WANBURY LIMITED

25th Annual Report 2012-2013

Contents

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. A.N. Shinkar	Non-Executive Director (Upto 28 May 2012)
Mr. Manish Joshi	EXIM Bank Nominee (From 30 May 2013)
Mr. P.R. Dalal	EXIM Bank Nominee (Upto 30 May 2013)
Mr. S.K. Bhattacharyya	Additional Director (From 30 May 2013)
Mr. K. Chandran	Vice Chairman

Company Secretary

Mr. Mangesh Bhosale (From 28 May 2012)

Registered & Head Office

BSEL Tech Park, B-Wing, 10th Floor,
Sector 30-A, Opp. Vashi Railway Station,
Vashi, Navi Mumbai – 400 703, India
Tel : +91-22-67942222
Fax: +91-22-67942111/333
Email: shares@wanbury.com
Website: www.wanbury.com

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

Auditors

Kapoor & Parekh Associates
Chartered Accountants, Mumbai

Bankers

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

Registrar and Transfer Agent

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-Fifth Annual General Meeting of the Members of Wanbury Limited will be held on Tuesday, 24 September 2013 at 12:00 Noon at Hotel Four Points, Plot No. 39/1,6 to 15, Sector 30-A, Vashi, Navi Mumbai - 400 703, to transact the following business, with or without modifications.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 March 2013 and the Statement of Profit & Loss for the year ended on that date, along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. K. Puri – Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. Chandran – Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions relating to the appointment of Auditors of the Company:

(a) "RESOLVED THAT pursuant to the provision of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s Kapoor & Parekh Associates, Chartered Accountant, Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors."

(b) "RESOLVED THAT pursuant to the provision of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Kolath & Co., Chartered Accountants, Chennai, be and are hereby appointed as Branch Auditors of the Company, to audit the accounts of the Company's Plant situated at Tanaku, West Godavari District, Andhra Pradesh, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution: "RESOLVED THAT Mr. S. K. Bhattacharyya, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution. "RESOLVED THAT pursuant to the provision of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, consent of the members of the Company be and is hereby accorded to the re-appointment of and the payment of remuneration & perquisites to Mr. K. Chandran as Whole Time Director of the Company for a period of three years with effect from 1 September 2013 on the following terms and conditions (including the terms regarding the payment of remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period):

A. Period :

Three Years w.e.f. 1 September 2013, 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 ₹ 3,63,000/- (Rupees Three Lac Sixty Three Thousand only) per month with such increments as may be decided by the Board from time to time, subject however to a ceiling of ₹ 6,00,000/- (Rupees Six Lac only) per month.

House Rent Allowance

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

Special Allowance:

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

Leave Travel Allowance

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

Medical Allowance

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

Annual Performance Bonus:

Annual Performance Bonus Linked to the achievement of targets and Long-Term Incentive Compensation as per the scheme applicable to Senior Executives of the Company as may be decided by the Board subject to a maximum of ₹ 75,00,000/- (Rupees Seventy Five Lac only) per annum.

C. Perquisites :

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

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

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

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

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

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

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

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

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 703
Date: 30 May 2013
Place: Vashi, Navi Mumbai

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

Mangesh Bhosale
Vice President - Finance &
Company Secretary

NOTES:

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING AND IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE ON POLL; INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless Compliances by the Companies pursuant to the applicable provisions of Information Technology Act, 2000. The members are requested to notify their e-mail addresses to Company and enable the Company to send notices, annual report and other documents through electronic mode (e-mail). The members can notify their e-mail addresses to the Company by sending a request on e-mail ID shares@wanbury.com or by sending a letter addressed to the Company Secretary.
3. The members are requested to notify immediately changes, if any, in their registered address: (i) to the Company’s Registrar & Share Transfer Agent, M/s Sharex Dynamic (India) Pvt. Ltd., Unit – 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai – 400072, in respect of the Shares held in Physical Form, and (ii) to their Depository Participants (DPs) in respect of Shares held in Dematerialized Form.
4. In case the mailing address mentioned on this Annual Report is without the PINCODE, shareholders are requested to kindly inform their PINCODE immediately to their DP or the Company’s Registrar & Share Transfer Agent, M/s Sharex Dynamic (India) Pvt. Ltd., as mentioned above.
5. Members who hold Shares in Dematerialized Form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical Form are requested to write their Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.
6. The Share Transfer Books and the Register of Members will remain closed from Monday, 16 September 2013 to Tuesday, 24 September 2013 (both days inclusive) for the purpose of Annual General Meeting.
7. At the ensuing Annual General Meeting Mr. N. K. Puri & Mr. K. Chandran retire by rotation and being eligible offer themselves for re-appointment. Further Mr. S. K. Bhattacharyya is being appointed as Director of the Company. Their brief resume are as under:

Name	Mr. N. K. Puri
Age	70 Years
Qualification	M. Sc. (Physics)
Expertise in Specific Area	Banking
Date of First Appointment on the Board of the Company	09.03.2005
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:** NIL **Committee Membership:** NIL **Committee Chairmanship:** NIL
Name	Mr. K. Chandran
Age	54 Years
Qualification	Graduate
Expertise in Specific Area	Pharmaceutical Industry
Date of First Appointment on the Board of the Company	23.01.2001
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:** (1) Magnum Equifin Pvt. Ltd. (2) Cantabria Pharma S.L., Spain **Committee Membership:** NIL **Committee Chairmanship:**NIL

Name	Mr. S. K. Bhattacharyya
Age	63 Years
Qualification	BA (Hons.) in Economics, CAIIB
Expertise in Specific Area	Banking
Date of First Appointment on the Board of the Company	30.05.2013
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:** (1) Persistent Systems Ltd. (PSL) (2) Dabur India Ltd. (DIL) (3) C&S Electric Ltd. (CSEL) **Committee Membership:** Audit Committee – PSL Remuneration & Compensation Committee – PSL **Committee Chairmanship:** Shareholders Grievance Committee - PSL

8. Shareholders desiring any information as regards to the Accounts of the Company are requested to write to the Company at least Seven days in advance of the Annual General Meeting; so that the information to the extent practicable can be made available at the Annual General Meeting.
9. Section 109A of the Companies Act, 1956, provides for nomination by the Shareholders of the Company in the prescribed Form No. 2B. Shareholders are requested to avail this facility.

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 703
Date: 30 May 2013
Place: Vashi, Navi Mumbai

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

Mangesh Bhosale
Vice President - Finance &
Company Secretary

ANNEXURE TO THE NOTICE DATED 30 MAY 2013

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

Item No. 5:

Mr. S. K. Bhattacharyya was appointed by the Board of Directors as an Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956, Mr. S. K. Bhattacharyya holds office up to the date of the Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing Mr. S. K. Bhattacharyya as a candidate for the office of Director, liable to retire by rotation.

Mr. S. K. Bhattacharyya is a senior level banker with over 38 years of experience spanning International and Corporate Banking across Geographies, Retail Banking, Credit & Risk Management, Liability Management, Human Resource Management as Chief Executive Officer (CEO) of three banks including the State Bank of India (SBI), State Bank of Bikaner & Jaipur (SBBJ) and the SBI (International) Mauritius; participating in providing leadership to the Indian Financial System and being in the forefront of various initiatives undertaken by the SBI Group.

The Board of Directors is of the view that the services of Mr. S. K. Bhattacharyya will be of immense value to the Company. Your Directors, therefore, recommend his appointment as Director of the Company.

None of the Directors except Mr. S. K. Bhattacharyya is concerned or interested in the resolution.

Item No. 6:

The Members of the Company had approved the appointment of Mr. K. Chandran as Whole Time Director for a period of 3 years w.e.f 1 September, 2010, at their 22nd Annual General Meeting held on 12 August, 2010.

Mr. K. Chandran has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company. Keeping this in view, the Board of Directors at its meeting held on 30 May 2013, has approved the re-appointment of Mr. K. Chandran as Whole-time Director of the Company for a period of 3 years with effect from 1 September 2013, subject to approval of shareholders in General Meeting. Mr. K. Chandran fulfils the eligibility criteria set out under part I of Schedule XIII to the Companies Act, 1956.

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

I. GENERAL INFORMATION:

(1) Nature of Industry – Pharmaceutical Industry

(2) Date of commencement of commercial production – The Company commenced its pharmaceutical business from 1988 onwards.

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

(4) Financial performance

₹ In Lacs

Financial Parameters	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009*	2007-2008**
Total Income	41,868.58	35,537.46	33,037.63	37,587.47	17,205.23	40,278.60
Total Expenditure	44,401.77	37,934.34	35,262.16	34,433.24	20,308.56	37,236.74
Profit / (Loss) Before Tax	(2,533.18)	(1,613.68)	(2,224.53)	3,154.23	(3,103.33)	3,041.86
Profit / (Loss) After Tax	(2,546.88)	(1,613.68)	(2,226.69)	2,992.15	(3,128.50)	2,977.60
Rate of Dividend recommended/ declared	0%	0%	0%	10%	0%	5%

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

** Financial Year 2009-2010 was of 18 months from 1 April, 2007 to 30 September, 2008.

(5) Export Performance and net foreign exchange collaborations:

₹ In Lacs

Year	Foreign Exchange Earnings (Income)	Foreign Exchange Outgo (Expenditure)
2012-2013	21,884.06	9,726.99
2011-2012	15,266.37	4,871.19
2010-2011	12,006.53	4,211.96
2009-2010	13,945.56	4,175.40
2008-2009 *	8,751.31	2,442.57
2007-2008 **	18729.26	5,671.27

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

** Financial Year 2009-2010 was of 18 months from 1 April, 2007 to 30 September, 2008.

(6) Foreign investments or collaborators, if any

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

II. INFORMATION ABOUT THE APPOINTEE :

(1) Background details: Mr. K. Chandran aged about 54 years, is a Science Graduate and has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company.

(2) Past Remuneration – Remuneration of ₹ 33.86 Lacs was paid to Mr. K. Chandran for the year 2012-2013.

(3) Job profile and his suitability – Mr. K. Chandran is in-charge of the overall administration of the Company and its Subsidiary Companies, Subject to the superintendence, direction and control of the Board the Company.

(4) Remuneration proposed – As set out in the Resolution. The remuneration of Mr. K. Chandran has the approval of Board and Remuneration Committee.

(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – Taking into consideration size of the Company, the profile of Mr. K. Chandran, an Indian National, the responsibility shouldered by him, the remuneration package set out in resolution is commensurate with the remuneration package paid to managerial position in other companies.

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

III. OTHER INFORMATION :

(1) Reason of loss or inadequate profits:

The Company incurred loss of ₹ 2,546.88 Lacs in the year 2012-13.

Increase in loss is mainly on account of increased depreciation and increase in other expenses like power & fuel, carriage outward, amount w/off and misc expenses.

(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. All vacancies have been filled across the country with the best talent. The Company has also engaged some of the best talent in the industry at senior management leadership levels. The new product pipeline is robust and the launch of these products should help achieve a significant growth in revenues and profitability.

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

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

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

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

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

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 703
Date: 30 May 2013
Place: Vashi, Navi Mumbai

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

Mangesh Bhosale
Vice President - Finance &
Company Secretary

DIRECTORS' REPORT

Your Directors present the Twenty-Fifth Annual Report together with the Audited Accounts of the Company for the year ended on 31 March 2013.

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars	2012-2013	2011-2012
Revenue from Operations (Net)	41,413.69	34,455.05
Other Income	454.92	1,082.41
Total Income	**41,868.61**	**35,537.46**
Total Cost	**44,401.77**	**37,934.35**
Profit (Loss) before exceptional items and tax	(2,533.16)	(2,396.89)
Exceptional Items-Income(Expense)	Nil	783.21
Profit (Loss) before tax	**(2,533.16)**	**(1,613.68)**
Tax	13.69	Nil
Profit (Loss) after tax	**(2,546.86)**	**(1,613.68)**
EBITDA	**2,051.84**	**2,615.12**

OPERATIONAL REVIEW:

The financial highlights are as under:

The Total Revenue for the financial year under review was ₹ 41,868.61 Lacs as against ₹ 35,537.46 Lacs in the previous year. The Total Expenditure incurred in the current financial year was ₹ 44,401.77 Lacs as against ₹ 37,934.35 Lacs in the previous year.

Exports of the Company during the year under review were ₹ 21,884.06 Lacs as against ₹ 15,266.37 Lacs in the previous year.

The Loss After Tax for the financial year under review was ₹ 2,546.86 Lacs as against a Loss After Tax of ₹ 1,613.68 Lacs for the previous financial year. Excluding the extra ordinary income of ₹ 783.21 Lacs, the company's Loss After Tax was ₹ 2,396.89 Lacs.

Increase in Loss is mainly on account of increased depreciation and increase in other expenses like power & fuel, carriage outward, amount w/off and misc expenses.

DIVIDEND:

The Board of Directors of the Company has not recommended any dividend for the financial year 2012-2013 on account of negative performance.

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

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

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

FOREIGN CURRENCY CONVERTIBLE BONDS ISSUE :

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

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

248 FCCB A Bonds have matured on 23 April 2012. The Company has negotiated settlement terms vide agreement 14 September 2012 with the bondholder holding 200 Bonds. Balance 48 FCCB A Bonds are pending for settlement.

700 FCCB B Bonds have matured on 17 December 2012. Part of the bonds were converted into term loan from State Bank of India and the Company has negotiated settlement terms with the balance bondholder.

Total numbers of FCCB A Bonds outstanding as on 31 March 2013 are 48 and NIL FCCB B Bonds are outstanding as on 31 March 2013.

SUBSIDIARY COMPANIES:

The Company does not have a non listed Indian subsidiary. However, the Company had 5 foreign subsidiaries as on 31 March 2013. Members may kindly refer to the Statement pursuant to the provisions of Section 212 (1) (e) of the Companies Act, 1956 and information on the financials of the subsidiary companies appended thereto, which forms part of this Annual Report. In Compliance with Clause 32 of Listing Agreement, audited consolidated financial statements also form part of this Annual Report.

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

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

DIRECTORS:

Mr. N. K. Puri and Mr. K. Chandran, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Your Directors recommend their re-appointment.

PERSONNEL:

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

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

AUDITORS AND AUDITORS' REPORT:

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

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

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

COST AUDITOR:

The report of Mr. Hemant V. Shah, Cost Accountant, in respect of audit of cost accounts for Pharmaceutical Business of the Company for the year ended on 31 March 2013, will be submitted to the Cost Audit Department, Central Government in due course.

The report of Mr. Hemant V. Shah, Cost Accountant, in respect of audit of cost accounts for Pharmaceutical Business of the Company for the year ended on 31 March 2012, has been submitted by the Company on 3 January 2013 to the Cost Audit Department, Central Government.

The Board of Directors of the Company has approved the appointment of Mr. Hemant V. Shah, Cost Accountant in respect of audit of cost accounts for Pharmaceutical Business of the Company for the financial year 2013-2014 i.e. from 1 April 2013 to 31 March 2014.

An application is being made to the Central Government for its approval for the appointment of Mr. Hemant V. Shah as Cost Accountant for the financial year 2013-2014 i.e. from 1 April 2013 to 31 March 2014.

FIXED DEPOSITS:

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

i) In the preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors have prepared the Accounts on a going concern basis.

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

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

ACKNOWLEDGEMENTS:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
VICE CHAIRMAN

A. L. BONGIRWAR
DIRECTOR

Mumbai, 30 May 2013

ANNEXURE TO DIRECTORS' REPORT

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

(1) (A) CONSERVATION OF ENERGY

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

i) Coal usage reduced with Briquette which is a agro based fuel which will have a good impact on the reduction of non-renewable energy sources.

ii) Distillation time cycle of major product reduced from 16 to 10 hours thereby reducing boiler fuel and power consumption in vacuum pumps.

iii) Reaction time cycle of major product reduced by half thereby reduction in energy consumption.

iv) Usage of CFL lamps instead of normal lamps.

v) Continuous centrifuge in place of batch centrifuge to conserve energy.

vi) Regular cleaning of cooling towers with descaling agent to improve efficiency.

INFORMATION AS PER PRESCRIBED FORM A :

	31 March 2013	31 March 2012
1. Electricity		
(a) Purchased		
Unit (KWH)	1,01,56,328	1,08,80,082
Total Amount (in ₹)	6,86,53,813	5,65,49,990
Rate / Unit (in ₹)	6.76	5.20
(b) Own Generation		
Unit (KWH)	19,94,990	8,16,783
Total Amount (in ₹)	2,82,44,550	1,05,64,638
Rate / Unit (in ₹)	14.16	12.93
2. Furnace Oil & LDO		
Quantity (Litres)	5,51,700	7,84,050
Total Amount (in ₹)	2,70,87,042	2,96,64,347
Average Rate (₹ per Litre)	49.10	37.83
3. Briquette		
Quantity (MT)	8,412	3,714
Total Amount (in ₹)	5,41,25,806	2,16,67,225
Average Rate (₹ per MT)	6,434.30	5,833.93
4. Coal		
Quantity (MT)	2,827	4,346
Total Amount (in ₹)	1,52,19,125	1,82,20,067
Average Rate (₹ per MT)	5,384.18	4,192.38

(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

Research and Development Centre is situated at Turbhe, Navi Mumbai and has strength of 29 dedicated scientist. They are engaged in process development in new products, cost improvement projects as well as scale up of the newly developed products in the factory. They also support trouble shooting if any in the factory.

In the last year, R & D has mainly concentrated on enhancement of capacity and cost & yield improvements of the existing products. Cost improvement of products along with five new product process developments were successfully completed in labs and some of these were executed in the manufacturing plants.

R & D has also filed two patent applications last year to protect the intellectual assets of the Company.

R&D Centre has launched innovative fixed dose combination: Chymonac MR tablets (Fast Dispersing Tablets)

New oral formulation Collage P (Collagen Peptide sachet) launched.

Unique Myo- Inositol Chewable tablets with Strawberry flavour (Small Chicklet shaped tablet) has been developed first time in India to replace the big Myotol F soft gelatin capsules currently been marketed. This innovative development will give edge to marketing for boosting the sale of Myotol F brand.

EXPENDITURE ON R&D	**(₹ in Lacs)**
Capital	58.08
Recurring	651.65
Total	709.73
Total R&D expenditure as a percentage of Total Revenue	1.70%

(3) FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Income:		
Foreign Exchange earned by the Company:		
F.O.B. Value of Exports.	21,436.19	14,989.43
Freight, Insurance etc.	447.87	276.94
Total Income	**21,884.06**	**15,266.37**
Expenditure:		
C.I.F. Value of Imports		
Raw Material (including High Seas purchases)	7,525.45	4,412.10
Capital Goods	191.51	-
Interest	448.77	245.86
Commission Paid	126.08	150.59
Legal & Professional Fees	49.70	28.16
Travelling & Other Exp.	218.70	34.48
Total Expenditure	**8,560.21**	**4,871.19**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
VICE CHAIRMAN

A. L. BONGIRWAR
DIRECTOR

Mumbai, 30 May 2013

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 ₹ in Lacs	Previous year / period ₹ in Lacs
Wanbury Holdings B. V., Nertherlands	1 April 2012 to 31 March 2013	15 September 2006	6,489 Ordinary Equity Shares of Face Value of Euro 1000 each.	100%	NIL	NIL	(28.35)	(126.98)
Cantabria Pharma S. L., Spain	1 April 2012 to 31 March 2013	2 October 2006	1000 shares of Face Value of Euro 60 each. (Refer Note 1)	100%	NIL	NIL	(6,063.37)	(2,076.44)
Laboratories Wanbury S. L., Spain	1 April 2012 to 31 March 2013	28 September 2007	2709 shares of Face Value of Euro 1 each. (Refer Note 2)	100%	NIL	NIL	-	-
Ningxia Wanbury Fine Chemicals Co. Ltd., China	1 April 2012 to 31 March 2013	24 October 2007	13,260 shares of Face Value of US$ 1 each.	100%	NIL	NIL	(14.91)	(12.77)
Wanbury Global FZE	1 April 2012 to 31 March 2013	6 April 2009	5 shares of Face Value of AED 1,00,000/- each.	100%	NIL	NIL	(69.72)	(59.59)

Notes:

(1) Shares are held by Wanbury Holdings B. V., Nertherlands, a wholly owned subsidiary of the Company.

(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 finanical 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 moneys 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, vide its General Circular No. 2/2011 dated 8th February, 2011, the Company has not attached 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 a copy of the Balance Sheet, Statement of Profit & Loss, 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 of Directors

K. Chandran	**A. L. Bongirwar**	**Mangesh Bhosale**
Vice Chairman	Director	Vice President Finance & Company Secretary

Mumbai, 30 May 2013

INFORMATION ON THE FINANCIAL OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH 2013

Name of the Subsidiary Company	Wanbury Holdings B. V., Nertherlands	Cantabria Pharma S. L., Spain	Laboratories Wanbury S. L., Spain	Ningxia Wanbury Fine Chemicals Co. Ltd., China	Wanbury Global FZE, Ras Al Khaimah, UAE
The financial year / period ended on	**31 March 2013**	**31 March 2013**	**31 March 2013**	**31 March 2013**	**31st March, 2013**
	(₹ in Lacs)	**(₹ in Lacs)**	**(₹ in Lacs)**	**(₹ in Lacs)**	**(₹ in Lacs)**
Capital	6,515.26	34.49	2.03	5.29	68.33
Ordinary Share Application Money	5,375.35	-	-	-	
Quasi Share Capital	-	-	-	-	1,254.35
Reserves	1,057.76	(16,902.45)	(1.65)	(10.20)	(14.76)
Total Liabilities	12,968.86	23,634.14	2.01	119.20	1,310.88
Total Assets	12,968.86	23,634.14	2.01	119.20	1,310.88
Turnover (net)	-	4,593.70	-	-	-
Profit / (Loss) before Tax	(28.35)	(6,063.37)	-	(14.91)	(69.72)
Provision for Tax	-	-	-	-	-
Profit / (Loss) after Tax	(28.35)	(6,063.37)	-	(14.91)	(69.72)

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

A. L. Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

Mumbai, 30 May 2013

Management Discussion and Analysis Report

Industry Overview

The Indian pharmaceutical market is currently estimated at US$ 13 bn by ORG –IMS and is expected to reach US$ 91.45 bn by 2020, as per Dr A J V Prasad, Joint Secretary, Department of Pharmaceuticals (DoP), India. The industry is expected to maintain the current growth rate of 11-13% in 2013.

India is now among the top five pharmaceutical emerging markets. The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15 per cent over the last five years and has significant growth opportunities.

According to McKinsey, India is the 14th largest Pharmaceutical market and third largest in terms of manufacturing Pharma products by volume in the world. By 2015, it is expected to reach top 10 in the world beating Brazil, Mexico, South Korea and Turkey.

The Indian pharmaceutical industry accounts for over 8% of global pharmaceutical production. The industry has over 60,000 generic brands across 60 therapeutic categories and manufactures more than 400 different active pharmaceutical ingredients (APIs).

The manufacturing cost of the Indian Pharma companies is up to 65% lower than that of US firms and almost half of that of European manufacturers, due to which India has been emerging as the Drugs manufacturing hub of the world.

The industry registered exports of US$ 13 billion at a growth rate of 30%, as per Dr P V Appaji, Director-General, Pharmaceutical Exports Council of India (Pharmexcil). The Ministry of Commerce has targeted Indian pharma sector exports at US$ 25 billion by 2014 at an annual growth rate of 25%.

During the period April-2010 to November-2012, the cumulative FDI in 'Drugs & Pharmaceuticals Sector' was $9 billion, constituting 5 per cent of the total FDI and ranking as the 5th largest sector in the top 10 sectors receiving FDI.

Patent on Drugs worth $103 billion expired during 2009-2012 and Patent on products worth US$ 27 billion is expected to expire in 2012. This has offered significant market opportunity for lower priced generics and a clear visibility for profit and revenue growth for the generic-focused Indian Pharma companies.

A growing demand for generics, subsequent increase in capacity utilization and better cost rationalization will ensure stability to the sector's operating margins.

Government Initiatives

Government has clarified that FDI, up to 100%, under the automatic route, would continue to be permitted for Greenfield investments in the Pharmaceuticals sector and 1005 FDI will be permitted for Brownfield investments under the Government approval route.

In the Union Budget 2013-14 the government announced, investment allowance of 15% on new plant and machinery. This allowance is expected to increase investments in new projects while simultaneously providing tax benefit to the industry.

The Department of Pharmaceuticals has prepared a 'Pharma Vision 2020' document for making India one of the leading destinations for end-to-end drug discovery and innovation and for that purpose, the department provides requisite support by way of world class infrastructure, internationally competitive scientific manpower for Pharma Research and Development (R&D), venture fund for research in the public and private domain and such other measures.

In order to encourage production of drugs by indigenous industries, the 12th Five Year Plan (2012-17) has recommended capacity building of private sector to meet WHO-GMP standards and other international manufacturing standards

As part of its ambitious 'Jan Aushadhi' project, the government is likely to approach large Pharmaceutical companies to bulk-procure generic drugs from them. There are currently 117 Jan Aushadhi stores across the country and it plan to expand to at least 600 in the next two years and 3,000 by 2016.

The Government of India (GOI) also allows zero duty for technology upgrades in the pharmaceutical sector through the Export Promotion Capital Goods (EPCG) Scheme and is planning to relax foreign direct investment (FDI) norms in the sector.

Challenges facing the industry

Some of the key challenges facing the Indian Pharmaceutical Industry include:

- Margin pressure from Pharma generics
- Complex regulatory policies
- Low R&D Productivity
- Low insurance penetration resulting in a self-pay market with considerable affordability and access barriers
- Lack of consumer awareness and education
- Heavy market fragmentation
- Debate over compulsory licensing remains a contentious issue
- Government thought process on linking patented drug prices to the country's per-capita income in relation to certain developed markets could result in delayed patented drug entry into India.

However, Indian Pharma companies are expected to do well due to the generic experience and lower manufacturing cost.

Company Overview

(A) Domestic Formulations Business

Your Company completed the restructuring of the Formulation division during the year and the results were evident from the growth achieved in keys divisions / focus brands. Osteolife division registered 22% growth, while the key focus brands such as Adtrol Plus, Osteocid, Etosafe and Coriminic registered 20-25% growth over the last year.

Your Company undertook various initiatives which would help the Formulation business grow significantly over the mid-long term. Some of the key initiatives are as follows:

Set-up new Product Development Team

Your Company set-up a NPD (New Product Development) Committee in April-2013. The committee will be responsible for clearing new product launches after ensuring that the set process is followed. The team will ensure that the Product selection is based on therapy gap with clear innovation and differentiation. It will also ensure that, proper market research is done to identify the therapy and Test marketing is undertaken before launching a new product.

Your Company launched, **Myotol-F,** targeted at female infertility during the year following the NPD process and received success. The Product has been rated as the **best brand launch of the year** and is ranked as **No. 1 in its segment** by per ORG-IMS.

Strengthen Leadership and Team Stability:

- Top Leadership was strengthened by hiring SBU / Marketing Heads.
- Largely scale promotions (42) were announced to increase motivation of the field across all levels.
- Leadership & Development initiative along with leadership workshop were undertaken across all division.

Because of the aforesaid initiatives the Company could reduce attrition by 12% compared to last year.

Sales Hygiene Increased:

Various initiatives were undertaken to ensure that the Health of the business is unaffected by unanticipated challenges:

- Breakage and Expiry was reduced from 6% in FY12 to 5% in FY13.
- Saleable Returns was reduced from 6.2% in FY12 to 3.5% in FY13.
- Converting the Discount rate schemes to free goods schemes thereby reducing the overall Scheme amount.
- Fixing of Credit limit for each Stockist.

Robust Internal Control Systems and Processes

Your Company has undertaken a number of steps to establish best in class systems such as:

- Launch of SFA (Sales Force Automation) – an online daily reporting platform. From an on paper weekly reporting to a new real time online reporting system has been put in place by your Company, which helps in tracking the performance of the sales force on a real time basis.
- Introduced specialized cell to establish HO connect with core customers enabling better monitoring as well as engagement and validating the business of the core prescribers through chemist and stockist audits.
- Tracker system was introduced for individual doctor.

Other Strategic initiatives

Various initiatives to improve the mid-long term business health of the organisation were introduced during the year including:

- Price increases were initiated to improve the profitability of the products.
- Clubbed 38 HQs with low productivity to improve productivity and profitability of the formulation division.
- Structured approach for all high value prescribers.
- Various Scientific initiatives to develop corporate image among the doctors.
- Incentive plan for field force encompassing the best incentive practices across the industry.

The Company continues to focus on Orthopedics, Gastrointestinal, Gynecology and Surgery therapeutic segments.

Some of the key brands with unique diffentiation include:

- **Cpink:** An iron supplement with revolutionized IIC (Integrated Iron Complexation) technology which offers maximum absorption and compliance to the patients. Ranked among the top 5 brands in the respective segment.
- **Adtrol Plus:** The only calcium supplement which addresses the missing link in osteoporosis that is Hyperhomocysteinemia. The brand is ranked 7th in its respective segment.
- **Rabiplus:** Prepared with unique Optimally Stabilized Tri-layered enteric coated pallet technology which ensures 100% availability of drug at the site of absorption, offers faster onset of action as compared to competitors.

- **Folinine:** Wanbury was first to launch this combination in Indian market. Wanbury launched the concept of Hyperhomocysteinemia being an independent causal factor for pregnancy complication and proposed usage of this formulation for all 9 months which was a unique and highly successful concept. The product is currently Ranked No. 2 in the respective segment.

(B) Active Pharmaceutical Ingredients (API) Business

The API division has continued its good run with 33% Sales growth. Key revenue drivers of this success have been higher offtake from leading customers of the key product Metformin. Besides Metformin, Sertraline was another successful product with higher offtake from key customers. While price realization was key factor last year, this year they remained either flat or marginally declined on fixed exchange rate basis.

Profitability growth has been higher than revenue growth due to lower cost of materials on account of booking advance purchases of materials taking advantage of low price points in a fluctuating market. While holding onto prices to the extent possible, the Company managed to achieve its lowest COGS in past 3 years. While cost reduction initiatives were the recurrent theme last year, this year it has been QUALITY initiatives. Besides augmenting manpower & strengthening the QA/QC processes, the Company also invested in capital expenditure to comply with quality requirements of the regulated markets. The culmination of these efforts resulted in main API plant in Tanuku being audited & approved by USFDA without a single 483 observation, which is benchmark for the best in class facility for API manufacturing. The strengthening of API R&D that was begun last year with increased R&D hiring has resulted in five new API product developments were successfully completed in Labs and some of them have also been scaled up in the manufacturing plants. With R&D delivering a steady pipeline of new products & the Company reaching a stable financial & operation condition, the platform has been set for aggressive marketing & business development activities to expand customer reach to new geographies, improve customer traction & promoting new products. In order to strengthen the marketing capability, a seasoned industry veteran has been brought on board to implement the best in class marketing practices in the Company.

(C) International Formulations Business – Cantabria Pharma

The Spanish economy contracted by 0.5% in the opening quarter of 2013 and is expected to shrink through 2013. This will make it difficult for the government to achieve its fiscal deficit targets, which may lead to more austerity measures and the government turning to the EU for help in dealing with its bank problems.

Spain's unemployment rate jumped to 27.2% during the first quarter of 2013. This was the highest rate in 19 years. With the economy already in contraction, unemployment is likely to continue to climb in the coming quarters. Spanish industrial production deteriorated further with the Industrial output falling by 8.5%.

Due to continuous price cuts and the declining demand due to the current economic scenario, the Cantabria Pharma business has become unviable. Therefore the Company has decided to divest the company and exit Spain. Though the Company initiated appropriate measures for the divestment of the Cantabria Business, it could not get the desired response due to the prevailing economic scenario. However, the Company will continue to aggressively pursue the same.

(D) Research & Development (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

Your Company's Research and Development Centre is situated in Turbhe, Navi Mumbai and has strength of 29 dedicated scientists. They are engaged in process development in new API's, Cost improvement projects as well scale up of the newly developed API's in the factory. In the last year, R & D has mainly concentrated on enhancement of capacity and cost and yield improvements of the existing products. Cost improvement of products along with five new API process developments were successfully completed in Labs and some of them were executed in the manufacturing plants. R & D has also filed two patent applications last year to protect the intellectual assets of the Company.

(E) Cost Reduction Initiatives:

Over the last year your Company has extended its efforts to reduce costs as a whole to increase profits thereby increasing the cash available for investment in business and provide higher returns for the investor. The focus of the cost reduction strategy has been largely on Energy cost savings. Major energy saving areas included fuel input, boiler operation, steam transmission, lighting & power distribution, Motors & Pumps & Cooling Towers. Some of the significant cost reduction initiatives undertaken by the Company are as follows.

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

(F) Human Resource (HR) Initiatives at Wanbury

Human resources at your Company are valued as the number one asset and accordingly all efforts and perspective focuses on "Employee First". It is the motivated and passionate employees who serve our customers better, bring in new customers and executes our strategy. Innovation, creativity, responsiveness, vision, values reside in them who create all tangible and intangible asset for you.

The focus during last year was on upgradation of talent pool of the Company. We have hired number of industry veterans across the board to help Wanbury return to its glory. We have not only hired best talents for new Pharma divisions, we have also strengthened the team in the API division with fresh faces.

Your Company continues to maintain its focus towards employee learning and development; during the year, employees participated in scores of development programs which include professional and personal development to help our internal customers excel in all aspects of life.

Our approach on employee development had been to address both hardware and software development. Hardware would include initiatives to build skill, knowledge and Process like TPM while soft aspects includes like Power of Belief, Power of Expectation, Situational Leadership etc. Our continued efforts to build leaders across all levels of the organisation continue unabated. Employee coaching finds its deserved place in your Company as tool for people development.

There are a host of training initiatives planned by your Company over the last year which will continue in the years to come. "Flag Off" has been the first line induction program for employees joining in the field to provide them with a brief and quick on the ground learning. Insight – "Management thought for leaders" is the leadership development program for the managers in the field, plants and at the head office. The most recent of the initiatives has been "Train the trainer" – a unique program where the managers in the field are encouraged to train their subordinates to develop team work and on the ground practical training programs.

Your Company has also taken some unique steps of employee care which includes free employee counseling and also sessions on subjects like parenting. Your Company continues to take help of globally renowned consulting firms like SHL, Hewitt and Mercer on various people initiatives.

(G) Process Improvement

One of the most important parts to creating a sustainable and healthy business is to have efficient and robust internal processes which support the business owners. Your Company has taken a number of steps to improve and establish best in class support systems.

Some of the key steps taken by your Company across areas are:-

- Sales Administration – A dedicated sales admin team for each of the formulations division to ensure quick response time and support for the field force.
- Distribution – New distribution head has been recruited to implement industry best practices with focus on reducing breakage and expiry returns by better supply chain management.
- IT – New systems and processes have been put in place to support the field, plants and HO to ensure timely and correct data to the internal customers.
- HR – HR processes have been revamped to reduce the TAT (turnaround time) for recruitment and induction. Your Company is also in the process for revamping the entire HR MIS.

(H) 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 business, your Company has been able to overcome this risk by influencing the prices as it is the largest manufacturer of Metformin in the world with over 30% market share. Another product Tramadol has also been in high demand especially in American markets. 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.

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. The Company has a team of highly competitive scientists supported by excellent instrumentation.

Regulatory

Manufacturing of pharmaceutical products is heavily regulated and controlled by regulatory and government authorities across the world. Failure to fully comply with such regulations, could lead to stringent actions from the authorities/ government.

Regulators across the world, including the USFDA, have become stricter with the pharmaceutical industry. Regulatory requirements and consequences for non-compliance are also getting more severe.

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.

Human Resource Risk

Your Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talents. These abilities have to be developed across the Company's rapidly expanding operations. Your Company continuously benchmarks HR policies and practices with the best in the industry and carries out the necessary improvements to attract and retain the best talent.

(I) Internal Control Systems and Adequacy

Your Company has made special efforts to improve its internal control systems by improving the information flow and automating the processes in support systems. Support functions are now monitored through a Quarterly Shared Services Survey for the field employees to ensure that we are able to provide the best services to our internal customers.

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.

(J) Financial Review

(₹ in Lacs)

Particulars	2012-2013	2011-2012
Revenue from Operations (Net)	41,413.69	34,455.05
Other Income	454.92	1,082.41
Total Income	**41,868.61**	**35,537.46**
Total Cost	**44,401.77**	**37,934.35**
Profit (Loss) before exceptional items and tax	(2,533.16)	(2,396.89)
Exceptional Items-Income(Expense)	Nil	783.21
Profit (Loss) before tax	(2,533.16)	(1,613.68)
Tax	13.69	Nil
Profit (Loss) after tax	**(2,546.86)**	**(1,613.68)**
EBITDA	**2,051.84**	**2,615.12**

Your Company has generated Net Revenue from operations of ₹ 41,413.69 lacs in the current financial year as against ₹34,455.05 lacs of last year recording increase of 20%.

Your Company had an EBIDTA of ₹ 2,051.84 lacs in the current financial year as against ₹ 2,615.12 lacs in the last financial year. Excluding the extra ordinary income of ₹ 783.21 lacs, the Company's EBITDA for the last year was ₹1,831.91 lacs.

(K) Cautionary Statement:

Statements in the "Management Discussion and Analysis" describing the Company's objectives, estimates, expectations or projections may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include Government regulations, patent laws, tax regimes, economic developments within India and countries in which the Company conducts business, litigation and other allied factors.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN **VICE CHAIRMAN**	**A. L. BONGIRWAR** **DIRECTOR**

Mumbai, 30 May 2013

CORPORATE GOVERNANCE REPORT

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

Your Company believes in and practices good corporate governance. Your Company's philosophy of Corporate Governance envisages attainment of the transparency, accountability and equity in all its dealings with all stakeholders. As a public Company, your Company is committed to complete, accurate and timely disclosure in reports and documents that it files with regulatory authorities.

Your Company is fully compliant with all the mandatory 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 Outside Directorship(s) Held *	No. of Outside Committee Position Held #	
			Member	Chairman
Mr. K. Chandran	Promoter Whole-time Director	NIL	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	3	1	NIL
Mr. P. R. Dalal	Nominee Director of Export Import Bank of India	1	NIL	NIL
Mr. Ashok Shinkar **	Non Executive Director	8	NIL	NIL

* Excluding Directorship in private limited and foreign companies.

** Mr. Ashok Shinkar resigned w.e.f. 28 May 2012.

\# Includes only Audit Committee & Shareholders' / Investors' Committee.

The Board/Committee Meetings are scheduled well in advance after considering availability of all the Board Members. 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. Detailed presentations are being made at the Board / Committee Meetings in relation to the matters like Financial / Business Plans, Financial Results, etc. The Board/Committee Members are free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The Board Meeting is scheduled at least once in a quarter to consider the quarterly performance and the financial results. 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 2012-2013, 5 Board Meetings were held on 28 May 2012, 06 August 2012, 24 September 2012, 05 November 2012 and 07 February 2013. The gap between two Board Meetings has not exceeded four months.

Directors Attendance Record

Name of Director	No. of Board Meetings attended during the period	Whether last AGM attended
Mr. K. Chandran	5	YES
Mr. Ashok Shinkar *	NIL	N. A.
Mr. A. L. Bongirwar	5	NO
Mr. N. K. Puri	5	YES
Dr. P. L. Tiwari	5	YES
Mr. P. R. Dalal	4	NO

* Mr. Ashok Shinkar resigned w.e.f. 28 May 2012.

(3) BOARD COMMITTEES:

At present, the Board has five committees namely the Audit Committee, the Investors' Grievance Committee, the Remuneration Committee, the Risk 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 5 times on 28 May 2012, 06 August 2012, 24 September 2012, 05 November 2012 and 07 February 2013.

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
Mr. A. L. Bongirwar – Member	4
Dr. P. L. Tiwari – Member	4
Mr. P. R. Dalal – Member	4
Mr. Ashok Shinkar – Member *	NIL

* Mr. Ashok Shinkar was a member of the Committee till 28 May 2012.

Mr. Mangesh Bhosale, Vice President Finance & Company Secretary acted as Secretary of the Audit Committee.

Terms of Reference:

The terms of reference to the Audit Committee include:

a. Oversight of 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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgement by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report.

e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

h. Reviewing the adequacy of internal audit function, if any, 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.

I. Discussion with internal auditors any significant findings and follow up there on.

j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

k. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

l. To 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.

m. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

(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 5 times during the period under review on 28 May 2012, 06 August 2012, 24 September 2012, 05November 2012 and 07 February 2013. 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	4
Mr. A. L .Bongirwar-Member	Independent Director	4
Dr. P. L. Tiwari – Member	Independent Director	4
Mr. K. Chandran – Member	Executive Director	4
Mr. Ashok Shinkar – Member *	Non Executive Director	NIL

* Mr. Ashok Shinkar was a member of Committee till 28 May 2012.

Total 8 complaints received and replied to the satisfaction of shareholders during the year under review. No complaint and no Share Transfer request were pending at the beginning of the year i.e. on 1 April 2012 and at the end of the year i.e. 31 March 2013.

(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.

Name of Director	Category
Mr. N. K. Puri – Chairman	Independent Director
Mr. A. L .Bongirwar-Member	Independent Director
Dr. P. L. Tiwari – Member	Independent Director

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 did not have a scheme of Stock Options till the financial year ended on 31 March 2013. None of the directors of the Company holds any equity share of the Company as on 31 March 2013.

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

Name of Non-executive Director	Sitting Fees (₹)
Mr. A. L. Bongirwar	1,16,000/-
Dr. P. L. Tiwari	1,16,000/-
Mr. N. K. Puri	1,16,000/-
Mr. P R Dalal *	88,000/-

* Sitting Fees has been paid to Export Import Bank of India.

Remuneration to Executive Directors: **(₹ in Lacs)**

Name of Director	Salary & Perquisites	Performance Linked Bonus	Total	Service Tenure
Mr. K. Chandran	33.86	-	33.86	Upto 30.08.2013

(D) RISK COMMITTEE :

Risk Committee has been formed by the Board of Directors of the Company to consider the potential risks of the business of the Company and to plan for the mitigation of the same. The Committee met once during the period under review on 06August 2012. 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	1
Mr. A. L .Bongirwar-Member	Independent Director	1
Mr. P. R. Dalal – Member	Independent Director	1
Mr. K. Chandran – Member	Executive Director	1

(E) DAY TO DAY AFFAIRS COMMITTEE:

The Day to Day Affairs Committee comprises of following members:

Name of Director/Member	Category
Mr. K. Chandran	Chairman
Mr. P. V. Pasupathy	Member
Mr. Rajeev Roy *	Member
Mr. Indranil Chakravartty **	Member
Mr. Sundaresh Bhat ***	Member

* Mr. Rajeev Roy was a member of Committee up to 7 February 2013.

** Mr. Indranil Chakravartty is a member of Committee w.e.f. 7 February 2013.

*** Mr. Sundaresh Bhat was inducted as a member of Committee w.e.f. 7 February 2013.

The Day to Day Affairs Committee meets to take decisions on the matters delegated by the Board of Directors. During the period under review 4 meetings of the Committee were held on 18 June 2012, 27 August 2012, 26 September 2012 and on 4 March 2013.

At present the Day to Day Affairs Committee has been authorized 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 ₹ 5 Crore and to decide terms & condition 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
2011-12	24 September 2012	12:00 Noon	Hotel Tunga Regency, Plot No. 37, Sector 30A, Vashi, Navi Mumbai
2010-11	27 September 2011	12:00 Noon	Hotel Tunga Regency, Plot No. 37, Sector 30A, Vashi, Navi Mumbai
2009-10	12 August 2010	12:00 Noon	Silk Lounge, Imperial Banquets, Raghuleela Arcade, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400 703

(b) Postal Ballot:

During the year under review, the Company has not passed any resolution through Postal Ballot.

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

The Company has passed below mentioned special resolution in the last three Annual General Meetings (AGM):

S. No.	Date of AGM	Subject matter
01	12 August 2010	Appointment of and remuneration to be paid to Mr. K. Chandran as Whole-time Director of the Company

(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; and
(v) Wanbury Global FZE, Ras Al Khaimah, UAE.

Subsidiary of Wanbury Holdings B. V, Netherlands
* Subsidiary of Cantabria Pharma S. L., Spain

(e) Means of Communication:

The Quarterly (un-audited financial results) and Annual Audited Financial Results of the Company are submitted through e-mail and fax 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, 24 day of September 2013
Venue:	:	Hotel Four Points, Plot No. 39/1,6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 703
Time:	:	12:00 Noon

(b) Financial Calendar

For quarter ended on 30 June 2013	Unaudited Result within 45 days from the end of the quarter.
For quarter ended on 30 September 2013	Unaudited Result within 45 days from the end of the quarter.
For quarter ended on 31 December 2013	Unaudited Result within 45 days from the end of the quarter.
For quarter ended on 31 March 2014	Audited Result within 60 days from the end of Financial year 2013-14.
Annual General Meeting for the year ended on 31 March 2014 on or before 30 September 2014.	

(c) Book Closure

The Share Transfer Books and the Register of Members will remain closed from Monday, 16 September 2013 to Tuesday, 24 September 2013 (both days inclusive) for the purpose of Annual General Meeting.

(d) Listing in Stock Exchanges & Stock Codes

Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE), Mumbai & 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) & 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 2013-14.

The Company has paid custody fee to National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL) for the financial year 2013-14.

(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 ₹ 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 October 2004
GDR Issue (Refer Note 2)	32,61,000	1,27,47,358	3 October 2005
Merger (Refer Note 3)	64,668	1,28,12,026	2 June 2007
Merger (Refer Note 3)	5,62,618	1,33,74,644	27 June 2007
FCCB Conversion	2,06,674	1,35,81,318	3 September 2007
FCCB Conversion	95,070	1,36,76,388	1 November 2007
FCCB Conversion	1,03,337	1,37,79,725	13 December 2007
FCCB Conversion	1,24,004	1,39,03,729	16 January 2008
Merger (Refer Note 4)	7,85,557	1,46,89,286	17 March 2008
Preferential Allotment (Refer Note 5)	26,90,000	1,73,79,286	30 March 2012

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 ₹ 10/- each, the Global Depository Receipt Holders. {Distinctive Number From 09486359 to 12747358}.

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 24 April 2007. As per the Order of BIFR 64,668 Equity Shares of face value of ₹ 10/- each had been issued to the Secured Creditors of erstwhile PPIL and 5,62,618 Equity Shares of face value of ₹ 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 30 April 2007. As per the Order of BIFR 7,85,557 Equity Shares of face value of ₹ 10/- each had been issued to the Equity Shareholders of erstwhile DOCL.

Note 5: The Corporate Debt Restructuring proposal of the Company has been approved by Corporate Debt Restructuring Cell vide its letter dated 23 May 2011. Pursuant to the provisions of Corporate Debt Restructuring Scheme, the Company has on 30 March 2012 allotted 26,90,000 (Twenty Six Lac Ninety Thousand) Equity Shares at a price of ₹ 37.50 (Rupees Thirty Seven and Paise Fifty only) {Face Value ₹ 10/- and Premium ₹ 27.50/-} per equity share to Expert Chemicals (I) Pvt. Limited, a promoter group company.

(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 31 March 2013 were as under:

Month	High (₹)	Low (₹)	Close (₹)	BSE Sensex Close	Volume (No. of Shares)
April 2012	22.35	20.05	20.20	17,318.81	88,272
May 2012	20.95	17.00	17.70	16,218.53	1,06,578
June 2012	19.70	16.05	18.15	17,429.98	65,179
July 2012	21.50	16.30	16.65	17,236.18	82,628
August 2012	19.70	16.15	16.40	17,429.56	86,575
September 2012	23.40	16.00	21.00	18,762.74	7,41,820
October 2012	29.80	20.30	23.80	18,505.38	12,29,245
November 2012	24.35	20.25	24.30	19,339.90	1,17,328
December 2012	26.25	22.10	22.90	19,426.71	1,00,631
January 2013	37.80	22.20	27.95	19,894.98	8,31,720
February 2013	32.10	23.55	24.60	18,861.54	1,38,549
March 2013	28.40	20.00	21.65	18,835.77	1,69,514

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 31 March 2013 were as under:

Month	High (₹)	Low (₹)	Close (₹)	BSE Sensex Close	Volume (No. of Shares)
April 2012	22.45	20.20	20.35	5,248.15	25,640
May 2012	20.70	16.90	17.05	4,924.25	38,900
June 2012	19.40	16.10	18.20	5,278.90	29,777
July 2012	22.00	16.05	16.75	5,229.00	54,028
August 2012	20.00	15.95	16.44	5,258.50	1,42,536
September 2012	23.55	15.30	21.00	5,703.30	9,30,974
October 2012	31.90	20.20	23.75	5,619.70	17,36,499
November 2012	24.15	20.00	23.85	5,879.85	78,676
December 2012	26.25	21.90	22.80	5,905.10	74,989
January 2013	38.10	21.80	27.85	6,034.75	11,77,192
February 2013	32.00	23.60	24.55	5,693.05	1,66,937
March 2013	28.30	19.05	21.80	5,682.55	2,89,662

Source: NSE Website

(h) Distribution Schedule on number of Shares as on 31 March 2013

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 100	11,902	61.03	6,81,012	3.92
101 to 200	2,911	14.93	5,16,226	2.97
201 to 500	2,539	13.02	9,33,231	5.37
501 to 1000	1,108	5.68	9,13,890	5.26
1001 to 5000	850	4.36	19,30,141	11.11
5001 to 10000	107	0.55	7,49,121	4.31
10001 to 100000	76	0.39	18,09,874	10.41
100001 and above	10	0.04	98,45,791	56.65
Total	**19,503**	**100.00**	**1,73,79,286**	**100.00**

(i) Distribution Schedule on scrip value as on 31 March 2013:

No. of Shares	No. of Shareholders	% of Shareholders	Total Amount in ₹	% of Amount
Upto 5000	17,352	88.97	2,13,04,690	12.26
5001 to 10000	1,108	5.68	91,38,900	5.26
10001 to 20000	501	2.57	77,71,350	4.47
20001 to 30000	192	0.98	50,43,810	2.90
30001 to 40000	88	0.45	32,09,540	1.85
40001 to 50000	69	0.35	32,76,710	1.89
50001 to 100000	107	0.55	74,91,210	4.31
100001 and above	86	0.45	11,65,56,650	67.06
Total	**19,503**	**100.00**	**17,37,92,860**	**100.00**

(j) Shareholding Pattern as on 31 March 2013 was as under:

Category	No. of Shares Held	% of Holding
(A) Promoter Holding		
Indian Promoter	41,64,730	23.96
Foreign Promoter	30,24,000	17.40
Person acting in Concert	-	-
Sub Total (A)	**71,88,730**	**41.36**
Non – Promoters Holding		
(B) Institutional Investors		
Mutual Funds and UTI	10,117	0.06
Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions / Non - government Institutions)	7,58,240	4.36
FIIs	-	-
Sub – Total (B)	**7,68,357**	**4.42**
(C) Others		
Private Corporate Bodies	17,44,691	10.04
Individual Shareholders Holding Nominal Capital up to ₹ 1 Lac.	51,38,237	29.57
Individual Shareholders Holding Nominal Capital in excess of ₹ 1 Lac	16,67,027	9.59
Clearing Members	48,943	0.28
OCB	94,680	0.54
NRI	161,621	0.93
Bank of New York (GDR issue)	5,67,000	3.27
Sub – Total (C)	**94,22,199**	**54.22**
GRAND TOTAL (A+B+C)	**1,73,79,286**	**100.00**

(k) Dematerialization of shares and liquidity:

63.74% representing 1,10,77,835 Equity Shares were held in dematerialized form and the balance 36.26 % were in physical form as on 31 March 2013.

(l) Outstanding GDRs

1,89,000 GDRs were Outstanding as on 31 March 2013, representing 5,67,000 Equity Shares, constituting 3.26% of the paid-up Equity Share Capital of the Company.

(m) Outstanding Warrants

11,25,236 Warrants of the face value of ₹ Nil were allotted to the shareholders of erstwhile PPIL pursuant to the order dated 24 April 2007 of Hon'ble BIFR, which were exercisable upto 27 June 2012. The matter is under fresh of Hon'ble BIFR pursuant to the order dated 16 May 2008 of Hon'ble Supreme Court.

(n) Optionally Fully Convertible Debentures

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of face values of ₹ 1,000/- each (Rs. One Thousand each) of the aggregate nominal value of ₹ 5,81,99,000/- (Rupees Five Crore Eighty One Lac Ninety Nine Thousand only) were have remained unpaid as on 31 March 2013.

Zero Coupon Optionally Fully Convertible Debenture Holders had a right to convert the same into Equity Shares of the Company between 1 November 2008 and 30 April 2012, at 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 ₹ 125 per share

However none of the OFCD Holder had made an application to convert OFCD into Equity Shares of the Company. The aforesaid OFCD were issued pursuant to the Order of Hon'ble BIFR dated 24 April 2007.The matter is under fresh consideration of BIFR pursuant to the order dated 16 May 2008 of Hon'ble Supreme Court.

(o) Rights of lender under Corporate Debt Restructuring (CDR) Scheme

Pursuant to CDR Scheme, lenders have right, to convert at their option, the whole of the outstanding amount or 20% of rupee equivalent of the defaulted amount into fully paid up equity shares of the Company at par, in case of certain defaults by the Company.

(p) Reconciliation of Share Capital Audit Report

In terms of the directives of the Security and Exchange Board of India, Reconciliation of Share Capital Audit is being undertaken by a qualified practicing Company Secretary, on a quarterly basis.

Your Company is on a regular basis submitting Reconciliation of Share Capital 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.

(q) Dividend Profile

Financial Year	Book Closure / Record Date	Dividend Declared	Date of Declaration	Date of Payment of Dividend
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	06.10.2007
2007-2008 (18 Months)	16.03.2009 to 23.03.2009	5%	23.03.2009	31.03.2009
2009-2010	02.08.2010 to 12.08.2010	10%	12.08.2010	20.08.2010

The Company had not declared any dividend for the financial year 2010-11 & 2011-12. Further, the Board of Directors of the Company has not recommended any dividend for the financial year 2012-13.

Status of unclaimed dividends:

Unclaimed dividend for the year 2005-2006 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
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
2009-2010	12.08.2010	15.09.2010	14.09.2017

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

(r) Plant Locations:

a) Plot No. A-15, M.I.D.C., Ind. Area, Patalganga, Maharashtra

b) Plot No. J-17, M.I.D.C. Tarapur, Maharashtra

c) Plot No. N-24, M.I.D.C. Tarapur, Maharashtra (erstwhile PPIL)

d) Plot No. D-312 & 313, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Maharashtra (erstwhile PPIL)

e) K. Illindalaparru Village, Tanuku, Dist. - West Godavari, Andhra Pradesh

(s) Compliance Officer:

The Board has designated Mr. Mangesh Bhosale – Vice President Finance & Company Secretary as the Compliance Officer of the Company.

(t) Address for Correspondence:

Wanbury Limited
Secretarial Department
BSEL Tech Park
B-Wing, 10th Floor,
Sector 30 A, Opp. Vashi Railway Station,
Vashi, Navi Mumbai - 400 703, 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

(u) Address of Registrar & Share Transfer Agent:

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

(v) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is part of Annual Report.

(w) Disclosures:

(1) 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.

(2) 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 Notes to the Accounts.

(3) Risk Management: Business risk evaluation and management is an ongoing process within the Company.

(4) 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.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

K. CHANDRAN **VICE CHAIRMAN**	**A. L. BONGIRWAR** **DIRECTOR**

Mumbai, 30 May 2013

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 period ended as on 31 March 2013.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

K. CHANDRAN **VICE CHAIRMAN**	**A. L. BONGIRWAR** **DIRECTOR**

Mumbai, 30 May 2013

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF WANBURY LIMITED

We have examined the compliance of conditions of Corporate Governance by Wanbury Limited ("the Company") for the year ended on 31 March 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the 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 the 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
(ICAI FRN 104803W)

NIKHIL PATEL
Partner
Membership No. 37032

Mumbai, 30 May 2013

INDEPENDENT AUDITORS' REPORT

To the Members of

Wanbury Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Wanbury Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is invited to:

a) Note 40 of the financial statements regarding investment in subsidiaries and other company aggregating to ₹ 3,907.71 Lacs, advances against equity pending allotment of ₹ 5,375.35 Lacs and ₹ 12,619.78 Lacs being amount recoverable as at the year end, for which no provision has been considered necessary by the management for the reasons stated in the aforesaid note.

b) Note 37 of the financial statements regarding non provision for shortfall; in recovery against trade receivables and loans & advances given (impact unascertained), pending confirmation and reconciliation of balances and our inability to comment thereon.

   In respect of the above, we are unable to express an opinion as to whether any provision for diminution in the value of aforesaid investments and the non recoverability of aforesaid dues, is necessary, and the consequential effect thereof on the loss for the year and on the assets, liabilities and reserves stated in the financial statements.

   Our audit opinion on the financial statements has been qualified accordingly.

   Our audit opinion on the financial statements for the year ended 31 March 2012 was also qualified accordingly.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act 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 31 March 2013;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes to the financial statements:

1. Financial Statements are prepared on a "going concern" basis as stated in note 57;
2. The Company has given guarantee in respect of Exim Bank's investments of USD 60 Lacs (₹ 3,263.40 Lacs) in Wanbury Holding B.V. , a subsidiary of the Company, and State Bank of India's loan of Euro 32.60 Lacs (₹ 2,267 Lacs) to Cantabria Pharma S.L. , the step down subsidiary of the Company, which have been invoked by the respective parties. The said dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement with the respective parties as stated in note 33; and
3. IDBI Bank vide its letter dated 4 August 2012 has invoked guarantee of Wanbury Limited in respect of dues from Bravo Healthcare Limited of ₹ 2,034.21 Lacs. The Company does not expect any liability as stated in note 34 of the financial statements.

   Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branch audited by the branch auditor; whose report has been forwarded to us and has been dealt with by us in preparing this report;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the audited branch return:
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Kapoor and Parekh Associates
Chartered Accountants
ICAI FRN 104803W

Nikhil Patel
Partner
Membership No. 37032
Mumbai, 30 May 2013

ANNEXURE TO THE AUDITORS' REPORT

(The Annexure referred to in para 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **Wanbury Limited** on the financial statements for the year ended **31 March 2013**)

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 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 year 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 year 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 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, provisions of clause (iii) (b), (c), (d), (f) and (g) of Paragraph 4 of the Order are 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 needs to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly provision of 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 We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed cost records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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 year. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at 31 March 2013 for a period of more than six months from the date they became payable except in respect of income tax of ₹15.16 Lacs, profession tax of ₹3.50 Lacs, provident fund of ₹ 0.22 Lacs, ESIC of ₹0.15 Lacs, NMMC Cess of ₹ 5.81 Lacs, wealth tax of ₹ 1.60 Lacs and statutory dues of erstwhile PPIL referred to in note 36 of the financial statements.

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 year except as enumerated herein below which are pending before respective authorities as mentioned there against :

Name of the Statute	Nature of the Dues	Amount in ₹ In Lacs*	Period to which amounts relate	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax/TDS/ Interest / Penalty	46.20	AY 1997-98	Bombay High Court
The Central Sales Tax Act, 1956	Sales Tax/ Interest / Penalty	19.95	FY 2002-03	Sales Tax Appellate Tribunal Andhra Pradesh
		222.01 119.75	FY 2006-07 FY 2007-08	Additional Commissioner of Sales Tax Andhra Pradesh
		3,110.20	FY 1992-99 & 2000-05	Sales Tax Appellate Tribual Maharashtra

***Net of amounts paid under protest or otherwise.**

10 The Company does not have accumulated losses as at the end of the financial year and has incurred cash losses during the current as well as in the immediately preceding financial year.

11 Based on our audit procedures and on the basis of information and explanations given to us, Non Convertible Debentures of ₹152.67 Lacs and Optionally Fully Convertible Debenture of ₹ 581.99 Lacs have remained unpaid as referred to in note 10.1 and 10.2 respectively of the financial statements, pending fresh order of BIFR (refer note 36 of the financial statements). There is a delay in payment of interest to Foreign Currency Convertible Bond-Holders aggregating to ₹36.94 Lacs ranging from 91 to 275 days. Term Loans of ₹ 68.02 Lacs taken by erstwhile PPIL from banks /financial institutions have remained unpaid as referred to in note 10.4 and 10.5 of the financial statements, pending fresh order from BIFR (refer note 36 of the financial statements). Further, except for delay in payment of principal aggregating to ₹525.97 Lacs ranging from 3 to 182 days and interest of ₹ 898.99Lacs ranging from 1 to 248 days, there is no delay in respect of dues to banks/financial institutions.

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, prima facie, 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 year 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 earlier years.

20 The Company has not raised any money by public issue during the year.

21 We have been informed that there has been fraud at one sales depot of ₹12.41 Lacs during the year under audit. The Company has made full provision for the same and has initiated necessary actions including filing of police complaint, in this regard.

For Kapoor & Parekh Associates
Chartered Accountants
ICAI FRN 104803W

Nikhil Patel
Partner
Membership No. 37032

Mumbai, 30 May 2013

BALANCE SHEET AS AT 31 MARCH 2013

₹ In Lacs

	Note No.	31 March 2013	31 March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,737.93	1,737.93
Reserves and Surplus	4	9,684.32	12,303.19
		11,422.25	14,041.12
Non-Current Liabilities			
Long-term borrowings	5	31,033.28	26,096.05
Other Long-term liabilities	6	2,929.78	525.64
Long-term provisions	7	715.89	551.91
		34,678.95	27,173.60
Current Liabilities			
Short-term borrowings	8	6,488.84	5,660.39
Trade payables	9	6,339.30	6,014.62
Other current liabilities	10	8,430.82	13,212.74
Short-term provisions	11	285.77	222.10
		21,544.74	25,109.85
	TOTAL	**67,645.94**	**66,324.57**
ASSETS			
Non-current Assets			
Fixed Assets	12		
Tangible assets		19,348.00	20,510.73
Intangible assets		119.78	177.05
Fixed Asset held for sale		373.59	373.59
Capital work-in-progress		2,086.15	1,271.24
		21,927.52	22,332.61
Non-current investments	13	10,606.65	10,579.65
Long-term loans and advances	14	16,788.81	16,006.50
Other non-current assets	15	0.86	1.24
		49,323.84	48,920.00
Current Assets			
Inventories	16	3,703.62	4,417.58
Trade receivables	17	8,360.35	7,967.65
Cash and Bank Balances	18	1,674.75	1,471.05
Short-term loans and advances	19	4,566.88	3,542.99
Other current assets	20	16.50	5.30
		18,322.10	17,404.57
	TOTAL	**67,645.94**	**66,324.57**

Significant Accounting Policies **2**
The accompanying notes are an integral part of these financial statements.

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 30 May 2013

For and on behalf of the Board

K. Chandran
Vice Chairman

A.L.Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2013

₹ In Lacs

	Note No.	31 March 2013	31 March 2012
Revenue from operations (Net)	21	41,413.69	34,455.05
Other Income	22	454.92	1,082.41
Total Revenue		**41,868.61**	**35,537.46**
EXPENSES:			
Cost of materials consumed	23	16,300.38	13,469.28
Purchase of Stock-in-Trade	24	4,051.41	4,260.26
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	744.46	(568.05)
Employee benefits expense	26	6,607.80	6,155.84
Financial costs	27	3,106.99	3,285.67
Depreciation and amortization expense	28	1,478.02	943.13
Other expenses	29	12,112.71	10,388.22
Total Expenses		**44,401.77**	**37,934.35**
Profit /(Loss) before exceptional items and tax		(2,533.16)	(2,396.89)
Exceptional Items-Income/(Expense)		-	783.21
Profit /(Loss) before tax		**(2,533.16)**	**(1,613.68)**
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
- Income Tax of the Earlier Years		4.32	-
- MAT Credit Entitlement Written Off		9.38	-
Profit/(Loss) for the year		**(2,546.86)**	**(1,613.68)**
There are no Extra Ordinary Items and Discontinuing Operations.			
Basic & Diluted Earning /(Deficit) Per Share in ₹ [Face Value of Equity Share ₹ 10/-]	30	(14.65)	(10.97)

Significant Accounting Policies **2**

The accompanying notes are an integral part of these financial statements.

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 30 May 2013

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

A.L.Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

₹ in Lacs

		31 March 2013	31 March 2012
A	**Cash flows from Operating Activities**		
	Net Profit/(Loss) before Tax	(2,533.16)	(1,613.68)
	Adjustment to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation	1,478.02	943.13
	(Profit)/Loss on Fixed Assets Sold	21.78	56.10
	Provision for Doubtful Debts	75.58	99.98
	Provision for Doubtful Advances	42.03	42.72
	Interest Expenses	3,106.99	3,285.67
	Amounts Written Off(Net)	378.17	74.50
	Operating Profit/(Loss)before Working Capital Changes	**2,569.40**	**2,888.41**
	Changes in Working Capital:		
	Decrease/(Increase) in Trade Receivable	(468.27)	(1,511.12)
	Decrease/(Increase) in Long Term Loans and Advances	(875.82)	(1,158.26)
	Decrease/(Increase) in Short Term Loans & Advances	(1,444.09)	(174.87)
	Decrease/(Increase) in Other Non-Current Assets	0.38	(1.19)
	Decrease/(Increase) in Other Current Assets	(11.20)	0.03
	Decrease/(Increase) in Other Bank Balances	6.40	0.04
	Decrease/(Increase) in Inventories	713.97	(778.64)
	Increase/(Decrease) in Other Long Term Liabilities	2,404.15	80.03
	Increase/(Decrease) in Other Current Liabilities	520.47	(3,325.71)
	Increase/(Decrease) in Long Term Provisions	163.98	116.51
	Increase/(Decrease) in Short Term Provisions	61.11	(19.68)
	Increase/(Decrease) in Trade Payables	324.68	(150.68)
	Cash Generated from (Used in) Operations.	**3,965.15**	**(4,035.12)**
	Direct Taxes Paid (Net of Refunds)	(1.79)	(15.38)
	Net Cash generated from (Used in) Operating Activities	**3,963.36**	**(4,050.50)**
B	**Cash flows from Investing Activities**		
	Capital Expenditure on Fixed Assets including Capital Advances	(1,501.97)	(926.65)
	Proceeds from Sale of Fixed Assets	16.32	54.81
	Bank Balances not considered as Cash and Cash Equivalents (Net)	115.10	(455.22)
	Advance to Subsidiary-pending allotment of shares	(27.00)	(108.08)
	Net Cash generated from (Used in) Investing Activities	**(1,397.55)**	**(1,435.14)**
C	**Cash flows from Financing Activities**		
	Proceeds from Long Term Borrowings	2,196.33	21,091.15
	Repayment of Long Term Borrowings	(2,698.10)	(1,856.31)
	Proceeds (Repayment) of Short Term Borrowings	828.45	(10,724.74)
	Interest Paid	(2,560.90)	(3,776.49)
	Share Issue Proceeds	-	1,008.75
	Dividend & Dividend Distribution Tax Paid	-	(0.04)
	Unpaid Dividend transfer to Investor Education Protection Fund	(6.40)	-
	Net Cash generated from (Used in) Financing Activities	**(2,240.61)**	**5,742.31**
	Net Increase /(Decrease) in Cash & Cash Equivalents	**325.20**	**256.68**
	Cash and Cash Equivalents as at the Beginning of the Year	628.58	371.90
	Cash and Cash Equivalents as at the End of the Year	953.78	628.58

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

₹ in Lacs

	31 March 2013	31 March 2012
Components of Cash and Cash Equivalents		
Cash on Hand	21.90	15.90
Cheques/drafts on hand	646.89	511.40
Balances with Banks - In Current Accounts	281.91	99.56
Balances with Banks - In EEFC Account	3.08	1.72
Total Cash and Cash Equivalents	**953.78**	**628.58**

Figures in brackets indicates outflow.

Significant Accounting Policies (Refer Note 2)
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 30 May 2013

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

A.L.Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. GENERAL INFORMATION:

Wanbury Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two stock exchanges in India. The Company is engaged in the business of pharmaceutical and related activities, including research.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of Accounting :

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

2.2. 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 year. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year in which results are known / materialized.

2.3. Fixed Assets:

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation / amortization adjusted by revaluation of certain fixed assets.

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.

2.4. 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.

2.5. 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 amortised @ 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.

2.6. 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 statement of profit and loss in the year 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

2.7. 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.

2.8. 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.

2.9. Investments:

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

ii) Expenses incurred for acquisition of investment have 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.

2.10. 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 statement of profit and loss.

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

2.11. 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. Income 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 reliability.

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

2.12. Export Benefits:

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

2.13. 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.

2.14. 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 utilisation.

2.15. Research and Development:

Research and 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

2.16. 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 statement of profit and loss.

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.

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the year-end in accordance with Company's policies.

2.17. 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.

2.18. Accounting for Tax:

Current tax is 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 Statement of Profit & Loss.

2.19. 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.

2.20. Cash and Cash Equivalents :

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand, cheques on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

2.21. Cash Flow Statements :

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of the non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated.

2.22. Earning Per Share :

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ In Lacs	31 March 2012 ₹ In Lacs
3	**Share Capital**		
	Authorised		
	20,00,000 Preference Shares of ₹ 100/- each	2,000.00	2,000.00
	3,00,00,000 Equity Shares of ₹ 10/- each	3,000.00	3,000.00
		5,000.00	**5,000.00**
	Issued, Subscribed and Paid-Up		
	1,73,79,286 Equity Shares of ₹ 10/- each fully paid-up	1,737.93	1,737.93
	Total Share Capital	**1,737.93**	**1,737.93**

3.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	31 March 2013		31 March 2012	
	Number	₹ In Lacs	Number	₹ In Lacs
Shares outstanding at the beginning of the year	17,379,286	1,737.93	14,689,286	1,468.93
Add: Shares allotted as fully paid-up during the year	-	-	2,690,000	269.00
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17,379,286	1,737.93	17,379,286	1,737.93

3.2 Terms/Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Holder of equity shares are entitled to voting rights as follows: (i) On voting by show of hands, every holder shall have one vote. (ii) On voting by poll, in proportion to the amount paid on equity shares held.

The Company declares & pays dividend in indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the numbers of equity shares held by the shareholders.

3.3 Outstanding Options to subscribe to equity shares

11,25,236 warrants of the face value of ₹ Nil have been allotted to the shareholders of Erstwhile PPIL as per the BIFR order. The warrantholders have the right to subscribe to one equity share of ₹ 10/- each at the premium of ₹ 125/- per share which is excercisable within five years from 27th June, 2007, being the date of allotment of the warrants. Also refer Note 36.

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of ₹ 1,000/- each were allotted to the lenders of erstwhile PPIL pursuant to the order dated 24 April 2007 of Hon'ble BIFR. OFCD were convertible between 1 November 2008 and 30 April 2012 into its equity shares at a price of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right. The matter is under fresh consideration of BIFR pursuant to the order dated 16 May 2008 of Hon'ble Supreme Court.

Refer Note 38 for rights of lender under CDR scheme to convert dues into equity shares of the Company under certain condition stipulated in Master Restructuring Agreement dated 19 September 2011.

3.4 Details of equity shares held by each shareholders holding more than 5%

Name of Shareholder	31 March 2013		31 March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	3,024,000	17.40%	3,024,000	17.40%
Expert Chemicals (India) Pvt. Ltd.	4,164,730	23.96%	4,164,730	23.96%

3.5 The Company has neither allotted any shares as fully paid up pursuant to contract without payment being received in cash and by way of bonus shares nor bought back any shares during the period of five years preceding the date of this balance sheet.

3.6 Out of the above Equity Shares 5,67,000 (Pr. Yr. 5,67,000) are represented by 1,89,000 (Pr. Yr. 1,89,000) Global Depository Receipts.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
4 Reserves & Surplus		
Capital Reserves		
As per last Balance Sheet	683.41	683.41
Securities Premium Account		
Balance as at beginning of the year	3,086.09	2,983.06
Add : Sacrifice by FCCB Holder Written Back	617.22	-
Add : On allotment of equity shares	-	739.75
	3,703.31	3,722.81
Less : Exchange Loss on Premium payable on FCCB	94.94	130.47
Pro rata Premium on FCCB	119.21	506.25
Balance as at the year end	**3,489.16**	**3,086.09**
Debenture Redemption Reserve		
As per last Balance Sheet	**412.25**	**412.25**
Revaluation Reserve		
Balance as at beginning of the year	4,959.60	5,191.87
Less: Amortisation during the year	475.08	232.27
Balance as at the year end	**4,484.52**	**4,959.60**
General Reserve		
As per last Balance Sheet	1,070.56	1,070.56
Surplus in the Statement of Profit and Loss		
Balance as at beginning of the year	2,091.28	3,704.96
Loss for the year	(2,546.86)	(1,613.68)
Balance as at the year end	**(455.58)**	**2,091.28**
Total Reserves and Surplus	**9,684.32**	**12,303.19**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
5	**Long Term Borrowings**		
	Term Loans (Secured)		
	From Banks (Rupee)	23,377.23	23,079.58
	From Banks (Foreign Currency)	7,566.32	2,897.67
	Vehicle & Other Loans (Secured)		
	From Banks (Rupee)	14.71	33.45
	From Others (Rupee)	62.05	67.84
	Deferred Sales Tax Loan (Unsecured)	12.97	17.51
		31,033.28	**26,096.05**

5.1 (a) **For the year ended 31 March 2013:**

Term Loans are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Company situated at Patalganga and Tarapur, few brands of the Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Company and pledge of entire holding of equity shares of the Company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd.,Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investment Inc and Mr. K. Chandran, director of the Company.

(b) **For the year ended 31 March 2012:**

Term Loans are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Company situated at Patalganga and Tarapur, three brands of the Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Company and pledge of 8,22,242 equity shares of the Company held by Expert Chemicals (I) Private Limited, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd. and Mr. K. Chandran, director of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

5.2 Vehicle & Other loans are secured by hypothecation of assets acquired against respective loans.

5.3 Rate of Interest:

(a) For the Year Ended 31 March 2013:

The rate of interest on term loans vary between 1% to 11.50%p.a., on vehicle & other loans vary between 8.62% to 12.65%p.a. and deferred sales tax loan is interest free.

(b) For the Year Ended 31 March 2012:

The rate of interest on term loans vary between 1% to 9.5%p.a., on vehicle & other loans vary between 8.62% to 12.65%p.a. and deferred sales tax loan is interest free.

	31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
Term Loan:		
Year of Repayment		
2013-14	-	2,127.69
2014-15	3,428.27	2,205.36
2015-16	3,347.30	1,713.24
2016-17	3,109.94	1,978.60
2017-18	5,616.33	4,516.87
2018-19	5,888.45	4,775.80
2019-20	5,459.74	4,621.61
2020-21	4,093.52	4,038.08
Vehicle & Other Loan:		
Year of Repayment		
2013-14	-	45.11
2014-15	36.54	31.50
2015-16	30.21	24.67
2016-17	6.14	-
2017-18	3.87	-
Deferred Sales Tax Loan:		
Year of Repayment		
2013-14	-	4.14
2014-15	12.97	13.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
6	**Other Long Term Liabilities**		
	Dues Payable to FCCB 'B' Bond Holder - Refer Note 39	1,101.51	-
	Dues payable to FCCB 'A ' Bond Holder- Refer Note 39	1,293.44	-
	Security Deposits	534.83	525.64
		2,929.78	**525.64**
7	**Long Term Provisions**		
	Provision for employee benefits		
	Provision for Gratuity	265.90	205.83
	Provision for Leave Benefits	449.99	346.08
		715.89	**551.91**
8	**Short Term Borrowings**		
	Working Capital Loans repayable on demand (Secured)		
	From Banks (Rupee)	6,438.59	5,610.14
	(Above loans are secured by a pari-passu first charge on current assets and three brands of the Company, second charge on fixed assets and pledge of entire holding of equity shares of the Company held by Expert Chemicals (I) Pvt. Ltd. & Kingsbury Investments Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd., Wanbury Global FZE, Wanbury Holding BV,Kingsbury Investments Inc and Mr. K. Chandran, director of the Company.)		
	Loan repayable on demand (Unsecured) - Refer Note 36		
	From Banks (Rupee)	29.94	29.94
	From Others (Rupee)	20.31	20.31
		6,488.84	**5,660.39**
9	**Trade Payables**		
	Micro, Small and Medium Enterprises (Refer Note 41)	35.64	71.43
	Others	6,303.66	5,943.19
		6,339.30	**6,014.62**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
10	**Other Current Liabilities**		
	(Unsecured unless otherwise stated)		
	Current maturities of :		
	- Term Loan(Secured) (Refer Note 5.1 & 5.3)	3,019.37	1,152.84
	- Vehicle & Other Loan (Secured) (Refer Note 5.2 for Security)	45.36	86.71
	- Deferred Sales Tax Loan	4.13	4.11
	- Foreign Currency Convertible Bonds (Unsecured) (Refer Note 39)		
	- Nil(Pr. Yr.248) 1% Foreign Currency Convertible A Bond of Euro 10,000/- each	-	1,694.83
	- Nil (Pr. Yr. 700) 1% Foreign Currency Convertible B Bond of Euro 10,000/- each	-	4,783.80
	Dues of Hutton Group - FCCB A Holder	236.44	-
	Unpaid Dues of FCCB 'A' Holder - Refer Note 39	462.81	-
	Interest accrued but not due on borrowings	133.33	16.20
	Interest accrued but not due on debentures	177.01	-
	Interest accrued and due (Refer Note 10.3 below)		
	-On Secured Borrowings	287.26	7.46
	-On Foreign Currency Convertible Bonds	36.94	64.79
	Unpaid dividends	19.22	25.62
	(Amount transferable to Investor Education & Protection Fund when due)		
	Security Deposits from Carrying and Forwarding Agent	-	25.00
	FCCB Premium Accrued but not due	-	2,254.55
	Payables for Fixed Assets	434.77	1,043.86
	Statutory Dues Payable	261.76	741.92
	Unpaid Dues of Long Term Borrowings- Secured (Refer Note 10.3, 5.1 & 5.3)	903.71	-
	Unpaid Dues of Long Term Borrowings of erstwhile PPIL - Secured (Refer Note 10.4 & 10.5)	68.02	68.02
	Unpaid Matured Zero Coupon Non-Convertible Redeemable Debentures (NCD) (Refer Note 10.5)	152.67	152.67
	Unpaid Matured Zero Coupon Optionally Fully Convertible Debentures(OFCD) (Refer Note 10.5)	581.99	581.99
	Other Payables	633.79	508.12
	Advances from related party (Unsecured)		
	Expert Chemical (I) Pvt. Ltd.	972.25	0.25
	(To be utilised for subscribing to equity share of the Company in terms of CDR Scheme Refer Note No. 38)		
		8,430.83	**13,212.74**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

10.1 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 ₹ 60 and Part B of ₹ 40 which are redeemable at par at the end of two years and three years respectively from 1 May 2007. The Company had redeemed Part A of ₹ 60 relating to 1,49,709 NCD's in the earlier years. NCD's amounting to ₹ 55.67 Lacs and ₹ 97 Lacs was due for repayment on 1 May 2009 and 1 May 2010 respectively.However, since the matter is under consideration of BIFR, the same will be paid as per the order of BIFR. Also Refer Note 36.

10.2 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 1 November 2008 and 30 April 2012 into equity shares at a price being higher of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right amounting to ₹ 290.99 Lacs and ₹ 291 Lacs was due for repayment on 30 April 2010 and 30 April 2011 respectively. However, since the matter is under consideration of BIFR, the same wil be paid as per the order of BIFR. Also Refer Note 36.

10.3 There is delay in payment of interest on secured borrowings aggregating to ₹ 287.26 Lacs (Pr. Yr. ₹ 7.46 Lacs) ranging from 1 to 60 days (Pr. Yr. 3 to 18 days) in respect of dues to banks /financial institutions. Out of the above Interest of Rs 179.45 Lacs (Pr.Yr. Nil) has not been paid till date. There is delay ranging from 91 to 720 days (Pr. Yr. 91 to 275 days) in payment of interest on FCCB aggregating to ₹ 36.94 Lacs (Pr. Yr. ₹ 64.79 Lacs).

10.4 Term loans of erstwhile PPIL amounting to ₹ 68.02 Lacs(Pr. Yr. ₹ 68.02 Lacs)are secured by a pari-passu first charge on its fixed assets of erstwhile PPIL.

10.5 The said dues were payable as per Merger Cum Revival Scheme approved by the BIFR vide its order dated 24 April 2007. However, since the matter is under fresh consideration of BIFR, the same wil be paid as per the order of BIFR. Also Refer Note 36.

	31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
11 Short Term Provisions		
Provision for employee benefits		
Provision for Gratuity	18.60	12.54
Provision for Leave Benefits	69.52	31.35
Bonus Provision	23.76	7.19
Others		
Provision for Income Tax (Net of Payment)	170.83	168.30
Provision for Wealth Tax	3.06	2.72
	285.77	**222.10**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

12 FIXED ASSETS :

12.1 Current Year :

(₹ in Lacs)

	DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
		As at 1-Apr-12	Additions	Deductions	As at 31-Mar-13	As at 1-Apr-12	for the year	Deductions	As at 31-Mar-13	As at 31-Mar-13
A	**Tangible Asset**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.53	-	-	485.53	19.95	5.94	-	25.89	459.64
	Factory Building	3,722.88	214.38	-	3,937.26	662.57	113.39	-	775.95	3,161.31
	Plant & Machinery	16,389.19	479.36	-	16,868.55	5,220.85	1,597.88	-	6,818.73	10,049.82
	Furniture & Fixtures - Others	467.21	2.35	2.46	467.10	200.09	24.90	1.37	223.62	243.48
	Vehicles	544.78	41.69	46.55	539.92	217.16	44.40	14.57	246.99	292.93
	Office Equipments	378.33	6.05	-	384.38	148.38	34.71	-	183.09	201.29
	Electrical Installations	142.98	0.52	-	143.50	43.17	6.77	-	49.94	93.56
	Computers - Others	478.56	11.13	21.40	468.29	326.37	52.12	16.36	362.13	106.16
	Total	**27,349.27**	**755.48**	**70.41**	**28,034.34**	**6,838.54**	**1,880.11**	**32.30**	**8,686.34**	**19,348.00**
B	**Intangible Asset**									
	Brand (Setcal)	370.00	-	-	370.00	333.00	37.00	-	370.00	-
	Brands - Formulation Revalued									
	Software	399.66	15.71	-	415.37	259.60	35.98	-	295.59	119.78
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	-
	Total	**774.09**	**15.71**	**-**	**789.80**	**597.03**	**72.98**	**-**	**670.02**	**119.78**
C	**Asset held for Sale**									
	Office Premises PPIL	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work In Progress**									**2,086.15**
	Total Fixed Assets (A+B+C+D)									**21,927.52**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

12 FIXED ASSETS :

12.2 Previous Year :

(₹ in Lacs)

	DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
		As at 1-Apr-11	Additions	Deductions	As at 31-Mar-12	As at 1-Apr-11	for the year	Deductions	As at 31-Mar-12	As at 31-Mar-12
A	**Tangible Asset**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.53	-	-	485.53	14.01	5.94	-	19.95	465.58
	Factory Building	3,573.51	149.37	-	3,722.88	552.22	110.34	-	662.57	3,060.31
	Plant & Machinery	16,313.08	76.10	-	16,389.19	4,402.18	818.67	-	5,220.85	11,168.33
	Furniture & Fixtures - Others	499.61	2.17	34.57	467.21	181.34	26.98	8.22	200.09	267.12
	Vehicles	553.43	106.51	115.16	544.78	200.32	52.90	36.06	217.16	327.61
	Office Equipments	381.84	0.43	3.94	378.33	131.10	17.89	0.61	148.38	229.95
	Electrical Installations	145.54	-	2.55	142.98	36.70	6.89	0.43	43.17	99.81
	Computers - Others	458.35	20.22	-	478.56	269.10	57.27	-	326.37	152.20
	Total	**27,150.69**	**354.81**	**156.23**	**27,349.27**	**5,786.97**	**1,096.89**	**45.32**	**6,838.54**	**20,510.73**
B	**Intangible Asset**									
	Brand (Setcal)	370.00	-	-	370.00	296.00	37.00	-	333.00	37.00
	Brands - Formulation Revalued									
	Software	395.38	4.28	-	399.66	218.10	41.50	-	259.60	140.05
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	-
	Total	**769.80**	**4.28**	**-**	**774.09**	**518.53**	**78.50**	**-**	**597.03**	**177.05**
C	**Asset held for Sale**									
	Office Premises (Erstwhile PPIL)	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D (Erstwhile PPIL)	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work In Progress**									**1,271.24**
	Total Fixed Assets (A+B+C+D)									**22,332.61**

12.3 Additions to Fixed Assets includes item of assets aggregating to ₹ 58.08 Lacs (Pr. Yr. ₹ 0.58 Lacs) located at Research and Development centres of the Company.

12.4 The title deeds of the immovable properties transferred pursuant to the Scheme of Merger are yet to be transferred in the name of the Company.

12.5 Capital Work in Progress includes Machinery under installation, Construction material purchases and other assets under errection.

12.6 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 payables 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. Also refer note 36 .

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
13	**Non-Current Investments**		
	Trade Investments		
	In Subsidiaries (Unquoted)		
	Ningxia Wanbury Fine Chemicals		
	13,260 Share of USD 1 each	5.29	5.29
	Other Investments		
	In Subsidiaries (Unquoted)		
	Wanbury Holding B. V.		
	6,489 Ordinary Shares of Euro 1,000 each (Pledged with Banks against loan given to the Cantabria Pharma S.L.)	3,849.02	3,849.02
	Advance for Investment Pending Allotment	5,375.35	5,348.35
	Wanbury Global FZE		
	5 Shares of AED 1,00,000 each	68.33	68.33
	Quasi Share Capital	1,254.35	1,254.35
	In Other Entities		
	Unquoted		
	The Saraswat Co-op. Bank Ltd.*		
	706 Equity Shares of ₹ 10 each	0.07	0.07
	The Shamrao Vithal Co-op. Bank Ltd.*		
	100 Equity Shares of ₹ 25 each	0.03	0.03
	Bravo Healthcare Limited		
	12,71,250 Equity Shares of ₹ 10 each	53.40	53.40
	Quoted		
	Bank of India*		
	1,800 Equity Shares of ₹ 10 each	0.81	0.81
		10,606.65	**10,579.65**
	Aggregate amount of quoted investments	0.81	0.81
	Market Value of quoted investments	5.45	6.50
	Aggregate amount of unquoted investments	10,605.84	10,578.83

*Pending transfer of shares in the name of the Company

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
14	**Long Term Loans & Advances**		
	(Unsecured, considered good, unless otherwise mentioned)		
	Capital Advances	287.10	371.24
	Security Deposits	374.52	358.62
	Loans and advances to related parties (Refer Note 52)		
	Considered Good	12,534.46	12,317.43
	Mat Credit Entitlement	739.55	748.93
	Other Loans and Advances (Refer Note 58)	2,853.18	2,210.28
		16,788.81	**16,006.50**
15	**Other Non-Current Assets**		
	Fixed Deposit with Bank (Under Lien)	0.77	1.07
	Interest Accrued but not due on fixed deposit	0.09	0.17
		0.86	**1.24**
16	**Inventories**		
	(As certified by the management)		
	Raw Materials and Packing Materials	874.99	852.70
	Work-in-Progress	1,517.91	2,115.79
	Finished Goods	384.50	435.95
	Stock-in-Trade	897.40	992.53
	Fuel	28.82	20.61
		3,703.62	**4,417.58**
	Above Includes in Transit:		
	Finished Goods	27.04	435.95
	Traded Goods	188.24	24.89
17	**Trade Receivables (Unsecured)**		
	- Over Six months from the date they are due for payment		
	Considered good	2,008.79	2,258.72
	Considered doubtful	338.29	263.98
		2,347.08	2,522.70
	- Others from the date they are due for payment		
	Considered good	6,351.56	5,708.93
		8,698.64	8,231.63
	Less: Provision for doubtful debts	338.29	263.98
		8,360.35	**7,967.65**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
18	**Cash and Bank Balances**		
	Cash & Cash Equivalents (As per AS-3)		
	Cash on Hand	21.90	15.90
	Cheques on Hand	646.89	511.40
	Balances with Banks		
	In Current Account	281.91	99.56
	In EEFC Account	3.08	1.72
		953.78	628.58
	Other Bank Balances		
	Earmarked balances with banks-Unpaid Dividend	19.22	25.62
	(Amount transferable to Investor Education & Protection Fund when due)		
	Fixed Deposits with Banks (Under Lien)*	701.75	816.85
		720.97	842.47
		1,674.75	**1,471.05**
	* Includes deposits with original maturity of		
	- more than 3 months but not more than 12 months	665.67	796.85
	- more than 12 months	36.08	20.00
19	**Short-term Loans and Advances**		
	(Unsecured, Considered Good)		
	Loans to Employees	13.06	12.14
	Advance to Employees		
	Considered Good*	620.94	598.07
	Considered Doubtful	42.03	-
		662.97	598.07
	Less: Provision for Doubtful Advances	42.03	-
		620.94	598.07
	Advance to Creditors	1,938.58	482.87
	Prepaid Expenses	30.42	7.65
	Export Benefit Receivable	357.74	510.20
	Balance with Statutory/Government Authorities		
	Balances with Excise Authorities	1,042.44	1,095.20
	VAT Receivable	563.70	836.86
		4,566.88	**3,542.99**
	*Includes Due from Directors- ₹ 38.99 Lacs (Pr. Yr. ₹ Nil)		
20	**Other Current Assets**		
	Interest Accrued but not due on Bank Fixed Deposits	16.50	5.30
		16.50	**5.30**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

			31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
21	**Revenue From Operation**			
	Sale of products- Gross			
	Finished Goods		29,507.86	21,538.69
	Traded Goods		12,090.37	12,601.66
			41,598.23	34,140.35
	Less:Excise duty		838.94	504.01
	Sale of products- Net		40,759.29	33,636.34
	Processing Charges		390.56	439.42
	Other Operating Revenue			
	Sale of Scrap		134.43	88.94
	Export Incentive		129.41	290.35
			41,413.69	**34,455.05**
22	**Other Income**			
	Interest on Bank Deposits		63.63	62.98
	Interest on Income Tax Refund		17.18	-
	Other Interest		211.54	214.87
	Exchange Gain- Net		161.11	763.79
	Insurance Claim		0.96	40.06
	Miscelleneous Income		0.50	0.71
			454.92	**1,082.41**
23	**Cost of Materials Consumed**			
	Raw & Packing Materials			
	Opening Stock		852.70	650.20
	Add: Purchases		16,322.67	13,671.78
			17,175.37	14,321.98
	Less: Closing Stock		874.99	852.70
			16,300.38	**13,469.28**
24	**Purchase of Stock-in-Trade**			
	Purchase of Stock-in-Trade		4,051.41	4,260.26
			4,051.41	**4,260.26**
25	**Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**			
	Inventories at the beginning of the year			
	- Finished Goods		435.95	47.31
	- Work-in-Progress		2,115.79	2,121.03
	- Stock-in-Trade		992.53	807.88
		(A)	3,544.27	2,976.22
	Inventories at the end of the year			
	- Finished Goods		384.50	435.95
	- Work-in-Progress		1,517.91	2,115.79
	- Stock-in-Trade		897.40	992.53
		(B)	2,799.81	3,544.27
	Net (Increase)/Decrease in Inventories	**(A-B)**	**744.46**	**(568.05)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
26	**Employee Benefit Expense**		
	Salaries, Wages, Bonus and Allowances	6,022.64	5,681.70
	Contribution to Provident and Other Funds	387.56	332.64
	Staff Welfare Expenses	197.60	141.50
		6,607.80	**6,155.84**
27	**Finance Cost**		
	Interest expense	2,844.61	2,407.29
	Applicable net (gain)loss on foreign currency transactions and translation	262.38	878.38
		3,106.99	**3,285.67**
28	**Depreciation and amortization expense (Refer Note No. 12)**		
	Depreciation and amortization expense	1,953.10	1,175.40
	Less: Transferred from Revaluation Reserve	475.08	232.27
		1,478.02	**943.13**
29	**Other Expenses**		
	Advertisement & Sales Promotional Expenses	2,279.20	2,173.62
	Travelling & Conveyance	1,703.46	1,556.58
	Power & Fuel	1,797.90	1,467.31
	Breakages & Expiry	666.28	857.07
	Carriage Outward	967.52	596.76
	Legal & Professional Charges	651.67	513.16
	Commission on Sales	496.29	451.03
	Consumption of Stores,Spares & Consumables	552.52	375.49
	Rent	322.08	318.77
	Provision for Doubtful Debts	75.58	99.98
	Provision for Doubtful Advances	42.03	42.72
	Repairs to Plant & Machineries	163.24	110.13
	Repairs to Buildings	34.40	16.28
	Repairs- Others	72.60	86.70
	Amounts Written Off (Net)	378.17	74.50
	Rates & Taxes	66.62	61.13
	Insurance	41.68	60.89
	Loss on Sale of Fixed Assets- Net	21.78	56.10
	Excise Duty*	(48.59)	32.28
	Miscellaneous Expenses	1,828.28	1,437.72
		12,112.71	**10,388.22**

* Excise Duty includes credit amount of ₹ 14.37 Lacs (Pr. Yr. debit amount of ₹ 21.21 Lacs) being excise duty related to difference between closing inventory and opening inventory of finished goods.

		31 March 2013	31 March 2012
30	**Earning Per Share:**		
	Profit/ (loss) after Tax - ₹ In Lacs	(2,546.86)	(1,613.68)
	Weighted Average Number of Equity Shares	17,379,286	14,703,986
	Nominal Value of Equity Shares in ₹	10.00	10.00
	Basic & Diluted Earning /(Deficit) Per Share in ₹	(14.65)	(10.97)

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

31.Contingent liabilities:

Sr. No.	Particulars	31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
a)	Bank Guarantee issued	12.95	35.76
b)	Guarantees given to banks/financial institutions for loans given to subsidiaries.	25,548.32 (Euro 367.40 Lacs)	27,336.00 (Euro 400 Lacs)
	Loans outstanding at the year end.	15,830.08 (Euro 227.64 Lacs)	16,713.59 (Euro 244.57 Lacs)
c)	Guarantees given to banks/financial institutions for loans given to other.	Nil	2,700.00
	Loans outstanding at the year end.	Nil	1,784.33
d)	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	390.92	379.25
e)	Disputed demands by Income Tax Authorities.	105.21	40.43
	Amount paid under protest and shown as advance	59.01	40.43
f)	Disputed demands by Sales Tax Authorities.	3,506.49	33.27
	Amount paid under protest and shown as advance	34.59	13.32
g)	Claims against the Company not acknowledged as debts	1,702.59	425.65

Future cash flows in respect of liability under clause (a) to (d) are dependent on terms agreed upon with the parties and in respect of liability under clause (e) to (g) are dependent on decisions by relevant authorities of respective disputes.

32. The Company has received notice of demand of ₹ 190.58 Lacs from the National Pharmaceutical Pricing Authority (NPPA), Government of India on account of alleged overcharging in respect of certain products under the Drug Price Control Order. This was contested before the jurisdictional Bombay High Court and the said court vide its order dated 20 September 2010 has granted interim relief by granting stay on the implementation and /or enforcement of the aforesaid order of NPPA.

33. Exim Bank has subscribed to 4,511 Preference Shares of Euro 1,000/- each of Wanbury Holding B. V., a subsidiary company pursuant to the Preference Share Subscription Agreement dated 7 December 2006. Pursuant to the said agreement, Exim Bank has exercised Put Option vide letter dated 8 November 2011 and Company is required to pay USD 60 Lacs (₹ 3,263.40 Lacs)to acquire aforesaid preference shares. Further, State Bank of India, London vide its letter dated 11 July 2012, has demanded repayment of Euro 32.60 Lacs (₹ 2,267.00 Lacs) together with interest till the date of repayment from the Company in terms of Guarantee & Loan agreement dated 27 September 2007 vide which aforesaid credit facilities was granted to Cantabria Pharma S L, the step down subsidiary of the Company. Both the above mentioned dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement with the respective parties.

34. IDBI Bank vide its letter dated 4 August 2012 has invoked guarantee of Wanbury Limited in respect of dues from Bravo Healthcare Limited of ₹ 2,034.21 Lacs. Since Bravo Healthcare Limited is in the process of one time settlement with IDBI out of sales proceeds of its assets, the Company does not expect any liability at this stage.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

The Hon'ble Supreme Court vide its order dated 16 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 Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), in response to a petition filed by one of the unsecured creditors of erstwhile PPIL.

The BIFR has directed IDBI Bank, which has been appointed as an Operating Agency, to formulate new Draft Rehabilitation Scheme (DRS) pursuant to the Order of Hon'ble Supreme Court of India dated 16 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 16 May 2008. As per BIFR Order dated 24 April 2007, statutory dues of erstwhile PPIL comprising of income tax ₹ 250.36 Lacs, profession tax ₹ 6.06 Lacs, custom duty ₹ 230 Lacs, sales tax ₹ 8.50 Lacs and excise duty ₹ 15.62 Lacs were required to be paid in six annual installments and the Company has pursuant to the scheme, allotted Non-Convertible Debentures (NCDs) of ₹ 242.50 Lacs and Optionally Fully Convertible Debentures (OFCDs) of ₹ 581.99 Lacs, to some of the lenders of erstwhile PPIL, out of which dues amounting to ₹ 152.67 Lacs and ₹ 581.99 Lacs in respect of NCDs and OFCDs respectively, remains payable at the year end. Since BIFR is considering the matter afresh, pending fresh directives from the BIFR, aforesaid dues have not been paid.

37. The Company had separate IBIS software for formulation sales accounting which had been switched over/ linked to SAP in earlier years and also had changed from DCB Model to Distributorship Model (C&F) for selling formulation products. Consequently, trade receivables pertaining to formulation business are subject to confirmation, reconciliations and adjustments, if any.

Further, balances of trade receivables, loans and advances given, trade payables and other liabilities are subject to confirmation/ reconciliation and adjustments, if any.

However, in the opinion of management, as recovery and other measures are under active consideration, the receivable amounts outstanding have been considered good and recoverable.

38. The Corporate Debt Restructuring (CDR) proposal of the Company, having 30 September 2010 as the cutoff date, has been approved by the CDR Cell vide its Letter of Approval (LOA) dated 23 May 2011. Subsequently on execution of the Master Restructuring Agreement (MRA) dated 19 September 2011, effect of CDR Scheme has been given in the financial statements as per the MRA and excess interest accounted for the period 1 October 2010 to 31 March 2011 amounting to ₹ 783.21 Lacs has been reversed during the previous year ended 31 March 2012 and shown as exceptional item in the financial statements of the relevant year.

MRA among other terms and conditions, provide for:

a) Additional fund, non fund based assistance from the CDR lenders;
b) Promoters to bring further contributions in stages;
c) Reporting and other compliances by the Company; and
d) Right to the CDR lenders to convert at their option, the whole of the outstanding amount or 20% of rupee equivalent of the defaulted amount into fully paid-up equity shares of the Company at par, in case of certain defaults by the Company.

The Company has sought extension in moratorium for repayments of certain loans keeping net present value unchanged vide its letter dated 10 December 2012. Pending approval of the same, the Company has provided interest as per the CDR scheme approved earlier and complied with CDR scheme except to the extent of modifications sought as aforesaid.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

39. a) The Company had issued on 20 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 € 10,000 each maturing on 23 April 2012 and 17 December 2012 respectively.

The **A Bonds** were convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of face value of ₹ 10 each at a premium of ₹ 128.43, being conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to € 1 and such option being exercisable till 9 March 2012.

The **B Bonds** were convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of ₹ 10 each at a premium of ₹ 128.43, being reset conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to € 1 and such option being exercisable till 5 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.

The **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) During the year ended on 31 March 2010 the Company bought back and cancelled 424 Foreign Currency Convertible "A" Bonds of face value of € 10,000 each.

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

e) 248 FCCB "A Bonds" have matured on 23 April 2012. The Company has negotiated terms vide agreement dated 14 September 2012 with the bond holder holding 200 bonds and have been accounted for accordingly. For the balance 48 FCCB A Bonds, pending negotiation effect given in the financial statements are as per the terms at the time of issue of the bonds.

f) 700 FCCB B Bonds have matured on 17 December 2012. 556 Bonds were converted into term loan of State Bank of India and the Company has negotiated terms with the 144 Bondholder. Effects in the accounts have been given as per the sanction letter from State Bank of India and the terms of settlement with remaining bondholder.

40. The Company has invested ₹ 53.40 Lacs (Pr. Yr. ₹ 53.40 Lacs) in equity shares of Bravo Healthcare Limited (BHL) and also given loan and advances aggregating to ₹ 7,558.02 Lacs (Pr. Yr. ₹ 7,502.60 Lacs). Net worth of BHL has been negative as per audited accounts for the year ended 31 March 2012.

The Company has invested ₹ 5.29 Lacs (Pr. Yr. ₹ 5.29 Lacs) in shares of Ningxia Wanbury Fine Chemicals Company Limited (Ningxia), a wholly-owned subsidiary and net amount recoverable as at the year end is ₹ 124.11 Lacs (Pr. Yr. ₹ 123.81 Lacs). Net worth of Ningxia has been negative as per audited accounts for the year ended 31 March 2013.

The Company has invested ₹ 3,849.02 Lacs (Pr. Yr. ₹ 3,849.02 Lacs) in ordinary share of Wanbury Holding B.V.("WHBV"), a wholly-owned subsidiary, which is created for making investment in step down subsidiaries and has given advances of ₹ 5,375.35 Lacs (Pr. Yr. ₹ 5,348.35 Lacs) to be adjusted against shares which is pending allotment. WHBV has made investment in its wholly-owned subsidiary, Cantabria Pharma S.L. ("CP") and given loans & advances to the CP. Further, the Company has also receivable from CP of ₹ 4,813.53 Lacs (Pr. Yr. ₹ 4,686.59 Lacs) as at the year end. CP has incurred losses and suffered significant erosion of net worth.

The Company's involvement in the aforesaid companies is of strategic importance and for long term and is contemplating steps for their revival, fund infusion etc. Hence, no provision has been considered necessary at this juncture in respect of aforesaid investments in and dues recoverable from them.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

41. Disclosure of trade payable 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". Amount outstanding as on 31 March 2013 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 35.64 Lacs (Pr. Yr. ₹ 71.43 Lacs) [including overdue amount of ₹ 26.05 Lacs (Pr. Yr. ₹ 48.39 Lacs)] and interest due thereon is ₹ 20.12 Lacs (Pr. Yr. ₹ 10.03 Lacs) and interest paid during the year ₹ Nil (Pr. Yr. ₹ Nil). Since as per the terms/understanding with the parties, no interest is payable, hence no provision has been made for the aforesaid interest (Refer Note 9).

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

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Liabilities:		
Depreciation	(1,719.23)	(2,245.43)
Assets:		
43 B Disallowance and other deferments	1,296.89	1,052.75
Unabsorbed Depreciation	1,729.37	2,182.39*
Total Assets	3,026.26	3,235.14
Deferred Tax Asset Restricted to	(1,719.23)	(2,245.43)
Net Deferred Tax Assets (Liabilities)	Nil	Nil

*Includes Business Loss

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

43. (a) Managerial Remunerations:

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Salary & Allowances	28.63	67.37
Contribution of P.F. & Other Funds	5.23	5.23
TOTAL*	**33.86**	**72.60**

* Above excludes provision for the future liabilities in respect of retirement benefits, which are based on actuarial valuation done on overall Company basis.

Excess remuneration of ₹ 19.37 Lacs pertaining to previous year which has been reversed during the year to the statement of Profit & Loss and ₹ 19.62 Lacs pertaining to current year, together aggregating to ₹ 38.99 Lacs, being recoverable from director, is shown under "Short Term Loans & Advances" (Refer Note 19).

(b) Sitting fees to directors ₹ 4.36 Lacs (Pr. Yr. ₹ 4.56 Lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

44. Details of Auditors Remuneration:

(₹ in Lacs)

Particulars	**31 March 2013**	**31 March 2012**
A)Statutory Auditors Remuneration		
- Audit Fees	11.50	11.50
- Certification & Other Matters	6.02	5.49
- Out of Pocket Expenses	0.27	0.37
TOTAL	**17.79**	**17.36**
B) Branch Auditors Remuneration	1.00	1.00
C) Cost Audit Fees	1.25	0.75

Note: Above figures are exclusive of service tax.

45. a) Earning in Foreign Currency :

(₹ in Lacs)

Particulars	**31 March 2013**	**31 March 2012**
FOB Value of Exports	21,436.19	14,989.43
Freight, Insurance etc.	447.87	276.94

b) CIF Value of Imports:

(₹ in Lacs)

Particulars	**31 March 2013**	**31 March 2012**
Raw Materials [Including High Seas purchases ₹ 2,273.11 Lacs (Pr. Yr. ₹ 1,624.11 Lacs)]	7,525.45	4,412.10
Capital Goods [Including High Seas purchases ₹ 40.80 Lacs (Pr. Yr ₹ Nil)]	191.51	Nil

c) Expenditure in Foreign Currency:

(₹ in Lacs)

Particulars	**31 March 2013**	**31 March 2012**
Interest	448.77	245.86
Commission Expense	126.08	150.59
Legal & Professional Fees	49.70	28.16
Other Expenses (including travelling and business promotion)	218.70	34.48

46. The aggregate amount of revenue expenditure, except depreciation, incurred during the year on Research and Development and shown in the respective heads of account is ₹ 651.65 Lacs (Pr. Yr. ₹ 478.91 Lacs).

47. **Employee Benefits**

As required by Accounting Standard- 15 "Employees Benefits" the disclosure are as under:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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.

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

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Provident Fund, Employee's Pension Scheme and MLWF	275.30	259.58
Employees State Insurance	12.37	11.08
Super Annuation Fund	2.51	3.47
TOTAL	**290.18**	**274.13**

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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Disclosures for defined benefit plans (i.e. Gratuity Funded Plan) based on actuarial reports as on 31 March 2013.

(₹ in Lacs)

	Particulars	31 March 2013	31 March 2012
a)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	247.55	250.29
	Current service cost	70.53	59.00
	Interest cost	20.42	21.27
	Actuarial loss / (gain)	(23.03)	(38.75)
	Benefit (paid)	(26.07)	(44.26)
	Closing defined benefit obligation	289.40	247.55
b)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	29.19	24.69
	Expected return on plan assets	1.32	2.19
	Actuarial gain / (loss)	0.27	0.26
	Contributions of employer	-	2.49
	Benefits (paid)	(26.07)	(0.43)
	Closing fair value of plan assets	4.71	29.19
c)	**Amount recognised in the Balance Sheet**		
	Present value of the obligations as at year end	289.40	247.55
	Fair value of the plan assets as at year end	4.71	29.19
	Net (asset) / liability recognised as at year end	284.69	218.36
d)	**Expenses recognised in the Profit and Loss Account**		
	Current service cost	70.53	59.00
	Interest on defined benefit obligation	20.42	21.27
	Expected return on plan assets	(1.32)	(2.19)
	Net actuarial loss / (gain) recognised in the current year	(23.30)	(39.01)
	Total expense	66.33	39.08
e)	**Asset information**		
	Government of India Securities	-	-
	Equity shares of listed companies	-	-
	Property	-	-
	Bank Balance	-	-
	Funds managed by Insurer	100%	100%
f)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	8.25%	8.50%
	Expected rate of return on plan assets (p.a.)	8.15%	8.50%
	Annual increase in salary cost (p.a.)	7.00%	7.00%

The estimates of future salary increase, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Leave Encashment:

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company policies and the same is being provided based on report of independent actuary using the Projected Unit Credit Method.

Accordingly ₹ 519.51 Lacs (Pr. Yr. ₹ 377.43 Lacs) (including towards current liability of ₹ 69.52 Lacs (Pr. Yr. ₹ 31.35 Lacs)) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

48. 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 year end by the management based on the valuation carried out by the approved valuer. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets.

49. The Company has entered into Derivatives structure for hedge purpose and not intended for trading or speculation. The year 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 $	
			31 March 2013	31 March 2012
US $	Sell	Indian Rupees	Nil	45 Lacs

Note: FCCB of Nil (Pr. Yr. Euro 94.8 Lacs) are convertible at a fixed exchange rate (Refer Note 39 above).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	Foreign Currency	Foreign Currency Amt in Lacs 31 March 2013	Foreign Currency Amt in Lacs 31 March 2012	₹ in Lacs 31 March 2013	₹ in Lacs 31 March 2012
Assets					
Trade Receivables	EURO	8.14	7.58	566.28	517.94
	USD	62.40	35.10	3,394.19	1,795.41
Loans and Advances	EURO	69.22	68.58	4,813.53	4,686.59
	GBP	0.04	0.04	3.07	3.05
	JPY	15.10	15.87	8.61	9.91
Advance pending allotment of shares	EURO	87.68	87.30	5,375.35	5,348.35
Bank Balance	EURO	0.01	0.01	0.69	0.68
	USD	0.04	0.02	2.39	1.04
Liabilities					
Trade Payables	USD	28.65	21.52	1,558.07	1,100.90
	EURO	0.19	0.18	13.12	12.29
Other Payable	GBP	0.05	0.02	4.47	1.71
Other Current Liabilities	EURO	10.06	94.80	699.25	6,478.63
Other Long Term Liabilities	EURO	34.44	Nil	2,394.95	Nil
Interest accrued but not due	EURO	1.92	0.24	133.33	16.20
Interest accrued and due	EURO	0.53	0.95	36.94	64.79
	USD	2.99	Nil	162.69	Nil

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

The Company has taken various residential /godown / 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 from 33 months to 5 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 of ₹ 322.08 Lacs (Pr. Yr. ₹ 318.77 Lacs) are recognised in the Statement of Profit and Loss under “Rent” under Note 29.

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

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Not later than one year	5.04	121.36
Later than one year but not later than five years	Nil	9.96
Later than five years	Nil	Nil

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

51. 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 ₹ 5,375.35 Lacs (Pr. Yr. ₹ 5,348.35 Lacs) which are intended to be adjusted against the value of the Ordinary Shares to be issued by the aforesaid subsidiary.

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

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

(₹ in Lacs)

Particulars	Outstanding as on 31 March 2013	Maximum Balance Outstanding during the year
Bravo Healthcare Ltd.	7,558.02 (Pr. Yr. 7,502.59)	7,558.02 (Pr. Yr. 7,502.59)
Cantabria Pharma S L - a subsidiary company	4,813.53 (Pr. Yr. 4,686.59)	4,974.02 (Pr. Yr. 4,686.59)

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

(₹ in Lacs)

Particulars	Outstanding as on 31 March 2013	Maximum Balance Outstanding during the year
Expert Chemicals (India) Pvt. Ltd.	Nil (Pr. Yr. Nil)	Nil (Pr. Yr. 806.75)

Notes:

i) Above Loans/Advances are repayable on demand.

ii) 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 Lacs)

Particulars	Number of Shares	Amount
-Expert Chemicals (India) Pvt. Ltd. in the Company	41,64,730 (Pr. Yr. 41,64,730)	1,920.62 Lacs (Pr. Yr. ₹ 1,920.62 Lacs)
-Cantabria Pharma S.L. in Laboratories Wanbury S. L.	3,010 (Pr. Yr. 3,010)	₹ 2.03 Lacs Equivalent to Euro 3,010 (Pr. Yr. ₹ 2.03 Lacs Equivalent to Euro 3,010)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

53. Related Party Disclosure: (With whom the transactions have taken place during the year)

A. Relationship:

Category 1: Major Shareholders:

- Expert Chemicals (India) Pvt. Ltd.

Category 2: Subsidiary Companies:

- Wanbury Holding B. V. (Netherlands)
- Cantabria Pharma S. L. (Spain)
- Ningxia Wanbury Fine Chemicals Co. Ltd (China)
- Wanbury Global FZE (Ras-Al-Khaimah, UAE)

Category 3: Key Management Personnel and their relatives:

- Mr. K. Chandran Vice Chairman

Category 4: Others (Enterprise owned or significantly influenced by key management personnel or their relatives)

- Wanbury Infotech Pvt. Ltd
- Bravo Healthcare Limited

B. Transactions carried out with related parties:

(₹ in Lacs)

Sr.No.	Transactions	Related Party Relation	31 March 2013	31March 2012
1)	**Advances Given:**			
	Ningxia Wanbury Fine Chemicals Co. Ltd.	Subsidiary Company	Nil	34.06
	Wanbury Infotech Pvt. Ltd.	Others	34.36	13.25
2)	**Loans & Advances Given:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	25.80
	Bravo Healthcare Ltd.	Others	161.97	504.31
3)	**Repayment of Loans & Advances Given:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	716.55
	Bravo Healthcare Ltd.	Others	106.48	237.17
4)	**Advances Taken:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	972.00	240.00
5)	**Expenses Reimbursed from :**			
	Cantabria Pharma SL	Subsidiary Company	44.28	37.53
	Bravo Healthcare Ltd.	Others	Nil	16.17
6)	**Remuneration paid:**			
	Mr. K. Chandran	Key Management Personnel	33.86	72.60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(₹ in Lacs)

Sr.No.	Transactions	Related Party Relation	31 March 2013	31March 2012
7)	**Advances given for Investment :**			
	Wanbury Holding B. V.	Subsidiary Company	27.00	108.08
8)	**Purchase of Materials:**			
	Ningxia Wanbury Fine Chemicals Co. Ltd	Subsidiary Company	0.24	22.38
	Bravo Healthcare Ltd.	Others	0.06	2.30
9)	**Interest Income:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	69.10
10)	**Information Technology Services taken:**			
	Wanbury Infotech Pvt. Ltd.	Others	187.09	140.46
11)	**Conversion of Inter Corporate Deposit into Equity Share Capital:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	1,008.75

C. Balances due from/to related parties

(₹ in Lacs)

Sr. No.	Particulars	Related Party Relation	31 March 2013	31March 2012
1)	**Advances Taken:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	972.25	0.25
2)	**Loans and Advances Given:**			
	Ningxia Wanbury Fine Chemicals Co. Ltd.	Subsidiary Company	124.11	123.81
	Cantabria Pharma SL	Subsidiary Company	4,813.53	4,686.59
	Bravo Healthcare Ltd.	Others	7,558.02	7,502.59
	Wanbury Infotech Pvt. Ltd	Others	38.80	4.44
3)	**Advances for Investment:**			
	Wanbury Holding B.V.	Subsidiary Company	5,375.35	5,348.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

54. Consumption of Materials

a) Consumption of Raw Materials and Packing Materials:

(₹ in Lacs)

Item	31 March 2013	31March 2012
DCDA	5,219.22	5,344.48
DMA Hcl	3,131.29	3,084.50
Methanol	512.79	449.40
Meta Bromo Anisole	840.55	1,607.48
Others	6,596.53	2,983.42
Total	**16,300.38**	**13,469.28**

Particulars	31 March 2013		31March 2012	
	%	₹ in Lacs	%	₹ in Lacs
Imported(including High Sea purchases)	44.98	7,331.30	32.88	4,428.89
Indigenous	55.02	8,969.08	67.12	9,040.39
	100.00	**16,300.38**	**100.00**	**13,469.28**

b) Consumption of Stores & Spares :

Particulars	%	₹ in Lacs	%	₹ in Lacs
Imported	-	-	-	-
Indigenous	100.00	521.10	100.00	332.23
	100.00	**521.10**	**100.00**	**332.23**

55. Details of Closing Stocks of Finished/ Traded Goods:

(₹ In Lacs)

Class of Goods	31 March 2013	31 March 2012	31 March 2011
Finished Goods/Bulk Drugs	**384.50**	**435.95**	**47.31**
Traded Goods			
a)Formulations:			
Liquids	114.23	170.46	142.71
Tablets	399.63	447.32	371.76
Vials	127.24	140.17	59.45
Capsules	178.88	187.51	174.79
Ampoule	31.90	4.04	39.77
Others	23.65	20.48	1.17
b)Processed Food :			
Powders	16.76	21.80	17.00
Liquids	5.11	0.75	1.24
Total	**1,281.90**	**1,428.48**	**855.19**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

(₹ In Lacs)

Class of Goods	Purchase during the year		Sales during the year	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Finished Goods/ Bulk Drugs	-	-	**28,668.93**	**21,034.68**
Traded Goods				
a)Formulations:				
Liquids	569.42	709.89	1,592.85	1,688.25
Tablets	1,637.36	1,836.02	5,546.19	5,697.81
Vials	443.76	464.04	464.76	650.70
Capsules	893.48	894.63	3,765.81	3,841.45
Ampoule	115.09	69.63	209.56	224.28
Others	185.17	75.99	174.93	147.36
b)Processed Food :				
Powders	202.67	204.76	336.06	341.46
Liquids	4.47	5.30	0.20	10.35
Others	Nil	Nil	134.43	88.94
Total	**4,051.41**	**4,260.26**	**40,893.72**	**33,725.28**

Note -Sales excludes free replacements /offers

57. The Company has incurred losses since last 3 years and net-worth of the Group (the Company & its subsidiaries), based on consolidated financial statements for the year ended on 31 March 2013 is negative. The Company has initiated various measures, including restructuring of debts/ business and infusion of funds etc. Consequently, in the opinion of the management, operations of the Company will continue without interruption. Hence, financial statements are prepared on a "going concern" basis.

58. Other Long Term Loans and Advances (Refer Note 14) including the interest receivable thereon aggregating to ₹ 2,853.18 Lacs are outstanding at the year-end. These amounts are repayable on demand. The Company has received the amount when demanded. Further respective parties have confirmed their balances at the end of the year and management considers these amounts as receivable and hence no provisions have been considered necessary.

59. Figures of previous year are regrouped/ rearranged wherever necessary so as to make them comparable with the current year.

For and on behalf of the Board of Directors

K. Chandran	**A. L. Bongirwar**	**Mangesh Bhosale**
Vice Chairman	Director	Vice President Finance & Company Secretary

Mumbai, 30 May 2013

AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
WANBURY LIMITED

We have audited the accompanying consolidated financial statements of **WANBURY LIMITED** ("the Company") and its subsidiaries (the Company and subsidiaries constitute "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is invited to

a) Note 41 of the consolidated financial statements regarding investment made by the Company in other company aggregating to ₹ 53.40 Lacs and loans and advances recoverable as at the year end amounting to ₹ 7,558.02 Lacs for which no provision has been considered necessary by the management for the reasons stated therein.

b) Note 38 of the consolidated financial statements regarding non provision for shortfallin recovery against trade receivables and loans & advances given in respect of theCompany (impact unascertained), pending confirmation and reconciliation of balances and our inability to comment thereon.

In respect of above, we are unable to express an opinion as to whether any provision for diminution in the value of aforesaid investment and for the non recoverability of aforesaid dues, is necessary, and the consequential effect thereof on the loss for the year and on the assets, liabilities and reserves stated in the consolidated financial statements.

Our audit opinion on the consolidated financial statements has been qualified accordingly.

Our audit opinion on the consolidated financial statements for the year ended 31 March 2012 was also qualified accordingly.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph,and based on the consideration of the reports of the other auditors on the financial statements/consolidated financial statements of the subsidiaries referred to below in the "Other Matter" paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;

b) in the case of the consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and

c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes to the consolidated financial statements:

1 Consolidated Financial Statements are prepared on a "going concern" basis as stated in note 52;

2 The Company has given guarantee in respect of Exim Bank's investments of USD 60 Lacs (₹ 3,263.40 Lacs) in Wanbury Holding B.V., a subsidiary of the Company, and State Bank of India's loan of Euro 32.60 Lacs (₹ 2,267 Lacs) to Cantabria Pharma S.L. , the step down subsidiary of the Company, which have been invoked by the respective parties. The said dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement with the respective parties as stated in note 34; and

3 IDBI Bank vide its letter dated 4 August 2012 has invoked guarantee of the Company in respect of dues from Bravo Healthcare Limited of ₹ 2,034.21 Lacs. The Company does not expect any liability as stated in note 35.

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements/consolidated financial statements of subsidiaries, whose financial statements/ consolidated financial statements reflect total assets (net) of ₹25,134.58 Lacs as at 31 March 2013, total revenues of ₹4,953.70 Lacs and net cash out flows of ₹51.03 Lacs for the year then ended.

These financial statements/ consolidated financial statement have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

FOR KAPOOR & PAREKH ASSOCIATES
Chartered Accountants
(ICAI FRN 104803W)

NIKHIL PATEL
Partner
Membership No. 37032

Mumbai, 30 May 2013

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

₹ In Lacs

	Note No.	31 March 2013	31 March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,737.93	1,737.93
Reserves and Surplus	4	(6,533.70)	2,707.15
		(4,795.77)	4,445.08
Minority interest (Refer Note 34)		2,666.24	2,666.24
Non-Current Liabilities			
Long-term borrowings	5	31,033.28	26,096.05
Other Long term liabilities	6	2,929.78	525.64
Long-term provisions	7	715.89	551.91
		34,678.95	27,173.60
Current Liabilities			
Short-term borrowings	8	6,488.84	8,227.19
Trade payables	9	8,731.90	8,291.62
Other current liabilities	10	28,392.72	28,946.50
Short-term provisions	11	1,127.70	1,118.73
		44,741.16	46,584.04
	TOTAL	**77,290.58**	**80,868.96**
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible assets		19,348.13	20,517.97
Intangible assets		22,609.54	23,045.54
Fixed asset held for sale		373.59	373.59
Capital work-in-progress		2,505.00	1,682.86
		44,836.26	45,619.96
Non-current investments	13	54.31	54.31
Long-term loans and advances	14	13,403.21	12,714.27
Other non-current assets	15	0.86	1.24
		13,458.38	58,389.78
Current Assets			
Inventories	16	4,284.33	5,888.55
Trade receivables	17	8,438.28	11,365.80
Cash and bank balances	18	1,689.94	1,595.28
Short-term loans and advances	19	4,566.89	3,624.25
Other current assets	20	16.50	5.30
		18,995.94	22,479.18
	TOTAL	**77,290.58**	**80,868.96**

Significant Accounting Policies 2
The accompanying notes are an integral part of these financial statements.

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 30 May 2013

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

A.L.Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2013

₹ In Lacs

	Note No.	31 March 2013	31 March 2012
REVENUE:			
Revenue from operations (Net)	21	45,910.61	38,624.69
Other Income	22	484.19	1,331.98
Total Revenue		**46,394.80**	**39,956.67**
EXPENSES:			
Cost of materials consumed	23	16,300.38	13,565.46
Purchase of Stock-in-Trade	24	7,077.98	6,311.78
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	1,634.73	(805.91)
Employee benefits expense	26	8,128.12	8,156.02
Financial costs	27	3,722.70	4,024.22
Depreciation and amortization expense	28	2,258.92	1,699.38
Other expenses	29	15,981.21	11,678.35
Total Expenses		**55,104.04**	**44,629.31**
Profit/ (Loss) before exceptional items and tax		**(8,709.24)**	**(4,672.64)**
Exceptional Items-Income/(Expense)		-	783.21
Profit/(Loss) before tax		**(8,709.24)**	**(3,889.43)**
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
- Income Tax of the Earlier Years		4.32	-
- Mat Credit written off		9.38	-
Profit/(Loss) for the year		**(8,722.94)**	**(3,889.43)**
There are no Extra Ordinary Items and Discontinuing Operations.			
Basic & Diluted Earning /(Deficit) Per Share in ₹ [Face Value of Equity Share ₹ 10/-]	30	(50.19)	(26.45)

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements.

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 30 May 2013

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

A.L.Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENTS AS AT 31 MARCH 2013

		31 March 2013	₹ in Lacs 31 March 2012
A	**Cash flows from Operating Activities**		
	Net Profit/(Loss) before Tax	(8,709.24)	(3,889.43)
	Adjustment to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation	2,258.92	1,699.38
	(Profit)/Loss on Fixed Assets Sold	21.78	56.10
	Provision for Doubtful Debts	3,075.85	99.98
	Provision for Doubtful Advances	42.03	42.72
	Interest Expenses	3,722.70	4,024.22
	Amounts Written Off(Net)	378.17	74.50
	Operating Profit/(Loss)before Working Capital Changes	**790.19**	**2,107.48**
	Changes in Working Capital:		
	Decrease/(Increase) in Trade Receivable	(148.33)	(1,763.03)
	Decrease/(Increase) in Long Term Loans and Advances	(782.46)	(886.72)
	Decrease/(Increase) in Short Term Loans & Advances	(1,362.83)	(162.15)
	Decrease/(Increase) in Other Non Current Assets	0.38	(1.19)
	Decrease/(Increase) in Other Current Assets	(11.20)	0.03
	Decrease/(Increase) in Other Bank Balances	6.40	0.04
	Decrease/(Increase) in Inventories	1,604.22	(970.97)
	Increase/(Decrease) in Other Long Term Liabilities	2,404.14	80.00
	Increase/(Decrease) in Other Current Liabilities	4,748.62	1,479.72
	Increase/(Decrease) in Long Term Provisions	163.98	116.51
	Increase/(Decrease) in Short Term Provisions	6.43	142.73
	Increase/(Decrease) in Trade Payables	440.28	419.81
	Increase/(Decrease) in Foreign Currency Translation Reserve	(445.91)	362.80
	Cash Generated from/(Used in) Operations.	**7,413.92**	**925.06**
	Direct Taxes Paid (Net of Refunds)	(1.79)	(15.38)
	Net Cash generated from (Used in) Operating Activities	**7,412.13**	**909.68**
B	**Cash flows from Investing Activities**		
	Capital Expenditure on Fixed Assets including Capital Advances	(1,904.27)	(2,693.70)
	Proceeds from Sale of Fixed Assets	16.32	54.81
	Bank Balance not considered as Cash and Cash Equivalents (Net)	173.10	(513.32)
	Net Cash generated from (Used in) Investing Activities	**(1,714.85)**	**(3,152.21)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013	₹ in Lacs 31 March 2012
C	**Cash flows from Financing Activities**		
	Proceeds from Long Term Borrowings	2,196.33	21,091.15
	Repayment of Long Term Borrowings	(2,698.10)	(5,069.20)
	Proceeds (Repayment) of Short Term Borrowings	(1,738.35)	(10,074.53)
	Interest Paid	(3,176.60)	(4,515.04)
	Share Issue Proceeds	-	1,008.75
	Dividend & Dividend Distribution Tax Paid	-	(0.04)
	Unpaid Dividend transfer to Investor Education Protection Fund	(6.40)	-
	Net Cash generated from/(Used in) Financing Activities	**(5,423.12)**	**2,441.07**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**274.17**	**198.55**
	Cash and Cash Equivalents as at the beginning of the Year	**694.71**	**496.16**
	Cash and Cash Equivalents as at the end of the Year	**968.88**	**694.71**
	Components of Cash and Cash Equivalents		
	Cash on Hand	21.90	15.90
	Cheques/Drafts on Hand	646.89	577.53
	Balances with Banks - In Current Accounts	297.01	99.56
	Balances with Banks -In EEFC Account	3.08	1.72
	Total Cash and Cash Equivalents	**968.88**	**694.71**
	Figures in brackets indicates outflow.		

Significant Accounting Policies **2**
The accompanying notes are an integral part of these financial statements.

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 30 May 2013

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

A.L.Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. GENERAL INFORMATION:

Wanbury Limited ("the Parent Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Parent Company is engaged in the business of pharmaceutical and related activities, including research.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of Accounting :

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Company i.e. 31 March 2013.

2.2. Principles of Consolidation:

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.

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.

2.3. 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 year. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year in which results are known / materialized.

2.4. Fixed Assets:

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation/ amortization adjusted by revaluation of certain fixed assets 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

2.5. 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.

2.6. Depreciation / Amortization:

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.

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

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

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

i) Goodwill is amortized 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.

Subsidiary at China (Ningxia Wanbury Fine Chemical Company Limited):

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

2.7. 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 statement of profit and loss 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.

2.8. 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.

2.9. 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.

2.10. Investments:

i) Long term investments are stated at cost of acquisition unless there is permanent fall in its realisation 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

2.11. 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 statement of profit and loss. Exchange difference on derivative contracts is recognised in the statement of profit and loss to the extent amount paid / payable under such contracts during the year.

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 year.

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'.

2.12. 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 reliability.

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

2.13. 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.

2.14. 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.

2.15. 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.

2.16. 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.

2.17. 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 Statement of Profit and Loss.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the year-end in accordance with Company's policy.

2.18. 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.

2.19. Accounting for Tax :

Current tax is 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 that the timing differences are expected to crystallise. Deferred tax assets are recognized 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 Statement of Profit & Loss.

2.20. 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.

2.21. Cash and Cash Equivalents :

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand, cheques on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

2.22. Cash Flow Statements :

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of the non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated.

2.23. Earning Per Share :

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

		31 March 2013 ₹ In Lacs	31 March 2012 ₹ In Lacs
3	**Share Capital**		
	Authorised		
	20,00,000 Preference Shares of ₹ 100/- each	2,000.00	2,000.00
	3,00,00,000 Equity Shares of ₹ 10/- each	3,000.00	3,000.00
		5,000.00	**5,000.00**
	Issued, Subscribed and Paid-Up		
	1,73,79,286 Equity Shares of ₹ 10/- each fully paid-up	1,737.93	1,737.93
	Total Share Capital	**1,737.93**	**1,737.93**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

3.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	31 March 2013		31 March 2012	
	Number	₹ In Lacs	Number	₹ In Lacs
Shares outstanding at the beginning of the year	17,379,286	1,737.93	14,689,286	1,468.93
Add: Shares allotted as fully paid-up during the year	-	-	2,690,000	269.00
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17,379,286	1,737.93	17,379,286	1,737.93

3.2 Terms/Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Holder of equity shares is entitled to voting rights as follows (i) On voting by shows of hands, every holders shall have one vote. (ii) On voting by poll, in proportion to the amount paid on equity shares held. The Company declares & pays dividend in indian rupees.. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

3.3 Outstanding Options to subscribe to equity shares

11,25,236 warrants of the face value of ₹ Nil have been allotted to the shareholders of Erstwhile PPIL as per the BIFR order. The warrantholders have the right to subscribe to one equity share of ₹ 10/- each at the premium of ₹ 125/- per share which is excercisable within five years from 27 June 2007, being the date of allottment of the warrants. Also Refer Note 37.

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of ₹ 1000/- each were allotted to the lenders of erstwhile PPIL pursuant to the Order dated 24 April 2007 of Hon'ble BIFR. OFCD were convertible between 1 November 2008 and 30 April 2012 into its equity shares at a price ₹ 125/- and 67% of the three months average weekly closing prior to date of exercise of such right. The matter is under fresh consideration of BIFR pursuant to the Order dated 16 May 2008 of Hon'ble Supreme Court.

Refer Note 39 for rights of lender under CDR scheme to convert dues into equity shares of the Company under certain condition stipulated in Master Restructuring Agreement dated 19 September 2011.

3.4 Details of equity shares held by each shareholders holding more than 5%

Name of Shareholder	31 March 2013		31 March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	3,024,000	17.40%	3,024,000	17.40%
Expert Chemicals (India) Pvt. Ltd.	4,164,730	23.96%	4,164,730	23.96%

3.5 The Company has neither allotted any shares as fully paid-up pursuant to contract without payment being received in cash and by way of bonus shares nor bought back any shares during the period of five years preceding the date of this Balance Sheet.

3.6 Out of the above Equity Shares 5,67,000 (Pr. Yr. 5,67,000) are represented by 1,89,000 (Pr. Yr. 1,89,000) Global Depository Receipts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		₹ in Lacs	
		31 March 2013	31 March 2012
4	**Reserves & Surplus**		
	Capital Reserves		
	As per last Balance Sheet	**683.41**	**683.41**
	Securities Premium Account		
	Balance as at beginning of the year	3,086.09	2,983.06
	Add : Sacrifice by FCCB Holder Written Back	617.22	-
	Add : On allotment of equity shares	-	739.75
		3,703.31	3,722.81
	Less : Exchange Loss on Premium payable on FCCB	94.94	130.47
	Pro rata Premium on FCCB	119.21	506.25
	Balance as at the year-end	**3,489.16**	**3,086.09**
	Debenture Redemption Reserve		
	As per last Balance Sheet	**412.25**	**412.25**
	Revaluation Reserve		
	Balance as at beginning of the year	4,959.60	5,191.87
	Less: Amortisation during the year	475.08	232.27
	Balance as at the year-end	**4,484.52**	**4,959.60**
	General Reserve		
	As per last Balance Sheet	**1,070.56**	**1,070.56**
	Statutory Reserve		
	As per last Balance Sheet	**0.37**	**0.37**
	Foreign Currency Translation Reserve	**477.22**	**923.13**
	Surplus in the Statement of Profit and Loss		
	Balance as at beginning of the year	(8,428.26)	(4,538.83)
	Loss for the year	(8,722.93)	(3,889.43)
	Balance as at the year-end	**(17,151.19)**	**(8,428.26)**
	Total Reserves and Surplus	**(6,533.70)**	**2,707.15**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ In Lacs	31 March 2012 ₹ In Lacs
5	**Long Term Borrowings**		
	Term loans from Banks (Secured)		
	from Banks (Rupee)	23,377.23	23,079.58
	from Banks (Foreign Currency)	7,566.32	2,897.67
	Vehicle & Other Loans (Secured)		
	From Banks (Rupee)	14.71	33.45
	From Others (Rupee)	62.05	67.84
	Deferred Sales Tax Loan (Unsecured)	12.97	17.51
		31,033.28	**26,096.05**

5.1 (a) For the year ended 31 March 2013:

Term Loans of the Parent Company are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Parent Company situated at Patalganga and Tarapur, few brands of the Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Parent Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Parent Company and pledge of entire holding of equity shares of the Company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd.,Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investment Inc and Mr. K. Chandran, director of the Parent Company.

(b) For the year ended 31 March 2012:

Term Loans of the Parent Company are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Parent Company situated at Patalganga and Tarapur, three brands of the Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Parent Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Parent Company and pledge of 8,22,242 equity shares of the Parent Company held by Expert Chemicals (I) Private Limited, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd. and Mr. K. Chandran, director of the Parent Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

5.2 Vehicle & Other loans are secured by hypothecation of assets acquired against respective loans.

5.3 Rate of Interest:

(a) For the Year Ended 31 March 2013:

Parent Company's rate of interest on term loans vary between 1% to 11.5% p.a., on vehicle & other loans vary between 8.62% to 12.65% p.a. and deferred sales tax loan is interest-free.

(b) For the Year Ended 31 March 2012:

Parent Company's rate of interest on term loans vary between 1% to 9.5% p.a., on vehicle & other loans vary between 8.62% to 12.65% p.a. and deferred sales tax loan is interest-free.

5.4 Repayment of Loans	31 March 2013	₹ in Lacs 31 March 2012
Term Loan:		
Year of Repayment		
2013-14	-	2,127.69
2014-15	3,428.27	2,205.36
2015-16	3,347.30	1,713.24
2016-17	3,109.94	1,978.60
2017-18	5,616.33	4,516.87
2018-19	5,888.45	4,775.80
2019-20	5,459.74	4,621.61
2020-21	4,093.52	4,038.08
Vehicle & Other Loan:		
Year of Repayment		
2013-14	-	45.11
2014-15	36.54	31.50
2015-16	30.21	24.67
2016-17	6.14	-
2017-18	3.87	-
Deferred Sales Tax Loan:		
Year of Repayment		
2013-14	-	4.14
2014-15	12.97	13.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013	₹ in Lacs 31 March 2012
6	**Other Long Term Liabilities**		
	Security Deposits	534.83	525.64
	Dues Payable to FCCB 'B' Bond Holder - Refer Note 40	1,101.51	-
	Dues payable to FCCB 'A ' Bond Holder- Refer Note 40	1,293.44	-
		2,929.78	**525.64**
7	**Long Term Provisions**		
	Provision for employee benefits		
	Provision for Gratuity	265.90	205.83
	Provision for Leave Benefits	449.99	346.08
		715.89	**551.91**
8	**Short Term Borrowings**		
	Working Capital Loans from Banks repayable on demand (Secured)	**6,438.59**	**8,176.94**
	(Above loans are secured by a pari-passu first charge on current assets and three brands of the Parent Company, second charge on fixed assets and pledge of entire holding of equity shares of the Company held by Expert Chemicals (I) Pvt. Ltd. & Kingsbury Investments Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd., Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investments Inc and Mr. K. Chandran, director of the Parent Company.)		
	(Working Capital Loans of the Subsidiary Company are secured by hypothecation on stocks and book debts.)		
	Loan repayable on demand (Unsecured)		
	From Banks (Rupee)	29.94	29.94
	From Others (Rupee)	20.31	20.31
		6,488.84	**8,227.19**
9	**Trade Payables**		
	Micro, Small and Medium Enterprises (Refer Note 42)	35.64	71.43
	Others	8,696.26	8,220.19
		8,731.90	**8,291.62**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	31 March 2013	₹ in Lacs 31 March 2012
10 Other Current Liabilities		
Current maturities of :		
- Term Loan (Secured) (Refer Note 5.1 & 5.3)	3,019.35	4,624.85
- Vehicle & Other Loan (Refer Note 5.2 for Security)	45.36	86.71
- Deferred Sales Tax Loan	4.13	4.11
- Zero Coupon Optionally Fully Convertible Debentures(OFCD)	-	-
- Foreign Currency Convertible Bonds (Unsecured) (Refer Note 40)		
- Nil (Pr.Yr.248) 1% Foreign Currency Convertible A Bond of Euro 10,000/- each	-	1,694.83
- Nil (Pr.Yr.700) 1% Foreign Currency Convertible B Bond of Euro 10,000/- each	-	4,783.80
Dues of Hutton Group - FCCB A Holder	236.44	-
Unpaid Dues of FCCB 'A' Holder - Refer Note 40	462.81	-
Interest accrued but not due on borrowings	133.33	16.20
Interest accrued but not due on debentures	177.01	-
Interest accrued and due (Refer Note 10.3 below)		
- On Secured Borrowings	287.26	7.46
- On Foreign Currency Convertible Bonds	36.94	64.79
Unpaid dividends	19.22	25.62
(Amount transferable to Investor Education & Protection Fund when due)		
Security Deposits from Carrying and Forwarding Agents	-	25.00
FCCB Premium Accrued but not due	-	2,254.55
Payables for Fixed Assets	434.77	1,043.86
Statutory Dues Payable	1,431.76	1,847.79
Unpaid Dues of Long Term Borrowings- Secured	19,001.47	10,674.78
(Refer Note 10.3 , 5.1 & 5.3)		
Unpaid Dues of Long Term Borrowings of erstwhile PPIL- Secured	68.02	68.02
(Refer Note 10.4 & 10.5)		
Unpaid Matured Zero Coupon Non Convertible Redeemable		
Debentures (NCD) (Refer Note 10.5)	152.67	152.67
Unpaid Matured Zero Coupon Optionally Fully Convertible		
Debentures(OFCD) (Refer Note 10.5)	581.99	581.99
Other Payables	1,327.94	989.22
Advances from related party (Unsecured)		
Expert Chemical (I) Pvt. Ltd.	972.25	0.25
(To be utilised for subscribing to equity shares of the Parent		
Company in terms of CDR scheme. Refer Note 40)		
	28,392.72	**28,946.50**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

10.1 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 ₹ 60 and Part B of ₹ 40 which are redeemable at par at the end of two years and three years respectively from 1 May 2007. The Company had redeemed Part A of ₹ 60 relating to 1,49,709 NCD's in the earlier years. NCD's amounting to ₹ 55.67 Lacs and ₹ 97 Lacs was due for repayment on 1 May 2009 and 1 May 2010 respectively. However, since the matter is under consideration of BIFR, the same wil be paid as per the Order of BIFR. Also Refer Note 37.

10.2 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 1 November 2008 and 30 April 2012 into equity shares at a price being higher of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right amounting to ₹ 290.99 Lacs and ₹ 291 Lacs was due for repayment on 30 April 2010 and 30 April 2011 respectively. However, since the matter is under consideration of BIFR, the same wil be paid as per the Order of BIFR. Also Refer Note 37.

10.3 There is delay in repayment of term loan aggregating to ₹ 18,097.76 Lacs (Pr. Yr. ₹ 10,674.79 Lacs) ranging from 1 to 1370 days (Pr. Yr. 1 to 1,005 days).There is delay in payment of interest on secured borrowings aggregating to ₹ 287.26 Lacs (Pr. Yr. ₹ 7.46 Lacs) ranging from 1 to 60 days (Pr. Yr. 3 to 18 days) in respect of dues to banks /financial institutions. Out of the above Interest of ₹ 179.45 Lacs (Pr.Yr.₹ Nil) has not been paid till date. There is delay ranging from 91 to 720 days (Pr. Yr. 91 to 275 days) in payment of interest on FCCB aggregating to ₹ 36.94 Lacs (Pr. Yr. ₹ 64.79 Lacs).

10.4 Term loans of erstwhile PPIL amounting to ₹ 68.02 Lacs(Pr. Yr. ₹ 68.02 Lacs) are secured by a pari-passu first charge on its fixed assets of erstwhile PPIL.

10.5 The said dues were payable as per Merger Cum Revival Scheme approved by the BIFR vide its Order dated 24 April 2007. However, since the matter is under fresh consideration of BIFR, the same will be paid as per the Order of BIFR. Also Refer Note 37.

10.6 Term Loan of the Subsidiary Company, Cantabria Pharma S. L. is secured by mortgage on all brands owned by the 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.

	31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
11 Short Term Provisions		
Provision for employee benefits		
Provision for Gratuity	18.60	12.54
Provision for Leave Benefits	69.52	31.35
Bonus Provision	23.76	7.19
Severance	841.93	896.63
Others		
Provision for Income Tax (Net of Payment)	170.83	168.30
Provision for Wealth Tax	3.06	2.72
	1,127.70	**1,118.73**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

12 FIXED ASSETS :

12.1 Current Year :

(₹ in Lacs)

	DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
		As at 1-Apr-12	Additions	Deductions	As at 31-Mar-13	As at 1-Apr-12	for the year	Deductions	As at 31-Mar-13	As at 31-Mar-13
A	**Tangible Asset**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.54	-	-	485.54	19.95	5.94	-	25.89	459.65
	Factory Building	3,722.88	214.38	-	3,937.26	662.59	113.39	-	775.98	3,161.28
	Plant & Machinery	16,389.17	479.36	-	16,868.53	5,220.93	1,597.88	-	6,818.81	10,049.72
	Furniture & Fixtures - Others	490.44	2.35	2.06	490.73	221.68	26.58	0.98	247.28	243.45
	Vehicles	544.78	41.69	46.55	539.92	217.07	44.40	14.57	246.90	293.02
	Office Equipments	476.75	6.05	(1.73)	484.53	241.16	40.37	(1.67)	283.20	201.33
	Electrical Installations	142.99	0.52	-	143.51	43.15	6.77	-	49.92	93.59
	Computers - Others	478.93	11.13	21.21	468.85	326.79	52.13	16.35	362.57	106.28
	Total	**27,471.29**	**755.48**	**68.09**	**28,158.68**	**6,953.32**	**1,887.46**	**30.23**	**8,810.55**	**19,348.13**
B	**Intangible Asset**									
	Brand (Setcal)	11,652.90	-	(198.12)	11,851.02	3,604.39	606.10	(62.39)	4,272.88	7,578.14
	Brands - Formulation Revalued									
	Software	554.11	15.71	(2.71)	572.53	367.94	61.24	(2.12)	431.30	141.23
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	-
	Goodwill	17,764.32	-	(311.93)	18,076.25	2,953.46	179.20	(53.42)	3,186.08	14,890.17
	Total	**29,975.76**	**15.71**	**(512.76)**	**30,504.23**	**6,930.22**	**846.54**	**(117.93)**	**7,894.69**	**22,609.54**
C	**Asset held for Sale**									
	Office Premises PPIL	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work In Progress**									**2,505.00**
	Total Fixed Assets (A+B+C+D)									**44,836.26**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

12 FIXED ASSETS :

12.2 Previous Year :

(₹ in Lacs)

	DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
		As at 1-Apr-11	Additions	Deductions	As at 31-Mar-12	As at 1-Apr-11	for the year	Deductions	As at 31-Mar-12	As at 31-Mar-12
A	**Tangible Asset**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.54	-	-	485.54	14.01	5.94	-	19.95	465.59
	Factory Building	3,573.51	149.37	-	3,722.88	552.24	110.34	-	662.59	3,060.29
	Plant & Machinery	16,313.07	76.10	-	16,389.17	4,402.26	818.67	-	5,220.93	11,168.24
	Furniture & Fixtures - Others	521.11	2.17	32.84	490.44	199.15	29.22	6.69	221.68	268.76
	Vehicles	553.43	106.51	115.16	544.78	200.23	52.90	36.06	217.07	327.71
	Office Equipments	472.92	0.43	(3.40)	476.75	201.78	33.68	(5.70)	241.16	235.59
	Electrical Installations	145.54	-	2.55	142.99	36.69	6.89	0.43	43.15	99.84
	Computers - Others	458.79	20.22	0.08	478.93	269.45	57.28	(0.06)	326.79	152.14
	Total	**27,263.72**	**354.80**	**147.23**	**27,471.29**	**5,875.82**	**1,114.92**	**37.42**	**6,953.32**	**20,517.97**
B	**Intangible Asset**									
	Brands	10,810.89		(842.01)	11,652.90	2,801.21	580.10	(223.08)	3,604.39	8,048.51
	Software	538.30	4.28	(11.53)	554.11	295.19	65.60	(7.15)	367.94	186.17
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	-
	Goodwill	16,438.63		(1,325.69)	17,764.32	2,568.67	171.01	(213.78)	2,953.46	14,810.86
	Total	**27,792.24**	**4.28**	**(2,179.23)**	**29,975.76**	**5,669.50**	**816.71**	**(444.01)**	**6,930.22**	**23,045.54**
C	**Asset held for Sale**									
	Office Premises	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work In Progress**									**1,682.86**
	Total Fixed Assets (A+B+C+D)									**45,619.96**

Notes:

12.3. Additions to Fixed Assets includes item of assets aggregating to ₹ 58.08 Lacs(Pr. Yr. ₹ 0.58 Lacs) located at Research and Development centres of the Parent Company.

12.4 The title deeds of the immovable properties transferred pursuant to the Scheme of Merger are yet to be transferred in the name of the Parent Company.

12.5. Capital Work in Progress includes Machinery under installation, Construction material purchases and other assets under errection.

12.6 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 payables 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. Also refer note 37 .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
13 Non-Current Investments		
Other Investments		
In Other Entities		
Unquoted		
The Saraswat Co-op. Bank Ltd.*		
706 Equity Shares of ₹ 10 each	0.07	0.07
The Shamrao Vithal Co-op. Bank Ltd.*		
100 Equity Shares of ₹ 25 each	0.03	0.03
Bravo Healthcare Limited		
12,71,250 Equity Shares of ₹ 10 each	53.40	53.40
Quoted		
Bank of India *		
1,800 Equity Shares of ₹ 10 each	0.81	0.81
	54.31	**54.31**
Aggregate amount of quoted investments	0.81	0.81
Market Value of quoted investments	5.45	6.50
Aggregate amount of unquoted investments	53.50	53.50
*Pending transfer of shares in the name of the Company		
14 Long Term Loans & Advances		
(Unsecured, considered good unless otherwise mentioned)		
Capital Advances	287.10	371.24
Security Deposits	391.94	369.99
Loans and Advances to related parties		
Considered Good	7,596.82	7,507.03
Mat Credit Entitlement	739.55	748.93
Other Loans and Advances (Refer Note 53)	4,387.80	3,717.08
	13,403.21	**12,714.27**
15 Other Non Current Assets		
Fixed Deposit with Bank (Under Lien)	0.77	1.07
Interest Accrued but not due on fixed deposit	0.09	0.17
	0.86	**1.24**
16 Inventories		
(As certified by the management)		
Raw Materials and Packing Materials	874.99	852.70
Work-in-Progress	1,517.91	2,115.79
Finished Goods	384.50	435.95
Stock-in-Trade	1,478.11	2,463.50
Fuel	28.82	20.61
	4,284.33	**5,888.55**
Above Includes in Transit:		
Finished Goods	27.04	435.95
Traded Goods	188.24	24.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
17	**Trade Receivables (Unsecured)**		
	- Over Six months from the date they are due for payment		
	Considered good	2,008.79	2,258.72
	Considered doubtful	3,364.67	1,067.43
		5,373.46	3,326.15
	- Others from the date they are due for payment		
	Considered good	6,429.49	9,107.08
		11,802.95	12,433.22
	Less: Provision for doubtful debts	3,364.67	1,067.43
		8,438.28	**11,365.80**
18	**Cash and Bank Balances**		
	Cash & Cash Equivalents (As per AS -3)		
	Cash on Hand	21.90	15.90
	Cheques on Hand	646.89	577.53
	Balances with Banks		
	In Current Account	297.01	99.56
	In EEFC Account	3.08	1.72
		968.88	694.71
	Other Bank Balances		
	Earmarked balances with banks-Unpaid Dividend	19.22	25.62
	(Amount transferable to Investor Education & Protection Fund when due)		
	Fixed Deposit with Bank (Under Lien)*	701.84	874.95
		721.06	900.57
		1,689.94	**1,595.28**
	*Includes deposits with original maturity of		
	- more than 3 months but not more than 12 months	665.76	854.86
	- more than 12 months	36.08	20.09
19	**Short-term Loans and Advances**		
	(Unsecured, Considered Good)		
	Loans to Employees	13.06	12.14
	Advance to Employees		
	Considered Good*	620.94	598.07
	Considered Doubtful	42.03	-
		662.97	598.07
	Less: Provision for Doubtful Advances	42.03	-
		620.94	598.07
	Advance to Creditors	1,938.59	482.87
	Prepaid Expenses	30.42	7.65
	Export Benefit Receivable	357.74	510.20
	Balance with Statutory/Government Authorities		
	Balances with Excise Authorities	1,042.44	1,095.20
	VAT Receivable	563.70	918.12
		4,566.89	**3,624.25**
	*Includes Due from Directors- ₹ 38.99 Lacs (Pr. Yr.₹ Nil)		
20	**Other Current Assets**		
	Interest Accrued but not due on Bank Fixed Deposits	16.50	5.30
		16.50	**5.30**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

			31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
21	**Revenue From Operation**			
	Sale of products -Gross			
	Finished Goods		29,507.86	21,538.69
	Traded Goods		16,587.29	16,771.30
			46,095.15	38,309.99
	Less: Excise duty		838.94	504.01
	Sale of products -Net		45,256.21	37,805.98
	Processing Charges		390.56	439.42
	Other Operating Revenue			
	Sale of Scrap		134.43	88.94
	Export Incentive		129.41	290.35
			45,910.61	**38,624.69**
22	**Other Income**			
	Interest on Bank Deposits		63.63	62.98
	Other Interest		211.54	214.87
	Exchange Gain- Net		93.60	702.18
	Insurance Claim		0.96	40.06
	Interest on Income Tax Refund		17.18	-
	Sales Commission		-	303.28
	Miscelleneous Income		97.28	8.61
			484.19	**1,331.98**
23	**Cost of Materials Consumed**			
	Raw & Packing Materials			
	Opening Stock		852.70	695.73
	Add: Purchases		16,322.67	13,722.43
			17,175.37	14,418.16
	Less: Closing Stock		874.99	852.70
			16,300.38	**13,565.46**
24	**Purchase of Stock-in-Trade**			
	Purchase of Stock-in-Trade		7,077.98	6,311.78
			7,077.98	**6,311.78**
25	**Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade**			
	Inventories at the beginning of the year			
	- Finished Goods		435.95	47.31
	- Work-in-Progress		2,115.79	2,121.03
	- Stock-in-Trade		2,463.50	2,040.99
		(A)	5,015.24	4,209.33
	Inventories at the end of the year			
	- Finished Goods		384.50	435.95
	- Work-in-Progress		1,517.91	2,115.79
	- Stock-in-Trade		1,478.10	2,463.50
		(B)	3,380.51	5,015.24
	Net (Increase)/Decrease in Inventories	(A-B)	**1,634.73**	**(805.91)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		31 March 2013 ₹ in Lacs	31 March 2012 ₹ in Lacs
26	**Employee Benefit Expense**		
	Salaries, Wages, Bonus and Allowances	7,284.03	7,286.28
	Contribution to Provident and Other Funds	646.49	716.74
	Staff Welfare Expenses	197.60	153.00
		8,128.12	**8,156.02**
27	**Finance Cost**		
	Interest expense	3,460.32	3,145.84
	Applicable net gain/ loss on foreign currency transactions and translation	262.38	878.38
		3,722.70	**4,024.22**
28	**Depreciation and amortisation expense (Refer Note 12)**		
	Depreciation and amortisation expense	2,734.00	1,931.65
	Less: Transferred from Revaluation Reserve	475.08	232.27
		2,258.92	**1,699.38**
29	**Other Expenses**		
	Advertisement & Sales Promotional Expenses	2,279.20	2,300.04
	Travelling & Conveyance	1,703.46	1,593.27
	Power & Fuel	1,797.90	1,467.31
	Legal & Professional Charges	1,377.42	865.99
	Breakages & Expiry	666.28	857.07
	Carriage Outward	967.52	596.76
	Commission on Sales	496.29	451.03
	Rates & Taxes	66.62	136.43
	Consumption of Stores, Spares & Consumables	552.52	375.49
	Rent	338.28	603.99
	Repairs to Machineries	163.24	110.13
	Repairs- Others	72.60	86.70
	Provision for Doubtful Debts	3,075.85	99.98
	Amounts Written Off (Net)	378.17	74.50
	Administration Charges	31.98	72.81
	Insurance	41.68	70.30
	Loss on sale of Fixed Assets	21.78	56.10
	Provision for Doubtful Advances	42.03	42.72
	Excise Duty	(48.59)	32.28
	Repairs to Buildings	34.40	16.28
	Miscellaneous Expenses	1,922.58	1,769.17
		15,981.21	**11,678.35**
	* Excise Duty includes credit amount of ₹ 14.37 Lacs (Pr. Yr. debit amount of ₹. 21.21 Lacs) being excise duty related to difference between closing inventory and opening inventory of finished goods.		
30	**Earning Per Share:**		
	Profit/ (loss) after Tax - ₹ In Lacs	(8,722.94)	(3,889.43)
	Weighted Average Number of Equity Shares	17,379,286	14,703,985
	Nominal value of Equity Shares in ₹	10.00	10.00
	Basic & Diluted Earning /(Deficit) Per Share in ₹	(50.19)	(26.45)

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 year-end are considered to be anti-dilutive.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

Particulars	Country of Incorporation	% of voting power held as at 31 March 2013	% of beneficial ownership held as at 31 March 2013
Wanbury Holding B. V.	Netherland	100% (100%)	100% (100%)
Ningxia Wanbury Fine Chemicals Company Limited	China	100% (100%)	100% (100%)
Wanbury Global FZE	UAE	100% (100%)	100% (100%)
Cantabria Pharma S.L. (Wholly-owned subsidiary of Wanbury Holding B. V.)	Spain	100% (100%)	100% (100%)
Laboratories Wanbury S.L. (Wholly-owned subsidiary of Cantabria Pharma S.L.)	Spain	100% (100%)	100% (100%)

b) Accounts of the aforesaid subsidiary companies are for the period from 1 April 2012 to 31 March 2013 and are incorporated in the consolidated financial statement. Financial statement and other financial information of aforesaid subsidiaries have been audited by other auditor.

32. Contingent Liabilities:

(₹ in Lacs)

Sr. No.	Particulars	31 March 2013	31 March 2012
a)	Bank Guarantee issued	12.95	35.76
b)	Guarantees given to banks/financial institutions for loans given to other. Loans outstanding at the year-end.	Nil Nil	2,700.00 1,784.33
c)	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	390.92	379.25
d)	Disputed demands by Income Tax Authorities. Amount paid under protest and shown as advance	105.21 59.01	40.43 40.43
e)	Disputed demands by Sales Tax Authorities. Amount paid under protest and shown as advance	3,506.49 34.59	33.27 13.32
f)	Claims against the Company not acknowledged as debts	1,702.59	425.65

Future cash flows in respect of liability under clause (a) to (c) are dependent on terms agreed upon with the parties and in respect of liability under clause (d) to (f) are dependent on decisions by relevant authorities of respective disputes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

33. The Parent Company has received notice of demand of ₹ 190.58 Lacs from the National Pharmaceutical Pricing Authority (NPPA), Government of India on account of alleged overcharging in respect of certain products under the Drug Price Control Order. This was contested before the jurisdictional Bombay High Court and the said court vide its order dated 20 September 2010 has granted interim relief by granting stay on the implementation and /or enforcement of the aforesaid order of NPPA.

34. Minority interest represents the 4,511 (Pr. Yr. 4,511) 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 fulfilment of certain conditions mentioned in the agreement as per the agreed terms. Exim Bank has subscribed to 4,511 Preference Shares of Euro 1,000/- each of Wanbury Holding B. V., pursuant to the Preference Share Subscription Agreement dated 7 December 2006. Pursuant to the said agreement, Exim Bank has exercised Put Option vide letter dated 8 November, 2011 and Parent Company is required to pay USD 60 Lacs (₹ 3,263.40 Lacs) to acquire aforesaid preference shares. Further, State Bank of India, London vide its letter dated 11 July 2012, has demanded repayment of Euro 32.60 Lacs (₹ 2,267.00 Lacs) together with interest till the date of repayment from the Parent Company in terms of Guarantee & Loan agreement dated 27 September 2007 vide which aforesaid credit facilities was granted to Cantabria Pharma S L, the step down subsidiary of the Parent Company. Both the above mentioned dues being part of the CDR Scheme will be accounted in the Parent Company's books upon arriving at mutually agreed terms of settlement with the respective parties.

35. IDBI Bank vide its letter dated 4 August 2012 has invoked guarantee of Parent Company in respect of dues from Bravo Healthcare Limited of ₹ 2,034.21 Lacs. Since Bravo Healthcare Limited is in the process of one time settlement with IDBI out of sales proceeds of its assets, the Parent Company does not expect any liability at this stage.

36. The Wanbury Group operates solely in the pharmaceuticals segment and hence no separate disclosure for segment wise information is required.

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

    The Hon'ble Supreme Court vide its order dated 16 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 Sick Industrial Companies(Special Provisions) Act, 1985 (SICA), in response to a suit filed by one of the unsecured creditors of erstwhile PPIL.

    The BIFR has directed IDBI Bank, which has been appointed as Operating Agency, to formulate new Draft Rehabilitation Scheme (DRS) pursuant to the Order of Hon'ble Supreme Court of India dated 16 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 Parent Company has maintained a status quo. However, all actions taken by the Parent 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 16 May 2008.

    As per BIFR Order dated 24 April 2007, statutory dues of erstwhile PPIL comprising of income tax ₹ 250.36 Lacs, profession tax ₹ 6.06 Lacs, custom duty ₹ 230 Lacs, sales tax ₹ 8.50 Lacs and excise duty ₹ 15.62 Lacs were required to be paid in six annual installments and the Parent Company has pursuant to the scheme, allotted Non Convertible Debentures(NCDs) of ₹ 242.50 Lacs to and Optionally Fully Convertible Debentures (OFCDs) of ₹ 581.99 Lacs, to some of the lenders of erstwhile PPIL out of which dues amounting to ₹ 152.67 Lacs and ₹ 581.99 lacs in respect of NCD & OFCDs respectively, remains payable at the year-end. Since BIFR is considering the matter afresh, pending fresh directives from the BIFR, aforesaid dues have not been paid.

38. The Parent Company had separate IBIS software for formulation sales accounting which had been switched over/ linked to SAP in earlier years and also had changed from DCB Model to Distributorship Model (C&F) for selling formulation products. Consequently, trade receivables pertaining to formulation business are subject to confirmation, reconciliations and adjustments, if any.

    Further, balances of trade receivables, loans and advances given, trade payables and other liabilities are subject to confirmation/ reconciliation and adjustments, if any.

    However, in the opinion of management, as recovery and other measures are under active consideration, the receivable amount outstanding has been considered good and recoverable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

39. The Corporate Debt Restructuring (CDR) proposal of the Parent Company, having 30 September 2010 as the cut off date, has been approved by the CDR Cell vide its Letter of Approval (LOA) dated 23 May 2011. Subsequently on execution of the Master Restructuring Agreement (MRA) dated 19 September 2011, effect of CDR Scheme has been given in the financial statements as per the MRA and excess interest accounted for the period 1 October 2010 to 31 March 2011 amounting to ₹ 783.21 Lacs has been reversed during the previous year ended 31 March 2012 and shown as exceptional item in the financial statement of the relevant year.

    MRA among other terms and conditions, provide for:

    a) Additional fund, non fund based assistance from the CDR lenders;
    b) Promoters to bring further contributions in stages;
    c) Reporting and other compliances by the Company; and
    d) Right to the CDR lenders to convert at their option, the whole of the outstanding amount or 20% of rupee equivalent of the defaulted amount into fully paid-up equity shares of the Company at par, in case of certain defaults by the Company.

       The Parent Company has sought extension in moratorium for repayments of certain loans keeping net present value unchanged vide its letter dated 10 December 2012. Pending approval of the same, the Company has provided interest as per the CDR scheme approved earlier and complied with CDR scheme except to the extent of modifications sought as aforesaid.

40. a) The Parent Company has issued on 20 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 € 10,000 each maturing on 23 April 2012 and 17 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 face value of ₹ 10 each at a premium of ₹ 128.43, being conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to € 1 and such option being exercisable till 9 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 face value of ₹ 10 each at a premium of ₹ 128.43, being reset conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to € 1 and such option is exercisable till 5 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.

       The **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) During the year ended on 31 March 2010, the parent company bought back and cancelled 424 Foreign Currency Convertible "A" Bonds of face value of € 10,000 each.
    d) During the year under review the Parent Company has not received any application for conversion of FCCB into equity shares of the Parent Company. However till date 5,29,085 fully paid equity shares of face value of ₹ 10/- each have been issued at a conversion price of ₹ 138.43 per equity share upon conversion of 128 Foreign Currency Convertible "A Bonds" of face value of € 10,000 each.
    e) 248 FCCB "A Bonds" have matured on 23 April 2012. The Parent Company has negotiated terms vide agreement dated 14 September 2012 with the bondholder holding 200 bonds and have been accounted for accordingly. For the balance 48 FCCB A Bonds, pending negotiation effect given in the financial statements are as per the terms at the time of issue of the bonds.
    f) 700 FCCB B Bonds have matured on 17 December 2012. 556 Bonds were converted into term loan of State Bank of India and the Company has negotiated terms with the 144 Bondholder. Effect in the accounts have been given as per the sanction letter from State Bank of India and the terms of settlement with remaining bondholder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

41. The Parent Company has invested ₹ 53.40 Lacs (Pr. Yr. ₹ 53.40 Lacs) in equity shares of Bravo Healthcare Limited (BHL) and also given loan and advances aggregating to ₹ 7,558.02 Lacs (Pr. Yr. ₹ 7,502.60 Lacs). Net worth of BHL has been negative as per audited accounts for the year ended 31 March 2012.

    The Parent Company's involvement in BHL is of strategic importance and for long term and is contemplating steps for their revival, fund infusion etc. Hence, no provision has been considered necessary at this juncture in respect of aforesaid investment in and dues recoverable from it.

42. In Parent Company Disclosure of Trade Payable 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". Amount outstanding as on 31 March 2013 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 35.64 Lacs (Pr. Yr. ₹ 71.43 Lacs) [including overdue amount of ₹ 26.05 Lacs (Pr. Yr. ₹ 48.39 Lacs)] and interest due thereon is ₹ 20.12 Lacs (Pr. Yr. ₹ 10.03 Lacs) and interest paid during the year ₹ Nil (Pr. Yr. ₹ Nil). Since, as per the terms/ understanding with the parties, no interest is payable, hence no provision has been made for the aforesaid interest (Refer Note 9).

43. 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 followings major components:

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Liabilities:		
Depreciation	(1,719.23)	(2,245.43)
Assets:		
43 B Disallowance and other deferments	1,296.89	1,052.75
Unabsorbed Depreciation	1,729.37	2,182.39*
Total Assets	3,026.26	3,235.14
Deferred Tax Asset Restricted to	(1,719.23)	(2,245.43)
Net Deferred Tax Assets (Liabilities)	Nil	Nil

*Includes Business Loss

In case of Parent Company, as a measure of prudence, deferred tax assets are recognised to the extent of deferred tax liabilities.

44. (a) Managerial Remunerations in case of Parent Company :

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Salary & Allowances	28.63	67.37
Contribution of P.F. & Other Funds	5.23	5.23
TOTAL*	**33.86**	**72.60**

* Above excludes provision for the future liabilities in respect of retirement benefits, which are based on actuarial valuation done on overall Company basis. Excess remuneration of ₹ 19.37 Lacs pertaining to previous year which has been reversed during the year to the statement of Profit & Loss and ₹ 19.62 Lacs pertaining to current year, together aggregating to ₹ 38.99 Lacs, being recoverable from director, is shown under "Short Term Loans & Advances" (Refer Note No. 19).

(b) Sitting fees to directors ₹ 4.36 Lacs (Pr. Yr. ₹ 4.56 Lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

45. Details of Auditors Remuneration:

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
A) Statutory Auditor		
Auditors' Remuneration		
- Audit Fees for Stand alone accounts	18.53	19.39
- Certification & Other Matters	6.02	5.49
- Out of Pocket Expenses	0.27	0.37
TOTAL	**24.82**	**25.26**
B) Branch Auditors Remuneration	1.00	1.00
C) Cost Audit Fees	1.25	0.75

Above figures are exclusive of service tax.

46. In the case of Parent Company the aggregate amount of revenue expenditure, except depreciation, incurred during the year on Research and Development and shown in the respective heads of account is ₹ 651.65 Lacs (Pr. Yr. ₹ 478.91 Lacs).

47. Employee Benefits

As required by Accounting Standard -15 "Employee Benefits" the disclosures are as under:

Defined Contribution Plans

The Parent 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 Parent Company pay pre-determined 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.

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

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Provident Fund, Employee's Pension Scheme and MLWF	275.30	259.58
Employees State Insurance	12.37	11.08
Super Annuation Fund	2.51	3.47
Total	**290.18**	**274.13**

During the year, Cantabria Pharma S L, wholly-owned subsidiary, has made Social Security Scheme contributions to the Government and has paid pre-determined contribution into the Social Security Scheme and has recognised the following amounts in the Account:

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Social Security Scheme	258.93	384.10
Total	**258.93**	**384.10**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 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.

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 non – funded. Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2013.

(₹ in Lacs)

	Particulars	31 March 2013	31 March 2012
a)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	247.55	250.29
	Current service cost	70.53	59.00
	Interest cost	20.42	21.27
	Actuarial loss / (gain)	(23.03)	(38.75)
	Benefit (paid)	(26.07)	(44.26)
	Closing defined benefit obligation	289.40	247.55
b)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	29.19	24.69
	Expected return on plan assets	1.32	2.19
	Actuarial gain / (loss)	0.27	0.26
	Contributions of employer	-	2.49
	Benefits (paid)	(26.07)	(0.43)
c)	**Amount recognised in the Balance Sheet**		
	Present value of the obligations as at year-end	289.40	247.55
	Fair value of the plan assets as at year-end	4.71	29.19
	Net (asset) / liability recognised as at year-end	284.69	218.36
d)	**Expenses recognised in the Profit and Loss Account**		
	Current service cost	70.53	59.00
	Interest on defined benefit obligation	20.42	21.27
	Expected return on plan assets	(1.32)	(2.19)
	Net actuarial loss / (gain) recognised in the current year	(23.30)	(39.01)
	Total expense	66.33	39.08
e)	**Asset information**		
	Government of India Securities	-	-
	Equity shares of listed companies	-	-
	Property	-	-
	Bank Balance	-	-
	Funds managed by Insurer	100%	100%
f)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	8.25%	8.50%
	Expected rate of return on plan assets (p.a.)	8.15%	8.50%
	Annual increase in salary cost (p.a.)	7.00%	7.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

The estimates of future salary increase, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Leave Encashment:

The Parent Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Parent Company's policies and the same is being provided based on report of independent actuary using the Projected Unit Credit Method.

Accordingly ₹ 519.51 Lacs (Pr. Yr. ₹ 377.43 Lacs) (including towards current liability of ₹ 69.52 Lacs (Pr. Yr. ₹ 31.35 Lacs) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

48. 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 year-end by the management based on valuation carried out by the approved valuer. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets.

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

(₹ in Lacs)

Currency	Buy or Sell	Cross Currency	Amount in US $	
			31 March 2013	31 March 2012
US $	Sell	Indian Rupees	Nil	45 Lacs

Note: FCCB of Nil (Pr. Yr. Euro 94.80 Lacs) are convertible at a fixed exchange rate (Refer Note No. 40 above).

The year-end foreign currency exposures of Wanbury Group that have not been hedged by a derivative instrument or otherwise are as below:

(₹ in Lacs)

Particulars	Foreign Currency	Foreign Currency Amt in Lacs		(₹ in Lacs)	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
Assets					
Trade Receivables	EURO	8.14	7.58	566.28	517.94
	USD	62.40	35.10	3394.19	1,795.41
Loans and Advances	EURO	18.76	18.76	1,306.94	1,289.04
	GBP	0.04	0.04	3.07	3.05
	JPY	15.10	15.87	8.61	9.91
Bank Balance	EURO	0.01	0.01	0.69	0.68
	USD	0.04	0.02	2.39	1.04
Liabilities					
Trade Payables	USD	27.65	22.95	1,504.10	1,173.81
	EURO	0.19	0.18	13.12	12.29
Other Payable	GBP	0.05	0.02	4.47	1.71
Long Term Borrowings	USD	158.07	59.61	8,597.30	3,049.57
Other Current Liabilities	EURO	10.06	94.80	699.25	6,478.63
Other Long Term Liabilities	EURO	34.44	Nil	2,394.95	Nil
Interest accrued but not due	EURO	1.92	0.24	133.33	16.20
Interest accrued and due	EURO	0.53	0.95	36.94	64.79
	USD	2.99	Nil	162.69	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

50. 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), Laptop under operating lease or leave and license agreements. These are generally not non-cancellable and ranges from 33 months to 5 years under leave and license, 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 of ₹ 338.28 (Pr. Yr. ₹ 603.99 Lacs) are recognised in the Statement of Profit and Loss under "Rent" under Note-29.

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

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Not later than one year	5.04	121.36
Later than one year but not later than five years	Nil	9.96
Later than five years	Nil	Nil

51. Related Party Disclosure: (With whom the transactions have taken place during the year)

A. Relationship:

Category 1: Major Shareholders:

- Expert Chemicals (India) Pvt. Ltd.

Category 2: Key Management Personnel and their relatives:

- Mr. K. Chandran - Vice Chairman

Category 3: Others
(Enterprise owned or significantly influenced by key management personnel or their relatives):

- Wanbury Infotech Pvt. Ltd
- Bravo Healthcare Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

B. Transactions carried out with related parties:

(₹ in Lacs)

Sr. No.	Transactions	Related Party Relation	31 March 2013	31 March 2012
1)	**Advances Given:**			
	Wanbury Infotech Pvt. Ltd.	Others	34.36	13.25
2)	**Loans and Advances Given:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	25.80
	Bravo Healthcare Ltd.	Others	161.97	504.31
3)	**Repayment of Loans and Advances Given :**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	716.55
	Bravo Healthcare Ltd.	Others	106.48	237.17
4)	**Advances Taken:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	972.00	240.00
5)	**Expenses Reimbursed from :**			
	Bravo Healthcare Ltd.	Others	Nil	16.17
6)	**Remuneration paid:**			
	Mr. K. Chandran	Key Management Personnel	33.86	72.60
7)	**Purchase of Materials :**			
	Bravo Healthcare Ltd.	Others	0.06	2.30
8)	**Interest Income :**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	69.10
9)	**Information Technology Services taken :**			
	Wanbury Infotech Pvt. Ltd.	Others	187.09	140.46
10)	**Conversion of Inter Corporate Deposit into Equity Share Capital:**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	1,008.75

C. Balances due from/to related parties:

(₹ in Lacs)

Sr. No.	Transactions	Related Party Relation	31 March 2013	31 March 2012
1)	**Loans and Advances Given:**			
	Wanbury Infotech Pvt. Ltd	Others	38.80	4.44
	Bravo Healthcare Ltd.	Others	7,558.02	7,502.59
2)	**Advances Taken :**			
	Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	972.25	0.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

52. Net-worth of the Wanbury Group (the Company & its subsidiaries), based on consolidated financial statements for the year ended on 31 March 2013 is negative. The Parent Company has initiated various measures, including restructuring of debts/ business and infusion of funds etc. Consequently, in the opinion of the management, operations will continue without interruption. Hence, financial statements are prepared on a “going concern” basis.

53. Other long term loans and advances outstanding at the year-end (Refer Note 14), includes ₹ 2,853.18 Lacs related to financial statements of the Parent Company. These are repayable on demand and respective parties have confirmed their balances at the end of the year. Management considers these amounts as receivable and hence no provisions have been considered necessary.

54. Figures of previous year are regrouped/ rearranged wherever necessary so as to make them comparable with the current year.

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

A. L. Bongirwar
Director

Mangesh Bhosale
Vice President Finance &
Company Secretary

Mumbai, 30 May 2013

WANBURY LIMITED
Registered Office : BSEL Tech Park, B-Wing,
10th Floor, Sector 30 A, Opp.Vashi Railway Station,
Vashi, Navi Mumbai – 400 703. 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-Fifth Annual General Meeting of the Company to be held on Tuesday, 24 September 2013 at:Hotel Four Points, Plot No. 39/1,6 to 15, Sector 30-A, Vashi, Navi Mumbai - 400 703, Maharashtra and at any adjournment thereof.

Signed this ____________ day of ____________ 2013.

Affix Re. 1/- Revenue Stamp

____
Signature of Member (s)

WANBURY LIMITED
Registered Office : BSEL Tech Park, B-Wing,
10th Floor, Sector 30 A, Opp.Vashi Railway Station,
Vashi, Navi Mumbai – 400 703. Maharashtra

ATTENDANCE SLIP

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-Fifth Annual General Meeting of the Company held on Tuesday 24 September 2013 at Hotel Four Points, Plot No. 39/1,6 to 15, Sector 30-A, Vashi, Navi Mumbai - 400 703, Maharashtra.

____
Member's / Proxy's Signature*

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