

Contents

Notice	3
Directors' Report	7
Management Discussion and Analysis Report	12
Corporate Governance Report	16
Auditors' Certificate on Corporate Governance Compliances	26
Auditors' Report	27
Balance Sheet	30
Profit & Loss Account	31
Cash Flow Statement	32
Schedules Forming Part of the Balance Sheet	33
Schedules Forming Part of the Profit & Loss Account	40
Schedules : Accounting Policies	42
Schedules : Notes to Accounts	45
Balance Sheet Abstract and Company's General Business Profile	54

Board of Directors

Mr. A. L. Bongirwar	Non-executive Independent Director
Mr. N. K. Puri	Non-executive Independent Director
Dr. P. L. Tiwari	Non-executive Independent Director
Mr. S. Bhattacharyya	EXIM Bank Nominee
Mr. K. Chandran	Whole-time Director
Mr. K. R. N. Moorthy	Whole-time Director

Company Secretary

Mr. Pankaj B. Gupta

Registered & Head Office

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

Plants Location :

- Plot No. A-15, M.I.D.C., Ind. Area, Patalganga, Maharashtra
- Plot No. J-17, M.I.D.C. Tarapur, Maharashtra
- Plot No. N-24, M.I.D.C. Tarapur, Maharashtra (erstwhile PPIL)
- Plot No. D-312, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Maharashtra (erstwhile PPIL)

Auditors

KAPOOR & PAREKH ASSOCIATES, Chartered Accountants, Mumbai

Bankers

- Bank of India
- EXIM Bank
- State Bank of India
- Dhanalakshmi Bank

Registrars and Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.

Unit – 1, Luthra Industrial Premises,

Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai – 400 072, India

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

Fax No.: +91-22-28512885

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Wanbury Limited will be held on Thursday, the 27th day of September, 2007 at 12:00 Noon at Hotel Tunga Regency, Plot No.37, Sector 30-A, Vashi, Navi Mumbai 400 705, to transact the following business, with or without modifications.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and Profit & Loss Account for the year ended on that date along with Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. K. 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 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.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification/s the following resolution as an ORDINARY RESOLUTION.
“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended up to date, consent of the Company be and is hereby accorded to the appointment of and the payment of remuneration & perquisites to Mr. K. Chandran as Whole-time Director of the Company for a period of three years with effect from September 1, 2007 on the terms and conditions (including the terms regarding the payment of remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period), as set out in the Explanatory Statement attached hereto.”
“RESOLVED FURTHER THAT the terms and conditions of the said appointment be altered and/or varied from time to time by the Chairman / Board, as it may, at its discretion, deem fit, within the maximum amount payable in accordance with the provisions of Companies Act, 1956 read with Schedule XIII to the said Act or any amendments made hereafter in this regard.”
“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 705
Date: June 29, 2007
Place: Vashi, Navi Mumbai

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

Pankaj B. Gupta
Company Secretary

NOTES:

1. A Member entitled to attend and vote at the meeting and also entitled to appoint a proxy to attend and vote on poll; instead of himself / herself and the proxy need not be a member. The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No. 6 of the notice set out above is annexed hereto.
3. The members are requested to notify immediately changes, if any, in their registered address to the Company's Registrar & Share

Transfer Agent M/s Sharex Dynamic (India) Pvt. Ltd., Unit – 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072.

4. Members who hold Shares in Dematerialised Form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.
5. The Share Transfer Books and the Register of Members will remain closed from Monday 17.09.2007 to Thursday 27.09.2007 (both days inclusive).
6. At the ensuing Annual General Meeting Mr. K. Chandran and Mr. N. K. Puri, retire by rotation and being eligible offers themselves for re-appointment. Their brief resume are as under:

Name	Mr. K. Chandran
Age	49 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: Doctors Organic Chemicals Limited Committee Membership : NIL Committee Chairmanship: NIL

Name	Mr. N. K. Puri
Age	64 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(s) of the other public limited companies in which Directorship held and Committee Membership / Chairmanship held	Director: NIL Committee Membership : NIL Committee Chairmanship: NIL

7. Shareholders desiring any information as regards to the Accounts are requested to write to the Company at least Seven days in advance of the Annual General Meeting; so that the information, to the extent practicable, can be made available at the Annual General Meeting.
8. Section 109 A of the Companies Act, 1956 provides of nomination by the Shareholders of the Company in the prescribed Form No. 2B. Shareholders are requested to avail this facility.
9. If the proposed dividend is approved by the Shareholders at the Annual General Meeting, the same will be paid after September 27, 2007 to the eligible shareholders.

Registered Office:

BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 705
Date: June 29, 2007
Place: Vashi, Navi Mumbai

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

Pankaj B. Gupta
Company Secretary

ANNEXURE TO THE NOTICE

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

Item No. 6:

Mr. K. Chandran has rich experience and knowledge of pharmaceutical industry. Keeping in this view, the Board of Directors at its meeting held on June 29, 2007, has approved the appointment of Mr. K. Chandran as Whole-time Director of the Company for a period of 3 years with effect from September 1, 2007, subject to approval of shareholders in General Meeting. Mr. K. Chandran fulfills the eligibility criteria set out under part I of Schedule XIII of the Companies Act, 1956.

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

A. Period :

Three years w.e.f. September 1, 2007 with liberty to either party to terminate the appointment on three months notice in writing to the other.

B. Remuneration :

1. Basic Salary of Rs. 1,00,000/- (Rupees One Lac only) per month with such increments as may be decided by the Chairman/ Board from time to time, subject however to a ceiling of Rs. 5,00,000/- (Rupees Five Lacs only) per month.
2. Special Allowance of Rs. 14,000/- (Rs. Fourteen Thousand only) per month with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 50,000/- (Rupees Fifty Thousand only) per month.
3. Annual Performance Bonus Linked to the achievement of targets and Long-term Incentive Compensation as per the scheme applicable to Senior Executives of the Company as may be decided by the Chairman / Board subject to a maximum of Rs.30,00,000/- (Rupees Thirty Lacs only) per annum.
4. Education Allowance of Rs. 30,000/- (Rupees Thirty Thousand only) per annum with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 48,000/- (Rupees Forty Eight Thousand only) per annum.
5. Entertainment Allowance of Rs. 10,000/- (Rupees Ten Thousand only) per month with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 25,000/- (Rupees Twenty Five Thousand only) per month.
6. Servant Allowance of Rs. 4,000/- (Rupees Four Thousand only) per month with such increments as may be decided by the Chairman / Board from time to time, subject however to a ceiling of Rs. 10,000/- (Rupees Ten Thousand only) per month.

C. Perquisites :

1. Housing: Company's owned / hired / leased accommodation or House Rent Allowance as may be decided by the Chairman/ Board subject to a maximum @ 50 % of the Basic Salary in lieu of Company provided accommodation.
2. Reimbursement of expenses on actual, pertaining to gas, fuel, electricity and telephones as also reasonable reimbursement of maintenance expenses in respect of such accommodation.
3. Medical Expenses Reimbursement: Reimbursement of all expenses, incurred in India for self and family (family is defined as spouse and dependent children) at actual (including domiciliary medical expenses and insurance premium for medical and hospitalisation policy, as applicable).
4. Leave Travel Allowance: For self and family in accordance with Rules of the Company, subject to a maximum of one month's basic salary. In the event of the amount so payable being lower than one month's basic salary, the balance will be payable as taxable amount to the Whole-time Director.
5. Spouse accompanying on any official domestic and overseas trip will be governed as per the policy of the Company, as applicable to Whole-time Directors / Senior Executives of the Company.
6. Club Fees: Fees of One Corporate Club in India (including admission and membership fees.)

7. Personal Accident Insurance coverage for self as per the Rules of the Company.
8. Company's contribution towards Provident Fund and Superannuation Fund on basic salary as per the Rules applicable to Senior Executives of the company.
9. Gratuity as applicable to Senior Executives of the Company including continuity of service for time served elsewhere, within the Group.
10. Two Cars for use of Company's business.
11. Leave and encashment of leave, in accordance with the Rules of the Company.
12. Any other policies / benefits that are introduced by the Group from time to time, as applicable at his level.

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

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

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

Where in any financial year comprised by the period of appointment, the Company has no profit or its profits are inadequate, the forgoing amount of remuneration and benefits shall be paid or given to the Whole-time Director in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, wherever required.

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

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

No Director other than Mr. K. Chandran is concerned or interested in the Resolution.

Registered Office:

BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi Mumbai – 400 705
Date: June 29, 2007
Place: Vashi, Navi Mumbai

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

Pankaj B. Gupta
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the NINETEENTH ANNUAL REPORT together with the Audited Accounts of the Company for the year ended on March 31, 2007.

FINANCIAL HIGHLIGHTS:

	(Rs. in Lacs)	
	For the year ended on 31.03.2007	For the year ended on 31.03.2006
Turnover	14608.02	11086.26
Less: Excise Duty & Sales Tax	225.27	202.66
Net Sales	14382.75	10883.60
Other Income	880.77	608.94
Total Income	15263.52	11492.54
Total Expenditure	13729.39	10049.91
Profit / (Loss) before Taxation	1534.13	1442.63
Provision for Taxation:		
- Current Tax	170.65	131.14
- Mat Credit Entitlement	(170.00)	(120.00)
- Deferred Tax	(586.65)	334.52
- Fringe Benefit Tax	30.76	23.69
- Income Tax of earlier years	6.74	-
- Wealth Tax of earlier years	-	0.25
Net Profit after Tax	2082.63	1073.03
Balance b/f from Previous Year	1481.11	779.27
Profit as on 01.04.2006 of erstwhile PPIL	670.15	-
Amount available for Appropriation	4233.89	1852.30
APPROPRIATION		
Proposed Dividend	267.49	-
Proposed Final Dividend	-	191.21
Interim Dividend	-	63.74
Tax on Dividend	45.46	35.76
Transfer to General Reserve	156.20	80.48
Balance Carried to Balance Sheet	3764.74	1481.12

OPERATIONAL REVIEW:

The Company had a very successful year under review with sound growth in Turnover and Profits and further improvements in operating parameters. Overall turnover for the financial year under review has grown by approx. 32 % to Rs. 14608.02 Lacs as against Rs. 11086.26 Lacs in the previous year. Profit After Tax (PAT) has registered growth of approx. 94 % and increased to Rs. 2082.63 Lacs as against Rs. 1073.03 Lacs in the previous year. The Earning Per Share has grown by approx. 62% to Rs. 15.65 from Rs. 9.67 per share.

Export of the Company during the year under review has registered growth of approx. 28 % and increased to Rs. 7178.19 Lacs from Rs. 5623.18 Lacs. The Company has been exporting its products to more than 50 Countries.

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

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has approved the merger of PPIL with your Company with effect from April 1, 2006 vide its order dated May 1, 2007. Hence merger effect has been given in the financial result of the Company for the financial year ended as on March 31, 2007.

MERGER OF DOCTORS ORGANIC CHEMICALS LIMITED (DOCL) WITH THE COMPANY:

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has approved the merger of DOCL with your Company with effect from April 1, 2007 vide its order dated May 4, 2007. Hence merger effect has not been given in the financial result of the Company for the financial year ended as on March 31, 2007.

FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs) ISSUE:

Your Company has issued Foreign Currency Convertible Bonds (FCCB) aggregating Euro 15 Million (Euro Fifteen Million only) on April 20, 2007, in two parts namely Foreign Currency Convertible A Bonds and Foreign Currency Convertible B Bonds.

Your Company has issued and allotted 800 nos. Foreign Currency Convertible A Bonds of face value of Euro 10,000 each fully paid i.e. size of Bond A is Euro 8 Million fully paid.

Further your Company has issued and allotted 700 nos. Foreign Currency Convertible B Bonds of face value of Euro 10,000 each partly paid. The paid-up amount is 10% i.e. size of Bond B is Euro 7 Million and paid-up amount is Euro 700,000 (Euro Seven Hundred Thousand only).

The terms and conditions of FCCBs are as per the Offering Circular submitted to Luxembourg Stock Exchange ("LuxSE").

The Company will utilize the fund raised through FCCBs Issue for funding overseas acquisition, expansion, related diversifications, research & development and other permitted purposes in accordance with the end use restrictions specified in the External Commercial Borrowings Guidelines.

SUBSIDIARY COMPANIES

Your Company is at an advanced stage of completing its acquisition of the generic division of Industrial Farmaceutica Cantabria S. A., Spain, through two special purpose vehicles Wanbury Holdings B. V. and Cantabria Pharma S. L.

DIVIDEND:

Your Directors are pleased to recommend dividend @ 20 % i.e. Rs. 2/- per equity share for the year ended as on March 31, 2007. Total cash outflow on account of dividend payment including dividend tax will be Rs. 312.95 Lacs, which is approx. 15 % of Net Profit After Tax for the year ended as on March 31, 2007.

The dividend after approval of the shareholders at the Annual General Meeting will be paid after September 27, 2007 to the eligible shareholders.

DIRECTORS:

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

PERSONNEL:

Information under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per 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 information. Shareholders interested in obtaining this information may write to the Company Secretary at the Registered Office of the Company.

None of the employee 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' REPORT AND AUDITORS:

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.

M/s Kapoor & Parekh Associates 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.

COST AUDITOR:

The report of Hemant V. Shah, Cost Accountant, in respect of audit of cost accounts for bulk business of the Company for the year ended March 31, 2007 will be submitted to the Central Government in due course.

The Board has approved the appointment of Hemant V. Shah, Cost Accountant in respect of audit of cost accounts for bulk business of the Company for the year ended March 31, 2008 at their meeting held on May 28, 2007. An application for the approval of Central Government has been made towards the appointment of Mr. Hemant V. Shah as Cost Auditor for the year ending as on March 31, 2008.

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:

A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the Annual 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 & its Directors wish to extend their sincere thanks to the Bankers, Government, Customers, Suppliers, Shareholders and Staff for their continuous co-operation & guidance and also expect the same in the future also.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
Whole-time Director

K. R. N. MOORTHY
Whole-time Director

Mumbai, June 29, 2007

ANNEXURE TO DIRECTORS' REPORT

Information as per 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.

A. CONSERVATION OF ENERGY

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

1. In the boiler, a dual fuel mode operation was installed, so that the bio- gas from the effluent treatment plant is burnt instead of flaring; thus saving fuel.
2. Cooling water circulation pump was replaced by a more efficient pump to realise additional flow with the existing motor.
3. Energy savers were installed in the centrifuge to reduce the starting current.
4. Energy audit was carried out & implementation of an energy saving scheme is undertaken.

INFORMATION AS PER PRESCRIBED FORM A:

	Year ended 31.03.2007	Year ended 31.03.2006
1. Electricity		
(a) Purchased		
Unit (KWH)	32,19,631	20,68,971
Total Amount (in Rupees)	1,38,82,970	71,50,170
Rate / Unit (in Rupees)	4.31	3.45
(b) Own Generation		
Unit (KWH)	2,03,468	50,180
Total Amount (in Rupees)	27,99,895	6,38,333
Rate / Unit (in Rupees)	13.76	12.72
2. Furnace Oil & LDO		
Quantity (Litres)	16,87,150	13,39,199
Total Amount (in Rupees)	2,69,53,433	2,09,54,881
Average Rate (Rs. per Litre)	15.98	15.65

B. ABSORPTION OF TECHNOLOGY AND RESEARCH & DEVELOPMENT

Your Company's R&D Centre has developed process for Atenolol, Carvedilol, Carvedilol Phosphate, Diphenhydramine Hydrochloride, Diphenhydramine Citrate, Clopidogrel Hydrogensulfate, Methoxaslen, Risperidone, Sertralone (Intermediate for Sertraline), Glucosamine Sulfate Sodium Chloride and Glucosamine Sulfate Potassium Chloride.

Further your Company's R&D Centre has also filed patents on Sertraline, Paroxetine, Carvedilol, C-pink, and Zevonuron. Few more are in pipeline.

Your Company has filed Drug Master Files (DMFs) to FDA for the below-mentioned products during the year 2006-2007:

Glucosamine Sulphate Potassium Chloride, Glucosamine Sulphate Sodium Chloride, Diphenhydramine Citrate, Ibuprofen DC Grade (65%), Methoxsalen, Sertraline Hydrochloride (Form 1), Risperidone, Metformin SR Grade Granules (70%), Clopedogrel, Carvedilol, Diphen Hydramine HCL, Pentaprazole and Atenolol.

Further DMFs of Carvedilol Phosphate, Losartan Potassium and Piogletazone are in pipeline.

Total Research & Development Expenses during the year under review were Rs. 407.44 Lacs.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

	(Rs. In Lacs)	
	Year ended 31.03.2007	Year ended 31.03.2006
INCOME:		
F.O.B. Value of Exports	7178.19	5623.18
Freight, Insurance etc.	492.14	261.90
Bank Fixed Deposit Interest	5.91	56.27
TOTAL INCOME	7676.24	5941.35
EXPENDITURE:		
Raw Material (including High Seas purchases)	1460.74	850.48
Capital Goods	10.37	43.44
Interest	97.75	69.04
Commission Paid	29.26	22.80
Legal & Professional Fees	24.10	4.39
GDR Issue Expenses (Adjusted against Securities Premium Account)	NIL	177.65
Travelling & Other Exp.	51.82	20.53
Investments	14.67	NIL
Advance for Investments	3324.76	NIL
TOTAL EXPENDITURE	5013.47	1188.33

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
Whole-time Director

K. R. N. MOORTHY
Whole-time Director

Mumbai, June 29, 2007

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Industry

The Indian pharmaceutical industry has had a good FY07 and is expected to clock an excellent growth performance over the next 2-3 years. This is on the back of a revived domestic business growing in double digits, Generic Exports, Contract Research and Manufacturing Services (CRAMS) and Discovery led strategic alliances. Further, higher growth in the industry has come through consolidations with a number of Indian pharmaceutical companies acquiring businesses in regulated markets, especially Europe. The Indian pharmaceutical sector is becoming a very pivotal part of the global value chain that will speed up value creation in the country. Growth in CRAMS in India is a testimony of the technological skill set and know-how of the Indian pharmaceutical industry. New discovery, R&D initiatives across players are showing immense promise. Indian players have been making significant investments in building up capacities and regulatory filings for generic exports. The benefits of these investments have now started accruing and will continue to drive growth over the next few years.

New Indian entrants in the regulated generic markets, as well as regulatory changes in these markets have brought in more competitive pricing pressure. These pressures pertaining to the generic exports stand mitigated through cost competitiveness, strong and diversified product portfolio, inorganic growth, value added generics, aggressive geographical diversification and strong domestic growth. These would continue to be the focus areas for all meaningful pharmaceutical players.

Cost Competitiveness

To counter the tough pricing outlook and corresponding profitability pressure Indian generic players have enhanced their focus on controlling costs and running lean operations.

For FY07, major Indian generic players witnessed margin expansion. Indian generic companies have managed to operate profitably despite the most challenging business environments due to significantly enhanced cost competitiveness.

At Wanbury, we have taken a conscious decision to reduce cost and have undertaken numerous measures through research inputs and technical changes resulting in improvement in yield and solvent recovery and reduction in energy costs.

Other measures include improved sourcing of materials, reduction of finance costs etc. Regular internal control measures and SAP ERP have assisted in tracking the cost centres and implementing effective cost reduction measures.

Strong Product Portfolio

All pharmaceutical companies whether large or small shall need to have a diversified product portfolio to survive in the current competitive market and absorb adverse price and regulatory changes.

At Wanbury, we have two state of the art - Research & Development Centers (R&D) which on a regular interval provides your Company with diversified products targeting niche segments, customer needs and diverse markets. Your Company has a number of products:

Active Pharmaceutical Ingredients (APIs):

Presently your Company has following Drug Master Files (DMFs) enabling sales in regulated markets:

- ✓ Metformin HCl BP
- ✓ Metformin HCl DC grade 90%
- ✓ Metformin HCl DC grade 95%
- ✓ Metformin SR grade granules 70%
- ✓ Salsalate BP
- ✓ Promethazine Hydrochloride
- ✓ Tramadol Hydrochloride (EDQM)
- ✓ Tramadol Hydrochloride (US)
- ✓ Amitriptyline Hydrochloride
- ✓ Sertraline Hydrochloride
- ✓ Sertraline Hydrochloride (Form I)

- ✓ Glucosamine HCl
- ✓ Glucosamine Sulfate Kcl
- ✓ Glucosamine Sulfate NaCl
- ✓ Ibuprofen DC grade 90%
- ✓ Diphenhydramine Citrate
- ✓ Diphenhydramine Hydrochloride
- ✓ Methoxsalen
- ✓ Risperidone
- ✓ Clopidogrel Hydrogen Sulphate
- ✓ Carvedilol
- ✓ Atenol
- ✓ Ibuprofen
- ✓ Mefenamic Acid



Formulations:

The Company has a strong presence with Pediatricians, Gynaecologists, Orthopedics and General Practitioners. It is in the process of strengthening its presence through more aggressive new product launches, a larger and more focused sales force and marketing team. Over the past few months 2 new brands – C-Pink and Rabiplus were launched. The Company achieved sales of Rs.11.18 cr from C - Pink and Rs.2.6 cr from Rabiplus (3 months). The Company has planned a slew of new product introductions to build its market position. The Company is also in the process of acquiring domestic ethical brands. Your Company has also launched a number of products through a new launch of a division - 'Osteolife' catering to orthopedic specialty. Products introduced in this division include:

1. Osteonuron
2. Osteocerin
3. Osteocid
4. Osteocid-D
5. P mute
6. Adtrol Plus

Inorganic Growth & Geographical Diversification

There is a lot of pressure on the small pharmaceutical players across the globe and the market is experiencing lot of consolidation. A number of Indian companies have acquired business in Europe, US and other parts of the globe. These acquisitions in the long run shall give sustained growth and margin improvements through diversified market presence, diversified customer segmentation, backward integration with manufacturing being moved to India, cross selling of products and synergies of scale.

Your Company has the pleasure of announcing its first overseas acquisition which significantly propels the Company into a new dimension. Your Company is in the process of getting a sizable presence in the Spanish pharmaceutical market through the acquisition of the generic pharmaceutical business division of Industrial Farmaceutica Cantabria S.A. (IFC). The business shall be transferred to a SPV – Cantabria Pharma SL set up for this purpose. The sales of this division of IFC was over Euro 25mn for CY2005. The business caters to a diverse therapeutic segment with focus on brand creation. With this acquisition, Wanbury shall diversify its market presence in formulations.

Your Company also has the pleasure of announcing the merger of The Pharmaceutical Products of India Limited. The BIFR order has been implemented with the Merger Date as on 1st April 2006 and the financial results reflect the merged entity.

Your Company also has the pleasure of announcing the merger of the Doctors Organic Chemicals Limited (DOCL). The Merger Date shall be effected as on 1st April 2007, hence the effect of the order shall be in the next year financials.

Contract Research and Manufacturing Services (CRAMS)

Indian pharmaceutical industry is becoming an integral component of the global discovery value chain. Impending generic competition, mounting R&D costs and escalating pricing pressures are forcing global pharma companies to revisit their strategies. With increasing growth challenges, there is greater focus on improving operational efficiencies to maintain profitability. We believe this situation is providing a major boost to outsourcing of pharma activities to low-cost offshore destinations like India.

Your Company has recognised this potential market of CRAMS. The existing US FDA approved facility at Patalganga and the DOCL unit offers large scope for CRAMS. Your Company is already contract manufacturing for leading MNCs focusing on growing this business.

Threats, Risk and Concern

The world of business today is becoming more and more competitive and the pharmaceutical industry is not an exception to it. The pharmaceutical industry today is facing various risks and threats from the external environment.

The pharmaceutical business in the area of generics, bulk actives and formulations is becoming more and more competitive. Whilst government policies and laws are supporting the sale and growth of generics they are putting pricing pressures in order to curb fiscal expenditure on healthcare.

Your Company as an integral part of the healthcare system is prone to these pricing pressures both domestically and internationally. Your Company carries out extensive studies for product launches and believes in a diverse product portfolio as well as a diverse geographical presence to mitigate this risk to a large extent.

Wanbury's long term operations will depend upon successfully developing new products and patenting them on need basis for the sale in the regulated markets. The process of development and commercialisation of the products is time consuming and costly. Your Company's inability to obtain necessary regulatory approvals for its product or failure of the product at any stage of development can affect the financial projections of the Company.

Your Company is constantly enhancing its R & D and production capabilities to ensure timely & cost competitive products for its customers.

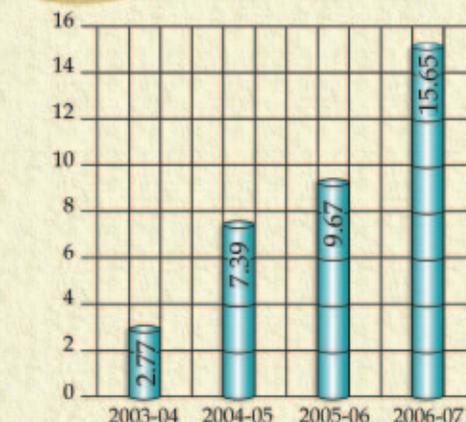
Your Company has considerable exports and is prone to adverse exchange rate fluctuations despite measures taken by it to actively hedge these risks.

Your Company has executed a number of acquisitions and has been successful in turning these around. Successful integration of these acquisitions in the mainstream is a key challenge that the management faces in these acquisitions. Your Company has continuously endured to expand its management bandwidth and even employed services of external agencies to expedite integration post acquisition to maximize the benefit.

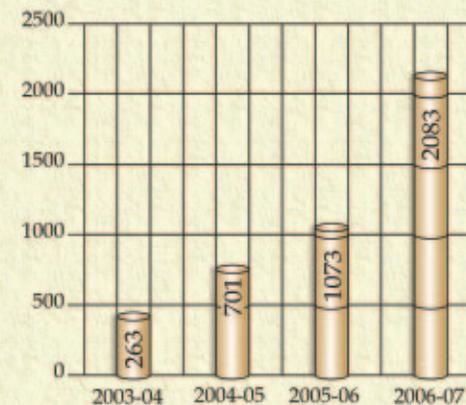
Total Income & EBIDTA



Earnings Per Share



Profit After Taxes



Financial Review

(Rs in Lacs)					
Particulars	FY 06-07	% of Net Sales	FY 05-06	% of Net Sales	Growth %
Net Sales	14,383	100	10,883	100	32
Exports	7,178	50	5,623	52	28
Total Income	15,264	106	11,492	106	33
Total Cost	13,729	95	9,596	88	43
EBIDTA	2,257	16	1,896	17	19
PBT	1,534	11	1,442	13	6
PAT	2,083	14	1,073	10	94

The net sales of your Company have increased to Rs. 14,383 Lacs from Rs. 10,883 Lacs which shows a growth of 32% over the previous year. Your Company has also invested in building up capacities at Doctors Organic Chemicals Limited which shall see a significant rise in API sales over the coming years. Your Company had also undertaken a strategy to build a portfolio of niche brands which has been successful with sales increase in formulations. Growth in sales is on the back of enhanced capabilities, widening of customer base and new product introduction. Other income has increased on account of the merger of The Pharmaceutical Products of India Ltd.

The export sales of your Company have increased to Rs. 7,178 Lacs from Rs. 5,623 Lacs in the previous year which shows a 28% growth over the previous year comprising approximately 50% of the net sales.

The EBIDTA of Your Company has grown in absolute terms to Rs. 2257 Lacs from Rs. 1896 Lacs. EBIDTA margin of the Company has however reduced from 19% to 16%.

The difference is attributable to:

1. The merger of PPIL - approximately 1.16%
2. The increase in the material costs - approximately 3.09%.
3. The increase in interest costs - approximately 0.6%

PBT has grown to Rs. 1534 Lacs from Rs. 1442 Lacs. However PBT margins have dipped to 11% from 13%. This is mainly attributable to higher finance cost. The Company has had higher borrowings on account of the acquisitions of Cantabria Pharma SL and Doctors Organic Chemicals Ltd. Borrowing cost on this account would contribute to approximately 0.6% of the reduced margins. The expenditure incurred by your Company shall be compensated by higher consolidated sales from these acquisitions in course of time.

The overall PAT has increased to Rs. 2,083 Lacs from Rs. 1,073 Lacs in the previous year resulting in an increase in the margin to 14% from 11% with the recognition of deferred tax. Your Company expects this benefit in the next couple of years.

Forward Looking Statement

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
Whole-time Director

K. R. N. MOORTHY
Whole-time Director

Mumbai, June 29, 2007

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability, fairness, integrity and adherence to the highest standards of ethics in all its operations and aims to benefit all the Stakeholders viz. investors, customers, employees, lenders, creditors, government, regulatory authorities and the society at large.

Your Company is fully committed to following procedures and practices in conformity with the mandatory provisions of code of Corporate Governance contained in the Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

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

Name of Director	Category	No. of Outside Directorship(s) Held ¹	No. of Outside Committee Position Held	
			Member	Chairman
Mr. K. Chandran	Promoter Whole-time Director	3	NIL	NIL
Mr. K. R. N. Moorthy	Non-promoter Whole-time Director	1	NIL	NIL
Dr. P. L. Tiwari	Independent & Non-executive Director	1	NIL	NIL
Mr. N. K. Puri	Independent & Non-executive Director	NIL	NIL	NIL
Mr. A. L. Bongirwar	Independent & Non-executive Director	2	1	1
Mr. Sudip Bhattacharyya	Nominee Director of Export Import Bank of India	2	1	NIL

¹ Including Directorship in private limited companies.

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance. The Notice and Agenda of each Board Meeting is given in writing to each Director well in advance. All the items on the Agenda are accompanied by Notes / Memorandum to the Board giving comprehensive information on the related subject. In certain matters such as financial / business plans, financial results, etc., detailed presentations are made at the Board Meeting. The Board is free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to the matters statutorily requiring Board's approval, all major decisions like policy formulation, strategy and business plans, new investments, compliance with statutory / regulatory requirements, major accounting provisions etc. are considered by the Board.

The Minutes of the Board Meetings are circulated well in advance to the all Directors and confirmed at the subsequent meeting.

During the year under review, 9 Board Meetings (including adjourned Board Meeting) were held on 28/04/2006, 26/06/2006, 31/07/2006, 07/09/2006, 16/10/2006, 04/01/2007, 31/01/2007, 06/03/2007 and 14/03/2007 (adjourned Board Meeting of original Board Meeting, which was held on 06/03/2007). The gap between two Board Meetings has not exceeded four months.

Directors Attendance Record :

Name of Director	No. of Board Meetings attended during the year	Whether last AGM attended
Mr. K. Chandran	9	YES
Mr. K. R. N. Moorthy	7	YES
Dr. P. L. Tiwari	9	NO
Mr. N. K. Puri	8	YES
Mr. A. L. Bongirwar	9	YES
Mr. Sudip Bhattacharyya	9	NO

3. BOARD COMMITTEES:

At present, the Board has five committees namely the audit committee, the investors' grievance committee, the remuneration committee, the share transfer committee and the day-to-day affairs committee.

(A) AUDIT COMMITTEE :

Your Company has an Audit Committee at the Board Level with the powers and the role that are in accordance with Clause 49 of Listing Agreement and Section 292 A of the Companies Act, 1956. The Committee acts as bridge between the management, the auditors and the Board of Directors.

During the year under review, the Audit Committee met 5 times to discuss various matters on 28/04/2006, 26/06/2006, 31/07/2006, 16/10/2006 and 31/01/2007.

The Audit Committee comprises of below mentioned directors and their attendance is as under:

Name of Director	No. of Meetings Attended
Mr. N. K. Puri – Chairman	4
Dr. P. L. Tiwari – Member	5
Mr. A. L. Bongirwar – Member	5
Mr. Sudip Bhattacharyya – Member	5
Mr. K. R. N. Moorthy – Member	4

Mr. Pankaj B. Gupta – Company Secretary & Compliance Officer of the Company, acts as Secretary of the Committee.

Terms of Reference :

The terms of reference to the Audit Committee cover the below mentioned matters as specified under Clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act, 1956.

- a. Overview 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 the appointment, re-appointment and if required the replacement or removal of the statutory, tax and cost auditor, fixation of audit fee and also approval for payment for any other services rendered.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgement by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Matters required to be included in Directors Responsibility Statement or Board's Report;
 - Compliance with accounting standards;
 - Compliance with stock exchange and legal requirements concerning financial statements;
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- e. Reviewing with the management, external and internal auditors, adequacy of control systems.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up thereon.
- h. 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.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.

- k. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.

(B) REMUNERATION COMMITTEE :

Your Company has a Remuneration Committee. The Remuneration Committee consists entirely of non-executive, independent directors.

The purpose of the Remuneration Committee of the Board of Directors is to discharge the Board's responsibilities relating to remuneration of the Company's executive directors. The committee has overall responsibility for approving and evaluating the executive directors' remuneration plan, policies and programs.

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

There is no separate provision for payment of severance fees under the resolution governing the appointment of Whole-time Directors.

Presently the Company does not have a scheme of Stock Options.

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

Name of Non-executive Director	Sitting Fees (Rs.)
Dr. P. L. Tiwari	34,000
Mr. N. K. Puri	32,000
Mr. A. L. Bongirwar	34,000
Mr. Sudip Bhattacharyya (EXIM Bank Nominee)	28,000

Remuneration to Executive Directors:

Name of Director	Salary & Perquisites (Rs. In Lacs)	Commission (Rs. in Lacs)	Total (Rs. in Lacs)	Service Tenure
Mr. K. R. N. Moorthy	57.00	NIL	57.00	up to 31.08.08
Mr. K. Chandran	18.00	NIL	18.00	up to 31.08.07

None of the Directors of the Company holds any equity share of the Company as on March 31, 2007.

(C) INVESTORS' GRIEVANCE COMMITTEE :

Your Company has an Investors' Grievance Committee. Presently, the Committee consists of 5 Directors. The Chairman of the Committee is an independent director. The Committee met 4 times during the year under review on 28/04/2006, 31/07/2006, 16/10/2006 and 31/01/2007. 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
Dr. P. L. Tiwari – Member	Independent Director	4
Mr. A. L. Bongirwar-Member	Independent Director	4
Mr. K. Chandran – Member	Executive Director	4
Mr. K. R. N. Moorthy – Member	Executive Director	3

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 149. Outstanding complaints as on March 31, 2007 was nil. Number of Share Transfer request pending as on March 31, 2007 was nil.

(D) SHARE TRANSFER COMMITTEE :

Your Company has a Share Transfer Committee. Presently, the Committee consists of 2 Directors namely Mr. K. Chandran - Chairman and Mr. K. R. N. Moorthy - Member. Share Transfer Committee meets generally twice in a month to consider and approve physical share transfer.

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

Shares sent for transfer in physical form are registered by Company's Registrar and Share Transfer Agent within stipulated time

of receipt of the documents, subject to them being in order. Shares under objection are returned within one week. With a view to expedite the process of share transfers, the Share Transfer Committee collects the required information from Registrar & Share Transfer Agent and meets generally twice in a month to consider and approve physical transfer.

Your Company is on a regular basis submitting Secretarial Audit Report and Compliance Certificate under Clause 47 (C) of the Listing Agreement prepared by Practicing Company Secretary to Stock Exchanges pursuant to the said provisions.

(E) DAY TO DAY AFFAIRS COMMITTEE :

Your Company has a Day-to-Day Affairs Committee to take decisions, if required, on the matters delegated by the Board. Presently, the Committee consists of 2 Directors namely Mr. K. Chandran - Chairman and Mr. K. R. N. Moorthy - Member. During the year under review 9 meetings of the Committee were held and attended by both the members.

Terms of Reference of Day-to-Day Affairs Committee:

The terms of reference to the Day-to-Day Affairs Committee are as under:

1. To take the decisions relating to the Bank Accounts i.e. opening of Account, change of authorisation, closing of account, availing any facility (internet banking, at par facility) etc.
2. To undertake borrowings and give guarantees to the extent of Rs. 5 Crore and decide the terms & conditions of such borrowings and guarantees.
3. To take the record of Share Transfer Committee Minutes.
4. To give Power of Attorney to the 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 and Maharashtra Pollution Control Board.
5. 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.”
6. To authorise the persons to represent the Company as member in the general meeting of the other company, in which the Company is member.
7. To obtain manufacturing license or any other license on loan license basis or any other basis.

(F) BORROWING COMMITTEE :

During the year under review the Board had constituted Borrowing Committee, for the only purpose of finalizing the terms and conditions of borrowing for the acquisition of the generic division of Industrial Farmaceutica Cantabria S.A., Spain, from Export Import Bank of India and the Consortium of ABN AMRO Bank, Bank of India and State Bank of India. Below mentioned directors of the Company were members of Borrowing Committee:

- (a) Mr. K. Chandran - Chairman
- (b) Mr. N. K. Puri - Member
- (c) Mr. Sudip Bhattacharyya - Member

A meeting of Borrowing Committee was held on November 7, 2006 and all the members were present in the meeting.

The Borrowing Committee got automatically dissolved after the afore-mentioned meeting.

(4) GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue
2005-2006	September 19, 2006	11:30 A. M.	Hotel Supreme Heritage, Vashi, Navi Mumbai
2004-2005	August 9, 2005	11:30 A. M.	Hotel Supreme Heritage, Vashi, Navi Mumbai
2003-2004	November 18, 2004	11:30 A. M.	Riverview Hotel, Patalganga

(b) Postal Ballot:

During the year under review, the below mentioned 5 resolutions were passed through Postal Ballot, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

S. No.	Particulars of Resolution	Type of Resolution	Date of Passing Resolution	% of Vote In Favour of Resolution	% of Vote Against the Resolution
01	Borrowing up to Rs. 800 Crore (Rs. Eight Hundred Crore only) over and above the aggregate of the paid-up capital of the Company and its free reserves.	Ordinary Resolution	11/09/2006	92.86%	7.14%
02	Creation of mortgage and/or charge, in addition to the mortgages and/or charges created / to be created by the Company.	Ordinary Resolution	11/09/2006	94.74%	5.25%
03	Investment in (1) Wanbury Holdings B V, a wholly owned Subsidiary Company of Wanbury Limited, having its Registered Office at Leliegracht 10, 1015 DE Amsterdam, Netherlands, (2) Cantabria Pharma S L, a Spanish Private Limited Company, having its registered office at Arequipa Street, Number 1, 28043, Madrid, Spain,	Special Resolution	30/11/2006	100%	NIL
04	Reclassification of Authorised Share Capital and amending the Capital Clause of the Memorandum of Association.	Ordinary Resolution	17/02/2007	98.67%	1.33%
05	Issuance and Allotment of equity shares/preference shares including convertible securities such as Foreign Currency Convertible Bonds (FCCB) and/or Global Depository Receipts (GDR) and/or American Depository Receipts (ADR) and/or any other instrument securities representing equity or shares/ preference shares or warrants convertible to or representing equity shares/preference shares.	Special Resolution	17/02/2007	98.65%	1.35%

The Board had appointed M/s. A. Y. Sathe & Company, Practicing Company Secretaries, as the Scrutinizer for conducting the Postal Ballot Procedure in a fair and transparent manner for above-mentioned resolutions passed through Postal Ballot.

Procedure for Postal Ballot:

The Company had followed same procedure for Postal Ballot as described in the provisions of Companies Act, 1956 and Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

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

Special Resolutions passed in the last three Annual General Meeting are as under:

S. No.	Date of AGM	Subject Matter of Special Resolution
01	09.08.2005	To issue Redeemable Preference Shares for an aggregate face value up to face value of Rs. 30 Crore
02	09.08.2005	To issue GDR/FCCB for an aggregate face value of Equity Shares / Preference Shares up to Rs. 7 Crore.
03	18.11.2004	To shift Registered Office of the Company from A-15, MIDC Ind. Area, Patalganga, Dist. Raigad to Plot No. 28, Sector 19 C, Kopri Road, Vashi, Navi Mumbai

During the year under review an Extra Ordinary General Meeting was held on October 17, 2006, wherein below-mentioned special resolutions were passed:

S. No.	Subject Matter of Special Resolution
01	Approval to the Scheme of Merger of The Pharmaceutical Products of India Limited with Wanbury Limited.
02	Approval to the Board of Directors to issue and allot Equity Shares & Warrants of the Company to the Members of The Pharmaceutical Products of India Limited (PPIL) and Equity Shares & OFCDs of the Company to the Secured Creditors of the Pharmaceutical Products of India Limited.
03	Approval to the Scheme of Merger of Doctors Organic Chemicals Limited with Wanbury Limited.
04	Approval to the Board of Directors to issue and allot Equity Shares of the Company to the Members of Doctors Organic Chemicals Limited.

(d) Subsidiaries:

The Company does not have a non-listed Indian Subsidiary.

Your Company is at an advanced stage of completing its acquisition of the generic division of Industrial Farmaceutica Cantabria S. A., Spain, through two special purpose vehicles Wanbury Holdings B. V. and Cantabria Pharma S. L.

(e) Means of Communication:

The Quarterly (un-audited financial results) and Annual Audited Financial Results of the Company are submitted to the Stock Exchanges immediately after approval of the Board, as per Clause 41 of Listing Agreement with Stock Exchanges. The same results are published in Newspapers viz. Free Press Journal and Dainik Navshakti, 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 : Thursday, September 27, 2007
 Venue : Hotel Tunga Regency, Plot No.37, Sector 30-A, Vashi, Navi Mumbai-400 705
 Time : 12:00 Noon

(b) Financial Calendar

For quarter ended on June 30, 2007 : Unaudited Result on or before July 31, 2007
 For quarter ended on September 30, 2007 : Unaudited Result on or before October 31, 2007
 For quarter ended on December 31, 2007 : Unaudited Result on or before January 31, 2008
 For quarter ended on March 31, 2008 : Unaudited Result on or before April 30, 2008 or Audited Result on or before June 30, 2008

Annual General Meeting for the year ended on March 31, 2008 : on or before September 30, 2008

(c) Book Closure

The Share Transfer Books and the Register of Members will remain closed from Monday, September 17, 2007 to Thursday, September 27, 2007 (both days inclusive).

(d) Dividend Payment Date

Your Directors are pleased to recommend dividend @ 20 % i.e. Rs. 2/-per equity share for the year ended on March 31, 2007.

The dividend, if approved by the shareholders at the ensuing Annual General Meeting will be paid after September 27, 2007 to the eligible shareholders.

(e) 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 2007-2008. The Company has paid listing fee to Luxembourg Stock Exchange for the year 2007.

The Company has paid custody fee to National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL) for the financial year 2007-2008.

(f) 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 financial year ended on March 31, 2007 were as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	BSE Sensex Close	Volume (No. of Shares)
April 2006	154.00	125.30	139.40	12,042.56	17,61,813
May 2006	150.00	92.50	100.20	10,398.61	9,31,967
June 2006	104.00	55.05	89.75	10,609.25	11,64,238
July 2006	92.00	70.25	74.75	10,743.88	2,82,101
August 2006	111.80	70.50	97.20	11,699.05	34,16,183
September 2006	128.00	95.00	119.75	12,454.42	23,92,678
October 2006	169.90	119.05	136.90	12,961.90	48,41,897
November 2006	174.15	130.00	139.05	13,696.31	29,51,867
December 2006	152.20	125.00	129.20	13,786.91	12,96,785
January 2007	152.70	127.50	135.85	140,90.92	22,80,547
February 2007	148.00	114.90	120.60	12,938.09	9,98,398
March 2007	125.85	99.45	113.55	13,072.10	8,07,334

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 financial year ended on March 31, 2007 were as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty Close	Volume (No. of Shares)
January 2007	143.90	135.00	135.50	4082.70	15,117
February 2007	142.00	114.20	122.60	3745.30	2,15,243
March 2007	124.45	100.00	112.35	3821.55	1,02,965

Source: NSE Website

The Equity Shares of the Company have been listed on National Stock Exchange from January 29, 2007.

Monthly High, Low & Close of Market price of Company's Global Depository Receipts (1 Global Depository Receipt = 3 Equity Shares) traded on the Luxembourg Stock Exchange, during the financial year ended on March 31, 2007 were as under:

Month	High (US \$)	Low (US \$)	Close (US \$)	S&P 500 Close
April 2006	9.88	8.52	9.15	1311
May 2006	9.34	6.49	6.49	1270
June 2006	6.32	3.75	5.85	1270
July 2006	5.84	4.62	4.82	1277
August 2006	6.82	4.67	6.27	1304
September 2006	7.96	6.22	7.82	1336
October 2006	10.80	7.82	9.12	1378
November 2006	10.60	8.76	9.33	1401
December 2006	9.89	8.54	8.76	1418
January 2007	9.83	8.72	9.23	1438
February 2007	9.32	8.12	8.17	1407
March 2007	8.21	6.96	7.84	1421

Source: Luxembourg Stock Exchange Website

(g) Distribution Schedule on number of Shares as on March 31, 2007:

Number of Shares	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
Up to 100	11377	69.53	6,77,364	5.31
101 to 200	2241	13.70	3,96,169	3.11
201 to 500	1666	10.18	5,92,067	4.65
501 to 1000	537	3.28	4,53,267	3.56
1001 to 5000	405	2.48	9,23,145	7.24
5001 to 10000	66	0.40	4,92,388	3.86
10001 to 100000	61	0.37	17,67,271	13.86
100001 & above	9	0.06	74,45,687	58.41
Total	16362	100.00	1,27,47,358	100.00

(h) Distribution Schedule on scrip value as on March 31, 2007:

Share of Nominal Value in Rs.	Number of Shareholders	Percentage of Shareholders	Total Amount in Rs.	Percentage of Amount
Up to 5000	15284	93.41	1,66,56,000	13.07
5001 to 10000	537	3.28	45,32,670	3.56
10001 to 20000	248	1.52	39,29,490	3.08
20001 to 30000	78	0.48	20,21,770	1.59
30001 to 40000	43	0.26	15,84,090	1.24
40001 to 50000	36	0.22	16,96,100	1.33
50001 to 100000	66	0.40	49,23,880	3.86
100001 & above	70	0.43	9,21,29,580	72.27
Total	16362	100.00	12,74,73,580	100.00

(i) Shareholding Pattern as on March 31, 2007 was as under:

Category	Number of Shares Held	Percentage of Holding
(A) Promoter Holding		
Indian Promoter	25,99,223	20.39
Foreign Promoter	30,24,000	23.72
Person acting in Concert	-	-
Sub – Total (A)	56,23,223	44.11
Non – Promoters Holding		
(B) Institutional Investors		
Mutual Funds and UTI	-	-
Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions / Non - government Institutions)	7,50,741	5.89
FIs	1,38,586	1.09
Sub – Total (B)	8,89,327	6.98
(C) Others		
Private Corporate Bodies	16,02,430	12.57
Individual Shareholders Holding Nominal Capital up to Rs.1 Lac	31,13,710	24.43
Individual Shareholders Holding Nominal Capital in excess of Rs.1 Lac	5,69,776	4.47
Clearing Members	60,892	0.48
Bank of New York (GDR issue)	8,88,000	6.96
Sub – Total (C)	62,34,808	48.91
GRAND TOTAL (A+B+C)	1,27,47,358	100.00

(j) Dematerialisation of Shares and Liquidity:

71.59 % of Equity Shares were held in dematerialised form and the balance 28.41 % were in physical form as on March 31, 2007. 2,96,000 GDRs were Outstanding as on March 31, 2007, representing 8,88,000 Equity Shares constituting 6.97% of the paid-up Equity Share Capital of the Company. There are no outstanding warrants or convertible instruments as on March 31, 2007.

(k) Plant Locations:

- Plot No. A-15, M.I.D.C. Industrial Area, Patalganga, Maharashtra
- Plot No. J-17, M.I.D.C. Tarapur, Maharashtra
- Plot No. N-24, M.I.D.C. Tarapur, Maharashtra (erstwhile PPIL)
- Plot No. D-312, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Maharashtra (erstwhile PPIL)

(l) Compliance Officer:

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

(m) Address for Correspondence:

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

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

(n) Address of Registrar & Share Transfer Agents:

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

Unit – 1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai – 400 072, India
Telephone No.: +91-22-28516338, 28528087
Fax No.: +91-22-28512885

(o) Management Discussion and Analysis:

Management Discussion and Analysis is part of Annual Report.

(p) 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 Annexure to Notes to the Accounts.
- (3) Risk Management: Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on “Risk Assessment and Management” was carried out covering the entire gamut of business operations and the Board was informed of the same.
- (4) No penalty or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authorities or any matter related to capital markets during the last three years.

(6) CERTIFICATION:

The Whole-time Directors, Director Corporate Finance and Vice President Finance of the Company certify to the Board that:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
Whole-time Director

K. R. N. MOORTHY
Whole-time Director

Mumbai, June 29, 2007

DECLARATION

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct for the financial year ended as on March 31, 2007.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
Whole-time Director

K. R. N. MOORTHY
Whole-time Director

Mumbai, June 29, 2007

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCES

TO THE MEMBERS, WANBURY LIMITED

We have examined the compliance of conditions of Corporate Governance by Wanbury Limited ("the Company") for the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **KAPOOR & PAREKH ASSOCIATES**
Chartered Accountants

NIKHIL PATEL
Partner
Membership No.: 37032

Mumbai, June 29, 2007

AUDITORS' REPORT

TO THE MEMBERS OF WANBURY LIMITED

- 1 We have audited the attached Balance Sheet of **WANBURY LIMITED** as at **31st March, 2007** and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of these books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standard referred to in Section 211(3C) of the Companies Act, 1956;
 - v. On the basis of written representation received from the Directors as on 31st March, 2007 and taken on record by Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with accounting policies and notes to the accounts attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at **31st March, 2007**;
 - (b) In the case of the Profit & Loss Account, of the profit 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.

For **KAPOOR & PAREKH ASSOCIATES**
Chartered Accountants

NIKHIL PATEL
Partner
Membership No. 37032

Mumbai, June 29, 2007

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the paragraph 3 of our report of even date to the Members of **WANBURY LIMITED** on the accounts for the year ended **31st March, 2007.**)

1. In respect of its fixed assets:
 - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management during the year as per the phased programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, the Company has not disposed of substantial part of fixed assets during the 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 were not material and have been adequately dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the Company has not granted or taken any loan, secured or unsecured, to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) (b) to (iii) (g) of Paragraph 4 of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(v) (b) of the Order is not applicable to the Company.
6. As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
7. According to the information and explanations given to us and on the basis of internal audit reports broadly reviewed by us, we are of the opinion that the internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us and on the basis of records produced before us, we are of the opinion that prima facie, the prescribed accounts and records relating to the products covered pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 have been maintained. However, we have not made a detailed examination of these records.
9. According to the information and explanations given to us in respect of statutory and other dues:

- a) Except in some cases where there have been delays, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at 31st March 2007 for a period of more than six months from the date they became payable *except in respect of Income Tax Rs.250.90 Lacs, Profession Tax Rs. 0.28 Lac, Custom Duty Rs. 230 Lacs, Sales Tax Rs. 8.50 Lacs and Excise Duty Rs. 15.62 Lacs.*
- 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.
10. The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not borrowed any sums through debentures.
12. The Company has not granted any loans and advances on the basis of the security by way of pledge of shares, debentures 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 from bank and financial institutions and the terms and conditions thereof are not prejudicial to the interest of the Company.
16. To 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 neither issued any debenture nor has outstanding debentures at the beginning of the year, hence the question of creation of security or charge in respect of debentures issued does not arise.
20. The Company has raised Rs.4,402.35 Lacs through issue of Global Depositoy Receipts during the previous year and utilisation of the same is as disclosed in Note No.9 of Schedule 19.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **KAPOOR & PAREKH ASSOCIATES**
Chartered Accountants

NIKHIL PATEL
Partner
Membership No. 37032

Mumbai, June 29, 2007

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As At 31.03.2007 (Rs. in Lacs)	As At 31.03.2006 (Rs. in Lacs)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	1,274.74	1,274.74
Share Capital Suspense Account	2	56.26	-
Reserves & Surplus	3	11,580.90	8,839.49
		12,911.90	10,114.23
LOAN FUNDS			
Secured Loans	4	8,397.95	2,801.89
Unsecured Loans	5	4,971.41	2,731.10
		13,369.36	5,532.99
DEFERRED TAX LIABILITY		-	586.65
TOTAL		26,281.26	16,233.87
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	6	14,203.08	8,517.93
Less: Depreciation / Amortisation		3,450.83	2,078.00
Net Block		10,752.25	6,439.93
Add : Capital Work in Progress		1,052.03	552.20
		11,804.28	6,992.13
INVESTMENTS	7	4,940.83	2,871.28
CURRENT ASSETS			
Inventories	8	1,619.66	1,326.36
Sundry Debtors	9	4,576.79	3,835.29
Cash & Bank Balances	10	312.67	2,311.42
Loans & Advances	11	8,788.48	2,154.84
		15,297.60	9,627.91
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	12	4,556.83	2,584.67
Provisions	13	1,204.62	672.78
		5,761.45	3,257.45
Net Current Assets		9,536.15	6,370.46
TOTAL		26,281.26	16,233.87
Accounting Policies	18		
Notes to the Accounts	19		

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

NIKHIL PATEL
Partner
Mumbai, June 29, 2007

ASHOK SHINKAR
Director-Corporate Finance

For and on behalf of the Board

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

K.R.N. MOORTHY
Whole-time Director
PANKAJ B. GUPTA
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	For the Year ended 31.03.2007 (Rs. in Lacs)	For the Year ended 31.03.2006 (Rs. in Lacs)
INCOME:			
Gross Sales		14,608.02	11,086.26
Less : Excise Duty		225.27	202.66
Net Sales		14,382.75	10,883.60
Other Income	14	880.77	608.94
Total Income		15,263.52	11,492.54
EXPENDITURE :			
Cost of Materials	15	7,859.03	5,621.31
Personnel Cost	16	1,617.30	1,301.97
Other Expenses	17	3,530.30	2,673.03
Interest		415.93	244.81
Depreciation/Amortisation		708.52	610.48
Less : Transferred from Revaluation Reserve		401.69	401.69
		306.83	208.79
Total Expenditure		13,729.39	10,049.91
PROFIT BEFORE TAX		1,534.13	1,442.63
Less : Provision for taxation			
- Current Tax		170.65	131.14
- MAT Credit Entitlement		(170.00)	(120.00)
- Deferred Tax		(586.65)	334.52
- Fringe Benefit Tax		30.76	23.69
- Income Tax of Earlier Years		6.74	-
- Wealth Tax of Earlier Year		-	0.25
PROFIT AFTER TAX		2,082.63	1,073.03
Profit brought forward from Previous Year		1,481.11	779.27
Profit as on 1.4.2006 of erstwhile PPIL		670.15	-
Amount available for Appropriation		4,233.89	1,852.30
APPROPRIATIONS			
Proposed Dividend		267.49	-
Proposed Final Dividend		-	191.21
Interim Dividend		-	63.74
Tax on Dividend		45.46	35.76
Transfer to General Reserve		156.20	80.48
Balance carried to Balance Sheet		3,764.74	1,481.11
		4,233.89	1,852.30
Earning Per Share Basic and Diluted (in Rs.)		15.65	9.67
Face Value of Equity Share (in Rs.)		10.00	10.00
Accounting Policies	18		
Notes to the Accounts	19		

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

NIKHIL PATEL
Partner
Mumbai, June 29, 2007

ASHOK SHINKAR
Director-Corporate Finance

For and on behalf of the Board

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

K.R.N. MOORTHY
Whole-time Director
PANKAJ B. GUPTA
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
A Cash flows from Operating Activities		
Net Profit before Tax	1,534.13	1,442.63
Adjustments for:		
Depreciation	306.83	208.79
Loss on Sale of Assets	3.58	7.25
Provision for Doubtful Debts	14.90	-
Interest charges	415.93	244.81
Amounts Written Off	3.47	0.45
GDR Issue Expenses	-	(243.20)
Merger Expenses	-	(14.40)
Operating Profit before Working Capital Changes	2,278.84	1,646.33
Adjustments for:		
Trade & Other Receivables	(3,989.32)	(1,772.42)
Inventories	(293.30)	(522.37)
Trade Payables	(116.93)	588.18
Cash Generated from Operations	(2,120.71)	(60.28)
Interest paid	(378.97)	(244.57)
Direct Taxes (Paid) / Refund (Net)	(188.61)	(167.29)
Net Cash from Operating Activities	(2,668.29)	(472.14)
B Cash flows from Investing Activities		
Purchase of Fixed Assets	(1,063.15)	(1,549.04)
Sale of Fixed Assets	18.50	11.16
Purchase of Investments	(10.84)	-
Sale of Investments	0.63	(473.83)
Advance pending allotment of shares -Net	(4,310.25)	(2,250.91)
Net Cash from Investing Activities	(5,365.11)	(4,262.62)
C Cash flows from Financing Activities		
Increase /(Decrease) in Share Capital	-	4,402.36
Increase /(Decrease) in Borrowings	6,257.32	2,586.09
Dividend & Tax on Dividend	(213.97)	(172.33)
Net Cash from Financing Activities	6,043.35	6,816.12
Net increase /(decrease) in cash & cash equivalents	(2,010.05)	2,081.36
Cash and Cash equivalents as at the beginning of the year	2,311.42	230.06
Cash and Cash equivalents as at 1.4.2006 of erstwhile PPIL taken over as per the Scheme of Merger	11.30	-
Cash and Cash equivalents as at the end of the year	312.67	2,311.42

Notes :

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

As per our attached report of even date

For KAPOOR & PAREKH ASSOCIATES

Chartered Accountants

NIKHIL PATEL

Partner

Mumbai, June 29, 2007

ASHOK SHINKAR

Director-Corporate Finance

For and on behalf of the Board

K. CHANDRAN

Whole-time Director

GIRISH JUNEJA

Vice President Finance

K.R.N. MOORTHY

Whole-time Director

PANKAJ B. GUPTA

Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised :		
3,00,00,000 (Pr. Yr. 2,00,00,000) Equity Shares of Rs. 10 each	3,000.00	2,000.00
20,00,000 (Pr. Yr. 30,00,000) Preference Shares of Rs. 100 each	2,000.00	3,000.00
	<u>5,000.00</u>	<u>5,000.00</u>
Issued, Subscribed and Paid-Up		
1,27,47,358 Equity Shares of Rs. 10 each fully paid-up	1,274.74	1,274.74
	<u>1,274.74</u>	<u>1,274.74</u>
Notes :		
1. Out of the above Equity Shares :		
a) 75,60,108 Equity Shares were allotted as fully paid-up without payment being received in cash, pursuant to the Scheme of Merger with erstwhile Wander Private Limited.		
b) 8,88,000 (Pr. Yr. 18,18,000) Equity Shares are represented by 2,96,000 (Pr. Yr. 6,06,000) Global Depository Receipts.		
2. Authorised share capital has been reclassified vide resolution of shareholders passed through postal ballot on 17th February, 2007.		
SCHEDULE - 2		
SHARE CAPITAL SUSPENSE ACCOUNT		
5,62,618 (Pr. Yr. Nil) Equity Shares of Rs 10 each to be issued as fully paid- up to the shareholders of erstwhile The Pharmaceutical Products of India Limited as per the Scheme of Merger. (Refer Note 3 of Schedule 19)	56.26	-
11,25,236 (Pr. Yr. Nil) Warrants of Rs Nil to be issued to the shareholders of erstwhile The Pharmaceutical Products of India Limited as per the BIFR order. Warranholders have right to subscribe to One Equity Share of Rs 10 each at the premium of Rs 125 exercisable within five years from the date of allotment against cash payment. (Refer Note 3 of Schedule 19)	-	-
	<u>56.26</u>	<u>-</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 3		
RESERVES & SURPLUS		
Capital Reserve Account :		
Balance as per last Balance Sheet	192.63	192.63
Securities Premium Account		
Balance as per last Balance Sheet	3,941.99	33.64
Add : Received during the year	-	4,076.25
	3,941.99	4,109.89
Less : GDR Issue Expenses (Net of current tax Rs. Nil (Pr. Yr. Rs. 9.81 lacs) and deferred tax of Rs. Nil (Pr. Yr. Rs. 65.49 lacs)	-	167.90
	3,941.99	3,941.99
Revaluation Reserve :		
Balance as per last Balance Sheet	3,012.68	3,414.37
Less : Amortisation during the year	401.69	401.69
	2,610.99	3,012.68
General Reserve :		
Balance as per last Balance Sheet	211.08	140.54
Add : Transfer from Profit & Loss Account	156.20	80.48
Add : Transfer from PPIL (Refer Note 3 of Schedule 19)	703.27	-
	1,070.55	221.02
Less : Merger Expenses (Net of current tax Rs. Nil (Pr. Yr. Rs. 0.58 lac) and deferred tax of Rs. Nil (Pr. Yr. Rs. 3.88 lacs)	-	9.94
	1,070.55	211.08
Profit & Loss Account	3,764.74	1,481.11
	11,580.90	8,839.49

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 4		
SECURED LOANS		
Term Loans		
- Rupee Loans	5,232.76	589.02
- Foreign Currency Loans	556.64	693.81
	5,789.40	1,282.83
Working Capital Loans		
- Rupee Loans	1,141.35	828.11
- Foreign Currency Loans	1,441.93	645.41
	2,583.28	1,473.52
Other Loans		
	25.27	45.54
	8,397.95	2,801.89

Notes :

1. Term Loans of erstwhile The Pharmaceutical Products of India Limited are secured by pari-passu first charge on its fixed assets. Other term loans are secured by pari-passu first charge on immovable properties, present and future, situated at Patalganga and Tarapur, fixed assets of the Company and second charge on current assets, pledge of shares of Company held by Expert Chemicals (India) Private Limited and Kingsbury Investment Inc in addition to guarantee by Expert Chemicals (India) Private Limited and directors of the Company.
2. Working Capital Loans are secured by pari-passu first charge on current assets, second charge on fixed assets, pledge of shares of the Company held by Expert Chemicals (India) Private Limited in addition to guarantee by Expert Chemicals (India) Private Limited and director of the Company.
3. Other Loans are secured by hypothecation of assets acquired against respective loans.
4. Term Loans and Other Loans include repayable within a year Rs. 1,966.71 Lacs (Pr. Yr. Rs.586.37 Lacs).

SCHEDULE - 5

UNSECURED LOANS :

Inter Corporate Deposits	761.08	1,238.75
From Banks/Financial Institutions	4,205.11	1,492.35
From Others	5.22	-
	4,971.41	2,731.10

Note : Due within a year Rs. 2,020.82 Lacs (Pr. Yr. Rs. 779.42 Lacs).

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 7		
INVESTMENTS :		
1. Long Term		
a. Trade - Quoted		
1,800 Equity Shares of Bank of India of Rs. 10 each fully paid-up [Market value Rs. 3.02 Lacs (Pr. Yr. Rs. 2.38 Lacs)]	0.81	0.81
b. Trade - Unquoted		
706 Equity Shares of The Saraswat Co-op. Bank Ltd. of Rs. 10 each fully paid-up	0.07	0.07
100 Equity Shares of The Shamrao Vithal Co-op. Bank Ltd. of Rs. 25 each fully paid-up	0.03	0.03
18,98,500 Equity Shares of Doctors Organic Chemicals Ltd. of Rs.10 each fully paid-up	618.83	618.83
c. Non Trade - Unquoted		
i) In Subsidiary Company		
18 (Pr. Yr. Nil) Equity Shares of Wanbury Holdings B. V. of Euro 1,000 each fully paid-up	10.84	-
ii) In Other Company		
Nil (Pr. Yr. 5,000) Equity Shares of Malik Organic Pvt. Ltd. of Rs. 10 each fully paid-up	-	0.63
2. Advance for Investments Pending Allotment		
Doctors Organic Chemicals Ltd.	-	2,250.91
Wanbury Holdings B. V.	4,310.25	-
	4,940.83	2,871.28
SCHEDULE - 8		
INVENTORIES :		
Raw & Packing Materials	165.23	147.19
Work in Process	1,073.31	894.88
Finished / Traded Goods	379.20	280.90
Fuel	1.92	3.39
	1,619.66	1,326.36
Note : As taken, valued and certified by the management		

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 9		
SUNDRY DEBTORS :		
Over six months		
- Considered Good	468.71	414.36
- Considered Doubtful	14.90	5.36
	483.61	419.72
Other debts	4,108.08	3,420.93
	4,591.69	3,840.65
Less : Provision for Doubtful Debts	14.90	5.36
	4,576.79	3,835.29
Includes Sundry Debtors - Secured Rs. 200.16 Lacs (Pr. Yr. Rs. 178.93 Lacs).		
SCHEDULE - 10		
CASH & BANK BALANCES		
Cash in Hand	3.99	1.93
Balance with Scheduled Banks		
In Current Accounts	195.71	1,076.72
In Deposit Accounts	112.97	1,232.77
	312.67	2,311.42
SCHEDULE - 11		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	7,485.04	1,313.70
Deposits	153.41	143.08
MAT Credit Entitlement	290.00	120.00
Income Tax Paid	450.66	327.79
Balance with Excise & Custom Authorities	409.37	250.27
	8,788.48	2,154.84
SCHEDULE - 12		
CURRENT LIABILITIES		
Sundry Creditors	3,498.78	1,450.56
Other Liabilities	1,045.48	1,125.61
Unpaid Dividend *	12.57	8.50
	4,556.83	2,584.67
* There are no amounts due and outstanding to be credited to "Investor Education and Protection Fund" as on 31.03.2007.		

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 13		
PROVISIONS		
For Leave Benefits	84.89	56.58
For Gratuity	135.92	112.63
For Excise Duty	-	2.70
For Proposed Dividend	267.49	191.21
For Tax on Dividend	45.46	26.82
For Income Tax	668.71	281.34
For Wealth Tax	2.15	1.50
	1,204.62	672.78

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 14		
OTHER INCOME		
Insurance Claim	5.00	5.29
Exchange Fluctuation	103.66	40.22
Export Incentives	281.22	295.29
Technical Know How	250.00	100.00
Procurement Charges	-	90.11
[Tax deducted at source Rs. Nil (Pr. Yr. Rs.4.97 Lacs)]		
Interest from Banks	14.85	76.65
[Tax deducted at source Rs. 2.64 Lacs (Pr. Yr. Rs. 4.01 Lacs)]		
Interest from Others	3.33	1.38
[Tax deducted at source Rs. Nil (Pr. Yr. Rs.Nil)]		
Processing Charges	217.67	-
[Tax deducted at source Rs.4 Lacs (Pr. Yr. Rs.Nil)]		
Miscellaneous Income	5.05	-
	880.77	608.94
SCHEDULE - 15		
COST OF MATERIALS		
A) Raw & Packing Materials		
Opening Stock	147.19	170.53
Add: Purchases	4,144.66	2,777.42
	4,291.85	2,947.95
Less: Closing Stock	165.23	147.19
	4,126.62	2,800.76
B) Purchase of Traded Goods	4,009.14	3,385.07
C) (Increase)/Decrease in Inventories		
Opening Stock		
- Work in Process	894.88	256.66
- Finished/Traded Goods	280.90	354.60
	1,175.78	611.26
Closing Stock		
- Work in Process	1,073.31	894.88
- Finished/Traded Goods	379.20	280.90
	1,452.51	1,175.78
(Increase)/Decrease	(276.73)	(564.52)
	7,859.03	5,621.31
SCHEDULE - 16		
PERSONNEL COST		
Salaries, Wages, Bonus and Allowances	1,426.09	1,150.15
Contribution to Provident and Other Funds	126.14	75.76
Staff Welfare Expenses	65.07	76.06
	1,617.30	1,301.97

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS

	31.03.2007 (Rs. in Lacs)	31.03.2006 (Rs. in Lacs)
SCHEDULE - 17		
OTHER EXPENSES		
Processing Charges	-	146.56
Power & Fuel	506.03	286.06
Stores & Spares	203.67	154.60
Water Charges	32.12	20.25
Repairs & Maintenance		
- Buildings	14.88	8.89
- Plant & Machinery	31.21	10.29
- Others	103.44	106.61
Commission on Sales	151.82	117.16
Excise Duty	3.50	2.70
Delivery & Packing Charges	211.41	175.74
Carriage Outward	589.21	313.60
Advertisement & Sales Promotional Expenses	305.67	310.16
Cash Discount	37.71	3.94
Breakages & Expiry	123.17	121.74
Rent, Rates & Taxes	189.57	145.21
Travelling & Conveyance	456.13	399.33
Postage, Telegram & Telephone	76.44	61.24
Printing & Stationery	44.57	26.76
Provision for Doubtful Debts	14.90	5.36
Donation	1.28	0.36
Insurance	21.47	26.96
Legal & Professional Charges	166.27	91.48
Analytical Charges	1.56	2.29
Loss on Assets Sold	3.58	7.25
Merger Expenses	2.79	-
Amounts Written Off (Net)	3.47	0.45
Miscellaneous Expenses	234.43	128.04
	3,530.30	2,673.03

SCHEDULE : ACCOUNTING POLICIES

SCHEDULE - 18

ACCOUNTING POLICIES

a) Accounts

The accounts are prepared as per historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India unless otherwise specified hereinafter.

b) Use of Estimates

The preparation of accounts requires estimates and assumptions that affect the reported amount of assets and liabilities on the date of the accounts and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the same are known/ materialised.

c) Fixed Assets

Fixed assets except some of the brands, which are revalued, are stated at cost of acquisition, installation or construction including taxes and other direct expenses, less accumulated depreciation.

d) Expenditure During Construction Period

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

e) Intangible 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 are recorded at cost and are carried at cost less accumulated/ amortisation and accumulated impairment losses, if any.

f) 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) Short Term Investments are stated as cost or market value, whichever is lower.
- iii) Expenses incurred for acquisition of investment has been added to cost of investment.
- iv) Investments in foreign currency are stated at cost by converting at exchange rate prevailing, at the time of acquisition/ remittance.

g) Inventories

Raw Materials, Work in Process and Finished/Traded Goods are valued at lower of cost or net realisable value. Samples are valued at cost.

h) Foreign Currency Transactions

Foreign Currency transactions are converted at the exchange rates prevailing on the date of transaction. Current Assets & Liabilities and Loans in foreign currencies, not covered by forward contracts are restated at the rate prevailing as on the date of the Balance Sheet.

Exchange difference arising from foreign currency transactions, other than for fixed assets, which is adjusted to the cost of assets, are dealt with in the Profit & Loss Account.

i) Sales

Gross sales include excise duty but exclude sales tax/ value added tax and are recognised on dispatch of goods.

j) 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.

SCHEDULE : ACCOUNTING POLICIES

k) Excise Duty

The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excise duty expense in other expenses under Schedule 17 annexed and forming part of Profit and Loss Account.

l) 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.

m) Depreciation / Amortization

- i) Cost of leasehold land is being amortized over the period of lease.
- ii) Brands and Technical Know-how are amortized over a period of ten and five years respectively.
- iii) Softwares are amortized @ 16.21%.
- 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.

n) Research and Development

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

o) Retirement Benefits

- i) The Company's contributions to the provident and superannuation funds are charged to the Profit and Loss Account on an accrual basis.
- ii) Provision of leave encashment on retirement has been accrued on the basis of an actual valuation obtained as at year-end.
- iii) The Company has an arrangement with the Life Insurance Corporation of India (LIC) to administer its gratuity scheme, the premiums paid/payable are debited to the Profit and Loss Account on an accrual basis.

p) Deferred Taxation

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 crystallize. Deferred tax assets are recognised to the extent of deferred tax liabilities, if any, as a matter of prudence.

q) 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.

r) 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.

s) Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the 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.

SCHEDULE : NOTES TO ACCOUNTS

SCHEDULE – 19 NOTES TO ACCOUNTS

- 1 Contingent liabilities:
 - a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 2.15 Lacs (Rs. 62.05 Lacs).
 - b) Bank Guarantees issued Rs. 1.55 Lacs (Rs. 1.05 Lacs).
 - c) Disputed demands by Income Tax Authorities Rs. 62.13 Lacs (Rs. 62.13 Lacs).
 - d) Bank Letter of Credit outstanding at the year-end Rs. 284.23 Lacs (Rs. 101.27 Lacs).
 - e) Claims against the Company not acknowledged as debts Rs. 1,150.18 Lacs (Rs. 586.67 Lacs).
 - f) Export obligation for import under 'Advance License' Rs. 44.09 Lacs (Rs. 7.02 Lacs).
 - g) Guarantees given to banks/financial institution for loans given to subsidiaries Rs 19,767.60 Lacs (Rs Nil). Loans outstanding at the year-end Rs. 6,395.40 (Rs Nil).

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

- 3 Merger of The Pharmaceutical Products of India Limited:

- a) Pursuant to the Scheme of Revival cum Merger (the Scheme) u/s 18 and other applicable provisions of Sick Industrial Companies (Special Provision) Act, 1985 effective from 1st April, 2006 (the Appointed Date), The Pharmaceutical Products of India Ltd (PPIL) has been merged in the Company.
- b) The Scheme, is approved by Board for Industrial and Financial Reconstruction, New Delhi, on 1st May, 2007. PPIL has been in the business of Pharmaceuticals.
- c) In terms of the Scheme, all the assets and liabilities of PPIL have been transferred and stand vested with the Company with effect from the Appointed Date. Further, from the Appointed Date, PPIL carried on all its business and activities for the benefit of and in trust for the Company and thus, all the profit or income accruing or arising to PPIL, or expenditure or losses are of the Company. The Scheme has accordingly been given effect to in these accounts.
- d) As per the Scheme, PPIL has reduced Capital and Reserve as follows:

	Rs. In Lacs
Equity Share Capital	943.88
Preference Share Capital	245.00
Securities Premium	1,342.04
Total	2,530.92

and utilised the same to write off Debit balance of Profit & Loss Account.

Further, in pursuant of the Scheme:

- i) Amount payable to secured and unsecured creditors amounting to Rs 12,724.66 Lacs has been written back and credited to Profit & Loss Account.
- ii) Effect is given in the accounts to Rs.750 Lacs recoverable from Expert Chemical India Ltd towards contribution for the revival of PPIL, which is to be converted into Equity Share of the face value of Rs. 10 each of PPIL at par subsequent to the reduction of capital referred to herein above.
- e) Thereafter, Merger has been accounted for under the 'Pooling of Interest' method as prescribed by Accounting Standard 14 on 'Accounting for Merger' issued by the Institute of Chartered Accountants of India. Accordingly the assets, liabilities and reserves of PPIL have been taken over at their book values as on Appointed Date, as specified in the Scheme of Merger.

SCHEDULE : NOTES TO ACCOUNTS

- f) Accordingly, the Merger has resulted in transfer of assets, liabilities and reserves in accordance with the Scheme at the following summarised values:

Particulars	Rs. in Lacs
Fixed Assets (Net)	4,479.59
Current Assets	871.69
	<u>5,351.28</u>
Less: Current Liabilities & Provision	2,342.56
Total	<u>3,008.72</u>
Less: Loans	1,579.04
Net Assets Transferred	1,429.68
Consideration for Merger:	
Pending allotments	
- 5,62,618 Equity Shares in the ratio of 1 Equity Share of Wanbury Ltd for every 13.5 Equity Shares of PPIL.	56.26
- 11,25,236 Warrants in the ratio of 2 Warrants of Wanbury Ltd for every 13.5 Equity Shares of PPIL.	Nil
Transfer of Profit and Loss Account of PPIL to Profit and Loss Account	670.15
Balance transfer to General Reserve	703.27

- g) In terms of the Scheme, the Equity Shares when issued and allotted by the Company shall rank pari-passu in all respects with the existing Equity Shares of the Company. Accordingly, the appropriation for the proposed dividend includes dividend on 5,62,618 Equity Shares. Warrantholder is entitled to subscribe to one Equity Share of Rs 10 each at the premium of Rs. 125/- within five years from the date of allotment against cash payment.
- h) In terms of the Scheme and in part settlement of dues, secured creditors of erstwhile PPIL are to be allotted 64,668 Equity Shares of Rs. 10 each at the premium of Rs. 140, Zero Coupon Non Convertible Debentures of Rs. 242.50 Lacs and Zero Coupon Convertible Debentures of Rs. 582 Lacs.
4. BIFR vide its order dated 4th May, 2007 has sanctioned, modified Rehabilitation Scheme which envisaged merger of the Sick Company - Doctors Organic Chemicals Ltd. with the Company from 1st April, 2007, being the revised date of merger. Consequently no effect of the said order is given in these accounts.
5. Exchange rate gain of Rs 103.66 Lacs (gain Rs. 47.51 Lacs) has been accounted in Profit and Loss Account and exchange rate loss of Rs. Nil (Rs. 1.11 Lacs) has been capitalised during the year.
6. Interest expenses include on fixed period loan Rs. 169.95 Lacs (Rs. 58.87 Lacs) and are net of recovery from Doctors Organic Chemicals Ltd. amounting Rs. 165.30 Lacs (Rs. 37.15 Lacs). Interest capitalised to investment amounts to Rs. 12.66 Lacs (Rs.Nil).
7. Expenses are net of recoveries amounting to Rs. 271.96 Lacs (Rs. 69.16 Lacs) from Doctors Organic Chemicals Ltd.
8. Some of the balances of debtors, creditors, loans and advances are subject to confirmation/ reconciliation and adjustments, if any.
9. In the previous year the Company has raised Rs. 4,402.35 Lacs (US\$ 1,00,00,400) through issue of Global Depository Receipts out of which Rs. 4,398.48 Lacs (US\$ 99,91,604) has been utilised till the year end.

SCHEDULE : NOTES TO ACCOUNTS

10. Sundry Creditors include Rs.185.33 Lacs (Rs. 252.54 Lacs) due to Small Scale Industrial (SSI) Undertakings, which are identified by the Company based on the information available regarding the status of the suppliers. The list of SSI Units where amounts are outstanding for a period exceeding 30 days as on 31st March, 2007, as determined by the Company and relied upon by the Auditors, is as under:

Parnex Lab, Hi-Tech Pharmaceuticals, Silicon Products (P) Associates, Manish Chemicals.

11. The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.

12. Considering deductions available under the provisions of the Income Tax Act, 1961 during the year MAT liability has been provided, which is eligible for set off in subsequent years. The same has been treated as recoverable and shown as MAT Credit Entitlement. Provision for the current tax includes Rs.0.65 Lacs (Rs. 0.75 Lac) for wealth tax.

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

	31.03.2007	31.03.2006
	Rs. in Lacs	Rs. in Lacs
Liabilities:		
Depreciation	926.40	715.30
Assets:		
Leave Encashment	9.62	18.76
Gratuity	41.91	36.62
Unabsorbed Depreciation	162.50	Nil
Unabsorbed Business Loss	1,848.75	Nil
Others	136.14	71.46
	<u>2,198.92</u>	<u>126.84</u>
Restricted to	926.40	Nil
Net Deferred Tax Assets (Liabilities)	<u>Nil</u>	<u>(586.65)</u>

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

Balance up to previous year	15.20	Nil
Add: Incurred in the current year :		
- Salaries and allowances	41.51	41.66
- Contribution to funds	2.71	1.49
- Rent	0.90	27.32
- Professional Fees	Nil	12.96
- Interest on Fixed Period Loans	41.92	47.59
- Finance Charges	Nil	30.48
Total	102.24	161.50
Less: Capitalised to fixed assets	102.24	146.30
Balance carried forward	Nil	15.20

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

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

SCHEDULE : NOTES TO ACCOUNTS

Year to which the Dividend relates	2006-2007		2005-2006	
	Final 2005-06	Interim 2005-06	Final 2004-05	
Number of non-resident shareholders	51	41	18	
Number of shares held by them	46,10,989	53,55,225	30,70,680	
Amount of dividend (Rs. in Lacs)	69.16	26.78	30.71	

16. (a) Remuneration to Whole -time Directors:

	31.03.2007	31.03.2006
	Rs. In Lacs	Rs. In Lacs
Salary & Allowances	72.48	76.42
Contribution of P.F. & Other Funds	6.12	5.52
Total	78.60	81.94

Notes :

Above excludes provision for future liabilities in respect of retirement benefits, which are based on actuarial valuation done on overall Company basis and includes Rs. 3.60 Lacs being remuneration to directors of erstwhile PPIL.

(b) Sitting fees to directors Rs. 1.28 Lacs (Rs.0.80 Lac).

(c) Computation of Net Profit u/s 349 of the Companies Act, 1956.

Profit Before Tax	1,534.12	1,442.63
Add: Remuneration to Managing & Executive Directors	78.60	81.94
Directors' Sitting Fees	1.28	0.80
Loss on Sale of Fixed Assets	3.58	7.25
Net Profit as per Section 349	1,617.58	1,532.62

17. Other Expenses include:

a) Auditors' Remuneration (including of erstwhile PPIL):

Audit Fees	6.38	3.50
Tax Audit Fees	0.17	Nil
Certification & Other Matters	2.63	1.37
Out of Pocket Expenses	0.03	0.32
Total	9.21	5.19

b) Cost Audit Fees

0.50	0.20
------	------

18. a) Earning in Foreign Currency (excludes amount reimbursed to the Company):

FOB Value of Exports	7,178.19	5,623.18
Freight, Insurance etc.	492.14	261.90
Bank Fixed Deposit Interest	5.91	56.27

b) CIF Value of Imports:

- Raw Materials (including High Seas purchases)	1,460.74	850.48
- Capital Goods	10.37	43.44

SCHEDULE : NOTES TO ACCOUNTS

c) Expenditure in Foreign Currency (Net of reimbursements):		
Interest	97.75	69.04
Commission paid	29.26	22.80
Legal & Professional Fees	24.10	4.39
GDR Issue Expenses	Nil	177.65
Travelling & Other Expenses	68.76	20.53
Investments	10.60	Nil

19. Earning Per Share :

Calculation of Basic and Diluted earnings per equity share is as under:

	31.03.2007	31.03.2006
Profit after Tax (Rs. in Lacs)	2,082.63	1,073.03
Number of Equity Shares:		
At the beginning of the year	1,27,47,358	1,10,94,522
To be allotted to the Shareholders of erstwhile PPIL on Merger	5,62,618	Nil
Considered for EPS	1,33,09,976	1,10,94,522
Nominal Value of Equity Shares in Rs	10.00	10.00
Earning Per Share (Basic & Diluted) in Rs.	15.65	9.67

Considering that the fair value of equity shares of the Company, as referred to in AS-20 "Earning Per Share", is less than the exercise price for the warrants to be issued to the shareholders of erstwhile PPIL as per the Scheme of Merger (Refer to Note No.3), the options embedded in the said warrants to subscribe to equity shares is antidilutive and hence the same have not been considered for computation of diluted EPS.

20. Provision for proposed dividend includes dividend on 6,27,286 equity shares allotted subsequent to the year end, up to the date of these accounts, to the shareholders and secured creditors of erstwhile The Pharmaceutical Products of India Limited by the Company.

21. The Company does not have any foreign currency exposures at the year end which is hedged. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	Foreign Currency Denomination	Foreign Currency Amount in Lacs	Indian Rupees equivalent in Lacs
Assets			
Trade Receivables	US\$	28.20	1,229.16
Loans and Advances	GBP	0.19	16.54
	EURO	0.22	12.68
Advance pending allotment of shares	US\$	12.97	591.43
	EURO	10.38	3,279.25
Liabilities			
Trade Payables	US\$	3.93	171.18
Secured Loans	US\$	54.83	2,390.04
Interest accrued but not due	US\$	0.55	23.76

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

The Company has taken various residential /godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancelable and range between 11 months and 3 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable

SCHEDULE : NOTES TO ACCOUNTS

terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments are recognised in the Profit and Loss Account under "Rent, Rates & Taxes" under Schedule 17.

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

	31.03.2007	31.03.2006
	Rs in Lacs	Rs in Lacs
Not later than one year	124.04	124.63
Later than one year but not later than five years	310.50	418.96
Later than five years	Nil	9.58

23. Investments include expenses incurred / payment made to/ on behalf of Wanbury Holdings B.V, a subsidiary company, which is intended to be adjusted against the value of the equity shares to be issued by the aforesaid subsidiary company.

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

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

Particulars	Outstanding as on 31.3.2007	Maximum balance outstanding during the year
Akkadian Trading Pvt. Ltd.	Rs. 88.87 Lacs(Nil)	Rs.88.87 Lacs(Nil)
Doctors Organic Chemicals Ltd. (Associate Company)	Rs. 5,382.04 Lacs (Rs.2,250.90 Lacs)	Rs.5,382.04 Lacs (Rs. 2,250.90 Lacs)
Bravo Healthcare Ltd.	Rs.26.01 Lacs(Nil)	Rs.26.01 Lacs(Nil)
Total	Rs. 5,496.92 Lacs (Rs.2,250.90 Lacs)	Rs. 5,496.92 Lacs (Rs. 2,250.90 Lacs)

Notes:

- i) Above 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.

b) Investment by loanee in the shares of

	No. of Shares	Amount
- Parent Company	Nil (Nil)	Nil (Nil)
- Subsidiary Company	900 (Nil)	Rs. 31.40 Lacs Equivalent to Euro 54,000 (Nil)

25. **Related Party Disclosure:**

A. Relationship:

Category 1: Major Shareholders:

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

Category 2: Subsidiary Companies:

- Wanbury Holdings B. V. (Netherland)
- Cantabria Pharma S. L. (Spain)

Category 3: Associate Companies

- Anjay Shares & Securities Pvt. Ltd.
- Doctors Organic Chemicals Ltd.

SCHEDULE : NOTES TO ACCOUNTS

Category 4: Key Management Personnel and their relatives:

- Mr. K. Chandran	Whole-time Director
- Mr. K. R. N. Moorthy	Whole-time Director
- Mr. Pradeep Patil	Director (Erstwhile PPIL)
- Mr. Sunil Kotyankar	Director (Erstwhile PPIL)
- Mr. Shashi Nambiar & Relatives	Director (Erstwhile PPIL)

B. Transactions carried out with related parties:

Sr. No	Transactions	Related Party Relation	31.03.2007 Rs. in Lacs	31.03.2006 Rs. in Lacs
1	Advances Given:			
	- Doctors Organic Chemicals Ltd.	Associated Company	3,131.15	2,140.75
2	Advances Recovered:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	23.00
3	Inter Corporate Deposits Received:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	150.00	933.95
4	Inter Corporate Deposits Repaid:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	618.00	571.08
	- Anjay Shares & Securities Pvt. Ltd.	Associated Company	Nil	0.05
5	Expenses Reimbursed from:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	Nil	208.65
	- Doctors Organic Chemicals Ltd.	Associated Company	437.26	69.16
6	Procurement Charges received			
	- Doctors Organic Chemicals Ltd.	Associated Company	Nil	83.68
7	Remuneration paid:			
	- Mr. K. R. N. Moorthy	Key Management Personnel	57.00	64.14
	- Mr. K. Chandran	Key Management Personnel	18.00	17.80
	- Mr. Pradeep Patil	Key Management Personnel	1.20	Nil
	- Mr. Shashi Nambiar	Key Management Personnel	1.20	Nil
	- Mr. Sunil Kotyankar	Key Management Personnel	1.20	Nil
8	Rent Paid:			
	- Mrs. Prabha K. Chandran	Key Management Person's Relatives	6.00	6.00
9	Advances for Investment			
	- Doctors Organic Chemicals Ltd.	Associated Company	Nil	2,250.91
	- Wanbury Holdings B. V.	Subsidiary Company	4,310.25	Nil
10	Investment			
	- Wanbury Holdings B. V.	Subsidiary Company	10.84	Nil
11	Sales			
	- Doctors Organic Chemicals Ltd.	Associated Company	151.97	78.87
12	Purchases			
	- Doctors Organic Chemicals Ltd.	Associated Company	473.68	537.29
13	Dividend			
	- Kingsbury Investment Inc.	Major Shareholders	45.36	45.36
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	30.26	35.52
	- Magnum Equifin Pvt. Ltd.	Major Shareholders	7.50	3.42

SCHEDULE : NOTES TO ACCOUNTS

14	Amount Receivable as contribution to Equity Shares			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	750.00	Nil
15	Technical Know-how Fees			
	- Doctors Organic Chemicals Ltd.	Associated Company	280.60	110.20

C. Balances due from/to related parties:

Sr. No.	Particulars	Related Party Relation	31.03.2007 Rs. In Lacs	31.03.2006 Rs. in Lacs
1	Inter Corporate Deposits Taken:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	211.54	730.85
	- Anjay Shares & Securities Pvt. Ltd.	Associated Company	419.95	419.95
2	Advances Given:			
	- Malik Organics Pvt. Ltd.	Associated Company	Nil	40.91
3	Sundry Creditors / Other Liabilities:			
	- Mrs. Prabha Chandran	Key Management Person's Relatives	Nil	0.50
4	Advances for Investment			
	- Doctors Organic Chemicals Ltd.	Associated Company	5,382.05	2,250.91
	- Wanbury Holdings B.V.	Subsidiary Company	4,310.25	Nil
5	Amount Receivable as Contribution to Equity Shares			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	750.00	Nil

26. Assets held for Disposal:

As per the scheme of rehabilitation and merger scheme (the scheme) approved by BIFR erstwhile PPIL is required to sell office premises at Saki Naka, Mumbai and R & D premises at Turbhe, Navi Mumbai in settlement of part dues of secured and unsecured creditors mentioned in the scheme. However, this is subject to the decision of the Honourable Supreme Court in respect of the matter disputed by one of the creditor. Consequently, the said assets are held for disposal and stated at cost since estimated realisable value is higher than cost and included in fixed assets as follows:

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

27. Consumption of Materials

a. Consumption of Raw Materials and Packing Materials

Item	Unit	2006-07		2005-06	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
DCDA	M.T.	2,374	1358.86	1,715	838.75
DMA Hcl	M.T.	2,670	1472.44	2,022	968.23
Salicylic Acid	M.T.	40	41.00	128	129.40
Methanol	M.T.	1,255	277.46	1,111	189.70
Others			976.86		674.68
			4,126.62		2,800.76
		%		%	
Imported(including High Sea purchases)		32.93	1358.86	29.95	838.75
Indigenous		67.07	2767.76	70.05	1,962.01
		100.00	4,126.62	100.00	2,800.76

SCHEDULE : NOTES TO ACCOUNTS

b. Consumption of Stores & Spares :

	%		%	
Imported	0.00	Nil	0.00	Nil
Indigenous	100.00	191.99	100.00	154.60
	100.00	191.99	100.00	154.60

28. Details of Installed Capacity and Production:

Class of Goods	Units of Measurement	Installed Capacity Quantity	Production Quantity
Bulk Drugs	M. T.	4,274.000 p. a. (1,874) p. a.	4,275.556 (3,075.315)
Formulation -Tablets	No. in Lacs	5,400 p.a. (Nil)	Nil (Nil)
- Capsules	No. in Lacs	2,100 p.a. (Nil)	Nil (Nil)
- Dry Syrup (60 ML)	No. of Bottles in Lacs	60 p.a. (Nil)	Nil (Nil)
- Sachets (3&5 gm)	No. in Lacs	72 p.a. (Nil)	Nil (Nil)
- Sachets (22 gm)	No. in Lacs	60 p.a. (Nil)	Nil (Nil)

Notes :

- 1) In terms of Press Note No. 4 (1994 series) Dated 25.10.94 issued by the Dept of Industrial Development, Ministry of Industry, Government of India, industrial licensing has been abolished in respect of bulk drugs and formulations. Hence, there is no registered / licensed capacity for these bulk drugs and formulations.
- 2) Production excludes manufactured for others on job work basis.
- 3) Installed capacities, being a technical matter, have not been verified by the Auditors.

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

Class of Goods	Units of Measurement	31.03.2007		31.03.2006		31.03.2005	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
Bulk Drugs	M. T.	55.95	71.37	64.957	76.34	107.23	143.14
Formulations:							
- Liquids	Kilo Ltrs.	46.71	91.35	30.68	81.07	24.45	53.21
- Tablets	No. in Million	9.04	109.24	8.29	93.03	8.49	94.22
- Vials	No. in Million	0.07	3.13	0.01	1.47	0.06	16.79
- Capsules	No. in Million	3.46	87.68	0.39	9.26	1.06	15.81
- Powders	Tonnes	7.69	10.77	6.38	16.93	19.95	24.99
- Liquids	Kilo Ltrs.	2.20	5.66	1.00	2.80	2.40	6.44
Total			379.20		280.90		354.60

SCHEDULE : NOTES TO ACCOUNTS

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

Class of Goods	Units of Measurement	Purchases		Sales	
		Quantity	Rs. in Lacs	Quantity	Rs. in Lacs
Bulk Drugs :	M. T.	156.51 (1,621.09)	1,875.44 (2,067.51)	4,499.03 (4,738.68)	9,275.57 (7,377.15)
Formulations:					
- Liquids	Kilo Ltrs.	280.34 (215.19)	515.82 (556.50)	256.10 (177.90)	1,197.68 (1,174.27)
- Tablets	No. in Million	65.18 (64.41)	694.87 (541.72)	61.19 (62.59)	2,005.78 (1,797.54)
- Vials	No. in Million	0.29 (Nil)	11.29 (Nil)	0.15 (0.04)	17.72 (12.35)
- Capsules	No. in Million	22.27 (3.28)	568.03 (55.49)	18.14 (3.36)	1,241.15 (196.87)
Processed Foods :					
- Powders	Tonnes	50.64 (62.64)	131.31 (149.54)	43.65 (60.62)	227.79 (289.98)
- Liquids	Kilo Ltrs.	2.94 (5.88)	7.24 (14.31)	2.29 (7.04)	10.98 (35.44)
Others :			205.14 (Nil)		406.08 (Nil)
TOTAL			4,009.14 (3,385.07)		14,382.75 (10,883.60)

Notes:

1. Purchase of Formulation goods for resale includes Rs.86.63 Lacs (Pr. Yr. Rs. 55.99 Lacs) on account of free replacements.
2. Sales exclude free replacements / offers.

31. Figures for the previous year have been recast and regrouped wherever necessary. Figures in brackets are for previous year.

Signatures to Schedules 1 to 19

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

NIKHIL PATEL
 Partner
 Mumbai, June 29, 2007

ASHOK SHINKAR
 Director-Corporate Finance

For and on behalf of the Board

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

K.R.N. MOORTHY
 Whole-time Director
PANKAJ B. GUPTA
 Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 4 8 4 5 5 State Code 1 1

Balance Sheet Date 3 1 0 3 0 7

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

Public / GDR issue	Rights issue
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Bonus issue	Private Placement
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L

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

Total Liabilities 2 6 2 8 1 2 6 Total Assets 2 6 2 8 1 2 6

Sources of Funds

Paid-up Capital	<input type="text"/> <input type="text"/> 1 2 <input type="text"/> <input type="text"/> 7 4 <input type="text"/> <input type="text"/> 7 4	Share Capital Suspense	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 6 <input type="text"/> <input type="text"/> 2 6
Secured Loans	<input type="text"/> <input type="text"/> 8 3 <input type="text"/> <input type="text"/> 9 7 <input type="text"/> <input type="text"/> 9 5	Reserves & Surplus	<input type="text"/> <input type="text"/> 1 1 <input type="text"/> <input type="text"/> 5 8 <input type="text"/> <input type="text"/> 0 9 <input type="text"/> <input type="text"/> 0
Deterred Tax Liability	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Unsecured Loans	<input type="text"/> <input type="text"/> 4 9 <input type="text"/> <input type="text"/> 7 1 <input type="text"/> <input type="text"/> 4 1

Application of Funds

Net Fixed Assets	<input type="text"/> <input type="text"/> 1 1 <input type="text"/> <input type="text"/> 8 0 <input type="text"/> <input type="text"/> 4 2 <input type="text"/> <input type="text"/> 8	Investments	<input type="text"/> <input type="text"/> 4 9 <input type="text"/> <input type="text"/> 4 0 <input type="text"/> <input type="text"/> 8 3
Net Current Assets	<input type="text"/> <input type="text"/> 9 5 <input type="text"/> <input type="text"/> 3 6 <input type="text"/> <input type="text"/> 1 5	Misc. Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L

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

Turnover	<input type="text"/> <input type="text"/> 1 5 <input type="text"/> <input type="text"/> 2 6 <input type="text"/> <input type="text"/> 3 5 <input type="text"/> <input type="text"/> 2	Total Expenditure	<input type="text"/> <input type="text"/> 1 3 <input type="text"/> <input type="text"/> 7 2 <input type="text"/> <input type="text"/> 9 3 <input type="text"/> <input type="text"/> 9
Profit Before Tax	<input type="text"/> <input type="text"/> 1 5 <input type="text"/> <input type="text"/> 3 4 <input type="text"/> <input type="text"/> 1 3	Profit After Tax	<input type="text"/> <input type="text"/> 2 0 <input type="text"/> <input type="text"/> 8 2 <input type="text"/> <input type="text"/> 6 3
Earning Per Share in Rs.	<input type="text"/> <input type="text"/> <input type="text"/> 1 5 <input type="text"/> <input type="text"/> . 6 5	Dividend Rate %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 0

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

Product Description	Item Code No. (ITC Code)
M E T F O R M I N	<input type="text"/> <input type="text"/> 2 9 4 2 . 0 8
S A L S A L A T E	<input type="text"/> <input type="text"/> 2 9 4 2 . 0 8
F O R M U L A T I	<input type="text"/> <input type="text"/> 2 1 0 8 . 9 9
O N <input type="text"/>	

For and on behalf of the Board

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

K.R.N. MOORTHY
Whole-time Director
PANKAJ B. GUPTA
Company Secretary

ASHOK SHINKAR
Director-Corporate Finance

Mumbai, June 29, 2007



WANBURY LIMITED

Registered Office : BSEL Tech Park, B-Wing,
10th Floor, Sector 30 A, Opp. Vashi Railway
Station, Vashi, Navi Mumbai - 400 705,
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 Nineteenth Annual General Meeting of the Company to be held
on Thursday, 27th September, 2007 at :

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

and at any adjournment thereof. Signed this _____ day of _____ 2007.

**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 - 400 705,
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 Nineteenth Annual General Meeting of the Company held on Thursday, 27th September, 2007 at
Hotel Tunga Regency, Plot No.37, Sector 30-A, Vashi, Navi Mumbai 400 705, Maharashtra.

Member's / Proxy's Signature

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

NOTES

A series of horizontal dotted lines for writing notes.