotel Tunga Regency, Plot No. 37, Sector - 30A, Vashi, Navi Mumbai – 400 705

Time: 12:00 Noon

(b) Financial Calendar

For quarter ended on 30th June, 2009

For quarter ended on 30th September 2009

For quarter ended on 31st December 2009

For quarter ended on 31st March 2010

Annual General Meeting for the year ended on 31st March 2010

Unaudited Result on or before 31st July 2009.

Unaudited Result on or before 31st October 2009.

Unaudited Result on or before 31st January 2010.

Unaudited Result on or before 30th April 2010 or

Audited Result on or before 30th June 2010.

On or before 30th September 2010.

(c) Book Closure

The Share Transfer Books and the Register of Members will remain closed from Monday, 21st September, 2009 to Tuesday, 29th September, 2009 (both days inclusive)

(d) Listing in Stock Exchanges & Stock Codes

Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange Limited (NSE), Mumbai.

The Scrip Code on BSE is 524212 and on NSE is WANBURY.

The ISIN Number of Company is "INE107F01022".

Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) issued by the Company are listed on Luxembourg Stock Exchange. One GDR represents 3 underlying Equity Shares of the Company.

The Scrip Code for GDRs is "WANBURY GDR ne".

The Company has paid listing fee to BSE & NSE for the financial year 2009-2010. The Company has paid listing fee to Luxembourg Stock Exchange for the year 2009.

The Company has paid custody fee to National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL) for the financial year 2009-2010.

(e) Corporate Identity Number (CIN):

CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L51900MH1988PLC048455.

(f) Equity History:

Equity Shares of the Company of face value of Rs. 10/- each have been issued as under:

Particulars	No. of Equity Shares Allotted	Cumulative Total	Date of Allotment
Upon amalgamation (Refer Note 1)	94,86,358	94,86,358	15 th October 2004
GDR Issue (Refer Note 2)	32,61,000	1,27,47,358	3 rd October 2005
Merger (Refer Note 3)	64,668	1,28,12,026	2 nd June 2007
Merger (Refer Note 3)	5,62,618	1,33,74,644	27 th June 2007
FCCB Conversion	2,06,674	1,35,81,318	3 rd September 2007
FCCB Conversion	95,070	1,36,76,388	1 st November 2007
FCCB Conversion	103,337	1,37,79,725	13 th December 2007
FCCB Conversion	1,24,004	1,39,03,729	16 th January 2008
Merger (Refer Note 4)	7,85,557	1,46,89,286	17 th March 2008

Note 1: Amalgamation of Wander Private Limited with Pearl Organics Limited, whose name was changed to Wanbury Limited.

Note 2: The Company had issued 32,61,000 Equity Shares of face value of Rs. 10/- each, the Global Depository Receipt Holders.

Note 3: The Board for Industrial and Financial Reconstruction (BIFR) had approved the merger of the Pharmaceutical Products of India Limited (PPIL) with the Company vide its Order dated 24th April 2007. As per the Order of BIFR 64,668 Equity Shares of face value of Rs. 10/- each had been issued to the Secured Creditors of erstwhile PPIL and 5,62,618 Equity Shares of face value of Rs. 10/- each had been issued to the Equity Shareholders of erstwhile PPIL.

Note 4: The Board for Industrial and Financial Reconstruction (BIFR) had approved the merger of Doctors Organic Chemical Limited (DOCL) with the Company vide its Order dated 30th April 2007. As per the Order of BIFR 7,85,557 Equity Shares of face value of Rs. 10/- each had been issued to the Equity Shareholders of erstwhile DOCL.

(g) Stock Data:

Monthly Volume and High, Low & Close of Market price of Company's Equity Shares traded on the Bombay Stock Exchange Limited, Mumbai during the period ended on 31st March, 2009 were as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	BSE Sensex Close	Volume (No. of Shares)
October 2008	82.00	37.55	41.60	9,788.06	3,38,801
November 2008	50.00	36.00	37.20	9,092.72	1,20,506
December 2008	45.95	35.55	45.25	9,647.31	1,20,748
January 2009	50.00	37.50	38.60	9,424.24	66,062
February 2009	46.95	34.00	34.45	8,891.61	1,53,641
March 2009	38.90	24.00	32.95	9,708.50	3,31,958

Source: BSE Website

Monthly Volume and High, Low & Close of Market price of Company's Equity Shares traded on the National Stock Exchange Limited, Mumbai during the period ended on 31st March 2009 were as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty Close	Volume (No. of Shares)
October 2008	75.75	37.10	41.50	2,885.60	2,84,403
November 2008	50.00	34.45	36.30	2,755.10	78,953
December 2008	45.80	35.40	45.50	2,959.15	90,824
January 2009	48.90	37.25	37.85	2,874.80	53,212
February 2009	41.95	33.05	34.10	2,763.65	15,434
March 2009	34.85	24.40	33.35	3,020.95	1,43,116

Source: NSE Website

Monthly High, Low & Close of Market price of Company's Global Depository Receipts (1 Global Depository Receipt = 3 Equity Shares) traded on the Luxembourg Stock Exchange, during the period ended on 31st March, 2009 were as under:

Month	High (US \$)	Low (US \$)	Close (US \$)	S&P 500 Close
October 2008	4.97	2.33	2.52	968.75
November 2008	3.07	2.16	2.16	896.24
December 2008	2.76	2.22	2.76	903.25
January 2009	2.97	2.31	2.57	825.88
February 2009	2.52	2.00	2.00	735.09
March 2009	2.02	1.59	1.91	797.87

Source: Luxembourg Stock Exchange Website

(h) Distribution Schedule on number of Shares as on 31st March, 2009

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 100	12,279	69.52	6,96,731	4.74
101 to 200	2,456	13.91	4,32,572	2.94
201 to 500	1,774	10.04	6,34,844	4.32
501 to 1000	593	3.36	4,91,242	3.34
1001 to 5000	434	2.46	10,15,305	6.91
5001 to 10000	56	0.32	4,08,954	2.78
10001 to 100000	51	0.29	14,51,501	9.89
100001 to above	18	0.10	95,58,137	65.08
Total	17,661	100.00	1,46,89,286	100.00

(i) Distribution Schedule on scrip value as on 31st March, 2009:

Share of Nominal Value in Rs.	No. of Shareholders	% of Shareholders	Total Amount in Rs.	% of Amount
Upto 5000	16,509	93.48	1,76,41,470	12.01
5001 to 10000	593	3.36	49,12,420	3.34
10001 to 20000	265	1.50	41,09,680	2.80
20001 to 30000	72	0.41	18,99,530	1.29
30001 to 40000	45	0.25	16,54,610	1.13
40001 to 50000	52	0.29	24,89,230	1.69
50001 to 100000	56	0.32	40,89,540	2.78
100001 and above	69	0.39	11,00,96,380	74.96
Total	17,661	100.00	14,68,92,860	100.00

(j) Shareholding Pattern as on 31st March, 2009 was as under:

Category	No. of Shares Held	% of Holding
(A) Promoter Holding		
Indian Promoter	31,44,826	21.41
Foreign Promoter	30,24,000	20.59
Person acting in Concert	-	-
Sub Total (A)	61,68,826	42.00
Non – Promoters Holding		
(B) Institutional Investors		
Mutual Funds and UTI	10,098	0.07
Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions / Non - government Institutions)	7,65,055	5.21
FII's	-	-
Sub – Total (B)	7,75,153	5.28
(C) Others		
Private Corporate Bodies	29,37,549	20.00
Individual Shareholders - Holding Nominal Capital up to Rs. 1 Lac.	32,16,086	21.89
Individual Shareholders - Holding Nominal Capital in excess of Rs. 1 Lac.	7,67,793	5.23
Clearing Members	8,980	0.06
OCB	94,680	0.64
NRI	72,219	0.49
Bank of New York (GDR issue)	6,48,000	4.41
Sub – Total (C)	77,45,307	52.72
GRAND TOTAL (A+B+C)	1,46,89,286	100.00

(k) Dematerialization of shares and liquidity:

70.60% representing 1,03,71,184 Equity Shares were held in dematerialised form and the balance 29.40 % representing 43,18,102 were in physical form as on 31st March, 2009.

(l) Outstanding GDRs

2,16,000 GDRs were Outstanding as on 31st March, 2009, representing 6,48,000 Equity Shares, constituting 4.41% of the paid-up Equity Share Capital of the Company.

(m) Outstanding Warrants

11,25,236 Warrants were Outstanding as on 31st March, 2009.

Each Warrant entitles the holder thereof to subscribe one equity share of face value of Rs. 10/- each @ Rs. 135/-, including premium of Rs. 125/-, of the Company, by paying Rs. 135/- in cash. These warrants can be converted into Equity Shares up to 26th June, 2012.

(n) Optionally Fully Convertible Debentures

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of face values of Rs. 1,000/- each (Rs. One Thousand each) of the aggregate nominal value of Rs. 5,81,99,000/- (Rupees Five Crore Eighty One Lac Ninety Nine Thousand only) were Outstanding as on 31st March, 2009.

Zero Coupon Optionally Fully Convertible Debenture Holders have a right to convert the same into Equity Shares of the Company.

The conversion price of these OFCDs shall be higher of:

- (i) 67% of the 3 months average weekly closing high/ low price per share quoted on the BSE preceding the date of notice of conversion; or
- (ii) a price of Rs. 125 per share

The paid-up value of the equity share upon conversion shall be Rs. 10 per share.

These OFCDs can be converted into Equity Shares between 1st November 2008 and 30th April 2010.

(o) Outstanding Foreign Currency Convertible Bonds (FCCB)

672 Foreign Currency Convertible A Bonds of EURO 10,000 each were Outstanding as on 31st March, 2009.

700 Foreign Currency Convertible B Bonds of EURO 10,000 each were Outstanding as on 31st March, 2009.

These Bonds are convertible at the option of the holders of such Bonds into equity shares of Rs. 10 each of the Company at a conversion price of Rs. 138.43 with a fixed exchange rate on conversion of Rs. 57.22 to EURO 1.00.

Foreign Currency Convertible A Bonds can be converted into Equity Shares up to 9th March, 2012.

Foreign Currency Convertible B Bonds can be converted into Equity Shares up to 5th November, 2012.

(p) Conversion of Foreign Currency Convertible Bonds

During the period under review the Company has not received any application for conversion of FCCB into Equity Shares of the Company. However up to 31st March, 2009, in terms of the Offering Memorandum dated 25th April, 2007, the Company has received applications for conversion of Foreign Currency Convertible A Bonds aggregating EURO 12,80,000 into fully paid-up equity shares in the Company. Consequently 5,29,085 fully paid equity shares of Rs. 10/- each, were allotted and issued at a conversion price of Rs. 138.43 per share and the said shares were listed with BSE & NSE up to 31st March, 2009.

(q) Secretarial Audit Report

In terms of the directives of the Security and Exchange Board of India, Secretarial Audit is being undertaken by a qualified practicing Company Secretary, on a quarterly basis. The audit inter alia covers the following aspects and certifies amongst others:

- (i) That the total shares held in NSDL, CDSL and in physical form tally with the admitted, issued and listed capital of the Company;
 - (ii) That the register of members is updated;
 - (iii) That dematerialisation requests have been confirmed within 21 days of receipt; and
 - (iv) The details of changes in share capital (due to bonus, conversion, allotments under ESOPs etc.) during the quarter.
- Your Company is on a regular basis submitting Secretarial Audit Report, as per the circular issued by Security and Exchange Board of India (SEBI) and Compliance Certificate, pursuant to the provisions of Clause 47 (C) of the Listing Agreement prepared by Practicing Company Secretary to Stock Exchanges.

(r) Dividend Profile

Financial Year	Book Closure / Record Date	Dividend Declared	Date of Declaration	Date of Payment of Dividend
2004-2005	01.08.2005 to 09.08.2005	10%	09.08.2005	12.08.2005
2005-2006*	21.02.2006	5%	30.01.2006	25.02.2006
2005-2006	11.09.2006 to 19.09.2006	15%	19.09.2006	30.09.2006
2006-2007	17.09.2007 to 27.09.2007	20%	27.09.2007	03.10.2007
2007-2008(18 Months)	16.03.2009 to 23.03.2009	5%	23.03.2009	31.03.2009

* Interim Dividend

Status of unclaimed dividends:

Unclaimed dividend for the year 2004-2005 onwards shall be transferred to the Investor Education Protection Fund (IEPF) as under:

Year of dividend	Date of declaration of dividend	Date of transfer to unpaid / unclaimed dividend account	Due date for transfer to IEPF
2004-2005	09.08.2005	12.09.2005	11.09.2012
2005-2006*	30.01.2006	06.03.2006	05.03.2013
2005-2006	19.09.2006	23.10.2006	22.10.2013
2006-2007	27.09.2007	30.10.2007	29.10.2014
2007-2008	23.03.2009	30.04.2009	29.03.2016

* Interim Dividend

Shareholders are advised to confirm their records and claim the amount well before due date, if not encashed earlier.

(s) Plant Locations:

- Plot No. A-15, M.I.D.C., Indl. Area, Patalganga, Maharashtra
- Plot No. J-17, M.I.D.C. Tarapur, Maharashtra
- Plot No. N-24, M.I.D.C. Tarapur, Maharashtra (erstwhile PPIL)
- Plot No. D-312 & 313, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Maharashtra (erstwhile PPIL)
- K. Illindalaparru Village, Tanuku, Dist. - West Godavari, Andhra Pradesh
- Mazgaon, Taluka Khalapur, Dist. Raigarh, Maharashtra (erstwhile PPIL)

(t) Compliance Officer:

The Board has designated Mr. Pankaj B. Gupta – Company Secretary as the Compliance Officer of the Company.

(u) Address for Correspondence:

Wanbury Limited

Secretarial Department

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

Shareholders of the Company can lodge their complaints on E-Mail ID: shares@wanbury.com.

(v) Address of Registrar & Share Transfer Agents:

M/s Sharex Dynamic (India) Pvt. Ltd.

Unit – 1, Luthra Industrial Premises, Safed Pool,

Andheri-Kurla Road, Andheri (E)

Mumbai – 400 072, India

Telephone No.: +91-22-28516338, 28528087

Fax No.: +91-22-28512885

(w) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is part of Annual Report.

(x) Disclosures:

- (i) The Company has not entered into any transaction / agreement of a material nature with the promoters, the directors or the management, their relatives, etc. that may have any potential conflict with the interests of the Company.
- (ii) Disclosure of Accounting Treatment: In the preparation of the financial statements, the Company has followed the Accounting Standard issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied, are set out in the Annexure to Notes to the Accounts.
- (iii) Risk Management: Business risk evaluation and management is an ongoing process within the Company.
- (iv) No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years.

(6) CERTIFICATION:

The Whole-time Director, Deputy Managing Director, Executive Director and Vice President Finance of the Company certify to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the period under review and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transaction entered into by the Company during the period, which are fraudulent, illegal or violate the Company's code of conduct.
- (c) They accept the responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to rectify these deficiencies.
- (d) They have indicated to the Auditors and the Audit Committee:
 - (i) Significant Changes in Internal Control processes during the period.
 - (ii) Significant Changes in Accounting Policies; and
 - (iii) Instances of significant fraud of which they have become aware.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN

WHOLE-TIME DIRECTOR

K. R. N. MOORTHY

DEPUTY MANAGING DIRECTOR

Mumbai, 30th June, 2009

DECLARATION

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct for the financial year ended as on 31st March, 2009.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN

WHOLE-TIME DIRECTOR

K. R. N. MOORTHY

DEPUTY MANAGING DIRECTOR

Mumbai, 30th June, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCES

TO THE MEMBERS OF WANBURY LIMITED

We have examined the compliance of conditions of Corporate Governance by Wanbury Limited ("the Company") for the period ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is responsibility of the Management. Our examinations has been limited to a review of the procedure and implementations thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KAPOOR & PAREKH ASSOCIATES

Chartered Accountants

NIKHIL PATEL

Partner

Membership No.: 37032

Mumbai, 30th June, 2009

AUDITORS' REPORT

TO THE MEMBERS OF WANBURY LIMITED

- 1 We have audited the attached Balance Sheet of WANBURY LIMITED as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of these books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standard referred to in Section 211(3C) of the Companies Act, 1956;
 - v. On the basis of written representation received from the Directors as on 31st March, 2009 and taken on record by Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956;
 - vi. Without qualifying the report, we invite attention to Note No. 13 of Schedule 18 regarding managerial remuneration which is paid in excess of the limits specified in Schedule XIII of the Companies Act, 1956 and is subject to the approval of the Central Government ;
 - vii. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with accounting policies and notes to the accounts attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009;
 - (b) In the case of the Profit & Loss Account, of the loss for the period ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Membership No.: 37032

Mumbai, 30th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the paragraph 3 of our report of even date to the Members of Wanbury Limited on the accounts for the period ended on 31st March, 2009).

1. In respect of its fixed assets:
 - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management during the year as per the phased programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, the Company has not disposed of substantial part of fixed assets during the period and going concern status of the Company is not affected.
2. In respect of inventories:
 - a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the period except for stocks with third parties for which most of the confirmation certificates have been obtained by the Company and stocks in transit.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) of Paragraph 4 of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Act. Accordingly, clause 4(v) (b) of the Order is not applicable to the Company.
6. As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
7. According to the information and explanations given to us and on the basis of internal audit reports broadly reviewed by us, we are of the opinion that the internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us and on the basis of records produced before us, we are of the opinion that prima facie, the prescribed accounts and records relating to the products covered pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, have been maintained. However, we have not made a detailed examination of these records.
9. According to the information and explanations given to us in respect of statutory and other dues:
 - a) *Except in some cases where there have been delays*, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the

appropriate authorities during the period. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable *except profession tax Rs. 1.20 Lacs and statutory dues of erstwhile PPIL referred to in note no. 3 of Schedule 18.*

- b) There were no unpaid disputed amounts in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess during the period except the Central Sales Tax of Rs. 19.95 Lacs relating to the F.Y. 2002-03 which is pending before the Sales Tax Appellate Tribunal, Andhra Pradesh.
10. The Company has no accumulated losses as at the end of the financial period and has not incurred cash losses during the current financial period and in the immediately preceding financial period.
11. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. The Company has not granted any loans and advances on the basis of the security by way of pledge of shares, debenture and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has given guarantees for loans taken by the subsidiaries and other company, from bank and financial institutions, and the terms and conditions thereof are not prejudicial to the interest of the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans taken by the Company were, prima facie, applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, funds raised on short term basis have, prima facie, not been used during the period for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not created security or charge in respect of the debentures issued during the previous period.
20. In respect of the money raised by public issue of Foreign Currency Convertible Bonds during the previous period, the management has disclosed the end use of the money so raised in Note No. 7 of Schedule 18, which have been verified by us with the relevant records together with the information and explanations given to us.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Membership No.: 37032

Mumbai, 30th June, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule No.	As At 31.03.2009 (Rs. in Lacs)	As At 30.09.2008 (Rs. in Lacs)
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	1,468.93	1,468.93
Reserves & Surplus	2	10,192.05	14,222.51
		11,660.98	15,691.44
LOAN FUNDS			
Secured Loans	3	19,990.02	17,282.61
Unsecured Loans	4	9,585.13	9,971.79
		29,575.15	27,254.40
Deferred Sales Tax Liability		53.25	55.44
TOTAL		41,289.38	43,001.28
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	25,291.07	24,424.50
Less: Depreciation / Amortisation		7,200.53	6,320.42
Net Block		18,090.54	18,104.08
Add : Capital Work in Progress		1,472.42	1,534.65
		19,562.96	19,638.73
INVESTMENTS	6	12,432.29	8,511.35
CURRENT ASSETS			
Inventories	7	3,608.85	4,380.05
Sundry Debtors	8	8,352.70	9,678.78
Cash & Bank Balances	9	2,517.55	1,128.39
Loans & Advances	10	8,571.99	10,825.88
		23,051.09	26,013.10
Current Liabilities	11	9,010.54	9,749.59
Provisions	12	4,746.42	1,412.31
		13,756.96	11,161.90
Net Current Assets		9,294.13	14,851.20
TOTAL		41,289.38	43,001.28
Accounting Policies	17		
Notes to Accounts	18		

As per our attached report of even date
For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009

	Schedule No.	For the period ended 31.03.2009 (Rs. in Lacs)	For the period ended 30.09.2008 (Rs. in Lacs)
INCOME			
Gross Sales		17,196.76	39,604.95
Less : Excise Duty		431.20	1,212.97
Net Sales		16,765.56	38,391.98
Other Income	13	439.67	1,886.62
Total Income		17,205.23	40,278.60
EXPENDITURE			
Cost of Materials	14	8,424.19	19,262.82
Personnel Cost	15	2,044.68	4,437.50
Other Expenses	16	8,497.23	10,560.82
Interest (Net)		936.56	1,985.92
Depreciation, Amortisation & Impairment		949.78	1,592.22
Less : Transferred from Revaluation Reserve		543.88	602.54
		405.90	989.68
Total Expenditure		20,308.56	37,236.74
PROFIT/(LOSS) BEFORE TAX		(3,103.33)	3,041.86
Less : Provision for taxation			
- Current Tax		0.58	338.36
- MAT Credit Entitlement		-	(337.14)
- Fringe Benefit Tax		28.52	66.19
- Income Tax of Earlier Years		(3.93)	(3.15)
PROFIT / (LOSS) AFTER TAX		(3,128.50)	2,977.60
Profit brought forward from Previous Year		6,239.33	3,764.74
Amount available for Appropriation		3,110.83	6,742.34
APPROPRIATIONS			
Proposed Dividend		-	73.45
Tax on Dividend		-	12.48
Short Provision of Dividend of Earlier Year		0.01	4.13
Tax on Dividend of Earlier Year - Rs 175		-	0.70
Transfer to Debenture Redemption Reserve		-	412.25
Balance carried to Balance Sheet		3,110.82	6,239.33
		3,110.83	6,742.34
Earning Per Share			
- Basic and Diluted (in Rs.)		(21.30)	20.54
Face Value of Equity Share (in Rs.)		10.00	10.00
Accounting Policies	17		
Notes to Accounts	18		

As per our attached report of even date
For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2009

	For the period ended 31.03.2009 (Rs. in Lacs)	For the period ended 30.09.2008 (Rs. in Lacs)
A Cash flows from Operating Activities		
Net Profit/(Loss) before Tax	(3,103.33)	3,041.86
Adjustments for:		
Depreciation	405.90	989.68
(Profit) / Loss on Sale of Assets	(0.06)	2.35
Provision for Doubtful Debts	10.00	9.55
Provision for Forex Loss	3,500.00	-
Interest charges	936.56	1,985.92
Amounts Written Off (Net)	12.70	39.75
Operating Profit/(Loss) before Working Capital Changes	1,761.77	6,069.11
Adjustments for:		
Trade & Other Receivables	3,561.63	(5,074.95)
Inventories	771.20	(2,084.72)
Trade Payables	(1,072.38)	3,231.01
Cash Generated from Operations.	5,022.22	2,140.45
Direct Taxes (Paid) / Refund (Net)	(155.05)	(325.57)
Net Cash generated from / (used in) Operating Activities	4,867.17	1,814.88
B Cash flows from Investing Activities		
Purchase of Fixed Assets	(917.87)	(3,250.64)
Sale of Fixed Assets	43.91	4.16
Purchase of Investments	-	(3,077.50)
Sale of Investments	-	618.83
Advance pending allotment of shares (Net)	(3,920.94)	(1,111.85)
Net Cash generated from / (used in) Investing Activities	(4,794.90)	(6,817.00)
C Cash flows from Financing Activities		
Interest paid	(970.72)	(1,985.90)
Increase /(Decrease) in Borrowings	2,318.57	8,186.69
FCCB/Share/Deb Issue Expenses	-	(111.14)
Dividend & Tax on Dividend	(30.96)	(311.86)
Net Cash generated from / (used in) Financing Activities	1,316.89	5,777.79
Net increase /(decrease) in cash & cash equivalents	1,389.16	775.67
Cash and Cash equivalents as at the beginning of the period	1,128.39	312.67
Cash and Cash equivalents as at 1.4.2007 of erstwhile DOCL	-	40.05
Cash and Cash equivalents as at the end of the period	2,517.55	1,128.39

Notes :

1. Above Cash Flow Statement has been prepared under the 'Indirect Method' set out in the Accounting Standard - 3, issued by the Institute of Chartered Accountants of India.
2. Additions to Fixed Assets (including movements in Capital Work-in-Progress) are considered as a part of investing activities.
3. Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date
For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
3,00,00,000 Equity Shares of Rs. 10/- each	3,000.00	3,000.00
20,00,000 Preference Shares of Rs. 100/- each	2,000.00	2,000.00
	5,000.00	5,000.00
Issued, Subscribed and Paid-up		
1,46,89,286 Equity Shares of Rs. 10/- each fully paid-up	1,468.93	1,468.93
	1,468.93	1,468.93
Notes:		
1. Out of the above Equity Shares :		
a) 89,08,283 Equity Shares were allotted as fully paid-up without payment being received in cash, pursuant to the Schemes of Merger.		
b) 6,48,000 Equity Shares are represented by 2,16,000 Global Depository Receipts.		
2. 11,25,236 warrants of the face value of Rs. Nil have been allotted to the shareholders of Erstwhile PPIL as per the BIFR order. The warrant holders have the right to subscribe to one equity share of Rs. 10/- each at the premium of Rs.125/- per share which is exercisable within five years from 27th June, 2007, being the date of allotment of the warrants.		
SCHEDULE - 2 RESERVES AND SURPLUS		
Capital Reserve Account		
Balance as per last Balance Sheet	683.41	192.63
Add : On Merger of DOCL	-	490.78
(Refer Note No.4 of Schedule 18)	683.41	683.41
Securities Premium Account		
Balance as per last Balance Sheet	3,808.52	3,941.99
Add : Received during the period		770.04
Add : Exchange Gain on Premium payable on FCCB	2.45	-
	3,810.97	4,712.03
Less : Expenses on Debentures ,FCCB & Share Issue	-	111.14
Less : Pro rata Premium on FCCB	360.52	792.37
	3,450.45	3,808.52
Revaluation Reserve		
Balance as per last Balance Sheet	2,008.45	2,610.99
Less : Amortisation /Impairment during the period	543.88	602.54
	1,464.57	2,008.45
General Reserve		
Balance as per last Balance Sheet	1,070.55	1,070.55
Debenture Redemption Reserve		
Balance as per last Balance Sheet	412.25	-
Add : Transfer from Profit & Loss Account	-	412.25
	412.25	412.25
Profit & Loss Account		
	3,110.82	6,239.33
	10,192.05	14,222.51

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 3 SECURED LOANS		
Debentures		
2,42,499 Zero Coupon Non Convertible Redeemable Debentures (NCD) of Rs. 100/- each.	242.50	242.50
58,199 Zero Coupon Optionally Fully Convertible Debentures(OFCD) of Rs. 1,000/- each.	581.99	581.99
	824.49	824.49
Term Loans		
- Rupee Loans	10,998.02	9,562.38
- Foreign Currency Loans	268.50	335.38
	11,266.52	9,897.76
Working Capital Loans		
- Rupee Loans	5,980.33	4,424.10
- Foreign Currency Loans	1,750.77	1,950.76
	7,731.10	6,374.86
Other Loans	167.91	185.50
	19,990.02	17,282.61

Notes :

1. The NCD are to be secured by a *pari-passu* charge on the fixed assets of the Company situated at Patalganga and Plot No. J-17 at Tarapur. The NCD comprises of Part A of Rs. 60 and Part B of Rs. 40 which are redeemable at par at the end of two years and three years respectively from 1st May,2007.
2. The OFCD are to be secured by a *pari-passu* charge on the fixed assets of erstwhile PPIL situated at Plot No 24 at Tarapur and fixed assets at Mazgaon. OFCD are convertible between 1st November, 2008 and 30th April, 2012 into equity share at a price being higher of Rs.125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right.
3. Term loans of erstwhile PPIL are secured by a *pari-passu* first charge on its fixed assets. Other term loans are secured by *pari-passu* first charge on immovable properties, present and future, of the Company situated at Patalganga, Tarapur, Tanuku and Turbhe and second charge on current assets of the Company, pledge of some of the shares of the Company held by Expert Chemicals (India) Private Limited, in addition to guarantee by Expert Chemicals (India) Private Limited and a director of the Company.
4. Working capital loans are secured by a *pari-passu* first charge on current assets, second charge on fixed assets, and pledge of some of the shares of the Company held by Expert Chemicals (India) Private Limited in addition to guarantee by Expert Chemicals (India) Private Limited and a director of the Company.
5. Other loans are secured by hypothecation of assets acquired against respective loans.
6. Term loans and other loans include payable within a year Rs.2,181.56 Lacs (Pr. Yr. Rs 2,590.44 Lacs).

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 4 UNSECURED LOANS		
Foreign Currency Convertible Bonds		
- 672 1% Unsecured Foreign Currency Convertible A Bond of Euro 10,000/- each (Refer Note No. 7 of Schedule 18)	4,534.66	4,555.49
- 700 1% Unsecured Foreign Currency Convertible B Bond of Euro 10,000/- each (Refer Note No. 7 of Schedule 18)	4,723.60	4,745.30
	9,258.26	9,300.79
Inter Corporate Deposits	84.98	130.78
From Banks / Financial Institutions		
- Rupee Loan	200.25	200.25
- Foreign Currency Loan	41.64	339.97
	9,585.13	9,971.79
Note : Due within a year Rs 326.89 Lacs (Pr. Yr. Rs. 152.19 Lacs).		
SCHEDULE - 6 INVESTMENTS		
1. Long Term		
a. Trade - Quoted		
- 1,800 Equity Shares of Bank of India of Rs. 10/- each [Market value Rs. 3.95 Lacs (Pr. Yr. Rs 5.08 Lacs)]	0.81	0.81
b. Trade - Unquoted		
- 706 Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs. 10/- each.	0.07	0.07
- 100 Equity Shares of The Shamrao Vithal Co-op. Bank Ltd. of Rs. 25/- each.	0.03	0.03
- 12,71,250 Equity Shares of Bravo Healthcare Limited of Rs 10/- each.	53.40	53.40
c. Non Trade - Unquoted		
In Subsidiary Companies		
- 5,098 Ordinary Shares of Wanbury Holding B. V. of Euro 1,000/- each. (Pledged with Banks against loan given to the Cantabria Pharma S.L., a subsidiary company).	3,029.65	3,029.65
- 13,260 Shares of Ningxia Wanbury Fine Chemicals Company Limited of USD 1 each.	5.29	5.29
2. Advance for Investment Pending Allotment		
Wanbury Holding B. V.	5,512.50	5,422.10
Bravo Healthcare Limited	3,830.54	-
	12,432.29	8,511.35

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 5 FIXED ASSETS

(Rs. in Lacs)												
DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1-Oct -08	Asset on Amalga- mation	Addi- tions	Deduc- tions	As at 31-Mar -09	As at 1-Oct -08	Asset on Amalga- mation	For the period	Deductions	As at 31-Mar -09	As at 31-Mar -09	As at 30-Sep -08
Freehold Land	4,739.81	-	-	-	4,739.81	-	-	-	-	-	4,739.81	4,739.81
Lease Hold Land & Land Development Expenses	58.57	-	-	-	58.57	7.17	-	0.30	-	7.47	51.10	51.40
Factory Buildings	1,834.78	-	109.60	-	1,944.38	402.20	-	25.30	-	427.50	1,516.88	1,432.58
Plants, Machineries & Equipments	11,010.15	-	725.49	100.73	11,634.91	2,795.81	-	279.66	64.34	3,011.13	8,623.78	8,214.34
Furnitures & Fixtures	354.35	-	24.66	-	379.01	111.46	-	19.68	-	131.14	247.87	242.89
Vehicles	444.89	-	-	12.79	432.10	119.31	-	20.40	5.33	134.37	297.73	325.58
Office Equipments	343.23	-	21.19	-	364.42	91.81	-	7.36	-	99.17	265.25	251.42
Electrical Installations	82.98	-	32.56	-	115.54	21.92	-	2.31	-	24.24	91.30	61.06
Computers	282.91	-	52.83	-	335.74	155.89	-	16.48	-	172.36	163.37	127.02
Office Premises	243.00	-	-	-	243.00	46.46	-	-	-	46.46	196.54	196.54
R & D Building	400.22	-	-	-	400.22	223.17	-	-	-	223.17	177.05	177.05
Intangibles :												
- Brands	4,386.90	-	-	-	4,386.90	2,212.55	-	561.57	-	2,774.13	1,612.77	2,174.35
- Softwares	238.28	-	13.76	-	252.04	128.67	-	16.28	-	144.94	107.09	109.61
- Technical Knowhow	4.43	-	-	-	4.43	4.00	-	0.43	-	4.43	0.00	0.43
Total	24,424.50	-	980.09	113.52	25,291.07	6,320.42	-	949.78	69.67	7,200.53	18,090.54	18,104.08
Previous Year	14,203.08	6,235.96	4,001.01	15.55	24,424.50	3,450.83	1,286.42	1,592.22	9.04	6,320.42		
Add : Capital Work in Progress and Advance for Capital Expenditure											1,472.42	1,534.65
TOTAL											19,562.96	19,638.73

Notes :

1. Additions to Fixed Assets includes items of assets aggregating to Rs. 18.49 Lacs (Pr.Yr. Rs. 21.94 Lacs) located at Research & Development centres of the Company.
2. The title deeds of some of the immovable properties transferred pursuant to the Scheme of Merger are yet to be transferred in the name of the Company.
3. Capital Work-in-Progress includes Machinery under installation, Advances against Capital Expenses, Construction material purchases and other assets under erection.
4. Depreciation / Amortisation includes Rs.1.53 Lacs (Pr. Yr. Nil) for earlier years.
5. Amortisation of the Brands includes impairment of Rs 343.04 Lacs (Pr. Yr. Nil).

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 7 INVENTORIES		
<i>(As taken, valued and certified by the management)</i>		
Raw & Packing Materials	933.97	1,366.05
Work in Process	1,825.26	1,726.75
Finished / Traded Goods	828.37	1,270.46
Fuel	21.25	16.79
	3,608.85	4,380.05
SCHEDULE - 8 SUNDRY DEBTORS		
Over six months		
- Considered Good	1,337.41	1,416.05
- Considered Doubtful	34.45	24.45
	1,371.86	1,440.50
Other debts	7,015.29	8,262.73
	8,387.15	9,703.23
Less : Provision for Doubtful Debts	34.45	24.45
	8,352.70	9,678.78
Includes Sundry Debtors - Secured Rs.210.17 Lacs (Pr. Yr. Rs. 278.25 Lacs)		
SCHEDULE - 9 CASH & BANK BALANCES		
Cash in Hand	14.11	5.28
Balance with Scheduled Banks		
In Current Accounts	2,117.37	339.36
In Deposit Accounts *	386.07	783.75
	2,517.55	1,128.39
* Under Lien With Banks and Government Authorities		
SCHEDULE - 10 LOANS AND ADVANCES		
<i>(Unsecured, Considered Good)</i>		
Loans Given*	1,951.60	2,863.79
Advances recoverable in cash or in kind or for value to be received*	4,519.62	5,590.80
Deposits	218.65	220.99
MAT Credit Entitlement	627.14	627.14
Income Tax Paid	713.88	709.52
Balance with Excise & Custom Authorities	541.10	813.64
	8,571.99	10,825.88
*Includes due from subsidiary companies Rs 1,282.35 Lacs (Pr.Yr.Rs.776.74 Lacs)		

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 11 CURRENT LIABILITIES		
Sundry Creditors*	6,509.70	6,613.07
Other Liabilities	2,439.85	3,118.03
Unpaid Dividend**	60.99	18.49
	9,010.54	9,749.59
<p>* Sundry Creditors includes due to subsidiary company Nil (Pr.Yr.Rs.76.52 Lacs). ** There are no amounts due and outstanding to be credited to 'Investor Education and Protection Fund' as on 31.03.2009.</p>		
SCHEDULE - 12 PROVISIONS		
For Forex Loss	3,500.00	-
For Leave Benefits	197.03	185.88
For Gratuity	157.87	135.94
For Proposed Dividend	-	73.45
For Tax on Dividend	12.48	12.48
For Income Tax	875.09	1,001.19
For Wealth Tax	3.95	3.37
	4,746.42	1,412.31
SCHEDULE - 13 OTHER INCOME		
Insurance Claim	2.50	9.12
Profit on Sale of Fixed Assets	0.06	-
Export Incentives	234.88	698.88
Technical Know How	-	250.00
Interest from Banks	26.46	108.95
<i>[Tax deducted at source Rs. 4.65 Lacs (Pr. Yr. Rs. 1.25 Lacs)]</i>		
Processing Charges	128.11	454.58
<i>[Tax deducted at source Rs. 2.51 Lacs (Pr. Yr. Rs. 8.49 Lacs)]</i>		
Interest from Others	-	0.02
Gain on One Time Settlement of SBI dues	-	280.51
Miscellaneous Income	47.66	84.56
	439.67	1,886.62

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 14 COST OF MATERIALS		
A) Raw & Packing Materials		
Opening Stock	1,366.05	165.23
Add: Taken over on Merger with DOCL	-	206.22
Add: Purchases	5,586.30	16,202.43
	6,952.35	16,573.88
Less: Closing Stock	933.97	1,366.05
	6,018.38	15,207.83
B) Purchase of Traded Goods	2,062.23	5,172.40
C) (Increase)/Decrease in Inventories		
Opening Stock		
- Work in Process	1,726.75	1,073.31
Add: Taken over on Merger with DOCL	-	288.69
- Finished/Traded Goods	1,270.46	379.20
Add: Taken over on Merger with DOCL	-	138.60
	2,997.21	1,879.80
Closing Stock		
- Work in Process	1,825.26	1,726.75
- Finished/Traded Goods	828.37	1,270.46
	2,653.63	2,997.21
(Increase)/Decrease	343.58	(1,117.41)
	8,424.19	19,262.82
SCHEDULE - 15 PERSONNEL COST		
Salaries, Wages, Bonus and Allowances	1,838.54	4,038.75
Contribution to Provident and Other Funds	135.99	262.16
Staff Welfare Expenses	70.15	136.59
	2,044.68	4,437.50

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 16 OTHER EXPENSES		
Processing Charges	70.13	103.81
Power & Fuel	673.16	1,830.74
Stores & Spares	190.47	338.29
Water Charges	25.44	67.59
Repairs & Maintenance		
- Buildings	71.18	149.44
- Plant & Machinery	62.33	89.12
- Others	73.54	164.75
Commission On Sales	220.39	480.05
Excise Duty	36.74	109.97
Delivery & Packing Charges	98.96	301.92
Carriage Outward	265.44	1,229.96
Advertisement & Sales Promotional Expenses	414.64	955.42
Cash Discount	9.10	70.81
Breakages & Expiry	144.77	262.42
Rent, Rates & Taxes	112.65	317.89
Travelling & Conveyance	463.96	1,113.95
Postage, Telegram & Telephone	55.67	170.63
Printing & Stationery	24.09	52.50
Provision for Doubtful Debts	10.00	9.55
Donation	0.02	1.36
Insurance	14.67	59.84
Legal & Professional Charges	168.33	656.82
Analytical Charges	1.52	5.34
Loss on Assets Sold	-	2.35
Amounts Written Off (Net)	12.70	39.75
Exchange Fluctuation	1,406.45	1,177.39
Provision for Forex Loss	3,500.00	-
Miscellaneous Expenses	370.88	799.16
	8,497.23	10,560.82

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 17

ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements:

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and comply with the mandatory Accounting Standard issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 unless otherwise specified hereinafter.

b) Use of Estimates:

Preparation of financial statements in conformity with generally accepted accounting principles, requires estimates and assumption to be made, that affect reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the period in which results are known / materialized.

c) Fixed Assets:

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation.

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets except some of the brands which are revalued, are recorded at cost and are carried at cost / revalued amount less accumulated amortisation and accumulated impairment losses, if any.

d) Expenditure during Construction Period:

All identifiable revenue expenses including interest incurred in respect of various projects/expansions are allocated to capital cost of respective assets on their completion/installation.

e) Depreciation / Amortization:

- i) Cost of leasehold land is being amortized over the period of lease.
- ii) Brands and Technical Know-how are amortized over a period of ten and five years respectively.
- iii) Softwares are amortized @ 16.21% p.a.
- iv) On all other assets, depreciation is provided on straight-line basis in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- v) Depreciation is not provided in respect of assets held for sale.

f) Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

g) Borrowing Costs:

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

h) Inventories:

- i) Raw materials, packing materials, finished/traded goods are valued at cost or net realisable value whichever is lower.
- ii) Works in process are valued at estimated cost.
- iii) Fuels are valued at cost.

SCHEDULES FORMING PART OF THE ACCOUNTS

iv) Samples are valued at cost.

i) Investments:

- i) Long term investments are stated at cost of acquisition unless there is permanent fall in its realization value which is provided for.
- ii) Expenses incurred for acquisition of investment has been added to cost of investment.
- iii) Investments in foreign currency are stated at cost by converting at exchange rate prevailing, at the time of acquisition/ remittance.

j) Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expenses of the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the profit and loss account.

Exchange difference on derivative contracts is recognised in the profit and loss account to the extent amount paid / payable under such contracts during the period.

k) Revenue Recognition:

Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. Sales are net of discounts, sales tax and returns; excise duty collected on sales is shown by way of deduction from sales.

Dividend income is recognised when right to receive dividend is established and there is no uncertainty as to its realisability.

Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

l) Export Benefits:

Export benefits available under prevalent schemes are accrued in the period in which the goods are exported and are accounted to the extent considered receivable.

m) Excise and Custom Duty:

Excise and custom duty is accounted on the basis of payment made in respect of goods cleared and provision is made for goods lying in bonded warehouse.

n) Cenvat, Service Tax and Vat Credit:

Cenvat, service tax and vat credit receivable/availed are treated as an asset with relevant expenses being accounted net of such credit, and the same is reduced to the extent of their utilisations.

o) Research and Development:

Research & development expenditure of a revenue nature is charged to the revenue in the period in which it is incurred and expenditure of a capital nature is added to respective fixed assets.

p) Employee Benefits:

i) Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

ii) Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to Profit and Loss Account.

SCHEDULES FORMING PART OF THE ACCOUNTS

Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the balance sheet date.

q) Operating Leases:

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with respective lease agreements.

r) Accounting for Tax:

Current tax and Fringe benefit tax are accounted on the basis of Income Tax Act, 1961.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax, to the extent that the timing differences are expected to crystallise. Deferred tax assets are recognised to the extent of deferred tax liabilities, if any, as a matter of prudence.

MAT Credit Entitlement as per the provisions of Income Tax Act, 1961, is treated as an asset by credit to the Profit & Loss Account.

s) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 18

NOTES TO ACCOUNTS

1. Contingent Liabilities:

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.23.97 Lacs (Rs. 74.98 Lacs).
- b) Bank Guarantees issued Rs. 4.18 Lacs (Rs. 2.70 Lacs).
- c) Disputed demands by Income Tax Authorities Rs. 16.85 Lacs (Rs. 16.85 Lacs). Amount paid there against and included under the head Loans and Advances Rs. 16.85 Lacs (Rs.16.85 Lacs).
Disputed demands by Sales Tax Authorities Rs.33.27 Lacs (Rs.33.27 Lacs) paid under protest Rs. 13.32 Lacs (Rs. 13.32 Lacs).
- d) Bank Letter of Credit outstanding at the period-end Rs. 2,197.39 Lacs (Rs. 2,170.54 Lacs).
- e) Claims against the Company not acknowledged as debts Rs. 829.84 Lacs (Rs. 660.55 Lacs).
- f) Guarantees given to banks/financial institutions for loans given to subsidiaries Rs 26,992.00 Lacs (Rs. 27,116.00 Lacs).
- g) Guarantees given to banks/financial institutions for loans given to Associate Company Rs 2,700.00 Lacs (Rs. 2,700.00 Lacs).
Loans outstanding at the period end Rs.2,416.46 Lacs (Rs. 1,925.25 Lacs).

2. The Company operates solely in the pharmaceuticals segment and hence no separate disclosure for segment wise information is required.

3. The Pharmaceutical Products of India Limited (PPIL) was merged with the Company, pursuant to the Order dated 24th April, 2007, passed by Hon'ble Board for Industrial and Financial Reconstruction(BIFR).

The Hon'ble Supreme Court vide its order dated 16th May, 2008, has set aside the above referred BIFR order and remitted the matter back to BIFR for considering afresh as per the provisions of SICA, in response to a suit filed by one of the unsecured creditors of PPIL.

The Hon'ble Board for Industrial and Financial Reconstruction is afresh considering the Rehabilitation and Revival cum Merger of PPIL with the Company pursuant to the Order of Hon'ble Supreme Court of India dated 16th May, 2008. In the meanwhile, the Company has sought legal opinion and the Company has been advised to maintain status quo ante with respect to the merger under the said Scheme and that it should take further steps only on the basis of the fresh BIFR Order.

In view of the above, the Company has maintained a status quo. However, all actions taken by the Company pursuant to the sanctioned scheme shall remain subject to and without prejudice to the orders that may be passed by the BIFR while considering the case a fresh pursuant to the directions of the Hon'ble Supreme Court in its order dated 16th May, 2008.

As per BIFR Order dated 24th April, 2007 statutory dues of erstwhile PPIL comprising of income tax Rs. 250.36 Lacs, profession tax Rs. 6.06 Lacs, custom duty Rs. 230 Lacs, sales tax Rs. 8.50 Lacs and excise duty Rs. 15.62 Lacs were required to be paid in six equal annual installments. Since BIFR is considering the matter afresh, pending fresh directives from the BIFR, aforesaid dues have not been paid.

4. Merger of Doctors Organic Chemicals Limited effect of which is given in the accounts of the previous accounting period ended on 30th September, 2008.

- a) Pursuant to the Scheme of Revival cum Amalgamation (the Scheme) u/s 18 and other applicable provisions of Sick Industrial Companies (Special Provision) Act, 1985, effective from 1st April, 2007 (the Appointed Date), The Doctors Organic Chemicals Limited (DOCL) has been merged in Wanbury Limited (the Company).
- b) The Scheme, is approved by Board for Industrial and Financial Reconstruction, New Delhi, on 4th May, 2007 and filed with ROC on 7th May,2007. DOCL and the Company has been in the business of Pharmaceuticals.

SCHEDULES FORMING PART OF THE ACCOUNTS

- c) In terms of the Scheme, all the assets and liabilities of DOCL have been transferred and stand vested with the Company with effect from the Appointed Date.
- d) Thereafter, Amalgamation has been accounted for under the 'Purchase Method' as prescribed by Accounting Standard 14 on 'Accounting for Amalgamation' issued by the Institute of Chartered Accountants of India. Accordingly the assets and liabilities of DOCL have been taken over as on the Appointed Date, at values as determined by the Company.
- e) Accordingly, the Amalgamation has resulted in transfer of assets and liabilities in accordance with the Scheme at the following summarised values:

Particulars	Rs. in Lacs
Fixed Assets (Net)	6,182.53
Current Assets	2,441.40
Total Assets (i)	8,623.93
Loans	6,583.21
Current Liabilities & Provisions	1,267.35
Total Liabilities (ii)	7,850.56
Net Assets Taken Over (i - ii)	773.37
Consideration for Amalgamation:	
7, 85,557 Equity Shares in the ratio of 1 Equity Share of Wanbury Ltd. for every 6 Equity Shares of DOCL.	78.56
	694.81
Stock of Stores and Spares written off to align with the accounting policy of the Company	
204.04	
Balance transfer to Capital Reserve	490.77

- f) The Company's investments in DOCL have been sold at cost before giving effect to the scheme.
- 5 Interest expenses include interest of fixed period loan Rs 672.82 Lacs (Rs 1,351.42 Lacs). Interest expense is net of interest income amounting to Rs. 181.95 Lacs (Rs 306.86 Lacs).
- 6 Some of the balances of debtors, creditors, loans and advances are subject to confirmation/ reconciliation and adjustments, if any.
7. a) The Company has issued on 20th April, 2007, 800 Nos. 1% Unsecured Foreign Currency Convertible A Bonds ("**A Bonds**") and 700 Nos. 1% Unsecured Foreign Currency Convertible B Bonds ("**B Bonds**") of face value of EURO 10,000 each maturing on 23rd April, 2012 and 17th December, 2012 respectively.
- The **A Bonds** are convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of Rs. 10 each at a premium of Rs. 128.43, being conversion price of Rs. 138.43 at a fixed exchange rate of Rs. 57.22 to EURO 1 and such option is exercisable till 9th March, 2012.
- The **B Bonds** are convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of Rs. 10 each at a premium of Rs. 128.43, being reset conversion price of Rs. 138.43 at a fixed exchange rate of Rs. 57.22 to EURO 1 and such option is exercisable till 5th November, 2012.
- The Company may, at the option of any holders of any Bonds, repurchase at the Early Redemptions Amount, together with accrued and unpaid interest.
- A Bonds and the B Bonds are bearing interest @ 1 % p.a. payable semi annually and Yield To Maturity of 7.5 % p.a. compounded semi annually.
- b) The pro-rata premium payable on redemption, exchange gain/loss on premium payable and issue expenses is charged to Securities Premium Account.
- c) Till the period end holders of 128 "A Bonds" have exercised conversion option and hence 5,29,085 equity shares of Rs. 10 each have been allotted at a premium of Rs 128.43 and the balance of 672 "A Bonds" & 700 "B Bonds" have been included and disclosed in the schedule of "Unsecured Loans" (Schedule 4).
- d) Out of the proceeds from FCCB issue Rs 8,520.02 Lacs (Rs 8,092.57 Lacs) have been utilised till the period for the purposes mentioned

SCHEDULES FORMING PART OF THE ACCOUNTS

in offering circular dated 25th April, 2007 and balance amount of Rs 7.47 Lacs (Rs 434.94 Lacs) remains deposited with banks.

8. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the auditors. Amount outstanding (not overdue) as on 31st March, 2009, to Micro, Small and Medium Enterprises on account of principal amount aggregate to Rs. 173.57 Lacs (Rs. 180.01 Lacs) and interest Rs Nil (Rs. Nil) and interest paid during the period Rs. Nil (Rs. Nil).
9. Provision for the current tax includes Rs. 0.58 Lac (Rs. 1.22 Lacs) for wealth tax.
- 10 The deferred tax assets/(liabilities) arising out of timing differences comprise of the followings major components:

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Liabilities:		
Depreciation	(1,873.67)	(592.40)
Assets:		
43B Disallowances and other deferments	121.61	118.43
Unabsorbed Depreciation / Business Loss restricted to deferred tax liabilities	1,752.06	473.97
	1,873.67	592.40
Net Deferred Tax Assets (Liabilities)	-	-

As a measure of prudence, deferred tax assets are recognised to the extent of deferred tax liabilities .

11. Pre-operative expenses are capitalised on commissioning of the project/expansions. The details of these expenses are :

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Opening Balance	-	-
Add: Incurred in the current year :		
- Salaries and allowances	25.36	92.59
- Contribution to funds	1.11	0.76
- Travelling	2.46	-
- Professional Fees	15.75	-
- Interest on Fixed Period Loans	46.45	274.79
- Loan Processing Fees	15.00	10.00
Total	106.12	378.14
Less: Capitalised to fixed assets	106.12	378.14
Closing Balance	-	-

12. Remittance in foreign currency on account of dividend: -

The Company has paid dividend in respect of shares held by Non-Resident Shareholders on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External A/c (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given below:

Particulars	31.03.2009	30.09.2008
Year to which the Dividend relates	2007-08	2006-07
Number of non-resident shareholders	185	110
Number of shares held by them	38,31,280	41,45,333
Amount of dividend (Rs. in Lacs)	19.16	82.91

SCHEDULES FORMING PART OF THE ACCOUNTS

13. (a) Managerial Remunerations:

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Salary & Allowances	83.63	199.97
Contribution of P.F. & Other Funds	5.85	13.38
TOTAL	89.48	213.35

Notes:

- Excess remuneration of Rs. 62.60 Lacs, is subject to the approval of the Central Government being excess remuneration as per the Schedule XIII of the Companies Act, 1956 and the same has been charged to the Revenue.
 - At the board meeting held on 3rd June, 2009, Remuneration of Deputy Managing Director and Whole Time Director has been revised upward w.e.f. 1st July, 2008. Remuneration accounted during the period is without considering the effect of the upward revision.
 - Above excludes provision for future liabilities in respect of retirement benefits, which are based on actuarial valuation done on overall company basis.
- (b) Sitting fees to directors Rs.3.86 Lacs (Rs. 6.06 Lacs).
- (c) Computation of Net Profit u/s 349 of the Companies Act, 1956

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Profit /(Loss) Before Tax	(3,103.32)	3,041.86
Add: Remuneration to Dy. Managing & Executive Directors	89.48	213.35
Directors' Sitting Fees	3.86	6.06
(Profit) / Loss on sale of Fixed Assets	(0.06)	2.35
Net Profit / (Loss) as per Section 349	(3,010.04)	3,263.62

14. Details of Auditors' Remuneration :

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
A) Statutory Auditors		
- Audit Fees	6.50	9.50
- Certification & Other Matters	2.00	8.59
- Out of Pocket Expenses	0.35	0.29
TOTAL	8.85	18.38
B) Branch Auditors' Fees	0.40	0.40
C) Cost Audit Fees	0.37	0.75

Note: Above figures are exclusive of service tax.

15. a) Earning in Foreign Currency :-

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
FOB Value of Exports	8,642.36	17,811.07
Freight, Insurance etc.	108.24	829.44
Bank Deposit Interest	0.71	88.75

SCHEDULES FORMING PART OF THE ACCOUNTS

b) CIF Value of Imports:-

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Raw Materials [including High Seas purchases of Rs 193.84 Lacs (Rs 681.30 Lacs)]	2,061.65	4,972.51
Capital Goods	18.15	66.99

c) Expenditure in Foreign Currency (Net of reimbursements):

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Interest	158.45	343.57
Commission Expense	34.37	116.47
Legal & Professional Fees	27.29	4.25
FCCB Issue Expenses (Adjusted against Securities Premium Account)	-	51.17
Other Expenses (including travelling and business promotion)	142.66	116.31

16. The aggregate amount of revenue expenditure, except depreciation, incurred during the period on Research and Development and shown in the respective heads of account is Rs. 187.02 Lacs (Rs. 542.11 Lacs).

17. Earning Per Share :

Calculation of basic and diluted earnings per equity share is as under:

Particulars	31.03.2009	30.09.2008
Profit/(loss) after Tax - Rs. In Lacs	(3,128.49)	2,977.60
Number of Equity Shares:		
- Weighted Average Number of Equity Shares	1,46,89,286	1,44,96,759
Nominal Value of Equity Shares in Rs.	10.00	10.00
Earning / (Deficit) Per Share (Basic and Diluted) (in Rs.)	(21.30)	20.54

The market price of the equity shares of the Company being less than the exercise price in respect of various outstanding options to subscribe to equity shares, the outstanding options as at the period end are considered to be anti dilutive.

18. Employee Benefits

(i) The Company has adopted Accounting Standard- 15 (Revised 2005) 'Employee Benefits' issued by the Institute of Chartered Accountants of India applicable from 1st April, 2007. There is no transitional liability as on 1st April, 2007.

(ii) Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension Fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

SCHEDULES FORMING PART OF THE ACCOUNTS

During the year, the Company has recognised the following amounts in the Account:

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Provident Fund, Employees' Pension Scheme and MLWF	93.50	222.05
Employees State Insurance	3.95	7.19
Super Annuation Fund	2.33	6.03
TOTAL	99.78	235.27

(iii) Defined Benefit Plans

Gratuity:

The Company makes annual contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

a. On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.

b. On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

iv) Death Benefit:

The Company provides for death benefit, a defined benefit plan, (the death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on Death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non funded.

SCHEDULES FORMING PART OF THE ACCOUNTS

Disclosures for defined benefit plans (i.e. Gratuity Funded Plans) based on actuarial reports as on 31st March, 2009.

Particulars	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
a) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	151.02	121.46
Current service cost	25.11	54.66
Interest cost	5.66	14.57
Actuarial loss / (gain)	(3.06)	(21.12)
Liabilities settled on sale of business	-	-
Benefit (paid)	(4.53)	(18.55)
Closing defined benefit obligation	174.21	151.02
b) Changes in Fair Value of Assets		
Opening fair value of plan assets	15.08	5.67
Expected return on plan assets	0.66	1.28
Actuarial gain / (loss)	(0.51)	(0.62)
Contributions of employer	5.64	27.30
Assets distributed on sale of business	-	-
Benefits (paid)	(4.53)	(18.55)
Closing fair value of plan assets	16.34	15.08
c) Amount recognised in the Balance Sheet		
Present value of the obligations as at year end	174.21	151.02
Fair value of the plan assets as at year end	16.34	15.08
Amount not recognised as an asset	-	-
Net (asset) / liability recognised as on 31 st March 2009	157.87	135.94
d) Expenses recognised in the Profit and Loss Account		
Current service cost	25.10	54.66
Interest on defined benefit obligation	5.66	14.58
Expected return on plan assets	(0.66)	(1.28)
Net actuarial loss / (gain) recognised in the current year	(2.53)	(20.50)
Effect of the limit in Para 59(b) of the revised AS 15	-	-
Total expense	25.57	47.46
e) Asset information		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Others – Policy with LIC	100%	100%
f) Principal actuarial assumptions used		
Discount rate (p.a.)	7.5%	8%
Expected rate of return on plan assets (p.a.)	8.5%	8.5%
Annual increase in salary cost (p.a.)	6%	6%

The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

19. In terms of the requirements of the Accounting Standards-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period end by the management based on the present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, except in respect of

SCHEDULES FORMING PART OF THE ACCOUNTS

some brands for which impairment of Rs 343.04 lacs (Nil) has been provided for and is adjusted against revaluation reserve during the period. There is no reversal of impairment amount during the period.

20. The Company has entered into Derivatives structure for hedge purpose and not intended for trading or speculation. The period end foreign currency exposures that have been hedged by a derivative instrument or otherwise are as below:

Currency	Buy or Sell	Cross Currency	Amount in US \$	
			As At 31.03.2009	As At 30.09.2008
US \$	Sell	Indian Rupees	311.30 Lacs	489.50 Lacs

And Currency swap for notional amount of USD 77 Lacs (USD 77 Lacs).

Note: FCCB of EURO 137.20 Lacs (EURO 137.20 Lacs) are convertible at a fixed exchange rate (refer Note No.8 above).

The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	Foreign Currency Denomination	Foreign Currency Amount in Lacs	Indian Rupees equivalent in Lacs
Assets			
Trade Receivables	EURO	14.2	958.01
		(7.39)	(501.10)
	GBP	0.76	55.08
Loans and Advances	GBP	(0.70)	(59.47)
		-	-
	EURO	(0.04)	(3.19)
Advance pending allotment of shares	EURO	16.27	1,098.07
		(10.36)	(702.80)
	EURO	91.04	5,512.50
Bank Balance	EURO	(89.61)	(5,378.04)
		0.11	7.47
		(6.47)	(434.93)
Liabilities			
Trade Payables	USD	20.35	1,036.94
		(20.27)	(951.33)
	EURO	0.17	9.80
Secured Loans	USD	(0.16)	(10.68)
		5.27	268.51
	USD	(7.15)	(335.38)
Unsecured Loans	EURO	137.20	9,258.26
		(137.20)	(9,300.79)
Interest accrued but not due	USD	0.07	3.38
		(0.12)	(5.51)

21. Mark to Market loss is Rs. 3,501.60 Lacs in respect of foreign currency derivative instruments outstanding as at 31st March, 2009. The management is of the view that application of AS-30 "Financial Instrument Recognition and Measurement" is not mandatory for the financial period under report. However, out of abundant caution and as a measure of financial prudence the Company has provided an amount of Rs 3,500 Lacs to meet the anticipated forex losses.

SCHEDULES FORMING PART OF THE ACCOUNTS

Provision for Foreign Exchange losses

Particulars	31.03.2009 Rs in Lacs	30.09.2008 Rs in Lacs
Opening balances	-	-
Additional Provision made during the period	3500	-
Amount used during the period	-	-
Unused amount reversed during the period	-	-
Closing Balance	3500	-

22. Disclosure for operating leases under Accounting Standard 19-“Accounting for Leases”:

The Company has taken various residential / godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months and 3 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments are recognised in the Profit and Loss Account under “Rent, Rates & Taxes” under Schedule-16.

The future lease payments and payment profile of non cancellable operating leases are as under:

Particulars	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
Not later than one year	131.63	166.78
Later than one year but not later than five years	59.05	244.33
Later than five years	-	-

23. Advance for investment to Wanbury Holding B.V., a subsidiary company, consists of expenses incurred / payment made to / on behalf of aforesaid subsidiary amounting to Rs. 5,512.50 Lacs (Rs. 5,422.10 Lacs) which are intended to be adjusted against the value of the Ordinary Shares to be issued by the aforesaid subsidiary.

24. Disclosure required by clause 32 of the listing agreement (as certified by management) :

- a) Interest free Loans/Advances in the nature of Loans/Advances to:

Particulars	Outstanding as on 31.03.2009	Maximum balance outstanding during the period
Cantabria Pharma S. L. - a subsidiary company	Rs. 1,098.07 Lacs (Rs. 702.80 Lacs)	Rs. 1,098.07 Lacs (Rs. 702.80 Lacs)
Ningxia Wanbury Fine Chemicals Co. Ltd. – a subsidiary company	Rs. 70.41 Lacs (Rs. 67.20 Lacs)	Rs. 70.41 Lacs (Rs. 67.20 Lacs)

SCHEDULES FORMING PART OF THE ACCOUNTS

b) Interest bearing Loans/ Advances in the nature of Loans/Advances to:

Particulars	Outstanding as on 31.03.2009	Maximum balance outstanding during the period
Bravo Healthcare Ltd.	- (Rs.1,272.03 Lacs)	3,830.54 Lacs (Rs.1,272.03 Lacs)
Expert Chemicals (India) Pvt. Ltd.	Rs.795.44 Lacs (Rs.556.99 Lacs)	Rs. 795.44 Lacs (Rs.556.99 Lacs)

Notes:

- Above Loans/ Advances are repayable on demand.
- Loans and Advances to employees/customers and investments by such employees/customers in the shares of the Company if any are excluded from the above disclosure.

c) Investment by loanee in the shares of

Particulars	No. of shares	Amount
- the Company	26,44,439 (25,76,630)	Rs.1,670.30 Lacs (Rs.1,662.80 Lacs)
- its Subsidiary Company	900 (900)	Rs.31.04 Lacs Equivalent to Euro 54,000 (Rs. 31.04 Lacs Equivalent to Euro 54,000)

25. Related Party Disclosure: (With whom the transactions have taken place)

A. Relationship:

Category 1: Major Shareholders:

- Kingsbury Investment Inc.
- Expert Chemicals (India) Pvt. Ltd.
- Magnum Equifin Pvt. Ltd.

Category 2: Subsidiary Companies-

- Wanbury Holding B. V. (Netherlands)
- Cantabria Pharma S. L. (Spain)
- Ningxia Wanbury Fine Chemicals Co. Ltd. (China)

Category 3: Associate Companies

- Wanbury Infotech Pvt. Ltd.
- Bravo Healthcare Limited

Category 4: Key Management Personnel and their relatives:

- Mr. K. Chandran Whole-time Director
- Mr. K. R. N. Moorthy Deputy Managing Director

SCHEDULES FORMING PART OF THE ACCOUNTS

B. Transactions carried out with related parties:

Sr. No	Transactions	Related Party Relation	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
1)	Advances Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	275.30	-
	- Ningxia Wanbury Fine Chemicals Co. Ltd	Subsidiary Company	113.87	-
	- Wanbury Infotech Pvt Ltd.	Associate Company	23.31	-
2)	Inter Corporate Deposits Taken:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	80.13
3)	Repayment of Inter Corporate Deposits Taken:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	291.68
4)	Inter Corporate Deposits Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	614.42
	- Cantabria Pharma SL	Subsidiary Company	344.96	785.56
	- Bravo Healthcare Ltd.	Associate Company	472.38	1,813.95
5)	Repayment of Inter Corporate Deposits Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	80.40	99.87
	- Cantabria Pharma SL	Subsidiary Company	-	431.42
	- Bravo Healthcare Ltd.	Associate Company	1,744.41	567.93
6)	Expenses Reimbursed from:			
	- Cantabria Pharma SL	Subsidiary Company	40.31	422.81
	- Ningxia Wanbury Fine Chemicals Co. Ltd	Subsidiary Company	3.21	67.20
	- Bravo Healthcare Ltd.	Associate Company	2,901.46	73.18
7)	Remuneration paid:			
	- Mr. K. R. N. Moorthy	Key Management Personnel	59.56	126.13
	- Mr. K. Chandran	Key Management Personnel	29.92	87.23
8)	Rent Paid:			
	- Mrs. Prabha K. Chandran	Key Management Person's relatives	1.00	9.00
9)	Advances given for Investment			
	- Wanbury Holding B. V.	Subsidiary Company	90.40	1,111.85
	- Bravo Healthcare Ltd.	Associate Company	3,830.54	-
10)	Investment			
	- Wanbury Holding B. V.	Subsidiary Company	-	3,018.81
	- Ningxia Wanbury Fine Chemicals Co. Ltd	Subsidiary Company	-	5.29
	- Bravo Healthcare Ltd.	Associate Company	-	53.40
11)	Sales			
	- Bravo Healthcare Ltd.	Associate Company	-	134.85
12)	Purchase of Materials			
	- Ningxia Wanbury Fine Chemicals Co. Ltd	Subsidiary Company	506.25	592.91
	- Bravo Healthcare Ltd.	Associate Company	417.85	417.10
13)	Dividend			
	- Kingsbury Investment Inc.	Major Shareholders	15.12	60.48
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	13.22	51.53
	- Magnum Equifin Pvt. Ltd.	Major Shareholders	2.50	10.01
14)	Technical Know-how Fees			
	- Bravo Healthcare Ltd.	Associate Company	-	280.90

SCHEDULES FORMING PART OF THE ACCOUNTS

Sr. No	Transactions	Related Party Relation	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
15)	Interest Income			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	43.55	42.44
	- Bravo Healthcare Ltd.	Associate Company	98.74	176.98
16)	Gain From One Time Settlement of SBI Dues			
	- Bravo Healthcare Ltd.	Associate Company	-	280.51
17)	Job Work Expenses			
	- Bravo Healthcare Ltd.	Associate Company	5.86	6.15
18)	Allotment of Equity Shares pursuant PPIL Merger Scheme			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	55.56
19)	Expenses Reimbursed from:			
	- Bravo Healthcare Ltd.	Associate Company	-	0.96
20)	Information Technology Services Taken			
	- Wanbury Infotech Pvt Ltd.	Associate Company	62.37	93.80

C. Balances due from/to related parties

Sr. No.	Particulars	Related Party Relation	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
1)	Inter Corporate Deposits Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	520.14	556.99
	- Cantabria Pharma SL	Subsidiary Company	726.63	381.67
	- Bravo Healthcare Ltd.	Associate Company	-	1,272.03
2)	Loans and Advances Given:			
	- Ningxia Wanbury Fine Chemicals Co. Ltd.	Subsidiary Company	184.28	67.20
	- Cantabria Pharma SL	Subsidiary Company	371.44	321.13
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	275.30	-
	- Wanbury Infotech Pvt Ltd.	Associate Company	23.31	-
3)	Sundry Creditors / Other Liabilities:			
	- Ningxia Wanbury Fine Chemicals Co. Ltd	Subsidiary Company	-	78.27
	- Wanbury Infotech Pvt Ltd	Associate Company	-	6.71
4)	Advances for Investment			
	- Wanbury Holding B.V.	Subsidiary Company	5,512.50	5,422.10
	- Bravo Healthcare Ltd.	Associate Company	3,830.54	-
5)	Technical Know how Fees Receivable			
	- Bravo Healthcare Ltd.	Associate Company	-	280.90

SCHEDULES FORMING PART OF THE ACCOUNTS

26. Assets held for disposal:

As per the scheme of rehabilitation and merger approved by BIFR, erstwhile PPIL is required to sale office premises at Saki Naka, Mumbai and R & D premises at Turbhe, Navi Mumbai in settlement of part dues of secured and unsecured creditors mentioned in the aforesaid scheme. Consequently, the said assets are held for disposal and stated at cost since estimated realisable value is higher than cost and included in fixed assets as follows:

Particulars	Gross Block	Accumulated Depreciation	Net Block
1. Office Building	243.00 (243.00)	46.46 (46.46)	196.54 (196.54)
2. R & D Building	400.21 (400.21)	223.17 (223.17)	177.04 (177.04)

27. Consumption of Materials

a. Consumption of Raw Materials and Packing Materials

Item	Unit	31.03.2009		30.09.2008	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
DCDA	M.T.	1,871.35	2,669.41	6,633.22	5,394.98
DMA Hcl	M.T.	510.49	275.62	7,542.53	3,660.22
Methanol	M.T.	1,166.47	165.61	4,020.09	635.33
Others			2,907.74		5,517.30
			6,018.38		15,207.83
		%		%	
Imported(including High Sea purchases)		52.31	3,148.45	37.97	5,775.62
Indigenous		47.69	2,869.93	62.03	9,432.21
		100.00	6,018.38	100.00	15,207.83

b. Consumption of Stores & Spares :

	%		%
Imported	0.00	-	0.00
Indigenous	100.00	181.50	100.00
	100.00	181.50	100.00

SCHEDULES FORMING PART OF THE ACCOUNTS

28. Details of Installed Capacity and Production:

Class of Goods	Units of Measurement	Installed Capacity	Production
		Quantity	Quantity
Bulk Drugs	M.T.	8,134.00 p. a. (8,134.00) p. a.	3,198.85 (10,910.53)
Formulation			
-Tablets	No. in Lacs	5400 p.a. (5400) p.a.	- (-)
-Capsules	No. in Lacs	2100 p.a. (2100) p.a.	- (-)
-Dry Syrup (60 ML)	No. of Bottles in Lacs	60 p.a. (60) p.a.	- (-)
-Sachets (3&5 gm)	No. in Lacs	72 p.a. (72) p.a.	- (-)
-Sachets (22 gm)	No. in Lacs	60 p.a. (60) p.a.	- (-)

Notes : 1) In terms of Press Note No. 4 (1994 series) Dated 25.10.94 issued by the Dept of Industrial Development, Ministry of Industry, Government of India, industrial licensing has been abolished in respect of bulk drugs and formulations. Hence, there is no registered / licensed capacity for these bulk drugs and formulations.

2) Production excludes manufactured for others on job work basis.

3) Installed capacities, being a technical matter, have not been verified by the Auditors.

29. Details of Closing Stocks of Finished/ Traded Goods:-

Class of Goods	Unit of Measurement	31.03.2009		30.09.2008		31.03.2007	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
Bulk Drugs	M.T.	92.76	180.25	173.09	579.49	55.95	71.37
Formulations:							
Liquids	Kilo Ltrs.	30.89	108.82	39.95	89.99	46.71	91.35
Tablets	No. in Million	11.71	270.64	12.12	287.71	9.04	109.24
Vials	No. in Million	0.26	64.11	0.32	72.62	0.07	3.13
Capsules	No. in Million	5.17	125.36	8.80	163.25	3.46	87.68
Ampoule	No. in Million	0.22	55.87	0.26	66.28	-	-
Processed Food							
Powders	Tonnes	7.01	21.82	3.01	9.09	7.69	10.77
Liquids	Kilo Ltrs.	0.59	1.49	0.84	2.03	2.20	5.66
Total			828.37		1,270.46		379.20

SCHEDULES FORMING PART OF THE ACCOUNTS

30. Details of Purchases & Sales of Finished/Traded Goods:

Class of Goods	Units of Measurement	Purchases		Sales	
		Quantity	Rs. in Lacs	Quantity	Rs. in Lacs
Bulk Drugs	M. T.	-	-	3,275.27	10,272.67
		(152.35)	(322.27)	(11,008.58)	(23,036.30)
Formulations:					
Liquids	Kilo Ltrs.	151.28	307.38	145.66	787.46
		(508.63)	(945.96)	(518.68)	(2,428.81)
Tablets	No. in Million	45.10	827.03	45.63	2,281.10
		(126.44)	(1,523.90)	(104.43)	(4,716.43)
Vials	No. in Million	0.29	76.81	0.33	224.10
		(0.79)	(150.66)	(0.50)	(367.07)
Capsules	No. in Million	35.11	516.94	38.15	2,370.31
		(102.34)	(1,566.17)	(96.40)	(6,070.04)
Ampoule	No. in Million	0.71	107.37	0.49	190.09
		(0.68)	(256.46)	(0.53)	(370.54)
Processed Food					
Powders	M. T.	32.56	88.06	28.50	164.29
		(94.13)	(215.76)	(77.52)	(404.91)
Liquids	Kilo Ltrs.	0.99	2.40	1.12	5.22
		(4.65)	(13.03)	(5.56)	(26.38)
Others			136.24		470.31
			(178.19)		(971.51)
Total			2,062.23		16,765.56
			(5,172.40)		(38,391.98)

Note -Sales excludes free replacements / offers

31. Figures for the current period, being for six months, are not strictly comparable with those of the previous period, which are for eighteen months.
32. Figures for the previous period have been recast and regrouped wherever necessary. Figures in brackets are for previous period.

Signatures to Schedules 1 to 18

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

Mumbai, 30th June, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. L51900MH1988PLC048455 State Code 11

Balance Sheet Date 31.03.2009

II. Capital raised during the Year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 4128938 Total Assets 4128938

Sources of Funds

Paid-up Capital 146893 Share Cap. Suspense NIL

Reserves & Surplus 1019205 Secured Loans 1999002

Unsecured Loans 958513 Deffered S.Tax Liability 5325

Application of Funds

Net Fixed Assets 1956296 Investments 1243229

Net Current Assets 929413 Misc. Expenditure NIL

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover 1720523 Total Expenditure 2030856

Loss Before Tax 310333 Loss After Tax 312850

Earning Per Share in Rs. (21.30) Dividend Rate % NIL

V. Generic Names of Two Principal Products of Company (as per monetary terms) :

Product Description	Item Code No. (ITC Code)
METFORMIN	2921 1900
SALSALATE	2918 2300
TRAMADOL	2909 3019

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

Mumbai, 30th June, 2009

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED ON
31ST MARCH, 2009**

AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS

To,
The Board of Directors
WANBURY LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Wanbury Limited** ("the Company") and its Subsidiaries as at **31st March, 2009** and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the period ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of any of the subsidiaries.

The financial statements of Wanbury Holding B.V., a subsidiary company, which reflect total assets of Rs. 12,352.55 Lacs as at 31st March, 2009 and total revenue of Rs. 2.75 Lacs for the period then ended, have been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the aforesaid subsidiary, is based solely on the report of the other auditor.

The financial statements of Cantabria Pharma S.L, Laboratories Wanbury S.L. and Ningxia Wanbury Fine Chemicals Company Limited, the subsidiaries, which reflects total assets of Rs. 31,884.06 Lacs as at 31st March, 2009 and total revenue of Rs. 14,198.03 Lacs for the period then ended, are certified and converted by the management as per the requirement of Indian GAAP and are unaudited. Our opinion insofar as it relates to the amount included in respect of the aforesaid subsidiaries, are based solely on these unaudited certified financial statements.
4.
 - a) Without qualifying the report, we invite attention to Note No. 14 of Schedule 19 regarding managerial remuneration in case of the Company which is paid in excess of the limits specified in Schedule XIII of the Companies Act, 1956 and is subject to the approval of the Central Government.
 - b) Without qualifying the report, attention is invited to note no. 1 (d) and 1 (e) of the Schedule 19 in respect of the incorporation of the financial statements of Laboratories Wanbury S.L. and Ningxia Wanbury Fine Chemicals Company Limited, the subsidiaries, which are for the period different than the accounting period of the Consolidated Financial Statements.
5. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the Company and audited financial statements of the Wanbury Holding B.V. and unaudited financial statements of Cantabria Pharma S.L., Laboratories Wanbury S.L. and Ningxia Wanbury Fine Chemicals Company Limited which are certified by the management, included in Consolidated Financial Statements.
6. Based on our audit and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements read together with para 4 and 5 above, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its Subsidiaries as at 31st March, 2009 ;
 - ii. In the case of Consolidated Profit and Loss Account, of the loss of the Company and its Subsidiaries for the period then ended ; and
 - iii. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company and its subsidiaries for the period then ended.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Membership No.: 37032
Mumbai, 30th June, 2009

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2009

	Schedule No.	As At 31.03.2009 (Rs. in Lacs)	As At 30.09.2008 (Rs. in Lacs)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	1,468.93	1,468.93
Preference Share Application Money	2	2,129.28	2,129.46
Reserves & Surplus	3	11,481.89	15,680.04
		15,080.10	19,278.43
LOAN FUNDS			
Secured Loans	4	37,694.30	34,917.61
Unsecured Loans	5	9,585.13	9,971.80
		47,279.43	44,889.41
DEFERRED SALES TAX LIABILITY		53.25	55.44
DEFERRED TAX LIABILITY		655.57	551.82
MINORITY INTEREST		764.05	764.05
(Refer Note 25 of Schedule 19)			
TOTAL		63,832.40	65,539.15
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	6	55,754.16	53,560.35
Less: Depreciation, Amortisation & Impairment		11,236.63	7,438.17
Net Block		44,517.53	46,122.18
Add : Capital Work in Progress		1,906.55	1,841.90
		46,424.08	47,964.08
GOODWILL ON CONSOLIDATION		29.85	29.85
(Refer Note 24 of Schedule 19)			
INVESTMENTS	7	3,884.85	61.63
CURRENT ASSETS			
Inventories	8	6,290.83	7,240.26
Sundry Debtors	9	15,726.40	17,818.83
Cash & Bank Balances	10	2,968.44	1,481.59
Loans & Advances	11	8,042.10	11,070.44
		33,027.77	37,611.12
Current Liabilities	12	14,063.84	18,715.22
Provisions	13	5,470.31	1,412.31
		19,534.15	20,127.53
Net Current Assets		13,493.62	17,483.59
TOTAL		63,832.40	65,539.15
Accounting Policies	18		
Notes to Accounts	19		

As per our attached report of even date
For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE PERIOD ENDED 31st MARCH, 2009

	Schedule No.	For the period ended 31.03.2009 (Rs. in Lacs)	For the period ended 30.09.2008 (Rs. in Lacs)
INCOME			
Gross Sales		24,724.77	62,607.86
Less : Excise Duty		431.21	1,212.97
Net Sales		24,293.56	61,394.89
Other Income	14	6,013.30	1,886.63
Total Income		30,306.86	63,281.52
EXPENDITURE			
Cost of Materials	15	11,675.57	27,365.59
Personnel Cost	16	5,114.19	9,776.20
Other Expenses	17	11,292.48	17,227.61
Interest (Net)		1,879.05	3,693.98
Depreciation, Amortisation & Impairment		3,879.99	2,391.17
Less : Transferred from Revaluation Reserve		543.88	602.54
		3,336.11	1,788.63
Total Expenditure		33,297.40	59,852.01
PROFIT/(LOSS) BEFORE TAX		(2,990.54)	3,429.51
Less : Provision for taxation			
- Current Tax		92.40	338.36
- MAT Credit Entitlement		-	(337.14)
- Deferred Tax		106.53	211.50
- Fringe Benefit Tax		28.52	66.19
- Income Tax of Earlier Years		(3.93)	(3.15)
PROFIT/(LOSS) AFTER TAX		(3,214.06)	3,153.75
Profit brought forward from Previous Year		6,383.97	3,733.45
Amount available for Appropriation		3,169.91	6,887.20
APPROPRIATIONS			
Proposed Dividend		-	73.45
Tax on Dividend		-	12.48
Short Provision of Dividend of Earlier Year		0.01	4.13
Tax on Dividend of Earlier Year (Rs.175.00)		-	0.70
Transfer to Statutory Reserve		-	0.22
Transfer to Debenture Redemption Reserve		-	412.25
Balance carried to Balance Sheet		3,169.90	6,383.97
		3,169.91	6,887.20
Earning Per Share			
- Basic and Diluted (in Rs.)		(21.88)	21.75
Face Value of Equity Share (in Rs.)		10.00	10.00
Accounting Policies	18		
Notes to Accounts	19		

As per our attached report of even date
For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST March, 2009

	For the period ended 31.03.2009 (Rs. in Lacs)	For the period ended 30.09.2008 (Rs. in Lacs)
A Cash flows from Operating Activities		
Net Profit/(Loss) before Tax	(2,990.54)	3,429.51
Adjustments for:		
Depreciation	3,336.11	1,788.63
(Profit) / Loss on Sale of Assets	(0.06)	2.35
Provision for Doubtful Debts	35.22	42.14
Provision for Forex Loss	3,500.00	-
Interest Charges	1,879.05	3,693.98
Amounts Written Off	66.35	39.75
Operating Profit/(Loss) before Working Capital Changes	5,826.13	8,996.36
Adjustments for:		
Trade & Other Receivables	4,941.79	(4,353.51)
Inventories	949.43	(3,094.01)
Trade Payables	(4,349.29)	(11,193.22)
Cash Generated from Operations.	7,368.06	(9,644.38)
Direct Taxes (Paid) / Refund (Net)	(161.74)	(325.57)
Net Cash Generated from(used in) Operating Activities	7,206.32	(9,969.95)
B Cash flows from Investing Activities		
Purchase of Fixed Assets	(2,383.82)	(5,765.77)
Sale of Fixed Assets	43.91	1,335.76
Purchase of Investments	-	(111.85)
Sale / Adjustment of Investments	7.32	618.83
Advance pending allotment of shares -Net	(3,830.54)	-
Net Cash Generated from(used in) Investing Activities	(6,163.13)	(3,923.03)
C Cash flows from Financing Activities		
Preference Share/Application Money	-	435.34
Interest paid	(1,913.21)	(3,693.97)
Increase /(Decrease) in Borrowings	2,387.83	16,803.45
FCCB/Share/Deb issue exp.	-	(111.14)
Dividend & Tax on Dividend	(30.96)	(311.86)
Net Cash Generated from(used in) Financing Activities	443.66	13,121.82
Net increase /(decrease) in cash & cash equivalents	1,486.85	(771.16)
Cash and Cash equivalents as at the beginning of the period	1,481.59	2,212.70
Cash and Cash equivalents as at 1.4.2007 of erstwhile DOCL	-	40.05
Cash and Cash equivalents as at the end of the period	2,968.44	1,481.59

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in the Accounting Standard - 3, issued by the Institute of Chartered Accountants of India.
- Additions to Fixed Assets (including movements in Capital Work-in-Progress) are considered as a part of investing activities.
- The previous year's figures have been regrouped wherever necessary.

As per our attached report of even date
For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Mumbai, 30th June, 2009

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
3,00,00,000 Equity Shares of Rs. 10/- each	3,000.00	3,000.00
20,00,000 Preference Shares of Rs. 100/- each	2,000.00	2,000.00
	5,000.00	5,000.00
Issued, Subscribed and Paid-up		
1,46,89,286 Equity Shares of Rs. 10/- each fully paid-up	1,468.93	1,468.93
	1,468.93	1,468.93
Notes:		
1. Out of the above Equity Shares :		
a) 89,08,283 Equity Shares were allotted as fully paid-up without payment being received in cash, pursuant to the Schemes of Merger.		
b) 6,48,000 Equity Shares are represented by 2,16,000 Global Depository Receipts.		
2. 11,25,236 warrants of the face value of Rs. Nil have been allotted to the shareholders of Erstwhile PPIL as per the BIFR order. The warrant holders have the right to subscribe to one equity share of Rs. 10/- each at the premium of Rs. 125/- per share which is exercisable within five years from 27th June, 2007, being the date of allotment of the warrants.		
SCHEDULE - 2 PREFERENCE SHARE APPLICATION MONEY		
Preference Share Application Money	2,129.28	2,129.46
	2,129.28	2,129.46

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 3 RESERVES & SURPLUS		
Capital Reserve Account		
Balance as per last Balance Sheet	683.41	192.63
Add : On Merger of DOCL (Refer Note No.5 of Schedule 19)	-	490.78
	683.41	683.41
Securities Premium Account		
Balance as per last Balance Sheet	3,808.52	3,941.99
Add : Received during the year	-	770.04
Add : Exchange Gain on Premium payable on FCCB	2.45	-
	3,810.97	4,712.03
Less : Expenses on Debentures, FCCB & Share Issue	-	111.14
Less : <i>Pro-rata</i> Premium on FCCB	360.52	792.37
	3,450.45	3,808.52
Revaluation Reserve		
Balance as per last Balance Sheet	2,008.45	2,610.99
Less : Amortisation/ Impairment during the period	543.88	602.54
	1,464.57	2,008.45
General Reserve		
Balance as per last Balance Sheet	1,070.55	1,070.55
Debenture Redemption Reserve		
Balance as per last Balance Sheet	412.25	-
Add : Transfer from Profit & Loss Account	-	412.25
	412.25	412.25
Statutory Reserve		
Balance as per last Balance Sheet	0.22	-
Add : Transfer from Profit & Loss Account	-	0.22
	0.22	0.22
Foreign Currency Translation Reserve	1,230.54	1,312.67
Profit & Loss Account	3,169.90	6,383.97
	11,481.89	15,680.04

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 4 SECURED LOANS		
Debentures		
2,42,499 Zero Coupon Non Convertible Redeemable Debentures (NCDs) of Rs. 100/- each.	242.50	242.50
58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of Rs. 1,000/- each.	581.99	581.99
	824.49	824.49
Term Loans		
- Rupee Loans	10,998.02	9,562.38
- Foreign Currency Loans	14,406.32	14,687.04
	25,404.34	24,249.42
Working Capital Loans		
- Rupee Loans	5,980.33	4,424.10
- Foreign Currency Loans	5,313.68	5,234.09
	11,294.01	9,658.19
Other Loans	171.46	185.51
	37,694.30	34,917.61

Notes :

1. The NCDs are to be secured by a *pari-passu* charge on the fixed assets of the Parent Company situated at Patalganga and Plot No. J-17 at Tarapur. The NCDs comprises of Part A of Rs. 60 and Part B of Rs. 40 which are redeemable at par at the end of two years and three years respectively from 1st May, 2007.
2. The OFCDs are to be secured by a *pari-passu* charge on the fixed assets of erstwhile PPIL situated at Plot No 24 at Tarapur and fixed assets at Mazgaon. OFCDs are convertible between 1st November, 2008 and 30th April, 2012 into equity share at a price being higher of Rs. 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right.
3. Term loans of erstwhile PPIL are secured by a *pari-passu* first charge on its fixed assets. Other term loans are secured by *pari-passu* first charge on immovable properties, present and future, of the Parent Company situated at Patalganga, Tarapur, Tanuku and Turbhe and second charge on current assets of the Parent Company, pledge of shares of the Parent Company held by Expert Chemicals (India) Private Limited in addition to guarantee by Expert Chemicals (India) Private Limited and a director of the Parent Company.
4. Term Loan of the Subsidiary Company, Cantabria Pharma S. L. is secured by mortgage on all brands owned by said Subsidiary Company, pledge on its current account with ABN Amro and also pledge on 900 Shares of Cantabria Pharma S.L. held by Wanbury Holding B.V.
5. Working capital loans of the Parent Company are secured by a *pari-passu* first charge on current assets, second charge on fixed assets and pledge of shares of the Parent Company held by Expert Chemicals (India) Private Limited in addition to guarantee by Expert Chemicals (India) Private Limited and a director of the Parent Company.
6. Working capital loans of the Subsidiary Company are secured by hypothecation on stocks and book debts.
7. Other loans of the Parent Company are secured by hypothecation of assets acquired against respective loans.
8. Term loans and other loans include payable within a year Rs.2,181.56 Lacs (Pr.Yr. Rs.2,590.44 Lacs).

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 5 UNSECURED LOANS		
Foreign Currency Convertible Bonds		
672 1% Unsecured Foreign Currency Convertible		
A Bond of Euro 10,000/- each (Refer Note No.8 of Schedule 19)	4,534.66	4,555.49
700 1% Unsecured Foreign Currency Convertible		
B Bond of Euro 10,000/- each (Refer Note No 8 of Schedule 19)	4,723.60	4,745.30
	9,258.26	9,300.79
Inter Corporate Deposits	84.98	130.79
From Banks / Financial Institutions		
Rupee Loan	200.25	200.25
Foreign Currency Loan	41.64	339.97
	9,585.13	9,971.80
Note : Due within a year Rs 326.89 Lacs (Pr.Yr.Rs 152.19 Lacs) .		
SCHEDULE - 7 INVESTMENTS		
1. Long Term		
a. Trade - Quoted		
1,800 Equity Shares of Bank of India of Rs. 10/- each. [Market value Rs. 3.95 Lacs (Pr.Yr. Rs.5.08 Lacs)]	0.81	0.81
b. Trade - Unquoted		
706 Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs. 10/- each.	0.07	0.07
100 Equity Shares of The Shamrao Vithal Co-op. Bank Ltd. of Rs. 25/- each.	0.03	0.03
12,71,250 Equity Shares of Bravo Healthcare Limited of Rs 10/- each.	53.40	53.40
c. Non Trade - Unquoted		
13,260 Shares of Ningxia Wanbury Fine Chemicals Company Limited of USD 1/- each.	-	5.29
3,010 Shares of Laboratories Wanbury S L of Euro 1/- each.	-	2.03
2. Advance for Investment Pending Allotment		
Bravo Healthcare Limited.	3,830.54	-
	3,884.85	61.63
SCHEDULE - 8 INVENTORIES		
<i>(As taken, valued and certified by the management)</i>		
Raw & Packing Materials	1,322.21	2,097.51
Work in Process	1,825.26	1,726.75
Finished / Traded Goods	3,122.11	3,399.21
Fuel	21.25	16.79
	6,290.83	7,240.26

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 6 FIXED ASSETS

(Rs. in Lacs)												
DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1-Oct -08	Asset on Amalga- mation	Addi- tions	Deduc- tions / Adjust- ments	As at 31-Mar -09	As at 1-Oct -08	Asset on Amalga- mation	For the year	Deduction / Adjustments	As at 31-Mar -09	As at 31-Mar -09	As at 30-Sep -08
Freehold Land	4,739.81	-	-	-	4,739.81	-	-	-	-	-	4,739.81	4,739.81
Lease Hold Land & Land												
Development Expenses	58.57	-	-	-	58.57	7.17	-	0.30	-	7.47	51.10	51.40
Factory Buildings	1,834.78	-	109.61	-	1,944.39	402.21	-	25.30	-	427.53	1,516.87	1,432.57
Plants, Machineries & Equipments	11,010.14	-	725.49	(100.73)	11,634.90	2,795.81	-	279.66	(64.34)	3,011.13	8,623.77	8,214.33
Furnitures & Fixtures	376.11	-	26.34	(0.10)	402.35	117.06	-	28.55	(0.05)	145.56	256.79	259.05
Vehicles	444.89	-	-	(12.79)	432.10	119.32	-	20.40	(5.33)	134.39	297.71	325.57
Office Equipments	438.32	-	23.91	(0.44)	461.79	112.07	-	30.68	(0.16)	142.59	319.20	326.25
Electrical Installations	82.98	-	32.56	-	115.54	21.91	-	2.31	-	24.22	91.32	61.06
Computers	282.91	-	53.26	(0.03)	336.14	155.89	-	16.53	(0.01)	172.41	163.73	127.02
Office Premises	243.00	-	-	-	243.00	46.46	-	-	-	46.46	196.54	196.54
R & D Building	400.22	-	-	-	400.22	223.17	-	-	-	223.17	177.05	177.05
Intangibles :												
- Goodwill	18,322.66	-	841.47	(85.72)	19,078.41	-	-	2,390.28	(5.49)	2,384.79	16,693.63	18,322.66
- Brands	14,929.61	-	617.55	(49.63)	15,497.53	3,286.95	-	1,053.81	(6.04)	4,334.72	11,162.82	11,642.66
- Softwares	391.93	-	13.76	(0.71)	404.98	146.16	-	31.73	(0.12)	177.77	227.20	245.78
- Technical Knowhow	4.43	-	-	-	4.43	4.00	-	0.43	-	4.43	-	0.43
Total	53,560.35	-	2,443.94	(250.16)	55,754.16	7,438.17	-	3,879.99	(81.52)	11,236.63	44,517.53	46,122.18
Previous Year	38,087.02	6,235.96	6,528.65	2,708.71	53,560.35	3,671.72	1,286.42	2,391.17	88.85	7,438.17		
Add : Capital Work in Progress and Advance for Capital Expenditure											1,906.55	1,841.90
TOTAL											46,424.08	47,964.08

Notes:

- Additions to Fixed Assets include items of assets aggregating to Rs. 18.49 Lacs (Pr. Yr. 21.94 Lacs) located at Research and Development centres of the Company.
- The title deeds of some of the immovable properties transferred pursuant to the Scheme of Merger are yet to be transferred in the name of the Company.
- Capital Work in Progress includes Machinery under installation, Advances against Capital Expenses, Construction material purchases and other assets under erection.
- Depreciation/Amortisation includes Rs 1.53 Lacs (Pr. Yr. Nil) for earlier years.
- Amortisation of Goodwill includes impairment of Rs. 2,199.50 Lacs (Pr. Yr. Nil).
- Amortisation of the Brands includes impairment of Rs 343.04 Lacs (Pr. Yr. Nil) .

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 9 SUNDRY DEBTORS		
Over six months		
- Considered Good	3,257.99	9,556.10
- Considered Doubtful	94.55	59.54
	3,352.54	9,615.64
Other debts	12,468.41	8,262.73
	15,820.95	17,878.37
Less : Provision for Doubtful Debts	94.55	59.54
	15,726.40	17,818.83
Includes Sundry Debtors - Secured Rs 210.17 Lacs (Pr.Yr. Rs 278.25 Lacs)		
SCHEDULE - 10 CASH & BANK BALANCES		
Cash in Hand	17.96	5.65
Balance with Scheduled Banks		
In Current Accounts	2,419.98	637.95
In Deposit Accounts*	530.50	837.99
	2,968.44	1,481.59
*Under lien with Banks and Government Authorities		
SCHEDULE - 11 LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loans Given	1,218.26	2,482.13
Advances recoverable in cash or in kind or for value to be received	4,723.07	6,217.02
Deposits	218.65	220.99
MAT Credit Entitlement	627.14	627.14
Income Tax Paid	713.88	709.52
Balance with Excise & Custom Authorities	541.10	813.64
	8,042.10	11,070.44
SCHEDULE - 12 CURRENT LIABILITIES		
Sundry Creditors	10,766.29	15,008.78
Other Liabilities	3,236.56	3,687.95
Unpaid Dividend*	60.99	18.49
	14,063.84	18,715.22

* There are no amounts due and outstanding to be credited to 'Investor Education and Protection Fund' as on 31.03.2009.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 13 PROVISIONS		
For Forex Loss	3,500.00	-
For Leave Benefits	197.03	185.88
For Severance	635.42	-
For Gratuity	157.87	135.94
For Proposed Dividend	-	73.45
For Tax on Dividend	12.48	12.48
For Income Tax	963.56	1,001.19
For Wealth Tax	3.95	3.37
	5,470.31	1,412.31
SCHEDULE - 14 OTHER INCOME		
Insurance Claim	2.50	9.12
Export Incentives	234.88	698.88
Profit on sale of fixed assets	0.06	-
Sale of Industrial Property	5,553.09	-
Technical Know How	-	250.00
Interest from Banks	29.21	108.95
<i>[Tax deducted at source Rs.4.65 Lacs (Pr.Yr.Rs 1.25 Lacs)]</i>		
Processing Charges	128.11	454.58
<i>[Tax deducted at source Rs.2.51 Lacs (Pr.Yr. Rs. 8.49 Lacs)]</i>		
Interest from Others	-	0.02
Gain on One Time Settlement of SBI dues	-	280.51
Miscellaneous Income	65.45	84.57
	6,013.30	1,886.63

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 15 COST OF MATERIALS		
A) Raw & Packing Materials		
Opening Stock	2,097.51	707.60
Add: Taken over on Merger with DOCL	-	206.22
Add: Purchases	5,078.52	18,495.95
	7,176.03	19,409.77
Less: Closing Stock	1,322.21	2,097.51
	5,853.82	17,312.26
B) Purchase of Traded Goods	5,643.16	11,990.93
C) (Increase) / Decrease in Inventories		
Opening Stock		
- Work in Process	1,726.75	1,073.31
Add: Taken over on Merger with DOCL	-	288.70
- Finished/Traded Goods	3,399.21	1,687.75
Add: Taken over on Merger with DOCL	-	138.60
	5,125.96	3,188.36
Closing Stock		
- Work in Process	1,825.26	1,726.75
- Finished/Traded Goods	3,122.11	3,399.21
	4,947.37	5,125.96
(Increase) / Decrease	178.59	(1,937.60)
	11,675.57	27,365.59
SCHEDULE - 16 PERSONNEL COST		
Salaries, Wages, Bonus and Allowances	4,154.87	8,964.15
Contribution to Provident and Other Funds	813.26	560.06
Staff Welfare Expenses	146.06	251.99
	5,114.19	9,776.20

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	31.03.2009 (Rs. in Lacs)	30.09.2008 (Rs. in Lacs)
SCHEDULE - 17 OTHER EXPENSES		
Processing Charges	91.42	172.72
Power & Fuel	703.34	1,865.09
Stores & Spares	190.47	338.29
Water Charges	25.44	67.59
Repairs & Maintenance		
- Buildings	71.18	149.44
- Plant & Machinery	62.33	89.12
- Others	151.66	164.75
Commission on Sales	220.39	480.05
Excise Duty	36.74	109.97
Delivery & Packing Charges	107.11	304.92
Carriage Outward	393.74	1,363.85
Advertisement & Sales Promotional Expenses	1,181.44	5,510.44
Cash Discount	9.10	70.81
Breakages & Expiry	153.02	297.30
Rent, Rates & Taxes	257.18	717.44
Travelling & Conveyance	877.51	1,536.99
Postage, Telegram & Telephone	93.91	203.54
Printing & Stationery	24.09	52.50
Provision for Doubtful Debts	35.22	42.14
Donation	4.96	3.81
Insurance	29.11	132.04
Legal & Professional Charges	671.82	1,322.08
Analytical Charges	1.52	5.34
Loss on Assets Sold	-	2.35
Amounts Written Off (Net)	66.35	39.75
Exchange Fluctuation	1,406.45	1,177.39
Provision for Forex Loss	3,500.00	-
Miscellaneous Expenses	926.98	1,007.90
	11,292.48	17,227.61

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 18

ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements:

- i) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, namely 31st March, 2009.
- ii) The accompanying financial statements have been prepared under historical cost convention and on accrual basis of accounting, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956, unless otherwise stated.

b) Principles of Consolidation:

- i) The Financial statements of the Parent Company and its subsidiaries have been Consolidated in accordance with the Accounting Standard 21 (AS 21) "Consolidated Financial Statements", on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions and unrealised profits/losses.
- ii) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) The excess of cost to the Parent Company of its investment in the subsidiaries, on the acquisition dates over and above the Parent Company's share of equity in the subsidiaries, is recognised in the financial statements as Goodwill on Consolidation and carried forward in the accounts. The said Goodwill is not amortised.

c) Use of Estimates:

Preparation of financial statements in conformity with generally accepted accounting principles, requires estimates and assumption to be made, that affect reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the period in which results are known / materialised.

d) Fixed Assets:

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation.

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets except some of the brands which are revalued, are recorded at cost and are carried at cost / revalued amount less accumulated amortisation and accumulated impairment losses, if any.

e) Expenditure During Construction Period:

All identifiable revenue expenses including interest incurred in respect of various projects/expansions are allocated to capital cost of respective assets on their completion/installation.

f) Depreciation / Amortization:

1) Parent Company

Depreciation on fixed assets is provided on straight line method in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956, by the Parent Company except for the following fixed assets and intangible assets which are depreciated / amortised over their useful life as determined by the Management on the basis of technical evaluation, etc.

- i) Cost of leasehold land is being amortized over the period of lease.
- ii) Brands and Technical Know-how are amortized over a period of ten and five years respectively.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

iii) Softwares are amortized @ 16.21% p.a.

iv) Depreciation is not provided in respect of assets held for sale.

2) Subsidiary at Spain (Cantabria Pharma S.L.)

i) Goodwill is amortised over estimated useful life.

ii) Softwares are amortized @ 16.21% p.a.

iii) Furniture and Fixtures are depreciated @ 10% p.a. on SLM basis.

iv) Office Equipment are depreciated @ 16.67% p.a. on SLM basis.

v) Brands are amortized @ 5% p.a.

3) Subsidiary at China (Ningxia Wanbury Fine Chemicals Company Limited)

i) Computers are depreciated @ 30% p.a. on SLM basis.

g) Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

h) Borrowing Costs:

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

i) Inventories :

i) Raw materials, packing materials, finished/traded goods are valued at cost or net realisable value whichever is lower.

ii) Works in process are valued at estimated cost.

iii) Fuels are valued at cost.

iv) Samples are valued at cost.

j) Investments:

i) Long term investments are stated at cost of acquisition unless there is permanent fall in its realization value which is provided for.

ii) Expenses incurred for acquisition of investment has been added to cost of investment.

iii) Investments in foreign currency are stated at cost by converting at exchange rate prevailing, at the time of acquisition/remittance.

k) Foreign Currency Transactions/Translation :

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expenses of the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the profit and loss account.

Exchange difference on derivative contracts is recognised in the profit and loss account to the extent amount paid / payable under such contracts during the period.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

The financial statements of subsidiaries, whose operations are non-integral foreign operations for the Parent Company, have been translated to Indian Rupees on the following basis :

- i) All income and expenses are translated at the average rate of exchange prevailing during the period.
- ii) Monetary and Non-monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.
- iii) The resulting exchange difference is accounted in 'Foreign Currency Translation Reserve'.

l) Revenue Recognition :

Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. Sales are net of discounts, sales tax and returns; excise duty collected on sales is shown by way of deduction from sales.

Dividend income is recognised when right to receive dividend is established and there is no uncertainty as to its realisability.

Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

m) Export Benefits :

Export benefits available under prevalent schemes are accrued in the period in which the goods are exported and are accounted to the extent considered receivable.

n) Excise and Custom Duty :

Excise and custom duty is accounted on the basis of payment made in respect of goods cleared and provision is made for goods lying in bonded warehouse.

o) Cenvat, Service Tax and Vat Credit :

Cenvat, service tax and vat credit receivable/availed are treated as an asset with relevant expenses being accounted net of such credit, and the same is reduced to the extent of their utilisations.

p) Research and Development :

Research & development expenditure of a revenue nature is charged to the revenue in the period in which it is incurred and expenditure of a capital nature is added to respective fixed assets.

q) Employee Benefits :

i) Short Term Employee Benefits :

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

ii) Post Employment Benefits :

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to Profit and Loss Account.

Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the balance sheet date.

r) Operating Leases :

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with respective lease agreements.

s) Accounting for Tax :

Current tax and Fringe benefit tax are accounted on the basis as per the tax provisions of the respective countries.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax, to the extent

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

that the timing differences are expected to crystallise. Deferred tax assets are recognised to the extent of deferred tax liabilities, if any, as a matter of prudence.

In case of the Parent Company MAT Credit Entitlement as per the provisions of Income Tax Act, 1961 is treated as an asset by credit to the Profit & Loss Account.

t) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE – 19

NOTES TO ACCOUNTS

1. a) Consolidated Financial Statements present the consolidated accounts of Wanbury Limited (“the Parent Company”) and the following Subsidiaries, (collectively referred as “the Wanbury Group”):

Name of the Company	Country of Incorporation	% of voting power held as at 31 st March, 2009	% of beneficial ownership held as at 31 st March, 2009
Wanbury Holding B. V.	Netherland	100%	100%
Ningxia Wanbury Fine Chemicals Company Limited	China	100%	100%
Cantabria Pharma S.L. (Wholly owned subsidiary of WanburyHolding B.V.)	Spain	90%	100%
Laboratories Wanbury S.L. (wholly owned subsidiary of Cantabria Pharma S.L.)	Spain	100%	100%

- b) Accounts of Wanbury Holding B. V., the subsidiary company, are audited. These accounts are for the period 1st October, 2008 to 31st March, 2009 and are incorporated in the consolidated financial statements.
- c) Accounts of Cantabria Pharma S. L., the subsidiary company, are prepared as per the requirement of Indian GAAP, are certified by the Management and are not audited. These Accounts are prepared for the period 1st October, 2008 to 31st March, 2009 and are incorporated in the consolidated financial statements in the current period.
- d) Accounts of Ningxia Wanbury Fine Chemicals Company Limited, the subsidiary company, are prepared as per the requirement of Indian GAAP, are certified by the Management and are not audited. These Accounts are prepared for the period 1st January, 2008 to 31st March, 2009 and are incorporated in the consolidated financial statements in the current period.
- e) Accounts of Laboratories Wanbury S. L., the subsidiary company, are prepared as per the requirement of Indian GAAP, are certified by the Management and are not audited. These Accounts are prepared for the period 28th September, 2007 to 31st March, 2009 and incorporated in the consolidated financial statements in the current period.
- f) Due to the (d) and (e) above, figures for the current period are not strictly comparable with those of the previous period.
2. **Contingent liabilities:**
- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 23.97 Lacs (Rs.74.98 Lacs).
- b) Bank Guarantees issued Rs. 4.18 Lacs (Rs.2.70 Lacs).
- c) Disputed demands by Income Tax Authorities Rs. 16.85 Lacs (Rs 16.85 Lacs). Amount paid there against and included under the head Loans and Advances Rs. 16.85 Lacs (Rs 16.85 Lacs) .
Disputed demands by Sales Tax Authorities Rs. 33.27 Lacs (Rs 33.27 Lacs) paid under protest Rs. 13.32 Lacs (Rs.13.32 Lacs).
- d) Bank Letter of Credit outstanding at the period-end Rs. 2,197.39 Lacs (Rs 2,170.54 Lacs).
- e) Claims against the Company not acknowledged as debts Rs.829.84 Lacs (Rs 660.55 Lacs).
- f) Guarantees given to banks/financial institution for loans given to Associate Company Rs 2,700 Lacs (Rs 2,700 Lacs). Loans outstanding at the period end Rs 2,416.46 Lacs (Rs.1,925.25 Lacs).
3. The Wanbury Group operates solely in the pharmaceuticals segment and hence no separate disclosure for segment wise

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

information is required.

4. The Pharmaceutical Products of India Limited (PPIL) was merged with the Parent Company, pursuant to the Order dated 24th April, 2007, passed by Hon'ble Board for Industrial and Financial Reconstruction (BIFR).

The Hon'ble Supreme Court vide its order dated 16th May, 2008, has set aside the above referred BIFR order and remitted the matter back to BIFR for considering afresh as per the provisions of SICA, in response to a suit filed by one of the unsecured creditors of PPIL.

The Hon'ble Board for Industrial and Financial Reconstruction is afresh considering the Rehabilitation and Revival cum Merger of PPIL with the Company pursuant to the Order of Hon'ble Supreme Court of India dated 16th May, 2008. In the meanwhile, the Company has sought legal opinion and the Company has been advised to maintain status quo ante with respect to the merger under the said Scheme and that it should take further steps only on the basis of the fresh BIFR Order.

In view of the above, the Company has maintained a status quo. However, all actions taken by the Company pursuant to the sanctioned scheme shall remain subject to and without prejudice to the orders that may be passed by the BIFR while considering the case afresh pursuant to the directions of the Hon'ble Supreme Court in its order dated 16th May, 2008.

As per BIFR Order dated 24th April, 2007 statutory dues of erstwhile PPIL comprising of income tax Rs.250.36 Lacs, profession tax Rs.6.06 Lacs, custom duty Rs.230 Lacs, sales tax Rs.8.50 Lacs and excise duty Rs.15.62 Lacs were required to be paid in six equal annual installments. Since BIFR is considering the matter afresh, pending fresh directives from the BIFR, aforesaid dues have not been paid.

- 5) Effect of the merger of Doctors Organic Chemicals Limited with the Parent Company is given in the accounts of the previous accounting period ended on 30th September, 2008.
- Pursuant to the Scheme of Revival cum Amalgamation (the Scheme) u/s 18 and other applicable provisions of Sick Industrial Companies (Special Provision) Act, 1985 effective from 1st April, 2007 (the Appointed Date), The Doctors Organic Chemicals Limited (DOCL) has been merged in Wanbury Ltd.(the Company).
 - The Scheme, is approved by Board for Industrial and Financial Reconstruction, New Delhi, on 4th May, 2007 and filed with ROC on 7th May, 2007. DOCL and the Company has been in the business of Pharmaceuticals.
 - In terms of the Scheme, all the assets and liabilities of DOCL have been transferred and stand vested with the Company with effect from the Appointed Date.
 - Thereafter, Amalgamation has been accounted for under the 'Purchase Method' method as prescribed by Accounting Standard 14 on 'Accounting for Amalgamation' issued by the Institute of Chartered Accountants of India. Accordingly the assets and liabilities of DOCL have been taken over as on the Appointed Date, at values as determined by the Company.
 - Accordingly, the Amalgamation has resulted in transfer of assets and liabilities in accordance with the Scheme at the following summarised values:

Particulars	Rs. in Lacs
Fixed Assets (Net)	6,182.53
Current Assets	2,441.40
Total Assets (i)	8,623.93
Loans	6,583.21
Current Liabilities & Provision	1,267.35
Total Liabilities (ii)	7,850.56
Net Assets Taken over (i - ii)	773.37
Consideration for Amalgamation:	
7, 85,557 Equity Shares in the ratio of 1 Equity Share of Wanbury Ltd. for every 6 Equity Shares of DOCL.	78.56
	694.81
Stock of Stores and Spares written off to align with the accounting policy of the Company	204.04
Balance transfer to Capital Reserve	490.77

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

- f) The Company's investments in DOCL have been sold at cost before giving effect to the scheme.
6. Interest expenses include on fixed period loan Rs. 1,140.89 Lacs (Rs. 2,506.60 Lacs). Interest expense is net of interest income amounting to Rs.181.95 Lacs (Rs 306.86 Lacs).
7. In Parent Company, some of the balances of debtors, creditors, loans and advances are subject to confirmation/ reconciliation and adjustments, if any.
8. a) The Parent Company has issued on 20th April 2007, 800 Nos. 1% Unsecured Foreign Currency Convertible A Bonds ("**A Bonds**") and 700 Nos. 1% Unsecured Foreign Currency Convertible B Bonds ("**B Bonds**") of face value of EURO 10,000/- each maturing on 23rd April, 2012 and 17th December, 2012 respectively.
- The **A Bonds** are convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of Rs. 10 each at a premium of Rs. 128.43, being conversion price of Rs. 138.43 at a fixed exchange rate of Rs. 57.22 to EURO 1 and such option is exercisable till 9th March, 2012.
- The **B Bonds** are convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of Rs. 10 each at a premium of Rs. 128.43, being reset conversion price of Rs. 138.43 at a fixed exchange rate of Rs. 57.22 to EURO 1 and such option is exercisable till 5th November, 2012.
- The Parent Company may, at the option of any holders of any Bonds, repurchase at the early redemptions amount, together with accrued and unpaid interest.
- A Bonds and the B Bonds are bearing interest @ 1 % p.a. payable semi annually and Yield To Maturity of 7.5 % p.a. compounded semi-annually.
- b) The pro-rata premium payable on redemption and issue expenses is charged to Securities Premium Account.
- c) Till the period end holders of 128 "A Bonds" have exercised conversion option and hence 5,29,085 equity shares of Rs. 10/- each have been allotted at a premium of Rs 128.43 and the balance of 672 "A Bonds" & 700 "B Bonds" have been included and disclosed in the schedule of "Unsecured Loans" (Schedule 5).
9. In Parent Company, disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Parent Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the auditors. Amount outstanding (not overdue) as on 31st March, 2009, to Micro, Small and Medium Enterprises on account of principal amount aggregate to Rs. 173.57 Lacs (Rs 180.01 Lacs) and interest Rs Nil (Rs Nil) and interest paid during the period Rs. Nil (Rs. Nil).
10. In Parent Company, Provision for the current tax includes Rs.0.58 Lac (Rs 1.22 Lacs) for wealth tax.
11. The deferred tax assets/(liabilities) arising out of timing differences comprise of the followings major components:

The deferred tax assets/(liabilities) of the Parent Company arising out of timing differences comprise of the following major components:

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Liabilities:		
Depreciation	(1,873.67)	(592.40)
Assets:		
43 B Disallowance and other deferments	121.61	118.43
Unabsorbed depreciation/ business loss restricted to deferred tax liabilities	1,752.06	473.97
	1,873.67	592.40
Net Deferred Tax Assets / (Liabilities)	-	-

In case of Parent Company Deferred Tax Assets are recognised to the extent of deferred tax liabilities, if any.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

The deferred tax assets/(liabilities) of the Subsidiary Company arising out of timing differences comprise of the followings major components:

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Liabilities:		
Depreciation	(655.57)	(555.82)
Deferred Tax Assets/(Liabilities)	(655.57)	(555.82)

12. In Parent Company Pre-operative expenses are capitalised on commissioning of the project/expansions. The details of these expenses are :

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Opening Balance	-	-
Add: Incurred in the current year :		
- Salaries and allowances	25.36	92.59
- Contribution to funds	1.11	0.76
- Legal and Professional Fees	15.75	-
- Interest on Fixed Period Loans	46.45	274.79
- Loan Processing Fees	15.00	10.00
- Others	2.46	-
Total	106.12	378.14
Less: Capitalised to fixed assets	106.12	378.14
Closing Balance	-	-

13. Remittance in foreign currency on account of dividend:

The Parent Company has paid dividend in respect of shares held by Non-Resident Shareholders on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non Resident External A/c (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given below:

Particulars	31.03.2009	30.09.2008
Year to which the Dividend relates	2007-08	2006-07
Number of non-resident shareholders	185	110
Number of shares held by them	38,31,280	41,45,333
Amount of dividend (Rs. In Lacs)	19.16	82.91

14. (a) Managerial Remuneration in case of Parent Company :

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
Salary & Allowances	83.63	199.97
Contribution of P.F. & Other Funds	5.85	13.38
TOTAL	89.48	213.35

Notes:

- Excess remuneration of Rs. 62.60 Lacs, is subject to the approval of the Central Government being excess remuneration as per the Schedule XIII of the Companies Act, 1956 and the same has been charged to the Revenue.
- At the board meeting held on 3rd June, 2009, Remuneration of Deputy Managing Director and Whole Time Director has been

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

revised upward w.e.f. 1st July, 2008. Remuneration accounted during the period is without considering the effect of the upward revision.

- iii) Above excludes provision for future liabilities in respect of reitment benefits, which are based on actuarial valuation done on overall company basis.

- b) Sitting fees to Directors Rs.3.86 Lacs (Rs. 6.06 Lacs).

15. Details of Auditors' Remuneration:

Particulars	31.03.2009 Rs. In Lacs	30.09.2008 Rs. In Lacs
a) Statutory Auditors		
Auditors' Remuneration		
- Audit Fees	17.42	38.27
- Certification & Other Matters	2.00	8.59
- Out of Pocket Expenses	0.35	0.29
TOTAL	19.77	47.15
b) Branch Auditors Remuneration	0.40	0.40
c) Cost Audit Fees	0.37	0.75

Note: Above figures are exclusive of service tax.

16. In Parent Company the aggregate amount of revenue expenditure incurred during the period on Research and Development and shown in the respective heads of account is Rs. 187.02 Lacs (Rs. 542.11 Lacs).

17. Earning Per Share :

Calculation of basic and diluted earnings per equity share is as under:

Particulars	31.03.2009	30.09.2008
Profit / (Loss) after Tax - (Rs. in Lacs)	(3,214.06)	3,153.75
Number of Equity Shares:		
- Weighted Average Number of Equity Shares	1,46,89,286	1,44,96,759
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
Earning Per Share (Basic & Diluted) (in Rs.)	(21.88)	21.75

The market price of the equity shares of the Parent Company being less than the exercise price in respect of various outstanding options to subscribe to equity shares, the outstanding options as at the period end are considered to be anti dilutive.

18. Employee Benefits

- (i) The Parent Company has adopted Accounting Standard- 15 (Revised 2005) 'Employee Benefits' issued by the Institute of Chartered Accountants of India applicable from 1st April, 2007. There is no transitional liability as on 1st April, 2007.

(ii) Defined Contribution Plans

The Wanbury Group offers its employees defined contribution plans in the form of Provident Fund (PF), Employees' Pension Scheme (EPS) and Social Securities Funds with the governments, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension Fund is made only by the Parent Company. The contributions are normally based on a certain proportion of the employee's salary.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

During the period, the Wanbury Group has recognised the following amounts in the Account:

Particulars	Rs. in Lacs	
	31.03.2009	30.09.2008
Provident Fund, Employee's Pension Scheme, MLWF and Social Securities Funds	770.62	519.96
Employees State Insurance	3.95	7.19
Super Annuation Fund	2.33	6.03
TOTAL	776.90	533.18

(iii) Defined Benefit Plans

Gratuity:

The Parent Company makes annual contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

a. On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b. On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

iv) Death Benefit:

The Parent Company provides for death benefit, a defined benefit plan, (the death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on Death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is nonfunded.

Disclosures for defined benefit plans (i.e. Gratuity Funded Plan) based on actuarial reports as on 31st March, 2009.

Particulars	31.03.2009	30.09.2008
	Rs. in Lacs	Rs. in Lacs
a) <u>Changes in Defined Benefit Obligation</u>		
Opening defined benefit obligation	151.02	121.46
Current service cost	25.11	54.66
Interest cost	5.66	14.57
Actuarial loss / (gain)	(3.06)	(21.12)
Liabilities settled on sale of business	-	-
Benefit (paid)	(4.53)	(18.55)
Closing defined benefit obligation	174.21	151.02
b) <u>Changes in Fair Value of Assets</u>		
Opening fair value of plan assets	15.08	5.67
Expected return on plan assets	0.66	1.28
Actuarial gain / (loss)	(0.51)	(0.62)
Contributions of employer	5.64	27.30
Assets distributed on sale of business	-	-
Benefits (paid)	(4.53)	(18.55)
Closing fair value of plan assets	16.34	15.08
c) <u>Amount recognised in the Balance Sheet</u>		
Present value of the obligations as at year end	174.21	151.02
Fair value of the plan assets as at year end	16.34	15.08

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
(contd)		
Amount not recognised as an asset	-	-
Net (asset) / liability recognised as on 31 st March, 2009.	157.87	135.94
d) <u>Expenses recognised in the Profit and Loss Account</u>		
Current service cost	25.10	54.66
Interest on defined benefit obligation	5.66	14.58
Expected return on plan assets	(0.66)	(1.28)
Net actuarial loss / (gain) recognised in the current year	(2.53)	(20.50)
Effect of the limit in Para 59(b) of the revised AS 15	-	-
Total expense	25.57	47.46
e) <u>Asset information</u>		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Others – Policy with LIC	100%	100%
f) <u>Principal actuarial assumptions used</u>		
Discount rate (p.a.)	7.5%	8%
Expected rate of return on plan assets (p.a.)	8.5%	8.5%
Annual increase in salary cost (p.a.)	6%	6%

The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

19. From the current year, Goodwill of Cantabria Pharma S.L. is being amortised and consequently the profit before tax is lower by Rs 190.78 Lacs.
20. In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against fixed assets has been estimated for the period end by the management based on the present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, except in respect of :
 - a) Brands of the Parent Company – In respect of some brands for which impairment of Rs 343.04 Lacs (Rs Nil) has been provided for and is adjusted against revaluation reserve during the period.
 - b) Goodwill of Cantabria Pharma S.L. - An amount of Rs. 2,199.50 Lacs (Rs. Nil) for impairment has been provided for during the period.

There is no reversal of impairment amount during the period.

21. The Parent Company has entered into Derivatives structure for hedge purpose and not intended for trading or speculation. The period end foreign currency exposures that have been hedged by a derivative instrument or otherwise are as below:

Currency	Buy or Sell	Cross Currency	Amount in US \$	
			As At 31.03.2009	As At 30.9.2008
US \$	Sell	Indian Rupees	311.30 Lacs	489.50 Lacs

And Currency Swap for a notional amount of USD 77 Lacs (USD 77 Lacs).

Note: FCCB of Euro 137.20 Lacs are convertible at a fixed exchange rate (refer Note No.8 above).

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

The period end foreign currency exposures of the Parent Company that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	Foreign Currency Denomination	Foreign Currency Amount in Lacs	Indian Rupees equivalent in Lacs
Assets			
Trade Receivables	EURO	14.20 (7.39)	958.01 (501.10)
	GBP	0.76 (0.70)	55.08 (59.47)
Loans and Advances	GBP	- (0.04)	- (3.19)
Bank Balances	EURO	0.11 (6.47)	7.47 (434.93)
Liabilities			
Trade Payables	US\$	19.40 (20.27)	988.63 (951.33)
	EURO	0.17 (0.16)	9.80 (10.68)
Secured Loans	US\$	5.27 (7.15)	268.51 (335.38)
Unsecured Loans	EURO	137.20 (137.20)	9,258.26 (9,300.79)
Interest accrued but not due	US\$	0.07 (0.12)	3.37 (5.51)

22. In case of Parent Company Mark to Market loss is Rs. 3,501.60 Lacs in respect of foreign currency derivative instruments outstanding as at 31st March, 2009. The management is of the view that application of AS-30 "Financial Instrument Recognition and Measurement" is not mandatory for the financial period under report. However, out of abundant caution and as a measure of financial prudence the Company has provided an amount of Rs 3,500 Lacs to meet the anticipated forex losses.
Provision for Foreign Exchange losses :

Particulars	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
Opening balances	-	-
Additional Provision made during the period	3500	-
Amount used during the period	-	-
Unsettled amount reversed during the period	-	-
Closing Balance	3500	-

23. Disclosure for operating leases under Accounting Standard 19-"Accounting for Leases":

The Wanbury Group has taken various residential /godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months and 3 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Wanbury Group has given refundable interest free security deposits in accordance with the agreed terms. The lease payments are recognised in the Profit and Loss Account under "Rent, Rates & Taxes" under Schedule-17.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

The future lease payments and payment profile of non-cancellable operating leases are as under:

Particulars	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
Not later than one year	176.17	209.60
Later than one year but not later than five years	59.05	244.33
Later than five years	-	-

24. Goodwill (Net) on consolidation comprises of :

Particulars	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
Goodwill (Capital Reserve) in respect of Wanbury Holding B.V., Netherland	29.86	29.86
Cantabria Pharma S.L., Spain	(0.01)	(0.01)
Total	29.85	29.85

25. Minority interest represents the 1,370 Preference Shares of Euro 1,000 each of the Wanbury Holding B. V. The said Preference Shares are redeemable/ convertible into equity shares subject to the fulfillment of certain conditions mentioned in the agreement as per the agreed terms.

26. **Related Party Disclosure:** (With whom the transactions have taken place)

A. Relationship:

Category 1: Major Shareholders:

- Kingsbury Investment Inc.
- Expert Chemicals (India) Pvt. Ltd.
- Magnum Equifin Pvt. Ltd.

Category 2: Associate Companies :

- Wanbury Infotech Pvt. Ltd.
- Bravo Healthcare Limited.

Category 3: Key Management Personnel and their relatives:

- Mr. K. Chandran Whole-time Director
- Mr. K. R. N. Moorthy Deputy Managing Director

B. Transactions carried out with related parties:

Sr. No. Transactions	Related Party Relation	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
1) Advances Given:			
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	275.30	-
- Wanbury Infotech Pvt. Ltd.	Associate Company	23.31	-
2) Inter Corporate Deposits Taken:			
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	80.13
3) Repayment of Inter Corporate Deposits Taken:			
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	291.68
4) Inter Corporate Deposits Given:			
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	614.42
- Bravo Healthcare Ltd.	Associate Company	472.38	1,813.95

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Sr. No. Transactions	Related Party Relation	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
5) Repayment of Inter Corporate Deposits Given:			
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	80.40	99.87
- Bravo Healthcare Ltd.	Associate Company	1,744.41	567.93
6) Expenses Reimbursed from:			
- Bravo Healthcare Ltd.	Associate Company	2,901.46	73.18
7) Remuneration paid:			
- Mr. K. R. N. Moorthy	Key Management Personnel	59.56	126.13
- Mr. K. Chandran	Key Management Personnel	29.92	87.23
8) Rent Paid:			
- Mrs. Prabha K. Chandran	Key Management Person's relatives	1.00	9.00
9) Advances given for Investment			
- Bravo Healthcare Ltd.	Associate Company	3,830.54	-
10) Investment			
- Bravo Healthcare Ltd.	Associate Company	-	53.40
11) Sales			
- Bravo Healthcare Ltd.	Associate Company	-	134.85
12) Purchase of Materials			
- Bravo Healthcare Ltd.	Associate Company	417.85	417.10
13) Dividend			
- Kingsbury Investment Inc.	Major Shareholders	15.12	60.48
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	13.22	51.53
- Magnum Equifin Pvt. Ltd.	Major Shareholders	2.50	10.01
14) Technical Know-how Fees			
- Bravo Healthcare Ltd.	Associate Company	-	280.90
15) Interest Income			
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	43.55	42.44
- Bravo Healthcare Ltd.	Associate Company	98.74	176.98
16) Gain From One Time Settlement of SBI Dues			
- Bravo Healthcare Ltd.	Associate Company	-	280.51
17) Job Work Expenses			
- Bravo Healthcare Ltd.	Associate Company	5.86	6.15
18) Allotment of Equity Shares pursuant PPIL Merger Scheme			
- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	-	55.56
19) Expenses Reimbursed from:			
- Bravo Healthcare Ltd.	Associate Company	-	0.96
20) Information Technology Services Taken			
- Wanbury Infotech Pvt. Ltd.	Associate Company	62.37	93.80

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

C. Balances due from/to related parties				
Sr. No	Transactions	Related Party Relation	31.03.2009 Rs. in Lacs	30.09.2008 Rs. in Lacs
1)	Inter Corporate Deposits Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	520.14	556.99
	- Bravo Healthcare Ltd.	Associate Company	-	1,272.03
2)	Loans and Advances Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	275.30	-
	- Wanbury Infotech Pvt Ltd.	Associate Company	23.31	-
3)	Sundry Creditors / Other Liabilities:			
	- Wanbury Infotech Pvt Ltd.	Associate Company	-	6.71
4)	Advances for Investment			
	- Bravo Healthcare Ltd.	Associate Company	3,830.54	-
5)	Technical Know-how Fees receivable			
	- Bravo Healthcare Ltd.	Associate Company	-	280.90

27. Assets held for disposal of Parent Company:

As per the scheme of rehabilitation and merger approved by BIFR, erstwhile PPIL is required to sale office premises at Saki Naka, Mumbai and R & D premises at Turbhe, Navi Mumbai in settlement of part dues of secured and unsecured creditors mentioned in the aforesaid scheme. Consequently, the said assets are held for disposal and stated at cost since estimated realisable value is higher than cost and included in fixed assets as follows:

			Rs. in Lacs
Particulars	Gross Block	Accumulated Depreciation	Net Block
1. Office Building	243.00	46.46	196.54
	(243.00)	(46.46)	(196.54)
2. R & D Building	400.21	223.17	177.04
	(400.21)	(223.17)	(177.04)

28. Figures for the current period, being for six months, are not strictly comparable with those of previous year, which are for eighteen months.

29. Figures for the previous period have been recast and regrouped wherever necessary. Figures in brackets are of previous period.

Signatures to Schedules 1 to 19

For and on behalf of the Board

K. CHANDRAN
Whole-time Director
GIRISH JUNEJA
Vice President-Finance

K.R.N. MOORTHY
Deputy Managing Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Executive Director

Mumbai, 30th June, 2009

**WANBURY LIMITED**

Registered Office : BSEL Tech Park, B-Wing,
10th Floor, Sector 30 A, Opp. Vashi Railway
Station, Vashi, Navi Mumbai - 400705, Maharashtra

PROXY FORM

Folio No./Client ID _____ No. of shares held _____

I/We _____ of
_____ in the District of _____ being a
member(s) of Wanbury Limited hereby appoint Shri./ Smt. _____ or failing him/her Shri./
Smt. _____ in the District of

_____ as my / our proxy to vote for me / us, on my/our behalf at the Twenty-First Annual
General Meeting of the Company to be held on Tuesday, 29th September, 2009 at :

Hotel Tunga Regency, Plot No. 37, Sector No. 30 A, Vashi, Navi Mumbai -400705, Maharashtra
and at any adjournment thereof.

Signed this _____ day of _____ 2009.

**Affix
Re. 1/-
Revenue
Stamp**

Signature of Member (s)

ATTENDANCE SLIP**WANBURY LIMITED**

Registered Office : BSEL Tech Park, B-Wing,
10th Floor, Sector 30 A, Opp. Vashi Railway
Station, Vashi, Navi Mumbai - 400705, Maharashtra

**THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE
MEETING HALL.**

Name of the attending Member (in Block Letters) _____

_____ Member's Folio Number/Client ID _____

Name of the Proxy (in Block Letters, to be filled in if the Proxy attends instead of the Member)

No. of shares held _____

I hereby record my presence at the Twenty-First Annual General Meeting of the Company held on Tuesday, 29th September, 2009
at Hotel Tunga Regency, Plot No. 37, Sector No. 30 A, Vashi, Navi Mumbai -400705, Maharashtra

Member's / Proxy's Signature*

* to be signed at the time of handing over this slip.

NOTES

PRODUCT RANGE

FORMULATIONS

APIs



- Metformin
- Salsalate
- Ibuprofen
- Glucosamine
- Methoxsalen
- Atenol
- Mefenamic Acid
- Amitriptyline
- Tramadol
- Promethazine
- Paroxetine Hemihydrate
- Levetiracetam
- Sertraline
- Carvedilol
- Gabapentene Int.
- Clopidogrel
- Diphenhydramine
- Risperidone



WANBURY LIMITED

TOWARDS BETTER HEALTHCARE

Registered Office and Head Office :

10th Floor, BSEL Tech Park,

Opp. Vashi Station, Vashi

Navi Mumbai - 400 705

Maharashtra, India

website : www.wanbury.com