

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
Late Dr. S. P. Adarkar	Non-executive Independent Director (till March 7, 2005)
Mr. K. Chandran	Wholetime Director
Mr. K. R. N. Moorthy	Wholetime Director

Company Secretary

Mr. Pankaj. B. Gupta

Registered Office and Head Office

Plot No.28, 1ST Floor, Sector - 19C, Kopri Road,
Vashi, Navi Mumbai – 400 703.
Maharashtra, India.
Tel.: +91-22-27668938/39
Fax : +91-22-27663944
Email : shares@wanbury.com
Website : www.wanbury.com

Plants at Tarapur and Patalganga (Maharashtra)

Auditors

Messrs. KAPOOR & PAREKH ASSOCIATES, Chartered Accountants, Mumbai

Bankers

Bank of India , Mumbai

Registrars and Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.,
Unit I, Luthra Industrial Premises, Andheri-Kurla Road
Safed Pool, Andheri (E), Mumbai 400 072
Telephones: 28515606, 28515644
Fax : 28512885
Email : sharexindia@vsnl.com
Website : www.sharexindia.com

Contents

Notice	2
Directors' Report	9
Management Discussion and Analysis Report	13
Corporate Governance Report	18
Auditors' Report	25
Balance Sheet	28
Profit & Loss Account	29
Schedules	30
Cash Flow Statement	45

NOTICE

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Members of Wanbury Limited will be held on Tuesday the 9th day of August 2005 at 11:30 a.m. at Hotel Supreme Heritage, Plot No. L-2, Sector No. 19, Vashi, Navi Mumbai - 400 705 to transact the following business, with or without modification(s).

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 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. R. N. Moorthy – 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 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:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.
“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. N. K. Puri, who was appointed by the Board of Directors as Additional Director as per the Article No. 147 of Article of Association and pursuant to the provisions of Section 260 of Companies Act, 1956, at their meeting held on 9th day of March 2005 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite Deposit as per the provisions of Section 257 of Companies Act, 1956, from a member proposing the candidature of Mr. N. K. Puri for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”
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 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. A. L. Bongirwar, who was appointed by the Board of Directors as Additional Director as per the Article No. 147 of Article of Association and pursuant to the provisions of Section 260 of Companies Act, 1956, at their meeting held on June 24, 2005 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite Deposit as per the provisions of Section 257 of Companies Act, 1956 from a member proposing the candidature of Mr. A. L. Bongirwar for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:
“RESOLVED THAT pursuant to Sec. 16, 94 and other applicable provisions of the Companies Act, 1956, the Present Authorised Share Capital of the Company consisting of 2,00,00,000 Equity Shares of Rs.10/- each; 5,00,000 2% Convertible Preference Shares of Rs.100/- each and 5,00,000 5% Cumulative Convertible Preference Shares of Rs.100/- each aggregation Rs. 30,00,00,000/- (Rs. Thirty Crore Only) be and the same is hereby re-classified and increased to Rs. 50,00,00,000/- (Rs. Fifty Crore Only) divided into 2,00,00,000 Equity Shares of Rs.10/- each and 30,00,000 Preference Shares of Rs.100/- each.”
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:
“RESOLVED THAT the Memorandum of Association of the Company be altered in the following manner, that is to say, existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new Clause as Clause V:
“The Authorised Share Capital of the Company is Rs. 50/- Crore (Rupees Fifty Crore Only) divided into following classes of Shares:
a) 2,00,00,000 Equity Shares of Rs. 10/- each and
b) 30,00,000 Preference Shares of Rs.100/- each.
with a power to increase, decrease or modify as per the provisions of the Companies Act, 1956 as and when necessary.”
9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:
“RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and relevant provisions of the Memorandum and Articles of

Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, by this resolution, the Board be and is hereby authorised on behalf of the Company to issue, offer and allot, redeemable preference shares to be subscribed by institutions and/or incorporated bodies and/or individuals or otherwise any person, and whether or not such investors are members of the Company, for an aggregate face value of redeemable preference shares up to Rs. 30 Crores, such issue and allotment to be made at such time or times, at such price or prices, at a discount or at a premium, in such manner and on such terms and conditions including security, rate of dividend, redemption period, redemption premium, redemption discount etc., as the Board may, in its absolute discretion think fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any whole time Director or Director or any other officer of the Company to give effect to the aforesaid resolution."

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to necessary approvals, consents, permissions and/or sanctions of the Central Government, SEBI, Reserve Bank of India and any other appropriate authorities, institutions or bodies and subject to such approvals, consents, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or by the duly authorised Committee thereof for the time being exercising the powers conferred by the Board, by this resolution the Board be and is hereby authorised on behalf of the Company to issue, offer and allot, in the course of international offering in one or more foreign markets, equity shares/preference shares including Global Depository Receipts (GDR) and/or any instrument or securities representing equity shares/ preference shares or convertible securities such as Foreign Currency Convertible Bonds (FCCB) or warrants convertible to or representing equity shares/preference shares (hereinafter referred to as "securities") to be subscribed in Foreign Currency(ies) / Rupees by foreign Investors /Non-resident Indians whether institutions and/or incorporated bodies and/or individuals or otherwise, and whether or not such investors are members of the Company, for an aggregate face value of equity shares / preference shares up to Rs. 7 Crores, such issue and allotment to be made at such time or times and with or without voting rights in general meetings/ class meetings of the Company, in one or more tranche or tranches, at such price or prices, at a discount or at a premium or at a market price, in such manner and on such terms and conditions including security, rate of interest, rate of dividend etc., as the Board may, in its absolute discretion think fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or any whole time Director or Director or any other officer of the Company to give effect to the aforesaid resolution."

11. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to 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 two years with effect from September 1, 2005 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."

12. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to 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. R. N. Moorthy as Whole Time Director of the Company for a period of three years with effect from September 1, 2005 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.”

13. To consider and if thought fit to pass with or without modification (s) the following resolution as an ORDINARY RESOLUTION.

“RESOLVED THAT consent of the shareholders be and is hereby accorded to the payment of fees to the Directors of the Company (other than the Directors who are in whole-time employment of the Company) for attending meeting of the Board of Directors and / or Committee(s) thereof, of such amount not exceeding the limits prescribed under the provision to Section 310 of the Companies Act, 1956 or any statutory amendment thereto or re-enactment thereof and / or under any rules or regulations framed thereunder, as may be determined by the Board of Directors from time to time.”

By Order of the Board of Directors

For Wanbury Limited

Pankaj B. Gupta

Company Secretary

Mumbai, June 24, 2005.

Registered Office: Plot No. 28, Sector 19-C, Kopri Road, Vashi, Navi - Mumbai 400 703.

Notes:

- A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company.** The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No. 5 to 13 of the notice set out above is annexed hereto.
- 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.
- 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.
- The Share Transfer Books and the Register of Members will remain closed from Monday, 01.08.2005 to Tuesday, 09.08.2005 (both days inclusive).
- At the ensuing Annual General Meeting Mr. K. R. N. Moorthy – Director, retires by rotation and being eligible offers himself for re-appointment. His brief resume is as under:

Name	:	Mr. K. R. N. Moorthy
Age	:	52 Years
Qualification	:	M. Sc. (Mathematics) MBA (Marketing & Finance) from IIM Kolkata
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(s) of the other companies in which Directorship held and Committee Membership / Chairmanship held.	:	Director : Doctors Organic Chemicals Limited 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 109A of the Companies Act, 1956, provides of nomination by the Shareholders of the Company in the prescribed Form No. 2B. Shareholders are requested to avail this facility.
9. If the proposed dividend is approved by the Shareholders at the Annual General Meeting, the same will be paid on or after August 12, 2005 to the eligible shareholders.

By Order of the Board of Directors
For Wanbury Limited

Pankaj B. Gupta
Company Secretary

Mumbai, June 24, 2005.

Registered Office: Plot No. 28, Sector 19-C, Kopri Road, Vashi, Navi - Mumbai 400 703.

ANNEXURE TO THE NOTICE DATED 24.6.2005

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

Item No. 5

Mr. N. K. Puri was appointed as an additional director of the Company, by the Board of Directors of the Company, at their meeting held on March 9, 2005, as per the provisions of Section 260 of Companies Act, 1956. Mr. N. K. Puri holds office as Director of the Company up to the conclusion of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice along with requisite deposit has been received from a member signifying his intention to propose the appointment of Mr. N. K. Puri as a Director. Mr. N. K. Puri has rich experience of service in State Bank of India. He is former Dy. Managing Director of State Bank of India and former Managing Director of State Bank of Bikaner & Jaipur. His knowledge and experience will immensely help the Company. The Board recommends his appointment as Director.

None of the directors except Mr. N. K. Puri, is concerned or interested in this resolution.

Item No. 6

Mr. A. L. Bongirwar was appointed as an additional director of the Company by the Board of Directors of the Company, at their meeting held on June 24, 2005, as per the provisions of Section 260 of Companies Act, 1956. Mr. A. L. Bongirwar holds office as Director of the Company up to the conclusion of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice along with requisite deposit has been received from a member signifying his intention to propose the appointment of Mr. A. L. Bongirwar as a Director. Mr. A. L. Bongirwar has rich experience in the field of Administrative services. He is the former Chief Secretary of the Government of Maharashtra. He is presently serving the Tariff Authority for Major Ports as Chairman. His knowledge and experience will immensely help the Company. The Board recommends his appointment as Director.

None of the Directors except Mr. A. L. Bongirwar, is concerned or interested in this resolution.

Item No. 7 & 8

The Company is planning to issue Redeemable Preference Shares to investors to mobilize resources for funding capital expansion projects and acquisition/mergers planned by the Company. In order to facilitate the Company to issue the said instrument, it is proposed to increase the authorised share capital suitably.

In terms of Section 94 of the Companies Act, 1956, shareholders consent is required for re-classification and increasing the authorised share capital. The capital clause of the Memorandum of Association states the Capital of the Company. Increase in authorised capital would necessitate consequential amendments to clause V of the Memorandum of Association. In terms of Section 16 of the Companies Act, 1956, shareholders consent is required for amending capital clause of the Memorandum of Association.

In view of the above requirements, both the resolutions have been put up to the Members for their approval.

None of the Directors of the Company is in any way concerned or interested in any of these resolutions.

Item No. 9

With a view to augment long term financial resources for the Company and to mobilize resources for funding capital expansion projects and acquisition / mergers planned by the Company, it is proposed to raise an amount not exceeding Rs. 30 Crore (Rupees Thirty Crore Only) through issue of Redeemable Preference Shares.

This is an enabling resolution in the interest of the Company and your Directors recommend the passing of the resolution as the shareholders consent is sought pursuant to Section 81 of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution.

Item No. 10

With a view to augment long term financial resources for the Company and to mobilize resources for funding capital expansion projects and acquisition/mergers planned by the Company, it is proposed to raise an amount aggregating US\$ 12 millions (with a right to retain excess subscription to the extent of US\$ 3 millions) through issue of Global Depository Receipts / Foreign Currency Convertible Bonds (FCCBs) or other suitable Financial instruments as contained in the Resolution.

This is an enabling resolution in the interest of the Company and your Directors recommend the passing of the resolution as the shareholders consent is sought pursuant to Section 81 of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution.

Item No. 11 and 12

Mr. K. Chandran and Mr. K. R. N. Moorthy have rich experience and knowledge in corporate management and operations. Keeping in this view, the Board of Directors at its meeting held on June 24, 2005, appointed Mr. K. Chandran and Mr. K. R. N. Moorthy as Whole-time Directors of the Company for a period of 2 years and 3 years respectively with effect from September 1, 2005, subject to approval of shareholders in General Meeting. Mr. K. Chandran and Mr. K. R. N. Moorthy fulfil 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 each Mr. K. Chandran and Mr. K. R. N. Moorthy as Whole-time Director of the Company.

A. Period

Two Years for Mr. K. Chandran and Three Years for Mr. K. R. N. Moorthy w.e.f. September 1, 2005 with liberty to either party to terminate the appointment on three months notice in writing to the other.

B. Remuneration

a) Mr. K. Chandran :

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 Lac Only) per month as Basic Salary.

Mr. K. R. N. Moorthy :

Basic Salary of Rs. 2,25,000/- (Rupees Two Lac Twenty Five 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. 5,00,000/- (Rupees Five Lac Only) per month as Basic Salary.

b) Mr. K. Chandran:

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 as Basic Salary.

Mr. K. R. N. Moorthy:

Special Allowance of Rs. 16,100/- (Rs. Sixteen Thousand One Hundred 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 as Basic Salary.

c) **Mr. K. Chandran:**

Education Allowance of Rs. 48,000/- (Rupees Forty Eight Thousand Only) per annum.

Mr. K. R. N. Moorthy :

Education Allowance of Rs. 72,000/- (Rupees Seventy Two Thousand Only) per annum.

d) 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 Lac Only) per annum.

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 upkeep and 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 dependant children) at actual (including domiciliary medical expenses and insurance premium for medical and hospitalization 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.
- 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 Company 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, 269, 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 and Mr. K. R. N. Moorthy 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 Directors 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 Members.

Mr. K. Chandran and Mr. K. R. N. Moorthy are concerned or interested in their respective Resolution.

Item No. 13

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, all fees / compensation to be paid to non-executive directors are to be fixed by Board and require prior approval of the Shareholders in general meeting. There are conflicting views as to whether this requirement applies to payment of sitting fees, which in terms of the provision of Section 310 of the Companies Act, 1956 does not require such approval provided it is within the prescribed limits. However, out of abundant caution, approval of the shareholders is being sought to payment of sitting fees to non-executive Directors of the Company.

At present non-executive Directors are paid sitting fees of Rs. 2000/- (Rupees Two Thousand Only) per meeting of the Board or Committee thereof in terms of the resolution passed by the Board of Directors at its meeting held on August 16, 2002, while the maximum prescribed under the provision of Section 310 of the Companies Act, 1956 is Rs. 20,000/- per meeting.

The Board recommends the resolution for your approval.

All the non-executive Directors of the Company are deemed to be concerned or interested in this Resolution, since it relates to payment of sitting fees for Board / Committee Meeting attended by them.

By Order of the Board of Directors
For Wanbury Limited

Pankaj B. Gupta
Company Secretary

Mumbai, June 24, 2005.

Registered Office: Plot No. 28, Sector 19-C, Kopri Road, Vashi, Navi - Mumbai 400 703.

DIRECTORS' REPORT

Your Directors have pleasure in presenting this 17th Annual Report together with the Audited Accounts of the Company for the year ended on March 31, 2005.

Financial Highlights :

	(Rs. in Lac)	
	For the year ended on 31.03.2005	For the year ended on 31.03.2004
Turnover	7513.61	5412.40
Less: Excise Duty & Sales Tax	281.53	148.90
Net Sales	7232.08	5263.50
Other Income	292.23	139.77
Total Income	7524.31	5403.27
Total Expenditure	6657.58	5115.13
Profit / (Loss) before Taxation	866.73	288.13
Provision for Current Tax	74.00	22.00
Provision for Deferred Tax	86.92	3.12
Income Tax of earlier years written off / (back)	4.56	(0.05)
Net Profit after Tax	701.25	263.06
Balance b/f from Previous Year	186.18	(76.88)
Amount available for Appropriation	887.43	186.18
APPROPRIATION		
Proposed Dividend on Equity Shares	94.86	-
Corporate Tax on Dividend	13.30	-
Balance Carried to Balance Sheet	779.27	186.18

OPERATIONAL REVIEW:

The Company had a successful year of Active Pharmaceutical Ingredients (API) Business under review with robust growth in Sales and Profits and further improvements in operating parameters. The formulation business saw a decline in this year on account of loss in sale of Triomonic because of a dispute with Novartis, compounded by the trade's confusion over VAT. Overall turnover during the year grew by 39% to Rs. 7513.61 Lac as against Rs. 5412.40 Lac in the previous year, while Profit After Tax, registered an impressive growth of 167% and increased to Rs. 701.25 Lac as against Rs. 263.06 Lac in the previous year. The basic & diluted Earning Per Equity Share increased to Rs. 7.39 as against Rs. 2.77 in the previous year. This strong performance was driven by excellent growth in sales, operating efficiencies and cost effectiveness.

Export increased from Rs. 2255.36 Lac to Rs. 2578.09 Lac registering a growth of 14 %. The Company has been exporting its products to more than 40 countries.

DIVIDEND:

Your Directors are pleased to recommend dividend of Rs. 1.00 per equity share @ 10% per equity share for the year ended on March 31, 2005.

Total cash outflow on account of total dividend payment including dividend tax will be Rs. 108.17 Lac, which is 15 % of Net Profit After Tax for the year ended on March 31, 2005.

The dividend after approval by the shareholders at the Annual General Meeting will be paid on or after August 12, 2005 to the eligible shareholders.

DIRECTORS:

We regret the sad demise of your Company's Director - Dr. S. P. Adarkar on March 7, 2005. Your Directors place on record the valuable guidance & services received from Dr. S. P. Adarkar, to the Company during his tenure.

Mr. K. R. N. Moorthy retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

Board of Directors of the Company appointed Dr. P. L. Tiwari, as Director of the Company to fill the casual vacancy arising due to the death of Dr. S. P. Adarkar, at their meeting held on March 9, 2005.

Board of Directors of the Company appointed Mr. N. K. Puri & Mr. A. L. Bongirwar as Additional Directors at their meeting held on March 9, 2005 & June 24, 2005 respectively.

Board of Directors of the Company appointed Mr. K. Chandran and Mr. K. R. N. Moorthy as Whole-time Directors at their meeting held on June 24, 2005 subject to the approval of Shareholders in the General Meeting.

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:

M/s Kapoor & Parekh Associates, retire as Auditors 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 of the Company for the year ended on March 31, 2005 will be submitted to the Central Government in due course.

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:

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 sincerest thanks to the Bankers, Government, Customers, Suppliers, Shareholders and Staff for their continuous co-operation & guidance.

For and on behalf of the Board of Directors

K. Chandran
Whole-time Director

K. R. N. Moorthy
Whole-time Director

Mumbai, June 24, 2005

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.

1. Conservation of Energy

Your Company has taken number of measures for conservation of energy: -

- (a) Improved the Xylene Recovery System by installing proper sized Primary / Secondary Condenser(s).
 - (b) Installed new Glass Lined Reactors, in order to improve the yield.
 - (c) Installed Methanol Recovery Plant, resulting in improving the recovery of Methanol.
 - (d) Installed suitable sized Cooling Water Lines, Water Ejector for Vacuum and efficient Cooling Tower in order to reduce the cycle time substantially and to increase the productivity.
 - (e) Installed new filter to avoid leakage, thereby improving the yields.
 - (f) Installed new Capacitor(s) to improve the Power Factors to get rebate from MSEB.
-

A. Information as per prescribed Form A :

	Year ended 31.03.2005	Year ended 31.03.2004
1. Electricity		
(a) Purchased		
Unit (KWH)	17,05,503	15,28,030
Total Amount	60,24,070	55,25,052
Rate / Unit (in Rupees)	3.53	3.62
(b) Own Generation		
Unit (KWH)	21,638	8,940
Total Amount	174,160	60,608
Rate / Unit (in Rupees)	8.05	6.78
2. Furnace Oil & LDO		
Quantity (K. Litres)	7,45,110	7,08,804
Total Amount	1,08,42,536	1,60,84,044
Average Rate (Rs. per K. Litre)	14,552	22,692

B. Absorption of Technology and Research & Development :

Company has Research and Development Centre at Chembur, Mumbai and Turbhe, Navi-Mumbai with capabilities in formulations, process research and regulatory matters.

The Company has been making constant and continuous efforts to develop processes for new products and commercialize the same.

The Company has filed four Drug Master Files (DMFs) in the US for Metformin, Tramadol, Promethazine, Amitriptylin and two European DMFs for Metformin and Tramadol.

Total Research and Development expenses during the year under review were Rs.624.95 lac (capital expenses were Rs.510.99 lac and revenue expenditure was Rs.113.96 lac).

C. Foreign exchange Earnings and Outgo

	(Rs. In Lac)	
	Year ended 31.03.2005	Year ended 31.03.2004
INCOME:		
Foreign Exchange earned by the Company :		
F.O.B. Value of Exports.	2578.09	2255.36
Freight, Insurance etc.	152.51	77.84
EXPENDITURE:		
C.I.F. Value of Imports		
Raw Material (including High Seas purchases)	933.49	579.76
Capital Goods	102.76	Nil
Interest	58.20	57.78
Commission Paid	19.79	12.30
Legal & Professional Fees	2.07	Nil
Travelling & Other Exp.	10.08	1.79
TOTAL EXPENDITURE	1126.39	651.63

For and on behalf of the Board of Directors

Mumbai, June 24, 2005

K. Chandran
Whole-time Director

K. R. N. Moorthy
Whole-time Director

Management Discussion and Analysis Report

The Industry

The global pharmaceutical industry is going through a transformation and a complete paradigm shift.

Pressures mounting on Large Pharma Companies worldwide

The “large pharma” companies (Top 15 in turnover) comprising over 40% of the global sales, pegged at over USD 550Bn, are facing one of their worst crisis with over \$70 Bn of their sales under threat from generic competition. Healthcare costs in the advanced regulated markets like the US, Europe etc. have been spiralling without respite and the public vote is clearly in favour of promoting lower cost generics. These large pharma companies, showing single digit growth over the last few years, would face receding sales and hence a downturn in valuations. To compound the effect, the rates of new product developments have not accelerated as much to cushion the downtrend in sales. Also, the R&D costs have been mounting on increased FDA pressures, expensive and more elaborate clinical trials and reduced probabilities of successful product introductions. Mergers of companies and acquisition of R&D pipelines has not paid off in a big way. These companies are therefore clearly looking at (a) reducing costs through outsourcing; (b) accelerating the R&D pipelines; and (c) recapturing the sales lost to generic competitors through lifecycle management, authorised generics, introduction of speciality products etc.

India is the emerging destination

Quite logically, India and China and more importantly India have emerged as the destination of choice (nay necessity) for Pharma Companies worldwide. Already spate of Indian generic companies have made their presence felt in these markets.

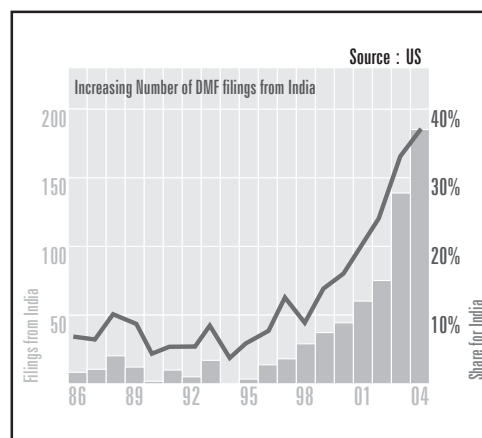
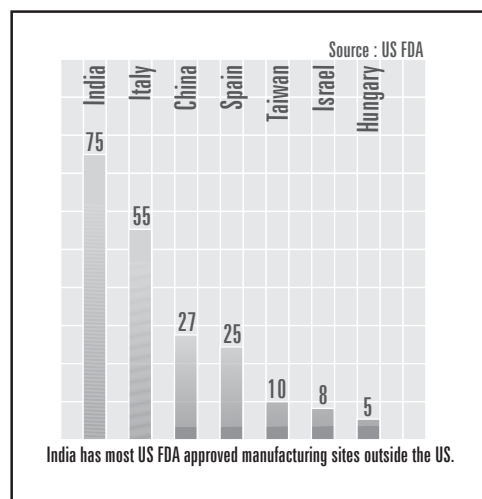
India has been at an advantage with the large number of skilled work force, a reasonably well entrenched healthcare system and ironically the prevalence of most diseases and a large population with the citizens paying for their healthcare. Like the IT revolution, the Pharma revolution of India is dawning upon the world.. albeit slowly. With India making the right moves of introducing product patents and protecting IPR and hopefully carrying this transition through in practice, the stage is set for India to become the global manufacturing hub for pharmaceuticals. Large pharma companies are looking at outsourcing opportunities, acquisitions and tie ups in India. It is not only the manufacturing but also the research in pharmaceuticals and biotechnology that is going to drive through a revolutionary change in the way people perceive Indian Pharmaceutical Companies.

Generic Opportunity still offers a large scope to poised Indian companies

Over \$ 70 bn worth of products are coming off patent, thus offering a never before opportunity to Indian generic companies. Companies with ready facilities, established customer networks, a steady product pipeline and cost efficient processes would definitely gain from this opportunity. Though a spate of Indian companies are making a bee line to the advanced regulated markets, the opportunity is reasonably large and most early birds would profit from this opportunity. Timing the market would be of essence to gain critical mass.

Your Company is clearly well poised for this opportunity because of the following factors:

- Strong and well diversified customer network;
- Selling to the top generic companies in the regulated markets;
- Strong pipeline of products;



- Experienced management;
- Experience in setting up and managing facilities approved by USFDA;
- Strong R&D base
- Adequate USFDA approved capacity to expedite more products for the US markets

Your Company is making radical efforts to expedite time to market and maximize the opportunity.

Your Company is happy to share with you some of the highlights of the developments that it achieved during the financial year ended on 31st March 2005

Last year the Company was in the mode of de-risking its business model by widening the streams of revenues. Your Company accordingly had amalgamated the business of Wander Private Limited. The merger has been successful and both the *Active Pharmaceutical Ingredients* (APIs) and formulation divisions are functioning smoothly. The Company is now making efforts to leverage on these businesses and increase its global presence, especially in the regulated markets.

We are taking this philosophy forward and would like to add another revenue stream to the existing business – *Contract Research and Manufacturing Services* (CRAMS).

Your Company in the current financial year has undertaken another acquisition and entered into a strategic association. This would help your Company to achieve a manifold increase its present API capacity, leverage on the existing global network of customers and its R&D capabilities whilst offering a new source of income from CRAMS.

Acquisition:

Your Company is in the process of acquiring The Pharmaceutical Products of India Ltd (PPIL). Acquisition of PPIL offers a large potential to grow the API business of your Company. As you are aware, your Company is already operating one of the facilities of PPIL on wet lease at Tarapur. PPIL also has a large semi finished facility in close proximity of your Company's plant at Patalganga. This strategic expansion would help your Company in effectively and economically manufacturing a slew of new products for regulated markets and also enable your Company to get a share in the growing business of CRAMS. PPIL is presently carrying out an arrangement with banks and financial institutions under Section 391 of the Companies Act, 1956. In the meeting of the banks and financial institutions held by order of the High Court of Judicature at Bombay, on 4th and 11th June 2005, these lenders have approved the scheme of arrangement. With this development your Company is now that much closer to completion of the aforesaid process.

Strategic Association:

Your Company has entered into a strategic association with Doctors Organic Chemicals Ltd (DOCL). DOCL which is situated in Andhra Pradesh, has a USFDA approved facility for manufacture of non sterile APIs. The facility spread over 19 acres, offers a large potential for expansion with under 25% of the area being presently built up. Pfizer has approved the facility of DOCL for contract manufacturing and products like Mefenamic Acid and Gabapentene Intermediate have been sold from the facility to Pfizer for onward sales in regulated markets. With this association your Company can expedite a number of products for the US markets. DOCL is presently manufacturing Ibuprofen, Mefenamic Acid, Glucosamine for the regulated markets. Some of the idle facilities at the plant are being revamped by your Company and know how for manufacture of new generic products is being given to DOCL. With this association, your Company would significantly enhance its sales. It would be assisting DOCL with the manufacturing and marketing of their products and in course of time also investing in DOCL and offering fund/non fund based support.

With this acquisition/association, your Company is poised for a manifold increase in revenues and earnings.

Product line up:

Your Company is happy to announce introduction of 'Coriminic' range, an ethical formulation drug in the domestic market from April 2005.

Your Company has also successfully added a number of new APIs in its portfolio.

DMFs filed:

Your Company already has 4 *Drug Master Files* (DMFs) in the US and 2 in Europe, it has now filed for 4 more DMFs in the US. Some of these products would be manufactured in the DOCL facility. Your Company would have the products catering to the following therapeutic segments in the market before end of FY 2006.

- ANTIDEPRESSANTS

- ANTIHISTAMINE
- OPIATE AGONISTS
- NONSTEROIDAL ANTIINFLAMMATORY AGENTS
- ANTI ARTHRITICS
- ANTILIPEMIC AGENTS
- CARDIO VASCULAR
- HYPOTENSIVE AGENTS

Expansion:

R&D Centre

Your Company is pleased to inform you that its plans of setting up a state of the art R&D laboratory for process research has been accomplished in January 2005. This would be the second R&D facility of your Company. It is heartening to mention that your Company has attracted talented and committed scientists and is in the continuous process of expanding this team. The R&D centre has already demonstrated its capabilities by successfully launching new products and filing DMFs in the US. New products include:

- Amitriptyline
- Promethazine
- Tramadol
- Metformin Single Crystalline

Both the R&D Centres have received recognition from The Department of Scientific and Industrial Research, Government of India.

Your Company has successfully completed phase I of the expansion programme undertaken in the current year. It has enhanced the Metformin capacity. From 2100 tons manufactured in FY 2005, your Company is likely to manufacture and sell over 2600 tons of Metformin in FY 2006.

Phase II expansion of setting up a multi product facility at Patalganga is underway. This is intended to increase the existing products that the Company has in its portfolio.

Internal control systems and their adequacy.

The Company has sound, well-established and adequate internal control systems commensurate with its size and nature of business. The internal control systems ensure protection of assets and proper recording of all transactions. The Company has an Internal Audit Department consisting of a team of skilled employees, which carries out regular audits across all operations of the Company

Developments in Human Resources

Human Resources are a valuable asset at Wanbury Limited and the Company seeks to attract and retain the best talent available. The Company provides an environment, which encourages initiative, innovative thinking and rewards performance. Training and development of its personnel are ensured through job rotation, on the job training, training programmes and workshops. Human Resource is the most critical factor responsible for achieving the organisational goals and maintaining high quality standards. Prime focus of Human Resource Management has been overall development of our workforce. A full-fledged HR Department is being run by professionally qualified team in co-ordination with the top management.

Financial Review

Earnings

Your Company is pleased to present a Net Profit After Tax of Rs 701.25 Lac. This is an increase of 167% over that of the previous year (Rs. 263.06 Lac). Increase in earnings is not only because of growth in sales but also on account of the higher realization on sales, larger emphasis on advanced regulated markets, effective implementation of cost reduction measures and better plant utilization undertaken by your Company. The PAT margin as a result has almost doubled to 10% compared to last year's 5%.

Sales

The Gross Sales of your Company have increased to Rs. 7513.61 Lac from Rs. 5412.40 Lac, an increase of 39%.

This increase is attributable largely to the API division of your company which has grown at the rate of 35% over the previous year. The growth in sales is mainly because of a larger emphasis that your Company has given to regulated markets where there is a definite increase in realizations. The sales of Metformin in the US market has grown by over 50% in volume compared to last year. The price realization in these markets has improved by approx. 4% as compared to last year. Your Company has taken measures to broad-base the product range in the API segment, by introducing new products through its R&D efforts and through inorganic growth. For FY2006 there would be reduced dependence on Metformin, which continues to grow, as the Company adds over 14 products to its portfolio. Over 8 products of these 14 products would be sold in the advanced regulated markets. These new products would significantly further improve the earnings of the Company in the coming years.

Though the Formulation division shows a growth of 46% in absolute terms, there is an overall fall in the growth of the same as compared to annualized sales of the division for previous year by 29%. Formulation sales were lower in comparison due to a setback in sales of Triominic. Your Company had an 8 year exclusivity with Novartis AG for sales and distribution of Triominic in India. This exclusivity agreement is now under dispute and the matter is under litigation. As a result, Triominic has been off the shelves resulting in a loss of sale of over Rs.10 crore for FY2005. The underperformance in formulations was aggravated due to a temporary aberration in the last quarter caused by trade's confusion on VAT implementation. Your Company however continues to see promise in the long term prospects of the domestic formulation business. Your Company has launched "Coriminic" range, cough and cold formulation for Pediatric use which has been well received in the market. Your Company believes this will be a promising product in the Pediatrics cough and cold segment. Your Company has a good sales and marketing force and would like to leverage this through brand acquisitions. Your Company is also contemplating the setting up of a formulation facility to enhance margins.

Cost

The total cost of your Company has increased from Rs. 4821.89 Lac to Rs. 6,269.24 Lac i.e. an increase of 30%. Your Company has been fervently making efforts to reduce costs at each juncture. Cost reduction measures undertaken by your Company have enabled it to reduce cost as a percentage to net sales.

The cost of material has reduced by 6% of net sales over the previous year. This reduction in the raw material cost is not only on account of better sales realisation per unit but also due to more efficient utilisation of the raw materials and improvements in the production process.

The energy conservation measures successfully implemented by your Company have resulted in further cost reduction of 0.24% of the net sales for the year.

Since your Company is in an expansion mode there is a evident increase in the personnel cost which has resulted in an increase in of 2% of net sales as compared to last year. Needless to say, your Company would expect to reap much higher benefit from this expenditure over the coming years.

There is also a reduction in the interest cost of your Company by 0.04% of net sales as compared to last year.

The table below summarises the overall improvement that your Company has achieved in relation to the increase in sales, reduction in cost and the improvement in EBIDTA and PAT.

Particulars	Mar-05 Amount	% of Net Sales March 2005	Mar-04 Amount	% of Net Sales March 2004	Change in % to Net Sales
Net Sales	7,232.08	100.00%	5,263.50	100.00%	0.00%
Total Income	7,524.31	104.04%	5,403.27	102.66%	1.39%
Total Cost	6,269.24	86.69%	4,821.89	91.61%	-4.92%
EBIDTA	1,255.07	17.35%	581.38	11.05%	6.31%
Profit Before Taxation	866.73	11.98%	288.13	5.47%	6.51%
Profit After Tax	701.25	9.70%	263.06	5.00%	4.70%

Cautionary Statement: Statements in the Management Discussion and Analysis Report describing the Company objectives, vision and road map for the Company's growth going forward 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

Mumbai, June 24, 2005

K. Chandran
Whole-time Director

K. R. N. Moorthy
Whole-time Director

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on code of Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity in all its operations and in its interactions with all the stake holders viz. shareholders, customers, lenders, creditors, regulatory authorities etc. hence the Company has taken all appropriate steps to comply with the provisions of the prescribed Corporate Governance Code within the stipulated time. The Company has already complied with most of the provisions of the said Code and is taking all possible steps to comply with the balance provisions of the said Code.

The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the management systems to maintain a greater degree of responsibility and accountability.

2. Board of Directors

a. Composition

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

Name of Director	Category	No. of Outside Directorship (s) Held ¹	No. of Outside Committee Position Held :	
			Member	Chairman
Mr. K. Chandran	Promoter Executive Director	01	NIL	NIL
Mr. K. R. N. Moorthy	Non-promoter Executive Director	01	NIL	NIL
Dr. S. P. Adarkar ²	Independent & Non-executive Director	10	10	03
Dr. P. L. Tiwari ³	Independent & Non-executive Director	NIL	NIL	NIL
Mr. N. K. Puri ⁴	Independent & Non-executive Director	01	NIL	NIL
Mr. A. L. Bongirwar ⁵	Independent & Non-executive Director	01	NIL	01

¹ Excluding Directorship in private limited companies.

² Expired on March 7, 2005.

³ Appointed to fill casual vacancy caused by death of Dr. S. P. Adarkar on March 9, 2005.

⁴ Appointed as an additional Director in the Board Meeting held on March 9, 2005.

⁵ Appointed as an additional Director in the Board Meeting held on June 24, 2005.

b. Number of Board Meetings:

During the year under review, 9 Board Meetings were held as under :

S. No.	Date of Meeting	Place
01	April 27, 2004	Vashi, Navi Mumbai
02	July 28, 2004	Vashi, Navi Mumbai
03	August 12, 2004	Vashi, Navi Mumbai
04	September 8, 2004	Vashi, Navi Mumbai
05	September 27, 2004	Vashi, Navi Mumbai
06	October 15, 2004	Vashi, Navi Mumbai
07	October 27, 2004	Vashi, Navi Mumbai
08	January 28, 2005	Vashi, Navi Mumbai
09	March 9, 2005	Vashi, Navi Mumbai

Dates of Board Meeting are fixed in advance. Notice of Board Meeting and agenda along with notes on agenda are circulated to Board Members well in advance of each Board Meeting, to enable the Board Members to discharge their responsibility effectively.

c. 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	9	YES
Dr. S. P. Adarkar ¹	8	NO
Dr. P. L. Tiwari ²	N. A.	N. A.
Mr. N. K. Puri ³	N. A.	N. A.
Mr. A. L. Bongirwar ⁴	N. A.	N. A.

1 Expired on March 7, 2005.

2 Appointed to fill casual vacancy caused by death of Dr. S. P. Adarkar on March 9, 2005.

3 Appointed as an additional Director in the Board Meeting held on March 9, 2005.

4 Appointed as an additional Director in the Board Meeting held on June 24, 2005.

d. Remuneration Policy:

The Executive Directors are paid remuneration as per the Agreements entered between them and the Company. These Agreements are placed for approval before the Board and such authorities as may be necessary. The remuneration structure of the Executive Directors comprises of salary, perquisites and allowances, contribution to provident fund and gratuity. The Non-executive Directors do not draw any remuneration from the Company except sitting fees.

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

Name of Non-executive Director	Sitting Fees (Amount in Rs.)
Dr. S. P. Adarkar	16,000/-
Dr. P. L. Tiwari ¹	N. A.
Mr. N. K. Puri ²	N. A.
Mr. A. L. Bongirwar ³	N. A.

1 Appointed to fill casual vacancy caused by death of Dr. S. P. Adarkar on March 9, 2005.

2 Appointed as an additional Director in the Board Meeting held on March 9, 2005.

3 Appointed as an additional Director in the Board Meeting held on June 24, 2005.

The Board of Directors of the Company has constituted Remuneration Committee at their meeting held on June 24, 2005.

e. Presently, the Remuneration Committee consists of 3 Directors :

- | | | |
|------------------------|---|--------------------------------------|
| 1. Mr. N. K. Puri | – | Non-executive & Independent Director |
| 2. Dr. P. L. Tiwari | – | Non-executive & Independent Director |
| 3. Mr. A. L. Bongirwar | – | Non-executive & Independent Director |

f. Remuneration to Executive Directors:

Name of Director	Salary & Perquisites	Commission	Total
Mr. K. R. N. Moorthy	31.00	NIL	31.00
Mr. K. Chandran	19.03	NIL	19.03

(Rs. in lac)

3. AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee at their meeting held on April 14, 2005. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act, 1956.

Presently, the committee consists of 4 Directors:

1. Mr. N. K. Puri	Chairman	Non-executive & Independent Director
2. Dr. P. L. Tiwari	Member	Non-executive & Independent Director
3. A. L. Bongirwar	Member	Non-executive & Independent Director
4. Mr. K. R. N. Moorthy	Member	Executive Director

Mr. Pankaj B. Gupta – Company Secretary & Compliance Officer is the Secretary of this Committee.

Terms of Reference:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 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.
 - 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, external and internal auditors, and the adequacy of internal control systems.
- e. 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.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. 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.
- h. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Board of Directors of Company has constituted Shareholders / Investors Grievance Committee. Presently, the Committee consists of 3 Directors. The Chairman of the Committee is Non-executive Director. The Committee met 3 times during the year under review on July 27, 2004, October 26, 2004 and January 27, 2005. The attendance record of the members at the meeting is as under:

Name of Director	Category	No. of Meeting Attended
Dr. P. L. Tiwari – Chairman ¹	Non- executive & Independent Director	N. A.
Mr. K. Chandran – Member ²	Executive Director	3
Mr. K. R. N. Moorthy – Member	Executive Director	3

1 Appointed Chairman (Investors Grievance Committee) on April 14, 2005.

2 Chairman (Investors Grievance Committee) upto April 14, 2005.

a. Share Transfer System :

In order to facilitate prompt and efficient services to the Shareholders, for transactions in connections with transfer, transmission, dematerialization etc. 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, if documents are found in order. Shares are under objection are returned within one week. With a view to expedite the process of share transfers, the Board of Directors of the Company has constituted a Share Transfer Committee. The Share Transfer Committee meets generally twice in a month to consider the transfer request.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 75. Outstanding complaints as on 31st March 2005 was nil. Number of Share Transfer request pending as on 31st March 2005 was nil.

5. GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue
2003-2004	November 18, 2004	11:30 A. M.	Riverview Hotel, Patalganga
2002-2003	September 4, 2003	11:00 A. M.	Hotel Garden, Panvel
2001-2002	September 20, 2002	11:30 A. M.	Hotel Garden, Panvel

(b) Postal Ballot :

No Special Resolution was put through postal ballot during the year under review.

(c) Means of Communication :

The Quarterly (un-audited provisional) and Annual Audited Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board, as per Clause 41 of Listing Agreement with Stock Exchanges. The results are published in leading Financial / Non-financial Newspapers viz. Economic Times and / or Free Press Journal and Nav Shakti, in accordance with the provisions of Listing Agreement with Stock Exchanges.

6. GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting :

Date: : August 9, 2005

Venue : Hotel Supreme Heritage, Plot No. L-2, Sector 19, Vashi, Navi Mumbai – 400 703

Time : 11:30 A. M.

(b) Financial Calendar :

For quarter ended on 30th June 2005 : on or before July 31, 2005

For quarter ended on 30th September 2005 : on or before October 31, 2005

For quarter ended on 31st December 2005 : on or before January 31, 2006

For quarter ended on 31st March 2006 : on or before April 30, 2006

Annual General Meeting for the year ended on March 31, 2006: : on or before September 30, 2006

(c) Book Closure :

The Share Transfer Books and the Register of Members will remain closed from August 1, 2005 to August 9, 2005 (both days inclusive).

(d) Dividend Payment Date:

The dividend, after approval by the shareholders at the Annual General Meeting will be paid on or after August 12, 2005 to the eligible shareholders.

(e) Listing in Stock Exchanges & Stock Codes :

Equity Shares of the Company is listed on Bombay Stock Exchange and its Stock Code is 524212.

The Company has paid listing fees to Bombay Stock Exchange (BSE) for the year under review.

(f) Stock Data:

Monthly High, Low & Close of Market price of Company's Equity Shares traded on the Bombay Stock Exchange,

Mumbai during the financial year ended on 31st March 2005 was as under:

Month	(Amount in Rs.)			
	High	Low	Close	Sensex Close
April 2004	43.70	28.45	40.05	5655.09
May 2004	42.05	29.35	31.35	4759.62
June 2004	33.50	25.50	28.00	4795.46
July 2004	38.30	25.65	38.30	5170.32
August 2004	61.20	33.50	61.20	5192.08
September 2004	71.35	62.05	70.25	5583.61
October 2004	77.40	70.90	77.40	5672.27
November 2004 *	N. A.	N. A.	N. A.	6234.29
December 2004 *	N. A.	N. A.	N. A.	6602.69
January 2005*	N. A.	N. A.	N. A.	6555.94
February 2005*	205.00	130.00	162.55	6713.86
March 2005	267.00	156.00	205.20	6492.82

* Pre-merger Equity Shares were last traded on October 4, 2004 and Post-merger New Equity Shares were listed from February 4, 2005.

(g) Distribution Schedule on number of Shares as on 31st March 2005 :

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 100	10779	79.85	606017	6.39
101 to 200	1429	10.59	244232	2.57
201 to 500	896	6.64	295273	3.12
501 to 1000	184	1.36	153827	1.62
1001 to 5000	147	1.09	324497	3.42
5001 to 10000	28	0.21	202307	2.13
10001 to 100000	32	0.24	1077703	11.36
100001 to above	4	0.03	6582502	69.39
Total	13499	100	9486358	100.00

(h) Distribution Schedule on scrip value as on 31st March 2005 :

Share of Nominal Value in Rs.	No. of Shareholders	% of Shareholders	Total Amount in Rs.	% of Amount
Upto 5000	13104	97.07	11455220	12.07
5001 to 10000	184	1.36	1538270	1.62
10001 to 20000	89	0.66	1357800	1.43
20001 to 30000	36	0.27	934970	0.99
30001 to 40000	9	0.07	330330	0.35
40001 to 50000	13	0.10	621870	0.66
50001 to 100000	28	0.21	2023070	2.13
100001 to above	36	0.27	76602050	80.75
Total	13499	100	94863580	100.00

(i) **Shareholding Pattern as on 31st March 2005 was as under :**

Category	No. of Shares Held	% of Holding
(A) Promoter Holding		
Indian Promoter	3,214,008	33.88%
Foreign Promoter	3,024,000	31.88%
Person acting in Concert	-	-
Sub-total (A)	6,238,008	65.76%
Non – Promoters Holding		
(B) Institutional Investors		
Mutual Funds and UTI	537,174	5.66%
Banks, Financial Institutions, Insurance Companies, (Central / State Govt. Institutions / Non - government Institutions)	-	-
FII's	-	-
Sub-total (B)	537,174	5.66%
(C) Others		
Private Corporate Bodies	517,021	5.45%
Indian Public	2,128,879	22.44%
NRIs / OCBs	3,061	0.03%
Clearing Members	62,215	0.66%
Sub-total (C)	2,711,176	28.58%
GRAND TOTAL (A+B+C)	9,486,358	100.00%

(j) **Dematerialization of shares and liquidity:**

As on 31st March 2005, 57.003 % of Shares were held in dematerialized form and the rest 42.997 % were in physical form.

The Equity Shares of the Company are traded under B2 Category at the Bombay Stock Exchange (BSE).

The ISIN Number of Company is "INE107F01014".

During the year, no Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments were issued.

(k) **Plant Locations:**

- Plot No. A-15, M.I.D.C., Ind. Area, Patalganga, Maharashtra
- Plot No. J-17, M.I.D.C. Tarapur, Maharashtra

(l) **Compliance Officer:**

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

(m) **Address for Correspondence:**

Secretarial Department

Plot No. 28, 1st Floor, Sector – 19 C, Kopri Road,

Vashi, Navi Mumbai – 400 703

Phone No.: +91-22-27668938 / 39. Fax No.: +91-22-27663944

(n) **Address of Registrar & Share Transfer Agents:**

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

Unit – 1, Luthra Industrial Premises, Safed Pool,

Andheri-Kurla Road, Andehri (E), Mumbai – 400 072

Telephone No.: +91-22-28515606, 28515644. 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) SEBI had imposed penalty of Rs. 50,000/- (Rs. Fifty Thousand Only) under Rule 4(3) of SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 for the alleged contravention of Regulation 6(4) (for the year 1997) and regulation 8(3) (for the years ended 1998 to 2003) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and Company had paid amount of the penalty.

No other penalties 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.

For and on behalf of the Board of Directors

Mumbai, June 24, 2005

K. Chandran
Whole-time Director

K. R. N. Moorthy
Whole-time Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
The Members of Wanbury Limited

We have examined the compliance of the conditions of Corporate Governance by Wanbury Limited ("the Company") for the year ended on 31st March, 2005 as stipulated in clause 49 of the Listing Agreements of the Company with the Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We state that:

1. The Company's Board of Director did not comprise of minimum 50% of the directors as non-executive and independent directors till 9th March, 2005;
2. The Company did not have Audit Committee during the year, which has been constituted on 14th April, 2005; and
3. Shareholders/Investors Grievance committee did not have non-executive director as Chairman during the year.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Shareholders/Investors Grievance Committee of the Company.

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

Mumbai, 24th June, 2005

FOR KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Membership No. 37032

AUDITORS' REPORT

To,
The Members of Wanbury Limited

- 1 We have audited the attached Balance Sheet of **WANBURY LIMITED** as at **31st March, 2005** 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of these books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standard referred to in Section 211(3C) of the Companies Act, 1956;
 - v. On the basis of written representation received from the Directors as on 31st March, 2005 and taken on record by Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 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 together with the notes thereon 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, 2005**;
 - (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 Flow for the year ended on that date.

Mumbai, 24th June, 2005

FOR KAPOOR & PAREKH ASSOCIATES
Chartered Accountants

NIKHIL PATEL
Partner
Membership No. 37032

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, 2005.**)

1. In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year is such that clause xii, xiii, xiv and xv are not applicable to the Company.
2. In respect of its fixed assets:
 - a) The Company has 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.
3. 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.
4. 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) of Paragraph 4 of the Order is not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, there are 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.
6. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Act. Accordingly, clause 4(v) (b) of the Order is not applicable to the Company.
7. 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 Company 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.
8. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
9. According to the information and explanation 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.
10. According to the information and explanations given to us in respect of statutory and other dues:
 - a) 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, except Provident Fund amounting to Rs. 0.06 Lac, no undisputed amounts payable in respect of aforesaid were in arrears, as at 31st March 2005 for a period of more than six months from the date they became payable.

b) There were no unpaid disputed amounts in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess during the year except the followings:

Name of the Statute	Period	Amount (Rs. in Lac)	Forum where dispute is pending
Income Tax Act, 1961	Assessment Year 1997-98	25.32	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Assessment Year 1997-98	52.72	Income Tax Appellate Tribunal
Income Tax Act, 1961	Assessment Year 1999-2000	68.82	Income Tax Appellate Tribunal

11. 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.
12. 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.
13. 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 raised.
14. 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.
15. 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.
16. The Company has neither issued any debentures nor have outstanding debentures during the year, hence the question of creation of security or charge in respect of debentures issued does not arise.
17. The Company has not raised any money by way public issues during the year.
18. 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, 24th June, 2005

BALANCE SHEET AS AT 31ST MARCH, 2005

	Schedule	As at 31.03.05 (Rs. in Lac)	As at 31.03.04 (Rs.in Lac)
SOURCES OF FUNDS :			
SHAREHOLDERS FUNDS :			
Share Capital	1	948.63	948.63
Reserves & Surplus	2	4,560.45	4,377.72
		5,509.08	5,326.35
LOAN FUNDS :			
Secured Loans	3	1,823.46	2,053.59
Unsecured Loans	4	1,123.45	373.66
		2,946.91	2,427.25
DEFERRED TAX LIABILITY			
		321.50	234.58
TOTAL		8,777.49	7,988.18
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	5	7,119.76	6,403.48
Less: Depreciation / Amortisation		1,474.00	916.79
Net Block		5,645.76	5,486.69
Add : Capital Work in Progress		426.22	109.51
		6,071.98	5,596.20
INVESTMENTS	6	146.54	159.00
CURRENT ASSETS			
Inventories	7	803.99	893.62
Sundry Debtors	8	2,409.04	1,609.61
Cash & Bank Balances	9	230.06	39.03
Loans & Advances	10	1,551.43	873.44
		4,994.52	3,415.70
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	2,063.77	961.13
Provisions	12	371.78	221.59
		2,435.55	1,182.72
Net Current Assets		2,558.97	2,232.98
TOTAL		8,777.49	7,988.18
Accounting Policies	17		
Notes to Accounts	18		

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

For and on behalf of the Board

NIKHIL PATEL
Partner
Mumbai, 24.06.2005

K. CHANDRAN
Wholetime Director
Mumbai, 24.06.2005

K.R.N. MOORTHY
Wholetime Director

PANKAJ B. GUPTA
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

	Schedule	For the Year ended 31.03.05 (Rs.in Lac)	For the Year ended 31.03.04 (Rs.in Lac)
INCOME:			
Gross Sales		7,513.61	5,412.40
Less : Excise Duty & Sales Tax		281.53	148.90
Net Sales		7,232.08	5,263.50
Other Income	13	292.23	139.77
		7,524.31	5,403.27
EXPENDITURE :			
Cost of Materials	14	3,224.79	2,671.19
Personnel Cost	15	970.69	606.00
Other Expenses	16	2,073.76	1,544.70
Interest		230.87	169.93
Depreciation/Amortisation		559.16	324.17
Less : Transferred from Revaluation Reserve		401.69	200.85
		157.47	123.32
Total Expenditure		6,657.58	5,115.14
Profit before tax		866.73	288.13
Less : Provision for taxation			
- Current Tax		74.00	22.00
- Deferred Tax		86.92	3.12
- Income Tax of Earlier Years Written off (back)		4.56	(0.05)
Profit after tax		701.25	263.06
Profit (Loss) brought forward from Previous Year		186.18	(76.88)
Amount available for Appropriation		887.43	186.18
APPROPRIATIONS :			
Proposed Dividend on Equity Shares		94.86	
Corporate Tax on Dividends		13.30	
Balance carried to Balance Sheet		779.27	186.18
		887.43	186.18
Earning Per Share (Basic & Diluted- in Rs.)		7.39	2.77
Face Value of Equity Shares (in Rs.)		10.00	10.00
Accounting Policies	17		
Notes to Accounts	18		

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

For and on behalf of the Board

NIKHIL PATEL
Partner
Mumbai, 24.06.2005

K. CHANDRAN
Wholetime Director
Mumbai, 24.06.2005

K.R.N. MOORTHY
Wholetime Director

PANKAJ B. GUPTA
Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005 (Rs. in Lac)	31.03.2004 (Rs. in Lac)
SCHEDULE - 1		
SHARE CAPITAL :		
Authorised :		
2,00,00,000 Equity Shares of Rs. 10 each	2,000.00	2,000.00
5,00,000 2% Preference Shares of Rs. 100 each	500.00	500.00
5,00,000 5% Preference Shares of Rs. 100 each	500.00	500.00
	3,000.00	3,000.00
Issued, Subscribed and Paid-Up :		
94,86,358 (Pr.Yr. 19,26,250) Equity Shares of Rs. 10 each fully paid-up	948.63	192.62
Share Capital Suspense Account :		
Nil (Pr. Yr. 75,60,108) Equity Shares of Rs. 10 each to be issued as fully paid-up to the Equity Shareholders of erstwhile Wander Private Limited (WPL) pursuant to the Scheme of Amalgamation without payment being received in cash.	-	756.01
	948.63	948.63
Note :		
Out of the above Equity Shares, 75,60,108 Equity Shares were allotted as fully paid-up without payment being received in cash, pursuant to the Scheme of Amalgamation with erstwhile Wander Private Limited		
SCHEDULE - 2		
RESERVES & SURPLUS :		
Capital Reserve Account :		
Balance as per last Balance Sheet	192.64	-
Addition during the year	-	360.82
Less : Deduction on cancellation of shares held by erstwhile WPL	-	168.18
	192.64	192.64
Securities Premium Account :		
Balance as per last Balance Sheet	33.64	-
Received during the year	-	33.64
	33.64	33.64
Revaluation Reserve :		
Balance as per last Balance Sheet	3,816.05	-
Add : Addition upon Amalgamation	-	4,016.90
Less :Amortisation during the year	401.69	200.85
	3,414.36	3,816.05

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005 (Rs. in Lac)	31.03.2004 (Rs. in Lac)
SCHEDULE - 2 (Contd.)		
Amalgamation Reserve Account :		
Created during the year	-	75.40
Less : Transferred to General Reserve	-	75.40
	-	-
General Reserve :		
Balance as per last Balance Sheet	149.21	305.27
Add : Transfer from Amalgamation Reserve Account	-	75.40
Less : Deferred Tax Liability of earlier years	-	231.46
Amalgamation Expenses	8.67	-
	140.54	149.21
Profit & Loss Account		
	779.27	186.18
	4,560.45	4,377.72
SCHEDULE - 3		
SECURED LOANS :		
Term Loans :		
Rupee Loan	196.46	104.16
Foreign Currency Loan	555.78	854.77
	752.24	958.93
Working Capital Loans		
Rupee Loan	807.29	847.17
Foreign Currency Loan	189.53	199.96
	996.82	1,047.13
Other Loans	74.40	47.53
	1,823.46	2,053.59
Notes :		
1. Term Loans & Working Capital Loans are secured by charge on all tangible movable plant & machinery (both present and future), inventories, trademarks, books debts and receivables.		
2. Other loans are secured by hypothecation of assets acquired against respective loans.		
3. Term Loans and Other Loans include repayable within a year Rs. 230.04. Lac (Pr. Yr. Rs.310.00 Lac).		
SCHEDULE - 4		
UNSECURED LOANS		
Inter Corporate Loans	589.35	121.39
Security Deposits	217.27	252.27
From Banks	316.83	-
	1,123.45	373.66
Note : Due within a year Rs. 324.47. Lac (Pr. Yr. Rs.121.39 Lac).		

SCHEDULES FORMING PART OF THE ACCOUNTS

DESCRIPTION	GROSS BLOCK (at Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1.04.2004	Additions	Deductions	As at 31.03.2005	Upto 31.03.2004	Depreciation for the year	On Deduction	Upto 31.03.2005	As at 31.03.2005	As at 31.03.2004
	Rs. in Lac									
Lease Hold Land & Land Dev. Exp.	44.56	8.86	-	53.42	-	4.51	-	4.51	48.91	44.56
Factory Buildings	445.62	48.27	-	493.89	96.29	14.91	-	111.20	382.69	349.33
Plant, Machineries & Equipments	1,080.64	499.06	-	1,579.70	374.22	52.73	-	426.95	1,152.75	706.42
Furniture & Fixture	48.31	69.09	-	117.40	26.99	3.98	-	30.97	86.43	21.32
Vehicles	154.25	61.86	6.52	209.59	35.51	17.68	1.95	51.24	158.35	118.74
Office Equipments	2.15	5.99	-	8.14	0.53	0.18	-	0.71	7.43	1.62
Electrical Installations	92.59	9.68	-	102.27	56.36	4.47	-	60.83	41.44	36.23
Computers	81.59	19.99	-	101.58	49.97	11.00	-	60.97	40.61	31.62
Intangibles :										
Brands	4,386.90	-	-	4,386.90	237.85	438.69	-	676.54	3,710.36	4,149.05
Softwares	62.44	-	-	62.44	39.07	10.12	-	49.19	13.25	23.37
Technical Knowhow	4.43	-	-	4.43	-	0.89	-	0.89	3.54	4.43
Total	6,403.48	722.80	6.52	7,119.76	916.79	559.16	1.95	1,474.00	5,645.76	5,486.69
Previous Year	1,902.63	4,525.44	24.59	6,403.48	616.87	324.17	24.25	916.79		
Add : Capital Work in Progress & Advance for Capital Expenditure									426.22	109.51
								Total :	6,071.98	5,596.20

Note : Depreciation/Amortisation includes Rs. 4.05 Lac (Pr. Yr. Rs. NIL) for earlier years.

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005 (Rs. in Lac)	31.03.2004 (Rs. in Lac)
SCHEDULE - 6		
INVESTMENTS :		
<u>Long Term</u>		
<u>Trade - Quoted :</u>		
1800 Equity Shares of Bank of India of Rs. 10 each fully paid-up	0.81	0.81
<u>Trade - Unquoted :</u>		
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
<u>Non Trade - Unquoted :</u>		
1,45,000 Interest free Unsecured Optional Convertible Debentures of Raashi Impex Pvt. Ltd of Rs. 100 each fully paid-up	145.00	145.00
5000 Equity Shares of Malik Organic Pvt. Ltd of Rs. 10 each fully paid-up	0.63	0.63
<u>Short Term (Non-Trade, Quoted)</u>		
Nil (Pr. Yr. 62,800) Equity Shares of Rs. 10 each fully paid-up of Pearl Organics Limited <i>(Acquired by erstwhile Wander Private Ltd through open offer to the public, prior to the effective date of the scheme of Amalgamation)</i>	-	12.46
	146.54	159.00
Quoted Investments : Cost	0.81	13.27
: Market Value	1.86	18.09
Unquoted Investments : Cost	145.73	145.73
SCHEDULE - 7		
INVENTORIES :		
<i>(As taken, valued and certified by the management)</i>		
Raw Materials	170.53	139.95
Work in Process	256.66	197.98
Finished/Traded Goods	354.60	536.69
Stores, Consumables & Fuel	22.20	19.00
	803.99	893.62

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005 (Rs. in Lac)	31.03.2004 (Rs. in Lac)
SCHEDULE - 8		
SUNDRY DEBTORS : (Unsecured, Considered Good)		
Over six months	596.97*	280.22
Other debts	1,812.07	1,329.39
	2,409.04	1,609.61
* Note: Rs. 392.36 Lac received since then.		
SCHEDULE - 9		
CASH & BANK BALANCES :		
Cash in Hand	2.71	11.51
With scheduled banks :		
In Current Accounts	18.44	17.43
In Deposit Accounts	208.91	10.09
	230.06	39.03
SCHEDULE - 10		
LOANS AND ADVANCES : (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1,180.70	568.39
Security & Other Deposits	40.07	154.54
Income Tax Paid	190.10	134.15
Balance with Excise & Custom Authorities	140.56	16.36
	1,551.43	873.44
SCHEDULE - 11		
CURRENT LIABILITIES :		
Sundry Creditors	1,762.91	845.25
Other Liabilities	300.86	115.88
	2,063.77	961.13

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005 (Rs. in Lac)	31.03.2004 (Rs. in Lac)
SCHEDULE - 12		
PROVISIONS :		
For Leave Benefits	67.46	56.80
For Gratuity	28.41	32.89
For Proposed Dividend on Equity	94.86	-
For Tax on Dividend	13.30	-
For Income Tax	167.25	131.90
For Wealth Tax	0.50	-
	371.78	221.59
SCHEDULE - 13		
OTHER INCOME :		
Insurance Claim	4.17	4.78
Exchange Fluctuation	56.00	20.88
Royalty	-	9.81
Profit on Sale of Short Term Investments	7.00	-
Interest from Banks	1.58	0.60
<i>[Tax deducted at source Rs. 0.31 Lac (Pr. Yr. Rs. Nil)]</i>		
Interest from Others	0.11	1.90
<i>[Tax deducted at source Rs. Nil (Pr. Yr. Rs.0.77 Lac)]</i>		
Excess Provision/Credit Balances Written back (Net)	11.37	8.39
Export Incentives	111.87	93.40
Technical Know How	100.00	-
Miscellaneous Income	0.13	0.01
	292.23	139.77
SCHEDULE - 14		
COST OF MATERIALS :		
A) Raw & Packing Materials		
Opening Stock	139.95	139.77
Add: Purchases	2,110.55	2,058.31
	2,250.50	2,198.08
Less: Closing Stock	170.53	139.95
	2,079.97	2,058.13
B) Purchase of Traded Goods	1,021.41	725.70
C) (Increase) Decrease in Inventories		
Opening Stock		
- Work in Process	197.98	170.52
- Finished/Traded Goods	536.69	451.51
	734.67	622.03

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005 (Rs. in Lac)	31.03.2004 (Rs. in Lac)
SCHEDULE - 14 (Contd.)		
Closing Stock		
- Work in Process	256.66	197.98
- Finished/Traded Goods	354.60	536.69
	611.26	734.67
	123.41	(112.64)
	3,224.79	2,671.19
SCHEDULE - 15		
PERSONNEL COST :		
Salaries, Wages, Bonus and Allowances	853.72	524.10
Contribution to Provident and Other Funds	83.52	49.90
Staff Welfare Expenses	33.45	32.00
	970.69	606.00
SCHEDULE - 16		
OTHER EXPENSES :		
Processing Charges	98.68	152.14
Power & Fuel	252.07	223.32
Stores & Spares	50.41	27.36
Water Charges	17.12	13.83
Repairs & Maintenance		
- Building	10.76	6.02
- Plant & Machinery	46.43	32.28
- Other	29.69	22.81
Commission On Sales	59.51	37.69
Excise Duty	4.97	4.97
Delivery & Packing Charges	111.85	70.68
Carriage Outward	242.55	199.30
Advertisement & Sales Promotinal Expenses	209.67	231.13
Cash Discount	12.05	17.50
Breckage & Expiry	153.61	31.60
Rent, Rates & Taxes	62.00	39.06
Travelling & Conveyance	353.54	171.17
Postage, Telegram & Telephone	43.57	33.26
Printing & Stationery	18.99	13.76
Donation	1.60	5.51
Insurance	24.55	20.76
Legal & Professional Charges	110.58	75.43
Analytical Charges	9.42	6.11
Loss on Assets sold	0.91	0.35
Miscellaneous Expenses	149.23	108.66
	2,073.76	1,544.70

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 17

ACCOUNTING POLICIES

a) Accounts

The accounts are prepared as per historical cost convention and on accrual basis unless otherwise specified hereinafter.

b) 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.

c) 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.

d) 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.

e) 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.

f) Inventories

Raw Materials, WIP, Finished/Traded Goods and Stores & Spares are valued at lower of cost or net realisable value. Samples are valued at cost.

g) 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.

h) Sales

Gross sales include excise duty, sales tax and are recognised on dispatch of goods.

i) 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.

SCHEDULES FORMING PART OF THE ACCOUNTS

j) Depreciation / Amortisation

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

k) 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.

l) 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 actuarial valuation obtained as at year-end.
- iii) In respect of the employees of Formulation Division 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. In respect of other employees liability has been provided for.

m) 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.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 18

NOTES TO ACCOUNTS

1. Contingent liabilities:

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. 86.55 Lac (Rs. 12 Lac), net of advances Rs. 35.18 Lac (Rs. Nil).
 - b) Bank Guarantees issued Rs. 33.15 Lac (Rs. 37.99 Lac).
 - c) Disputed demands by Income Tax Authorities Rs. 46.20 Lac (Rs. 74.98 Lac).
 - d) Bank Letter of Credit outstanding at the year-end Rs. 28.92 Lac. (Rs. 28.79 Lac).
 - e) Claims against the company not acknowledged as debts Rs. 2.68 Lac (Rs. 3.63 Lac).
2. The Company operates solely in the pharmaceuticals segment and hence no separate disclosure for segment wise information is required.
 3. Figures for the pervious year include that of erstwhile Wander Private Limited, which has amalgamated with effect from 1st October, 2003. Hence, figures of the current year are not comparable with those of the previous year to that extent.
 4. Provision for the current tax includes Rs. 0.50 Lac (Rs. Nil) for Wealth Tax.
 5. Exchange difference gain of Rs. 65.71 Lac (Rs. 20.88 Lac) has been accounted in Profit and Loss Account and gain of Rs. 2.22 Lac (Rs. Nil) has been capitalised during the year.
 6. From this year Company has started amortising cost of leasehold land over a period of lease. Consequently, profit before tax is lower by Rs. 4.51 Lac.
 7. Interest expenses include on fixed period loan Rs. 73.26 Lac (Rs. 76.26 Lac).
 8. Some of the balances of debtors, creditors, loans and advances are subject to confirmation/ reconciliation, if any.
 9. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
 10. The Company has not granted any loans / advances in the nature of loans as stipulated in the Clause 32 of the Listing Agreement with the Stock Exchange. For this purposes, the loans to employees as per the Company's policy and security deposits paid towards premises taken on leave and license basis and against business conducting agreement, have not been considered. Hence, there are no investments by loanees in the shares of the parent Company.
 11. Future obligation of minimum lease rent payment under non cancelable operating leases in respect of fixed assets are: -

	2004-2005 Rs. in Lac	2003-2004 Rs. in Lac
Upto one year	44.53	42.29
From one year to five years	69.35	46.41
More than five years	20.24	30.15
Total	134.12	118.85

12. Sundry Creditors include Rs. 200.37 Lac (Rs. 137.38 Lac) due to Small Scale Industrial (SSI) Undertakings, which are identified

SCHEDULES FORMING PART OF THE ACCOUNTS

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, 2005, as determined by the Company, is as under:

Koshal Poly Plast, Rajdeep Plastic Containers Pvt. Ltd., Novex Poly Films Pvt. Ltd., Hi-Tech Pharmaceuticals Pvt. Ltd., Naxpar Lab. Pvt. Ltd., Parnax Lab. Pvt. Ltd. and Shrushti Pharmaceuticals Pvt. Ltd.

There are no specific claims from suppliers under the Interest on Delayed Payments to Small Scale & Ancillary Act, 1993.

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

	2004-2005 Rs. in Lac	2003-2004 Rs. in Lac
Depreciation	(356.60)	(276.40)
Unabsorbed business loss / depreciation	Nil	41.82
Others	35.10	Nil
Total	(321.50)	(234.58)

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

	31.03.2005 Rs. in Lac	31.03.2004 Rs. in Lac
Balance up to previous year	Nil	Nil
Add: Incurred in the current year :		
- Salaries and allowances	25.26	Nil
- Contribution to funds	2.38	Nil
- Rent	5.20	Nil
- Recruitment Charges	12.10	Nil
- Electricity Expenses	0.32	Nil
- Interest on Fixed Period Loans	12.50	Nil
- Others	0.38	Nil
Total	58.14	Nil
Less: Capitalised to fixed assets	58.14	Nil
Balance carried forward	Nil	Nil

15. Managerial Remuneration:

Salary & Allowances	45.35	44.66
Contribution of P.F. & Other Funds	4.68	2.40
Director's Sitting Fees	0.16	0.34*
	50.19	47.40

Exclusive of provision for future liabilities in respect of retirement benefits, which are based on actuarial valuation done on overall company basis.

* Rs. 0.16 Lac paid to the directors of Erstwhile Wander Pvt. Ltd. (WPL).

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005 Rs. In Lac	31.03.2004 Rs. In Lac
16. Other Expenses include		
a) Auditors' Remuneration:		
Audit Fees	3.86	1.85
Taxation Matters	Nil	0.05
Tax Audit Fees	0.25	0.60
Certification	Nil	0.12
Out of Pocket Expenses	0.17	0.36
Total	4.28	2.98
b) Cost Audit Fees	0.22	Nil
17. a) Earning in Foreign Currency :		
FOB Value of Exports	2,578.09	2,255.36
Freight, Insurance etc.	152.51	77.84
b) Expenditure in Foreign Currency :		
CIF Value of Imports		
- Raw Materials (including High Seas purchases)	933.49	579.76
- Capital Goods	102.76	Nil
Interest	58.20	57.78
Commission paid	19.79	12.30
Legal & Professional Fees	2.07	Nil
Traveling & Other Expenses	6.55	1.79
18. Earning Per Equity Share		
Basis for calculation of Basic and Diluted earnings per Equity Share is as under:		
	2004-05	2003-04
Profit after Tax Rs. in Lac	701.25	263.06
Weighted average number of Equity Shares	94,86,358	94,86,358
Nominal Value of Equity Shares in Rs.	10	10
Earning Per Share (Basic & Diluted) Rs.	7.39	2.77

19. Related Party Disclosure:

A. Relationship:

Category 1: Major Shareholders:

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

Category 2: Associate Companies:

- Malik Organics Pvt. Ltd.
- Anjay Shares & Securities Pvt. Ltd.

Category 3: Key Management Personnel and their relatives:

- Mr. K. Chandran Executive Whole-time Director
- Mr. K. R. N. Moorthy Executive Whole-time Director
- Mrs. Prabha K. Chandran Relative of Mr. K. Chandran

SCHEDULES FORMING PART OF THE ACCOUNTS

B. Transactions carried out with related parties:

Sr. No.	Transactions	Related Party Relation	For the year ended	For the year ended
			31.03.2005	31.03.2004
			(Rs. In Lac)	(Rs. In Lac)
1	Advances Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	129.38	11.97
	- Malik Organics Pvt. Ltd.	Associated Company	40.91	Nil
	- Anjay Shares & Securities Pvt. Ltd.	Associated Company	Nil	0.05
2	Advances Recovered:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	141.70	Nil
3	Inter Corporate Loans Received:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	583.55	Nil
	- Malik Organics Pvt. Ltd.	Associated Company	18.80	Nil
4	Inter Corporate Loans Repaid:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	7.15	Nil
	- Malik Organics Pvt. Ltd.	Associated Company	18.80	Nil
5	Expenses Reimbursed:			
	- Malik Organics Pvt. Ltd.	Associated Company	1.35	0.11
6	Remuneration paid:			
	- Mr. K. R. N. Moorthy	Key Management Personnel	31.00	29.02
	- Mr. K. Chandran	Key Management Personnel	19.03	18.04
7	Rent Paid:			
	- Mrs. Prabha K. Chandran	Key Management Person's Relative	6.00	6.00

C. Balances due from / to related parties:

Sr. No.	Particulars	Related Party Relation	As at 31.03.2005	As at 31.03.2004
			(Rs. In Lac)	(Rs. In Lac)
1	Inter Corporate Loans Taken:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	576.40	Nil
2	Advances Given:			
	- Expert Chemicals (India) Pvt. Ltd.	Major Shareholders	23.00	35.33
	- Malik Organics Pvt. Ltd.	Associated Company	40.91	Nil
	- Anjay Shares & Securities Pvt. Ltd.	Associated Company	0.05	0.05
3	Sundry Creditors / Other Liabilities:			
	- Malik Organics Pvt. Ltd.	Associated Company	Nil	12.08
	- Mrs. Prabha Chandran	Key Management Person's Relative	0.50	0.43

SCHEDULES FORMING PART OF THE ACCOUNTS

20. Consumption of Materials

Item	Units of Measurement	2004-05		2003-04	
		Qty.	Rs. in Lac	Qty.	Rs. in Lac
a. Consumption of Raw Materials and Packing Materials :					
Major Drug Intermediate & Chemicals	M.T.	3,926	1,946.61	3,005	1,931.65
Others			133.36		126.48
			2,079.97		2,058.13
		%		%	
Imported (including High Seas Purchases)		43.90	913.06	33.15	682.37
Indigenous		56.10	1,166.91	66.85	1,375.76
		100.00	2,079.97	100.00	2,058.13
b. Consumption of Stores & Spares :					
Imported		0.00	Nil	0.00	Nil
Indigenous		100.00	50.41	100.00	27.36
		100.00	50.41	100.00	27.36

21. Details of Installed Capacity and Production :

Class of Goods	Units of Measurement	Installed Capacity	Production
		Quantity	Quantity
Bulk Drugs	MT	1,680 p. a. (1,400) p.a.	2,249.77 (1,805.36)

- 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 includes manufactured by others on job work basis.
 - 3) Installed capacities, being a technical matter, have not been verified by the Auditors.

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

Class Of Goods	Units Of Measurement	31.03.2005		31.03.2004		31.03.2003	
		Qty.	Rs. in Lac	Qty.	Rs. in Lac	Qty.	Rs. in Lac
Bulk Drugs :	M. T.	107.23	143.14	90.34	295.23	27.08	209.79
Formulations:							
- Liquids	Kilo Ltrs.	24.45	53.21	45.40	90.53	60.59*	112.34*
- Tablets	No. in Million	8.49	94.22	11.53	100.59	13.79*	85.98*
- Vials	No. in Million	0.06	16.79	0.07	16.97	0.10*	24.10*
- Capsules	No. in Million	1.06	15.81	1.17	12.13	0.54*	7.37*
- Powders	Tones	19.95	24.99	6.07	17.10	4.15*	8.35*
- Liquids	Kilo Ltrs.	2.40	6.44	1.46	4.14	1.47*	3.58*
Total			354.60		536.69		451.51

* Includes taken over from erstwhile WPL as per the Scheme of Amalgamation with effect from 1st October, 2003.

SCHEDULES FORMING PART OF THE ACCOUNTS

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

Class Of Goods	Units Of Measurement	Purchases		Sales	
		Quantity	Rs. in Lac	Quantity	Rs. in Lac
Bulk Drugs :	M. T.	0.80 (Nil)	23.78 (Nil)	2,233.68 (1,742.10)	4,481.76 (3,188.92)
Formulations:					
- Liquids	Kilolitre	232.83 (214.71)	398.47 (376.56)	232.84 (229.90)	1,012.32 (961.92)
- Tablets	No. in Million	51.95 (34.29)	352.61 (226.37)	48.93 (36.55)	1,212.34 (685.68)
- Vials	No. in Million	0.13 (0.13)	28.87 (24.51)	0.13 (0.16)	58.67 (50.38)
- Capsules	No. in Million	4.18 (2.80)	49.95 (27.04)	3.79 (2.17)	179.79 (83.04)
- Powders	Ton	105.77 (33.04)	162.71 (79.23)	57.13 (31.12)	243.99 (106.21)
- Liquids	Kilolitre	11.68 (3.80)	25.34 (11.50)	9.02 (3.81)	43.21 (18.19)
Others :			- (-)		- (169.16)
TOTAL			1,041.73 (745.21)		7,232.08 (5,263.50)

Notes:

1. Purchase of Formulation goods for resale includes Rs. 20.32 Lac (Pr. Yr. Rs. 19.51 Lac) on account of free replacements.
2. Sales exclude free replacements / offers.

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

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

NIKHIL PATEL
Partner
Mumbai, 24.06.2005

For and on behalf of the Board

K. CHANDRAN
Wholetime Director
Mumbai, 24.06.2005

K.R.N. MOORTHY
Wholetime Director

PANKAJ B. GUPTA
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005.

	31.03.2005 (Rs. in Lac)	31.03.2004 (Rs. in Lac)
A Cash Flow from Operating Activities		
Net Profit before Tax	866.73	288.13
Adjustments for		
Depreciation	157.47	123.32
Loss on discard of Assets	0.91	0.35
Profit on sale of Long Term Investments	(7.00)	-
Interest charge	230.87	169.93
Operating Profit before Working Capital Changes	1,248.98	581.73
Adjustments for:		
Trade & other Receivables	(1,421.48)	(48.96)
Inventories	89.63	(112.56)
Trade Payables	1,108.76	(97.92)
Cash Generated from Operations	1,025.89	322.29
Interest paid (Net)	(230.81)	(169.93)
Direct Taxes Paid / Refund (Net)	(98.66)	(33.21)
Amalgamation Expenses	(8.67)	(2.48)
Net Cash Flow from Operating Activities	687.75	116.67
B Cash Flow from Investing Activities		
(Purchase)/Sale of Fixed Assets	(1,035.85)	(167.06)
(Purchase)/Sale of Investments	19.46	(12.46)
Net Cash from Investing Activities	(1,016.39)	(179.52)
C Cash Flow from Financing Activities		
Increase / (Decrease) in Borrowings	519.67	29.87
Net cash from Financing Activities	519.67	29.87
Net Increase / (Decrease) in cash & cash equivalents	191.03	(32.98)
Cash and Cash equivalents as at the beginning of the year	39.03	7.16
Cash and Cash equivalents as at 01.10.2003 of erstwhile WPL as taken over as per the scheme of Amalgamation.	-	64.85
Cash and Cash equivalents as at the end of the year	230.06	39.03
Notes :		
1. 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.		
2. The previous year's figures have been regrouped wherever necessary		

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

For and on behalf of the Board

NIKHIL PATEL
Partner
Mumbai, 24.06.2005

K. CHANDRAN
Wholetime Director
Mumbai, 24.06.2005

K.R.N. MOORTHY
Wholetime 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 5
Date Month Year

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

Public Issue N I L Rights Issue N I L
 Bonus Issue N I L Private Placement N I L

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

Total Liabilities 8 7 7 7 4 9 Total Assets 8 7 7 7 4 9

Sources of Funds

Paid-up Capital 9 4 8 6 3 Reserves & Surplus 4 5 6 0 4 5
 Secured Loans 1 8 2 3 4 6 Unsecured Loans 1 1 2 3 4 5
 Deffered Tax Liability 3 2 1 5 0

Application of Funds

Net Fixed Assets 6 0 7 1 9 8 Investments 1 4 6 5 4
 Net Current Assets 2 5 5 8 9 7 Misc. Expenditure N I L

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

Turnover 7 2 3 2 0 8 Total Expenditure 6 6 5 7 5 8
 Profit Before Tax 8 6 6 7 3 Profit After Tax 7 0 1 2 5
 Earning Per Share in Rs. 7 . 3 9 Dividend Rate % 1 0

V. Generic Names of Three Princial 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"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

WANBURY LIMITED

Registered Office : Plot No 28, 1st Floor, Sector - 19C, Kopri Road, Vashi, Navi Mumbai - 400 703, Maharashtra

PROXY FORM

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

I/We _____

of _____ in the District of _____ being a member(s) of Wanbury Limited hereby appoint Shri/ Smt. _____

_____ or failing him/her Shri./Smt. _____

_____ in the District of _____ as my / our proxy to

vote for me/us, on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Tuesday, 9th August, 2005 at Hotel Supreme Heritage, Plot No. L-2, Sector No. 19, Vashi, Navi Mumbai - 400 705, Maharashtra and at any adjournment thereof.

Signed this _____ day of _____ 2005.

Affix
Re. 1/-
Revenue
Stamp

Signature of Member (s)

WANBURY LIMITED

Registered Office : Plot No 28, 1st Floor, Sector - 19C, Kopri Road, Vashi, Navi Mumbai - 400 703, Maharashtra

ATTENDANCE SLIP

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

Name of the attending Member (in Block Letters) _____

_____ Member's Folio Number/Client ID _____

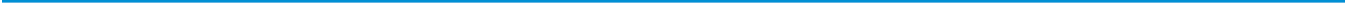
Name of the Proxy (in Block Letters, to be filled in if the Proxy attends instead of the Member)

No. of shares held _____

I hereby record my presence at the Seventeenth Annual General Meeting of the Company held on Tuesday, 9th August, 2005 at Hotel Supreme Heritage, Plot No. L-2, Sector No. 19, Vashi, Navi Mumbai - 400 705, Maharashtra.

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

Member's / Proxy's Signature



NOTES

A series of approximately 22 horizontal dotted lines spanning the width of the page, providing a structured area for entering notes or data.

