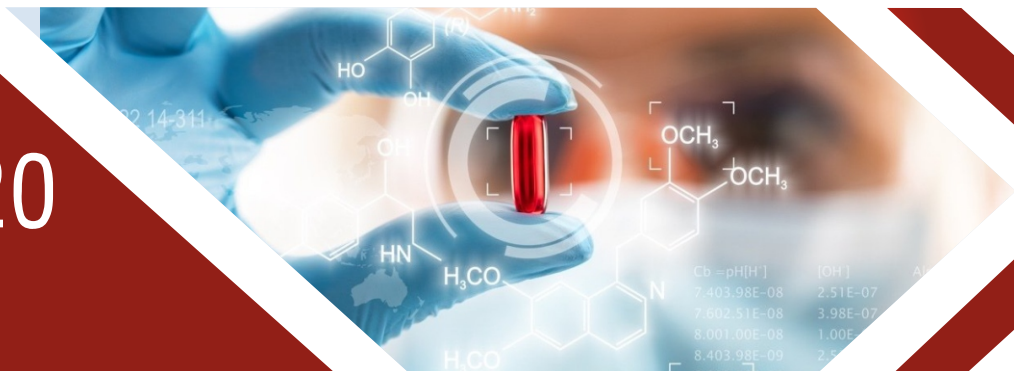




Towards  
Better  
Healthcare

ANNUAL  
REPORT

2019-2020





## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. K. Chandran	-	Vice Chairman & Whole-time Director
Mr. N. K. Puri	-	Non-Executive Independent Director
Mr. S. K. Bhattacharya	-	Non-Executive Independent Director
Ms. Pallavi P. Shedge (Re- appointed w.e.f. 14 <sup>th</sup> February, 2020)	-	Non-Executive Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. Vinod Verma

### **COMPANY SECRETARY**

Mr. Jitendra J. Gandhi

### **REGISTERED & HEAD OFFICE**

BSEL Tech Park  
B-Wing, 10<sup>th</sup> Floor, Sector 30-A,  
Opp. Vashi Railway Station,  
Vashi, Navi Mumbai - 400 703. India  
Tel : +91-22-67942222  
Fax : +91-22-67942111/333  
CIN : L51900MH1988PLC048455  
E-mail : shares@wanbury.com  
Website: www.wanbury.com

### **PLANTS**

Patalganga, Tarapur (Maharashtra) and  
Tanuku (AP)

### **AUDITORS**

**M/s. V. Parekh & Associates**  
Chartered Accountants, Mumbai

### **BANKERS & FINANCIAL INSTITUTIONS**

Andhra Bank  
Axis Bank  
Bank of India  
Edelweiss Asset Reconstruction Co. Ltd  
EXIM Bank  
IDBI Bank

### **REGISTRAR & SHARE TRANSFER AGENT**

Sharex Dynamix (India) Private Limited  
C – 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai – 400 083.  
Tel: 022 28515606/5644  
Email Id : support@sharexindia.com

<b>CONTENTS.....</b>	<b>Page No.</b>
Notice .....	02
Director's Report .....	10
Management Discussion and Analysis Report.....	33
Corporate Governance Report .....	36
Auditors' Certificate on Corporate Governance Compliances...54	
<b>STANDALONE FINANCIAL STATEMENTS</b>	
Auditors' Report .....	55
Balance sheet .....	64
Statement of Profit & Loss .....	65
Cash Flow Statement .....	66
Notes to Financial Statement .....	68
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Auditors' Report on Consolidated Accounts.....	111
Consolidated Balance sheet.....	118
Consolidated Statement of Profit & Loss.....	119
Consolidated Cash Flow Statement.....	120
Notes to Consolidated Financial Statement.....	123

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

### **NOTICE**

Notice is hereby given that the **Thirty Second (32<sup>nd</sup>)** Annual General Meeting of the Members of Wanbury Limited will be held on **Monday, 28<sup>th</sup> day of September, 2020** at 11:30 A.M. through **Video Conferencing (VC)/Other Audio Visual Means (OAVM)** to transact the following business, with or without modifications.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the Standalone Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 along with the Reports of Board of Directors and Auditors thereon; and
  - b. the Consolidated Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 along with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. K. Chandran (DIN – 00005868), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

3. To consider and, if thought fit, to pass with or without modification (s), the following resolutions as an **ORDINARY RESOLUTION**

**“RESOLVED THAT**, pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), M/s. V. Parekh & Associates, Chartered Accountants, (Firm Registration No. 107488W), Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of 32<sup>nd</sup> Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting, to audit the accounts of the Company for the Financial Year 2020-2021 at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

#### **SPECIAL BUSINESS:**

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

**To ratify the remuneration payable to M/s. Manish Shukla & Associates, Cost Auditor, Mumbai, for conducting cost audit for the Financial Year 2020-2021.**

**“RESOLVED THAT**, pursuant to Section 148 (3) of the Companies Act, 2013 and Rule 6(2) of the Companies (Cost Records and Audit Rules) 2014 (including any amendments thereto or any statutory modification(s) or re-enactment (s) thereof for the time being in force), the remuneration payable to Mr. Manish Shukla, (Membership No. 31768), of **M/s. Manish Shukla & Associates, Cost Auditor, Mumbai**, who were appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2020-2021, amounting to ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) plus re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified.”

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

**Appointment (Regularisation) of Ms.Pallavi P. Shedge (DIN - 08356412) as Non-executive Independent Woman Director:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, (“the Act”) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms.Pallavi P. Shedge (DIN - 08356412), who was appointed as an Additional Director in the capacity of Non-Executive Independent Woman Director of the Company by the Board of Directors with effect from 14<sup>th</sup> February, 2020 in terms of Section 161 of the Companies Act, 2013, and the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting be and is hereby appointed as Non-Executive Independent Woman Director of the Company for a term of four years i.e. from 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2024 and the term shall not be subject to retirement by rotation and shall be eligible for re-appointment.”

#### **Registered Office:**

BSEL Tech Park, B - Wing,  
10<sup>th</sup> Floor, Sector 30-A, Vashi,  
Navi Mumbai – 400 703.  
Tel.: 91 22 67942222  
Fax: 91 22 67942111/333  
Email: [shares@wanbury.com](mailto:shares@wanbury.com)  
Website: [www.wanbury.com](http://www.wanbury.com)  
CIN: L51900MH1988PLC048455

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

**Jitendra J. Gandhi**  
Company Secretary

Navi Mumbai, 22<sup>nd</sup> July, 2020

**NOTES:**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business as per **Item Nos. 4 & 5** herein above, is annexed hereto and forms part of this Notice. The profile of the Directors seeking re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.
2. Pursuant to Circular No. 14/2020 dated 8 April 2020, Circular No. 17/2020 dated 13 April 2020 and Circular No. 20/2020 dated 5 May 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of members at a common venue in view of the situation arising due to COVID-19 global pandemic, social distancing is a norm to be followed. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and available at the Company’s website [www.wanbury.com](http://www.wanbury.com).
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF/NRI,etc.) are required to send a scanned copy (PDF/ JPG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to [shares@wanbury.com](mailto:shares@wanbury.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), at least 48 hours before the commencement of AGM.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 28<sup>th</sup> September, 2020. Members seeking to inspect such documents can send an email to [shares@wanbury.com](mailto:shares@wanbury.com)
6. The Register of Members and Share Transfer Books of the Company will remain closed from, **Tuesday, 22<sup>nd</sup> September, 2020 to Monday, 28<sup>th</sup> September, 2020** (both days inclusive) for the purpose of Annual General Meeting.
7. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote
8. The Members are requested to notify immediately changes, if any, in their registered address: (i) to the Company’s **Registrar & Share Transfer Agent, M/s. Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Telephone No.: +91-22-2851 6338, 2851 5606/5644, E-mail: [support@sharexindia.com](mailto:support@sharexindia.com)** in respect of the Shares held in Physical Form and (ii) to their Depository Participants (DPs) in respect of Shares held in Dematerialized Form.
9. Members who hold Shares in Dematerialized Form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical Form are requested to write their Registered Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.
10. Shareholders desiring any information as regards to the accounts of the Company are requested to write to the Company at least seven days in advance of the Annual General Meeting; so that the information to the extent practicable can be made available at the Annual General Meeting.
11. Pursuant to Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the Financial Year 2009-2010 to Investor Education and Protection Fund (“the IEPF”) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company on the website of the Company at [www.wanbury.com](http://www.wanbury.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
12. a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, transferred to the IEPF Authority, 3,38,865 shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

- b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the web link: <http://iepf.gov.in/IEPFA/refund.html> or contact to **M/s. Sharex Dynamics (India) Pvt. Ltd.** for lodging claim for refund of shares and / or dividend from the IEPF Authority.
13. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
14. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map is not attached to this Notice.
15. Members holding shares in physical mode:
- are required to submit their Permanent Account Number (PAN) and Bank account details in letter enclosed to the Company / M/s. Sharex Dynamics (India) Pvt. Ltd, if not registered with the Company as mandated by SEBI.
  - are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website at [www.wanbury.com](http://www.wanbury.com).
  - are requested to register / update their e-mail address with the Company / M/s. Sharex Dynamics (India) Pvt. Ltd for receiving all communications from the Company electronically.
16. Members holding shares in electronic mode:
- are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
  - are advised to contact their respective DPs for registering the nomination.
  - are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
17. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations, the Company has provided remote e-voting facility to its shareholders in respect of all the business as per **Item Nos. 1 to 5** herein above.
18. **Process and manner for Members opting for Remote e-voting and e-voting during AGM are as under:**
- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  - Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
  - The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  - Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.



- vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.wanbury.com](http://www.wanbury.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
- vii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on **Friday, 25<sup>th</sup> September, 2020 at 09:00 A.M. and ends on Sunday, 27<sup>th</sup> September, 2020 at 05:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Monday, 21<sup>st</sup> September, 2020 (Record Date)** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for **Wanbury Limited**.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. [shares@wanbury.com](mailto:shares@wanbury.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- a. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [shares@wanbury.com](mailto:shares@wanbury.com) or [support@sharexindia.com](mailto:support@sharexindia.com).
- b. For Demat shareholders-, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [shares@wanbury.com](mailto:shares@wanbury.com) or [support@sharexindia.com](mailto:support@sharexindia.com).
- c. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- c. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- e. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [shares@wanbury.com](mailto:shares@wanbury.com). The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [shares@wanbury.com](mailto:shares@wanbury.com). These queries will be replied to by the Company suitably by email.
- f. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



---

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolution/s through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Rakesh Dalvi (022-23058542) or Mr. Mehboob Lakhani (022-23058543).

**All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A-Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022- 23058738 / 022-23058542/43.**

19. The Board of Directors of the Company has appointed Ms. Kala Agarwal, Practicing Company Secretary (Membership No. 5976 & Certificate of Practice No. 5356) as Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.
20. The Scrutinizer will submit her report to the Chairman of the Company or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the Stock Exchanges, NSDL and RTA and will also be displayed on the Company’s website, [www.wanbury.com](http://www.wanbury.com)

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS.

#### **ITEM NO 4: RATIFICATION OF THE REMUNERATION PAYABLE TO M/S. MANISH SHUKLA & ASSOCIATES, COST ACCOUNTANTS, MUMBAI, FOR CONDUCTING COST AUDIT FOR THE FINANCIAL YEAR 2020-2021.**

The Company is required to have the audit of its cost records conducted by a cost accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Manish Shukla & Associates, Cost Accountants as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. Manish Shukla & Associates, Cost Auditor is required to be ratified by the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) are in any way concerned or interested, financially or otherwise, in passing of this Resolution.

Accordingly, consent of the Members is sought and the Board recommends passing of the Ordinary Resolution as set out in Item No. 4 of the accompanying notice for approval of the Shareholders.

#### **ITEM NO. 5:: APPOINTMENT OF MS. PALLAVI P. SHEDGE (DIN - 08356412) AS AN INDEPENDENT NON-EXECUTIVE WOMAN DIRECTOR**

Ms.Pallavi P. Shedge ((DIN - 08356412)) was appointed as an Additional Director by the Board with effect from 14<sup>th</sup> February, 2020 pursuant to Section 161 of the Companies Act, 2013, read with Article 92 of the existing Articles of Association of the Company. The above Director is an Independent Director within the meaning of Regulation 17 of the Listing Regulations. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms.Pallavi P. Shedge will hold office up to the conclusion of the ensuing Annual General Meeting. The Company has also received from the Director, a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of Members for the appointment of Ms.Pallavi P. Shedge as an Independent Director of the Company for a term of four years pursuant to Section 149 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

In the opinion of the Board of Directors, Ms. Pallavi P. Shedge, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management. A copy of the draft letter for the appointment of Ms.Pallavi P. Shedge as an Independent Director setting out the terms and conditions is available for inspection without any fee by the Members at the Company's Registered Office on all working days (except Saturday) between 11:00 A.M. to 1:00 P.M. up to 28<sup>th</sup> September, 2020.

No director, key managerial personnel or their relatives, except Ms. Pallavi P. Shedge, to whom the Resolution relates, is interested or concerned in the resolution.

This Statement may also be regarded as a disclosure under Regulation 17 of the Listing Regulation with Stock Exchanges.

The Directors recommend the aforesaid resolution for the approval by the Members as an Ordinary Resolution.

#### **Registered Office:**

BSEL Tech Park, B - Wing,  
10<sup>th</sup> Floor, Sector 30-A, Vashi,  
Navi Mumbai – 400 703.  
Tel.: 91 22 67942222  
Fax: 91 22 67942111/333  
Email: [shares@wanbury.com](mailto:shares@wanbury.com)  
Website: [www.wanbury.com](http://www.wanbury.com)  
CIN: L51900MH1988PLC048455

By Order of the Board of Directors  
For Wanbury Limited

Jitendra J. Gandhi  
Company Secretary

Navi Mumbai, 22<sup>nd</sup> July, 2020

## ANNEXURE TO NOTICE

### INFORMATION AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 with Stock Exchanges is annexed hereto:

#### **ITEM NO. 2**

Name of the Director	<b>Mr. K. Chandran</b>
Date of Birth	<b>1<sup>st</sup> January, 1958</b>
DIN	<b>00005868</b>
Qualification	<b>Graduate</b>
Expertise in Specific Area	<b>Pharmaceutical Industry Mr. K. Chandran has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company. Mr. K. Chandran fulfills the eligibility criteria set out under part I of Schedule V to the Companies Act, 2013.</b>
Date of First Appointment on the Board of the Company	<b>23<sup>rd</sup> January, 2001</b>
No. of Shares held in the Company	<b>Nil</b>
Relationship with other Directors and Key Managerial Personnel	<b>N.A.</b>
No. of Board meetings attended during FY 2019-2020	<b>8</b>
Name of the other public limited companies in which Directorship held:	<b>Nil</b>
Membership of Committees (M- Member) (C- Chairman)	<b>Wanbury Limited: Audit Committee (M) Stakeholders Relationship Committee (M)</b>
Terms and conditions of appointment	<b>Whole-time director, liable to retire by rotation.</b>

#### **ITEM NO. 5**

Name of the Director	<b>Ms. Pallavi P Shedge</b>
Date of Birth	<b>13<sup>th</sup> June, 1978</b>
DIN	<b>08356412</b>
Qualification	<b>B.Com., CS, LLB</b>
Expertise in Specific Area	<b>Over 15 plus years of expertise and knowledge in Secretarial, Legal, Accounts and Finance. Ms.Pallavi P. Shedge fulfills the eligibility criteria set out under part I of Schedule V to the Companies Act, 2013.</b>
Date of First Appointment on the Board of the Company	<b>14<sup>th</sup> February, 2019</b>
No. of Shares held in the Company	<b>NIL</b>
Relationship with other Directors and Key Managerial Personnel	<b>N.A.</b>
No. of Board meetings attended during FY 2019-2020	<b>8</b>
Name of the other public limited companies in which Directorship held:	<b>Nil</b>
Membership of committees (M - Member) (C- Chairman)	<b>Wanbury Limited: Audit Committee (M) Stakeholders Relationship Committee (M)</b>
Terms and conditions of appointment	<b>Non-executive Independent Woman Director.</b>

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

### DIRECTORS' REPORT

To

**The Members,**

Your Directors have pleasure in presenting herewith the 32<sup>nd</sup> Annual Report of the business and operations alongwith Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.

#### **COVID-19 PANDEMIC:**

Q4 FY20 saw unprecedented events with an advent of the COVID-19 pandemic. The world momentarily came to a standstill as governments enforced lockdowns and other measures for public health and safety. During this period of global crisis, our priority was to ensure the safety and wellbeing of our employees while helping our customers maintain seamless business service continuity. We scaled up fast to adopt social distancing norms, adopting new policies and restricting travel while enabling remote working for our associates. However, during this period we remained committed to safeguarding the interests of our customers and ensuring the continuity of their operations. We activated Business Continuity Plans (BCP) enabling remote working and monitoring of our deliverables.

#### **FINANCIAL HIGHLIGHTS (STANDALONE):**

The summarised financial highlights for the year under review are as under:

(₹ in Lakhs)		
<b>PARTICULARS</b>	<b>2019-2020</b>	<b>2018-2019</b>
Total Revenue from operations	<b>36,745.47</b>	39,137.41
Other Income	<b>113.97</b>	932.63
<b>Total Income</b>	<b>36,859.44</b>	40,070.04
<b>Total Expenses</b>	<b>38,656.43</b>	42,568.63
Profit /(Loss) Before Exceptional Items & Tax	<b>(1796.95)</b>	(2,498.59)
Exceptional Items – Gain on Sale of Brands	<b>8,264.04</b>	-
<b>Profit /(Loss) Before Tax</b>	<b>6,467.05</b>	(2,498.59)
Less: Tax including deferred Tax	<b>20.87</b>	(13.66)
<b>Net Profit /(Loss) after tax</b>	<b>6,446.18</b>	(2,484.93)

#### **CONSOLIDATED ACCOUNTS:**

The Consolidated Financial Statements of your Company for the Financial Year 2019–2020 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with Ind AS 110 -'Consolidated Financial Statements'. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

#### **TRANSFER TO RESERVES:**

During the year under review, no amount was transferred to general reserves.

#### **OPERATIONAL REVIEW/AFFAIRS OF THE COMPANY & FUTURE OUTLOOK:**

The Financial Highlights are as under:

The Total Income for the Financial Year under review was ₹ **36,859.44** Lakhs as against ₹ 40,070.04 Lakhs in the previous year. The Total Expenses incurred in the current Financial Year was ₹ **38,656.43** Lakhs as against ₹ 42,568.63 Lakhs in the previous year. Exceptional items during the year includes gain of ₹ 8,264.04 Lakhs on sale of four brands of Formulation Business. The brand sale proceeds have been utilized towards repayment of debt as part of debt resolution plan.

The Profit after tax for the Financial Year under review was ₹ **6,446.18** Lakhs as against a loss of (₹ 2,484.93 Lakhs) in the previous Financial Year.

#### **SHARE CAPITAL:**

The paid up capital of the Company is ₹ 24,99,51,170/- The Company had issued 12,75,000 equity shares during the financial year 2019-2020 and therefore there was a change in the Share Capital during the year.

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS:**

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate section on Management Discussion and Analysis (MDA), which also includes further details on the state of affairs of the Company, forms part of this Annual Report.

**DIVIDEND:**

As the networth of the Company is negative, the Board of Directors of the Company has not recommended any dividend for the Financial Year 2019-2020.

**EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 92 of the Companies Act, 2013, extract of Annual Return of the Company in **Form MGT-9** for the Financial year ended 31<sup>st</sup> March, 2020 is annexed herewith as **Annexure – I** to this Report and is also available on the Company’s website viz. <http://www.wanbury.com/>.

**DEPOSITS:**

The Company has not accepted any deposits during the year under review. Further, there are no deposits which remained unpaid / unclaimed at the beginning or at the end of the year under review.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of the Company consists of the following:

Sr. No.	Name of Directors	Category
1.	Mr. K. Chandran	Promoter and Executive Director
2.	Mr. N. K. Puri	Non-Executive Independent Director
3.	Mr. S.K. Bhattacharyya	Non-Executive Independent Director
4.	Ms.Pallavi P. Shedge #	Non-Executive Independent Woman Director (w.e.f. 14 <sup>th</sup> February, 2020)

# The Board has appointed Ms.Pallavi P. Shedge (DIN - 08356412), as an Additional Director in the capacity of Non-Executive Independent Woman Director of the Company at its meeting held on 14<sup>th</sup> February, 2020 subject to approval of the Shareholders.

Mr. N. K. Puri, Mr. S. K. Bhattacharyya and Ms.Pallavi P. Shedge are Independent Directors who are not liable to retire by rotation.

The terms and conditions of appointment of the Independent Directors and details of the familiarization programs formulated to educate the Directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company, etc. are placed on the website of the Company < <http://www.wanbury.com/>>.

In accordance with the provisions of Section 152 (6) of the Act and the Articles of Association of the Company, Mr. K. Chandran, whole time Director, who has been longest in the office, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The notice convening the AGM includes the proposal for re-appointment of Mr. K. Chandran, as an Executive Director.

Dr. Shireesh Ambhaikar, President - Operations, API Business appointed on 3<sup>rd</sup> April, 2019.

Other than this, no Director or Key Managerial Personnel was appointed or has resigned during the year under review.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

Eight (8) Board Meetings were held during the Financial Year 2019-2020. These meetings were held on 1<sup>st</sup> June 2019, 14<sup>th</sup> August 2019, 14<sup>th</sup> August 2019, 20<sup>th</sup> September 2019, 30<sup>th</sup> September 2019, 22<sup>nd</sup> October 2019, 13<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020.

**DECLARATION BY INDEPENDENT DIRECTORS:**

Independent Directors have given necessary declaration that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 read with the Schedules and Rules made thereunder as well as Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ANNUAL PERFORMANCE EVALUATION:**

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The Company follows the best practices prevalent in the industry with respect to evaluation of Board Members.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:**

The Company has not given any loans, guarantee and made any investments pursuant to the provisions of Section 186 of Companies Act, 2013 during the year under review.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### **DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

Your Company has four foreign subsidiaries viz. Wanbury Holdings B. V. (Netherland), Wanbury Global FZE (UAE), Ningxia Wanbury Fine Chemicals Co. Ltd. (China) and Cantabria Pharma S. L. (Spain).

The accounts of Cantabria Pharma S. L. is not available due to the Company is being into liquidation.

The salient features of the financial statements of the subsidiaries in pursuance of Section 129 (3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 are given in prescribed **Form AOC-1** attached as **Annexure - II** to this report.

The Company is not having any Holding Company or Joint Venture or any Associate Company.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Pursuant to the provisions of Section 188 of Companies Act, 2013, all contracts / arrangements / transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. During the year under review, the Company had not entered into any contract / arrangement / transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The transactions entered into with M/s. Wanbury Infotech Private Limited, related party are in the normal course of business and at arm's length basis. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at [www.wanbury.com](http://www.wanbury.com).

The details, in specified format in **Form AOC-2**, of the transactions with the related parties are given in the **Annexure - III** forming part of this report.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE AND THE DATE OF THIS REPORT:**

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

### **STATUTORY AUDITORS:**

M/s. V. Parekh & Associates, Chartered Accountants (Firm Registration No. 107488W), Mumbai was appointed as Statutory Auditors of the Company by the Members vide resolution dated 30<sup>th</sup> September, 2019, until the conclusion of the ensuing Annual General Meeting.

The re-appointment of Statutory Auditors for a term of 1 (one) year from the conclusion of 32<sup>nd</sup> (this) Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting was recommended by the Audit Committee and the Board of Directors respectively in their meeting held on 22<sup>nd</sup> July, 2020 subject to the approval of the Members in the ensuing Annual General Meeting to be held on Monday, 28<sup>th</sup> September, 2020. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### **AUDITOR'S REPORT:**

The Notes on Financial Statements referred to in the Auditors Reports are self-explanatory and do not call for any comments and explanation.

The observations made in the Standalone Auditor's Report read together with relevant notes thereon are self explanatory and explained in notes to accounts and hence do not call for any further comments under the Companies Act, 2013. Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

### **COST AUDITOR:**

Your Directors have appointed M/s. Manish Shukla & Associates, Cost Accountant, Mumbai as the Cost Auditor for the Financial Year 2019-2020. M/s. Manish Shukla & Associates, Cost Accountant, Mumbai will submit the Cost Audit Report alongwith necessary annexure to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your Company.

The Cost Audit Report for the Financial Year ended 31<sup>st</sup> March, 2019 which was due for filing upto 30<sup>th</sup> September, 2019 was filed with the Central Government (Ministry of Corporate Affairs) on 13<sup>th</sup> September, 2019.

The Board of Directors at its meeting held on 22<sup>nd</sup> July, 2020 has appointed M/s. Manish Shukla & Associates, Cost Accountant, Mumbai as Cost Auditor of the Company for the Financial Year 2020-2021. As required by Section 148 of the Act, necessary resolution has been included in the Notice convening the 32<sup>nd</sup> Annual General Meeting, seeking approval by Members for the appointment & remuneration proposed to be paid to M/s. Manish Shukla & Associates, Cost Accountant, Mumbai as Cost Auditor of the Company for the Financial Year 2020-2021.



**ADEQUACY OF INTERNAL FINANCIAL CONTROLS & INTERNAL AUDIT :**

Your Company has in place adequate internal financial control systems, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the operations was observed. The Company has appropriate policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence of the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

M/s. BDO India LLP, Mumbai, Internal Auditors of the Company, monitor and evaluate the efficacy and adequacy of internal control systems in the Company. Based on the report of the Internal Auditors, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

**SECRETARIAL AUDIT REPORT:**

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Ms. Kala Agarwal, Practicing Company Secretary [FCS No.: 5976 and COP No.: 5356] to conduct the Secretarial Audit of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020 (i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020). The Secretarial Audit Report in **Form MR-3** is annexed as **Annexure - IV** to this report.

**The observations made in the Secretarial Audit Report are as under:**

- i. *Only 76.79% of the Shareholding of Promoter & Promoter Group is in dematerialised form. However, as per SEBI circular No. SEBI/Cir/ISD/05/2011 & Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100 % Shareholding of Promoter & Promoter Group has to be in dematerialised form.*
- ii. *There was a delay in holding the Board Meeting and the Audit Committee Meeting for the last quarter of the Financial Year ended 31.03.2019 as per Regulation 33 of the SEBI (LODR), Regulation 2015 and consequently, the Company has paid penalty of ₹ 4,48,400 to the BSE and ₹ 4,48,400 to the National Stock Exchange of India.*
- iii. *There was a delay in furnishing prior intimation of meeting of the Board of Directors for the meeting convened on 22.10.2019 as per Regulation 29(2)(3) of the SEBI (LODR), Regulation 2015 and consequently the Company has paid penalty of ₹ 11,800/- to the BSE and ₹ 11,800/- to the National Stock Exchange of India.*

**Management Response to the aforesaid observations verbatim are as under:**

- i. *The share certificate aggregating 30,24,000 Equity Shares held by M/s. Kingsbury Investment INC. (Promoter Group Company) of Wanbury Limited. These shares held by them are in physical mode. The Company is undertaking necessary steps to dematerialize these shares.*
- ii. *The Company has paid the Penalty of ₹ 4,48,400/- each to the BSE Limited & NSE Ltd. on 17<sup>th</sup> September, 2019 and 27<sup>th</sup> September, 2019 respectively for Non-Compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i. e. for delay in conducting the Audit Committee & Board Meeting for the last quarter ended 31<sup>st</sup> March, 2019 for the Financial Year 2018-19 as per SEBI Circular No. CIR/CFD/CMD/12/2015 dated 30<sup>th</sup> November, 2015.*
- iii. *The Company has paid the Penalty of ₹ 11,800/- (Rupees Eleven Thousand Eight Hundred only) to BSE Limited & NSE Ltd. on 19<sup>th</sup> November, 2019 respectively for Non-Compliance of Regulation 29(2)/29(3) of Listing Regulations regarding delay in furnishing prior intimation of Board Meeting.*

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Provisions of Section 135 of the Companies Act 2013 relating to Corporate Social Responsibility are not applicable to the Company.

Therefore, the Company has not constituted Corporate Social Responsibility Committee.

**AUDIT COMMITTEE:**

Your Company's Audit Committee has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year under review, seven (7) meetings of the Audit Committee were held on 1<sup>st</sup> June 2019, 14<sup>th</sup> August 2019, 14<sup>th</sup> August 2019, 20<sup>th</sup> September 2019, 22<sup>nd</sup> October 2019, 13<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020 along with the Board Meetings.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

Following are the Members of the Audit Committee:

Sr. No.	Name of Directors	Designation	Category
1.	Mr. N. K. Puri	Chairperson	I & NED
2.	Mr. S. K. Bhattacharyya	Member	I & NED
3.	Ms. Pallavi P. Shedge	Member (w.e.f. 14.02.2020)	I & NED
4.	Mr. K. Chandran	Member	P & WTD

The details pertaining to the Broad terms and conditions of the Audit Committee are included given in Corporate Governance Report, which form part of this report

### NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Policy inter alia containing appointment criteria, qualifications, positive attributes, independence of Directors, removal, retirement and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

Following are the Members of the Nomination and Remuneration Committee:

Sr. No.	Name of Directors	Designation	Category
1.	Mr. S. K. Bhattacharyya	Chairperson	I & NED
2.	Mr. N. K. Puri	Member	I & NED
3.	Ms. Pallavi P. Shedge	Member (w.e.f.14.02.2020)	I & NED
4.	Mr. K. Chandran	Member	

Nomination and Remuneration Policy is available on the website of the Company at [www.wanbury.com](http://www.wanbury.com)

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

Your Company Stakeholder Relationship Committee has been constituted in accordance with the Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in order to specifically look in to the mechanism of Redressal of grievances of Shareholders.

Following are the Members of the Stakeholder Relationship Committee:

Sr. No.	Name of Directors	Designation	Category
1.	Mr. S. K. Bhattacharya	Chairperson	I & NED
2.	Mr. N. K. Puri	Member	I & NED
3.	Ms. Pallavi P. Shedge	Member (w.e.f.14.02.2020)	I & NED
4.	Mr. K. Chandran	Member	P & WTD

### RISK MANAGEMENT COMMITTEE:

The Board of Directors of the Company has constituted Risk Management Committee to consider the potential risks of the business of the Company and to plan for the mitigation of the same.

Following are the members of the Risk Management Committee:

Sr. No.	Name of Directors	Designation	Category
1.	Mr. N. K. Puri	Chairperson	I & NED
2.	Mr. S. K. Bhattacharya	Member	I & NED
3.	Ms. Pallavi P. Shedge	Member (w.e.f.14.02.2020)	I & NED
4.	Mr. K. Chandran	Member	P & WTD

### CORPORATE GOVERNANCE:

In compliance with Regulation 34 (3) read with Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance forms part of this Annual Report. The Auditors' certificate certifying compliance with the conditions of Corporate Governance as prescribed under Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance Report.

### PARTICULARS OF EMPLOYEES:

Disclosure pertaining to the remuneration and other details as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure-V** and forms part of this Report.

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten names and other particulars of employees also form part of this report. However, this information is not sent along with this report pursuant to the proviso to Section 136(1) of the Act. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/Compliance Officer at the Registered office address of the Company and the same will be furnished on request.

**SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

Nil.

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The Company, pursuant to Section 177 of the Companies Act, 2013 read along with the rules made thereunder and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have established vigil mechanism for Director and Employees to report concern about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy. The Whistle Blower Policy is posted on the website of the Company at [www.wanbury.com](http://www.wanbury.com).

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any sexual harassment complaint during the Financial Year under review.

**EMPLOYEE STOCK OPTION SCHEME:**

The Company has instituted Employee Stock Option Scheme 2016 ("Wanbury ESOP 2016") which was approved by the shareholders vide their resolution dated 29<sup>th</sup> September, 2016 to reward eligible employees. Pursuant to the said scheme and on the recommendation of the Nomination and Remuneration Committee, the Board had granted 3,50,000 options to employees. During the year ended 31<sup>st</sup> March, 2020, 25,000 options were allotted. 1,25,000 options are outstanding as on 31<sup>st</sup> March, 2020.

The information required to be disclosed in terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 is enclosed as **Annexure-VI** to this report.

**SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meeting' respectively, have been duly followed by the Company.

**UNCLAIMED DIVIDEND & SHARES**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of the seven years. Further, according to the Rules, the shares on which the dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividend of ₹ 4,14,937/- for the Financial Year 2009-10.

Further, 3,38,865 corresponding shares were transferred as per the requirement of the IEPF Rules. The details are available on the website, at [www.wanbury.com/PaidUnpaidDividends](http://www.wanbury.com/PaidUnpaidDividends).

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

As required by Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given as **Annexure-VII** forming part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- i. in the preparation of the annual accounts for the Financial Year ended on 31<sup>st</sup> March, 2020 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended on 31<sup>st</sup> March, 2020 and of the profit and loss of the Company for that year;
- iii. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

- iv. the annual accounts had been prepared on a going concern basis;
- v. internal financial controls, to be followed by the Company, have been laid down and these controls are adequate and were operating effectively; and
- vi. the Company has devised proper systems which are in place to ensure compliance with the provisions of all applicable laws which are considered adequate and are operating effectively.

### **ACKNOWLEDGEMENTS:**

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

**For and on behalf of the Board of Directors,**

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
**Vice Chairman**  
**DIN: 00005868**

**Pallavi P. Shedge**  
**Director**  
**DIN: 08356412**

**ANNEXURE-I**

**FORM MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2020**

*Pursuant to section 92 of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.*

**I. REGISTRATION DETAILS:**

1.	<b>CIN</b>	L51900MH1988PLC048455
2.	<b>Registration Date</b>	11.08.1988
3.	<b>Name of the Company</b>	Wanbury Limited
4.	<b>Category / Sub-Category of the Company</b>	Public Limited Company
5.	<b>Address of the Registered office and contact details</b>	BSEL Tech Park, B - Wing, 10 <sup>th</sup> Floor, Sector 30A, Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400 703. Maharashtra.
6.	<b>Whether listed company Yes / No</b>	Yes
7.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	M/s. Sharex Dynamic (India) Pvt. Ltd C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. Maharashtra.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacturing of API & Marketing of branded Formulations	21001 & 21002	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	NIC Code of the Product/ service	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable section
1.	Wanbury Holding B.V. NC Trust B. V. Leliegracht 10 1015DE, Amsterdam, Netherland.	-	N.A.	Subsidiary	100	2(87)
2.	Wanbury Global FZE (UAE) P.O. Box No. 10559, RAK Free Trade Zone, Ras AL Khaimah, United Arab Emirates.	-	N.A.	Subsidiary	100	2(87)
3.	Ningxia Wanbury Fine Chemicals Co. Ltd. (China) Room No. 5-2, building no. 2, Pingxi Road, Chengguan, District - Pingluo Ningxia, China – 753 401.	-	N.A.	Subsidiary	100	2(87)
4.	Cantabria Pharma S. L. (Spain) * C/Lanzarote 13, 2 <sup>o</sup> C, San Sebastián de los Reyes, 28703 - Madrid – Spain.	-	N.A.	Subsidiary	100	2(87)

\* Cantabria Pharma S. L. (Spain) is wholly owned subsidiary of Wanbury Holdings B. V. Netdharlands.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

#### i. Category wise Share Holding:

Category of Shareholder	No. of Shares held at the end of the year, 31 <sup>st</sup> March, 2019				No. of Shares held at the end of the year, 31 <sup>st</sup> March, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	10005561	0	10005561	42.182	10005561	0	10005561	40.03	-2.152
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>10005561</b>	<b>0</b>	<b>10005561</b>	<b>43.09</b>	<b>10005561</b>	<b>0</b>	<b>10005561</b>	<b>40.03</b>	<b>2.152</b>
<b>(2) Foreign</b>									
a) Individuals NRIs/ For India	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	0	3024000	3024000	12.749	0	3024000	3024000	12.10	-0.65
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>3024000</b>	<b>3024000</b>	<b>12.749</b>	<b>0</b>	<b>3024000</b>	<b>3024000</b>	<b>12.10</b>	<b>-0.65</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>10005561</b>	<b>3024000</b>	<b>13029561</b>	<b>56.11</b>	<b>10005561</b>	<b>3024000</b>	<b>13029561</b>	<b>52.13</b>	<b>-2.80</b>
<b>(B) 1. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	66	-	66	0.00	66	-	66	0.00	-0.001
b) Banks / FI	2951	521	3472	0.015	2951	521	3472	0.014	0.00
c) Central Govt	338866	0	338866	1.429	338715	0	338715	1.355	-0.074
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	532399	0	532399	2.245	532399	0	532399	2.130	-0.115
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>874282</b>	<b>521</b>	<b>874803</b>	<b>3.689</b>	<b>874131</b>	<b>521</b>	<b>874652</b>	<b>3.499</b>	<b>-0.19</b>
<b>2. Non-Institutions</b>									
<b>a) BODIES CORPORATE</b>									
i) Indian	1453285	1353	1454638	6.133	2585614	1353	2586967	10.350	4.217
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) INDIVIDUALS</b>									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4813806	138348	4952154	20.877	4624625	136388	4761013	19.048	-1.829
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2466730	0	2466730	10.399	2788751	0	2788751	11.157	0.758
<b>c) OTHERS SPECIFY</b>									
a) Non Resident Indians	798993	2119	801112	3.377	835438	2119	837557	3.351	-0.026
b) Overseas Corporate Bodies	0	94680	94680	0.399	0	94680	94680	0.379	-0.02
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	46439	0	46439	0.196	21936	0	21936	0.088	-0.108
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>9579253</b>	<b>236500</b>	<b>9815753</b>	<b>41.381</b>	<b>10856364</b>	<b>234540</b>	<b>11090904</b>	<b>44.373</b>	<b>2.992</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>10453535</b>	<b>237021</b>	<b>10690556</b>	<b>45.070</b>	<b>11730495</b>	<b>235061</b>	<b>11965556</b>	<b>47.872</b>	<b>2.802</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>20459056</b>	<b>3261021</b>	<b>23720117</b>	<b>100.00</b>	<b>21736056</b>	<b>3259061</b>	<b>24995117</b>	<b>100.00</b>	<b>0</b>



ii. Share Holding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2019			No. of Shares held at the end of the year 31 <sup>st</sup> March, 2020			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% Change in share holding during the year
1.	Expert Chemicals (India) Pvt. Ltd.	10005561	42.18	99.96	10005561	40.03	99.96	-
2.	Kingsbury Investment Inc.	3024000	12.75	0	3024000	12.10	0	-

iii. Change in Promoters' Shareholding ( please specify, if there is no change): **No Change**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
a.	At the beginning of the year	-	-	-	-
b.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
c.	At the End of the year	-	-	-	-

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2019		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year 31 <sup>st</sup> March, 2020	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED	500000	2.108	01-04-2019				
	- Closing Balance			31-03-2020	1250000	Buy (Preferential Allotment)	1750000	7.001
2.	PANDIAN ILANGO VAN	598965	2.525	01-04-2019				
	-Closing Balance			06-03-2020	48400	Buy	647365	2.729
				31-03-2020			647365	2.59
3.	MAGNUM EQUIFIN PRIVATE LIMITED	500100	2.108	01-04-2019				
	- Closing Balance			31-03-2020		No Change	500100	2.001
4.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	338865	1.429	01-04-2019				
				30-09-2019	-150	Sold	338715	1.428
	- Closing Balance			31-03-2020			338715	1.355

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

5.	LIFE INSURANCE CORPORATION OF INDIA	279462	1.178	01-04-2019				
	- Closing Balance			31-03-2020		No Change	279462	1.118
6.	GENERAL INSURANCE CORPORATION OF INDIA	252937	1.066	01-04-2019				
	- Closing Balance			31-03-2020		No Change	252937	1.012
7.	DIPAK KANAYALAL SHAH	127550	0.538	01-04-2019				
				12-07-2019	9946	Buy	137496	0.58
				06-09-2019	1504	Buy	139000	0.586
				27-09-2019	1000	Buy	140000	0.59
				18-10-2019	5000	Buy	145000	0.611
				01-11-2019	5000	Buy	150000	0.632
				28-02-2020	90985	Buy	240985	1.016
				06-03-2020	1015	Buy	242000	1.02
				20-03-2020	2725	Buy	244725	1.032
		- Closing Balance			31-03-2020	275	Buy	245000
8.	KANISHKA JAIN	241899	1.02	01-04-2019				
	- Closing Balance			31-03-2020		No Change	241899	0.968
9.	CHHAGANBHAI PARSOTTAMBHAI PATEL HUF .	230721	0.973	01-04-2019				
	- Closing Balance			31-03-2020		No Change	230721	0.923
10.	YELAMARTHI THIMMA RAJA	233506	0.984	01-04-2019				
				26-07-2019	-1000	Sold	232506	0.98
				06-09-2019	-1800	Sold	230706	0.973
				29-11-2019	-2000	Sold	228706	0.964
				28-02-2020	-7000	Sold	221706	0.935
	- Closing Balance			31-03-2020			221706	0.887

v. Shareholding of Directors and Key Managerial Personnel: **NIL**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
a.	For Each of the Directors and KMP	-	-	-	-
b.	At the beginning of the year	-	-	-	-
c.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
d.	At the End of the year	-	-	-	-

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year as on 01.04.2019</b>				
i) Principal Amount	25,633.60	468.12	-	26,101.72
ii) Interest due but not paid	416.04	108.39	-	524.43
iii) Interest accrued but not due	328.98	22.68	-	351.66
<b>Total (i+ii+iii)</b>	<b>26,378.62</b>	<b>599.19</b>	<b>-</b>	<b>26,977.81</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	3,089.41	-	-	3,089.41
• Reduction	10,651.84	137.90	-	10,789.74
<b>Net Change</b>	<b>-7,562.43</b>	<b>-137.90</b>	<b>-</b>	<b>-7,700.33</b>
<b>Indebtedness at the end of the financial year as on 31.03.2020</b>				
i) Principal Amount	17,819.50	345.44	-	18,164.94
ii) Interest due but not paid	666.27	115.85	-	782.12
iii) Interest accrued but not due	330.43	-	-	330.43
<b>Total (i+ii+iii)</b>	<b>18,816.19</b>	<b>461.29</b>	<b>-</b>	<b>19,277.49</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in ₹)
		<b>K. Chandran - WTD</b>	-
1.	Gross salary	-	-
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	<b>Total - (A)</b>	<b>-</b>	<b>-</b>

Note: As per the Companies Act, 2013 and Rules made thereunder and Schedule V, Mr K. Chandran, WTD of the Company is not eligible for any remuneration and hence no remuneration is paid to him during the year under review.

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## B. Remuneration to other Director:

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
		Mr. N. K. Puri	Mr. S. K. Bhattacharyya	Ms. Pallavi Shedge	
1.	<b>Independent Director</b>				
	Fee for attending board / committee meetings	7,10,000	7,10,000	7,10,000	<b>21,30,000</b>
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>7,10,000</b>	<b>7,10,000</b>	<b>7,10,000</b>	<b>21,30,000</b>
2.	<b>Other Non-Executive Directors</b>				
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>				
	<b>Total Managerial Remuneration</b>	<b>7,10,000</b>	<b>7,10,000</b>	<b>7,10,000</b>	<b>21,30,000</b>

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (in ₹)
		President Operations - API	Company Secretary	CFO	
		Dr. Shireesh Ambhaikar	Mr. Jitendra J. Gandhi	Mr. Vinod R. Verma	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,36,80,314	36,81,268	1,30,37,772	<b>3,03,99,354</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	#	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>1,36,80,314</b>	<b>36,81,268</b>	<b>1,30,37,772</b>	<b>3,03,99,354</b>

# 25000 Equity shares allotted during the year against option's exercised under Employee Stock Option Plan 2016

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act / Regulation of LODR	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (givedetails)
Penalty	Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Delay in conducting the Audit Committee & Board Meeting for the last quarter ended on 31.03.2019.	₹ 4,48,400/- paid as penalty on 5 <sup>th</sup> September, 2019 each to BSE Ltd. & NSE Ltd. for contravention of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015.	SEBI (Securities Exchange Board of India) / BSE Limited / NSE Limited	-
Penalty	Regulation 29(2)/ 29(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	delay in furnishing prior intimation of Board Meeting dated 22.10.2019	₹ 11,800/- paid as penalty on 19 <sup>th</sup> November, 2019 each to BSE Ltd. & NSE Ltd. for contravention of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	SEBI (Securities Exchange Board of India ) / BSE Limited / NSE Limited	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>OTHER OFFICERS IN DEFAULT :</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors,

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
Vice Chairman  
DIN: 0005868

**Pallavi P. Shedge**  
Director  
DIN: 08356412

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## ANNEXURE –II

### FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rules 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

#### Part-“A”: Subsidiaries

(Amount ₹ in Lakhs)

Sr. No.	Particulars			
1.	Name of the Subsidiary	Wanbury Holding B.V. (Netherland)	Wanbury Global FZE (UAE)	Ningxia Wanbury Fine Chemicals Co. Ltd. (China)
2.	The date since when subsidiary was acquired	-	-	-
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	EUR 1 EUR= ₹ 83.05	AED 1 AED= ₹20.54	CNY 1 CNY= ₹10.63
5.	Share Capital	3,849.02	1,322.68	5.29
6.	Reserves & Surplus	(16,418.16)	(1,320.04)	(129.50)
7.	Total Assets	148.94	3.87	0
8.	Total Liabilities	148.94	3.87	0
9.	Investments	0	0	0
10.	Turnover	0	0	0
11.	Profit before taxation	0	(0.04)	0
12.	Provision for taxation	0	0	0
13.	Profit after taxation	0	(0.04)	0
14.	Proposed Dividend	NIL	NIL	NIL
15.	% of shareholding	100	100	100

#### Notes:

- Name of subsidiaries which are yet to commence operations: **NOT APPLICABLE**
- Name of the subsidiaries which have been liquidated or sold during the year: **NOT APPLICABLE**

#### Part-“B”: Associates and Joint Ventures: N.A.

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Sr. No.	Name of Associate/ Joint Venture	Not Applicable
1.	Latest audited balance Sheet Date	
2.	Date on which the Associate or Joint Venture was associated or acquired	
3.	No. Shares of Associate / Joint Ventures held by the Company on the year end	
	- Amount of Investment in Associate/ Joint Venture	
	- Extend of Holding %	
4.	Description of how there is significant influence	
5.	Reason why the associate/ joint venture is not consolidated	
6.	Net-worth attributable to Shareholding as per latest audited Balance Sheet	
7.	Profit/ Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

#### Notes:

- Name of associate or joint ventures which are yet to commence operations: **NOT APPLICABLE**
- Names of associate or joint ventures which have been liquidated or sold during the year: **NOT APPLICABLE**

For and on behalf of the Board of Directors,

K. Chandran  
Vice Chairman  
DIN: 00005868

Pallavi P. Shedde  
Director  
DIN: 08356412

Navi Mumbai, 22<sup>nd</sup> July, 2020



**ANNEXURE - III**  
**FORM AOC-2**

*[Pursuant to clause (h) of sub – section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014].*

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub – section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso:**

1.	Details of contracts or arrangements or transactions not at arm's length basis.	<b>Not Applicable</b>
	a. Name (s) of the related party and nature of relationship.	
	b. Nature of contract / arrangement/ transaction.	
	c. Duration of the contract / arrangement or transaction including the value, if any.	
	d. Salient terms of the contracts or arrangements or transactions including the value, if any.	
	e. Justification for entering into such contracts or arrangement or transaction.	
	f. Date(s) of approval by the Board.	
	g. Amount paid as advance, if any.	
	h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	
2.	Details of material contracts or arrangements or transactions at arm's length basis.	
	a. Name (s) of the related party and nature of relationship.	M/s. Wanbury Infotech Private Limited
	b. Nature of contract / arrangement/ transaction.	Services provided
	c. Duration of the contract / arrangement or transaction including the value, if any.	12 Months (i.e. from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020)
	d. Salient terms of the contracts or arrangements or transactions including the value, if any.	₹ 2.51 Crores
	e. Date(s) of approval by the Board, if any.	14.08.2019
	f. Amount paid as advance, if any.	Nil

**For and on behalf of the Board of Directors,**

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
**Vice Chairman**  
**DIN: 00005868**

**Pallavi P. Shedge**  
**Director**  
**DIN: 08356412**

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

---

**ANNEXURE -IV**  
**FORM NO. - MR- 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of  
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**WANBURY LIMITED**

BSEL Tech Park, B Wing, 10<sup>th</sup> Floor,  
Sector 30-A, Opp. Vashi Railway Station,  
Vashi, Navi Mumbai – 400 703.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Wanbury Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Wanbury Limited for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company, namely:
  - 1. The Companies Act 2013 and Rules Made there under.
  - 2. Maintenance of records relating to shares.
  - 3. Securities Contracts (Regulations) Act, 1956.
  - 4. Industries (Development & Regulations) Act, 1951.
  - 5. Indian Customs Act, 1962.
  - 6. Shops and Establishment Act, 1948.
  - 7. Income Tax Act, 1961.
  - 8. Payment of Gratuity Act, 1972.
  - 9. Payment of Wages Act, 1936.
  - 10. Employees State Insurance Act, 1948.
  - 11. Provident Fund Act, 1952 & Family Pension Act, 1971
  - 12. Payment of Bonus Act, 1965.
  - 13. Workmen's Compensation Act, 1923.
  - 14. Minimum Wages Act, 1948.
  - 15. The Factories Act, 1948.
  - 16. Industrial Disputes Act, 1947.

17. The Contract Labour (Regulation & Abolition) Act, 1970.
18. Personnel Injuries (Compensation) Act, 1963.
19. Public Liability Insurance Act, 1991.
20. The Apprentices Act, 1961.
21. Equal Remuneration Act, 1976.
22. Employment Exchanges (compulsory vacation of notices) Act, 1959.
23. Maternity Benefit Act, 1961.
24. Industrial Employment (Standing orders) Act, 1946.
25. Environment (Protection) Act, 1986.
26. The Information Technology Act, 2000.
27. The Depositories Act, 1996.
28. The IRDA Act, 1999.
29. The Competition Act, 2002.
30. Consumer Protection Act, 1986.
31. Right to Information Act, 2005.
32. Emblems and Names (Prevention of Improper Use) Act, 1950.
33. The Trade Marks Act, 1999.
34. The Patents Act, 1970.
35. The Indian Copyright Act, 1957.
36. Pharmacy Act, 1948.
37. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.
38. Essential Commodities Act, 1955.
39. Food Safety and Standards Act, 2006.
40. The Central Goods And Services Tax Act, 2017
41. Maharashtra Goods and Services Tax Act, 2017
42. The Boiler Act, 1923
43. The Maharashtra Fire Prevention & Life Safety measures Act, 2006
44. The Air (Prevention and Control of Pollution) Act, 1981
45. The Narcotic Drugs and Psychotropic Substances Act, 1985
46. The Andhra Pradesh Fire Services Act, 1999
47. The Water (Prevention and Control of Pollution) Cess Act, 1977
48. Drugs & Cosmetics Act, 1940
49. Drugs (Prices Control) Order, 1995
50. Homoeopathy Central Council Act, 1973
51. Petroleum Act, 1934
52. Poisons Act, 1919
53. Food Safety and Standards Act, 2006
54. Insecticides Act, 1968
55. Bombay Provincial Municipal Corporations Act, 1949
56. Trade Union Act, 1926
57. Foreign Trade (Development and Regulation) Act, 1951
58. Industrial Relations Act, 1967
59. Prevention of Money Laundering Act, 2002

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd. and BSE Ltd.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- i. *Only 76.79% of the Shareholding of Promoter & Promoter Group is in dematerialised form. However, as per SEBI circular No. SEBI/Cir/ISD/05/2011 & Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100 % Shareholding of Promoter & Promoter Group has to be in dematerialised form.*
- ii. *There was a delay in holding the Board Meeting and the Audit Committee Meeting for the last quarter of the Financial year ended 31.03.2019 as per the Regulation 33 of the SEBI (LODR), Regulation 2015 and consequently, the Company paid penalty of ₹4,48,400 to the BSE and ₹4,48,400 to the National Stock Exchange of India.*

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

- iii. *There was a delay in furnishing prior intimation of meeting of the Board of Directors for the meeting convened on 22.10.2019 as per Regulation 29(2)(3) of the SEBI (LODR), Regulation 2015 and consequently the Company paid penalty of ₹11,800/- to the BSE and ₹11,800/- to the National Stock Exchange of India..*

### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year, Ms. Pallavi P Shedge was appointed for further period of four years as Independent Director of the Company.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board/Committee decisions are taken unanimously.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Kala Agarwal**  
**Practising Company Secretary**  
**Certificate of Practice Number: 5356**  
**UDIN: F005976B000505343**

Place: Mumbai  
Date: 25.07.2020

**Note:** *This report is to be read with our letter of even date which is annexed as 'ANNEXURE B' and forms an integral part of this report.*

---

### 'ANNEXURE - B'

To,  
The Members,  
**WANBURY LIMITED**  
BSEL Tech Park, B- Wing, 10<sup>th</sup> Floor,  
Sector 30-A, Opp. Vashi Railway Station,  
Vashi, Navi Mumbai – 400 703.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company..

**Kala Agarwal**  
**Practising Company Secretary**  
**Certificate of Practice Number: 5356**  
**UDIN: F005976B000505343**

Place: Mumbai  
Date: 25.07.2020

---

**ANNEXURE -V**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- (i) The ratio of remuneration of Managing Director to the median remuneration of the employees of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020 was Nil as no remuneration is paid to Whole time director.  
The Non-Executive Directors received the sitting fees from the Company for attending each Board and Committee Meeting of Directors.
- (ii) The percentage increase in remuneration of the Chief Financial Officer and the Company Secretary in the Financial Year 2019-2020 was 7% and 19% respectively.
- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2019-2020 was 5%.
- (iv) The number of permanent employees on the rolls of Company were 1437.
- (v) Average percentage increase made in the salaries of all the employees other than managerial personnel in the previous Financial Year i.e. 2019-2020 was 4% whereas the percentage increase in the Managerial Remuneration for the same Financial Year was **Nil**.
- (vi) It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**For and on behalf of the Board of Directors**

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
**Vice Chairman**  
**DIN: 00005868**

**Pallavi P. Shedge**  
**Director**  
**DIN: 08356412**

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## **ANNEXURE -VI** **ESOP DISCLOSURES**

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 ARE SET OUT BELOW:

Employee Stock Option Scheme

Sr. No.	Description	Details / No. of Options
1.	Options granted	1,00,000
2.	Options vested	25,000
3.	Options exercised	25,000
4.	Total number of shares arising as result of exercise of options	25,000
5.	Options lapsed during the year	Nil
6.	The Exercise price	₹ 10/-
7.	Variation of terms of options	No variation during the year
8.	Money realized by exercise of options	2,50,000
9.	Total number of options in force: Employee-wise details of options granted to:	1,25,000 Mr. Vinod Verma – CFO Mr. Balaji Vasudevan, Sr. Vice President
	i) Senior Managerial Personnel	
	ii) Any other employees to whom options granted amounting to 5% or more, of the total options granted during the year	-
	iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	-

For and on behalf of the Board of Directors,

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
Vice Chairman  
DIN: 00005868

**Pallavi P. Shedge**  
Director  
DIN: 08356412

---

**ANNEXURE - VII****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:****A) CONSERVATION OF ENERGY****(i) the steps taken or impact on conservation of energy;**

- 1) Replaced 1500Kva transformer with 2500Kva transformer with OLTC system Which is automatic maintain the voltage that is reduce our electrical power bill and maintenance cost of equipment
- 2) Upgraded the HT yard capacity and strength for reducing the line loses it reduce the electrical power bill
- 3) New PCC panel installed for proper load sharing and reducing maintenance cost and energy losses.
- 4) 400 Kva Automatic power factor panel installed that will reduce electrical power bill
- 5) Replaced 380 Kva 2 No's Diesel Generator with New 1250Kva Diesel Generator that will increase power backup capacity in same running cost.
- 6) 55TR HVAC system is installed in the E block Met Pharma Area annually we save more money with respect to AC and also reduce the maintenance cost.
- 7) Vessel lamps converted from 23 w CFL lamps to lamps to 9 w LED Lamp.
- 8) Plant lamps converted from 23 w CFL lamps to lamps to 9 w LED lamps.
- 9) Rotary switch provided for vessels lamps to cut off after visualization immediately.
- 10) Street lights conversion started from 250 W HVMV Lamp to 60W LED lamps.
- 11) VFD installed for centrifuge and Reactor for power saving purpose.
- 12) Water level controller installed for R.O. plant and water tanks.
- 13) Corroded Cooling water Supply & Return line with New Line for better cooling & increased in Productivity.
- 14) Auto Nitrogen Cylinder Change over Manifold system Alarm installed for all Reaction Vessels to avoid any accident during Reaction.
- 15) Separated Cooling water Drain line with Steam condensate line to optimize cooling water temperature and Water.
- 16) Boiler smoke tube re tubing work done to optimize briquette consumption.(Consumption is reduced by 0.06 Product/Kg of Briquette)
- 17) CT-01 old fills replaced with new one to minimize cooling time of Batch and to maintain Range.
- 18) Methanol Distillation column Steam trap cleaning done also Secondary condenser tube side cleaning done to achieve better heat transfer.
- 19) Installation of MPD motor protective device For Reactors Motors to avoid motor winding wound out from any faults.
- 20) Pure Condensate Pump Seal type in space of gland pump installed near collection tank.
- 21) Boiler wet scrubber installed after ID fan to avoid ash disposal on surrounding and optimize expense on ASH Disposal.
- 22) 04 Nos. exhaust fan 24" installed in reaction area to maintain better heat transfer.
- 23) FBD-04 New SS316 blower installed to achieve lower power.
- 24) Replaced Old motor with New Energy Efficient Motor.
- 25) Capacitor bank maintained power factor for energy saving.
- 26) Auto sensors provided in AHU for cooling cut off to reduce power.
- 27) Every month once cleaning of condensers introduced in Brine condensers to reduce the discharge pressure of the compressor where in power reduction is obtained.
- 28) Periodic pressure checking of Air & Nitrogen lines to identify the leakages so that the power reduction is obtained.
- 29) Heat recovery from Steam blow down for preheating the water going to Boiler
- 30) Air pre-heaters provided in the Exhaust of Boiler to increase the temp of the feed air.
- 31) Water pre-heater provided in the 3 MT boiler.
- 32) Condensate pump instead of regular pump installed to get hot condensate back to Boiler. Installed at 4 places i.e., 2 at solvent recovery columns, 2 at FBD's, MEE etc.
- 33) Efficiency of MEE improved where in steam requirement is reduced.
- 34) Vacuum efficiency & condenser efficiency increased to reduce the time cycle of water distillation wherein power reduction of vacuum pumps and reactors are obtained.



# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

- 35) IPA distillation column efficiency improved to reduce the time cycle from 96 to 72 hrs where in the steam, power reduction is obtained.
- 36) Reflux ratio in column reduced to get more output there in steam and power reduced.
- (ii) the steps taken by the company for utilising alternate sources of energy;  
Coal usage totally stopped and Briquette usage being done which is obtained from Agro waste. This reduces the pollution also.
- (iii) the capital investment on energy conservation equipments;  
₹ 92 Lakhs.

### B) TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption;
- (ii) the benefits derived like product improvement, cost reduction, product developments or import substitution – yield improvement in products Metformin, Sertraline and DPH. Cost reduction in Tramadol by recovering the material from unwanted isomer, Product development for reduction of failures in Sertraline.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- No imported technology
- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
<b>INCOME:</b>		
Foreign Exchange earned by the Company:		
FOB Value of Exports	17,961.63	18501.71
Freight, Insurance etc.	395.36	492.19
<b>TOTAL INCOME</b>	<b>18,356.99</b>	<b>18,993.90</b>
<b>EXPENDITURE:</b>		
<b>CIF Value of Imports:</b>		
Raw Materials [Including High Seas purchases]	2,896.31	6,181.85
Capital Goods	2.38	Nil
Interest	71.96	23.21
Commission expense	129.29	72.11
Legal & Professional Fees	Nil	71.17
Other Expenses (including traveling and business promotion)	122.93	323.08
<b>TOTAL EXPENDITURE</b>	<b>3,222.87</b>	<b>6,671.42</b>

For and on behalf of the Board of Directors,

Navi- Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
Vice Chairman  
DIN: 00005868

**Pallavi P. Shedge**  
Director  
DIN: 08356412

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)**

### **GLOBAL INDUSTRY OVERVIEW**

The world economy was beginning to regain its vitality during the most part of this financial year, having emerged from multiple macro challenges recently. The US-China trade war and Brexit conflict continued, and the automobile slowdown caused a demand contraction in related sectors. However, a new unforeseen challenge in the form of the Coronavirus Pandemic (COVID 19 Pandemic) disrupted the socio-economic equilibrium, marking a turning point in world economic history.

Global spending on medicines crossed US\$ 1.2 Trillion in 2018; and is projected to grow at a compound annual growth rate (CAGR) of 3 - 6% in the next five years, reaching over US\$ 1.5 Trillion by 2023.

Growth in the global pharmaceutical market will continue to be led by the US and pharmerging markets. While new product launches, especially specialty products, will be the key growth catalyst in developed markets, pharmerging market expansion will be driven by multiple factors. These factors comprise improving per capita income, increasing healthcare awareness, ageing population and rising incidence of chronic ailments. The product mix in the developed world will continue to shift towards specialty and orphan products. Emerging technologies are enabling healthcare providers to innovate

The Indian pharmaceutical industry is also expected to grow with the world and become pivotal as a global pharmaceutical provider. As per industry estimates, India's pharmaceutical industry is expected to reach USD 55 billion by 2020, and by 2025 it would grow to USD 100 billion.

#### **Industry Outlook:**

The industry outlook remains positive given the following:

- Increasing Per Capita Income
- Growing penetration of Health insurance
- Government thrust on improving penetration of modern medicines into rural areas and accelerating access of pharmaceutical products to the poor and low-income sections of the population.
- Increased incidence of chronic ailments.
- Changing lifestyle and consumption patterns.
- Improving healthcare awareness.

#### **Company Overview**

##### **(A) Active Pharmaceutical Ingredients (API) Business:**

APIs are chemicals and biologically active elements of drugs with a direct impact on cure, mitigation, treatment and prevention of diseases. The worldwide API market is likely to exceed US\$ 225 Billion by 2024 – a 6% CAGR for the forecast period.

The API division in FY 2020 registered Growth of 1% with revenue at Rs. 281 Crore. The revenue remained almost flat due to weak Q4 and the onset of Covid 19 impact. The raw material supply situation with respect to Metformin reached a level of stability due to supply arrangements with trading local and overseas trading companies. Sertraline continues to do well with significant increase in order book position. New long- term business has developed for supplies to South America markets resulting in 50 % increase in future sales volume. The Company therefore has expanded capacity of Sertraline by 50% which became operational by end of March 2020. The company plans to further increase the capacity by about 40% in FY 2021. Tramadol is going through a degrowth phase.

The favourable macroeconomic parameters of emerging markets offer encouraging long-term potential, Going forward, the Company will focus on developing and commercialising more products with better realisation and margins. Two new products are reaching commercialisation stage with DMFs being submitted.

##### **(B) Domestic Formulation Business:**

Wanbury registered 127<sup>th</sup> Rank in the latest AIOCD AWACS March 20 annual ranking. The fall in revenue was due to non -availability of working capital issues, right sizing of the field force & FDC ban of few SKU's.

Key focus brands for the Company will be Rabiplus range, Nurture, Senasof, Adtrol range, Chymonac range, Brands like Rabiplus range, Senas of, Chymonac , Cusena Nifty SR, have reflected positive sales growth trend in their respected markets.

The Company focused on addressing persisting challenges related to operational efficiencies, cost optimisation during the last 3 quarters that will have a positive impact in the near as well as long term periods. Some of the key initiatives are as follows

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

- Robust monitoring, Internal Control Systems and Processes put in place helped achieve improved operational efficiency & enable quick action.
- The Core Leadership team worked on key areas such as sales force effectiveness, robust review mechanisms, monitoring strategy execution between head office & field to improve the mid/long term business health of the organization.
- The MIS team continues to support with detailed data analytics that helped improve governance.
- The 4<sup>th</sup> year of Inventory Module, campaign module in SFA for the field force to monitor effective utilization of the inputs for the customer & monitor the core customers in a systematic way.
- Distribution SOPs in place helped rationalise costs.

### (C) Margin Improvement Initiatives:

We have identified various avenues of margin improvement like cost reduction, Yield improvement, better product realisation. The Company merged its R & D Centre at Mahape & Tanuku last year and is now fully functional.

### (D) Human Resource (HR) Initiatives at Wanbury:

HR is focussed on effective ways to attract, motivate, develop and retain the new and existing talent in the current business scenario. We define a set of key people who support the overall business strategy and keep them engaged and motivated. We continuously benchmark HR policies and practices with the best in the industry and carry out the necessary improvements to attract and retain the best talent.

### (E) Threats, Risk and Concern:

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

#### Competition:

Your Company operates in a highly competitive environment with pricing being one of the key determining factors of success. In the API business, your Company has been able to overcome this risk by influencing the prices as it is the largest manufacturer of Metformin in the world with over 10% market share. Sertraline is seeing high demand and growth especially in international markets.

The Covid 19 pandemic situation has started adversely impacting costs of inputs and raw materials. We are keeping a close watch on how the situation would evolve while the world deals with this global crisis. In the Formulations Business, the Company has mitigated this risk to a very large extent by diversifying its product portfolio and launching new value added products. The continuous rise in crude oil in the past and other commodities prices impacted the prices of raw material and intermediates and in turn increased the cost of APIs.

#### Regulatory:

Manufacturing of pharmaceutical products is highly regulated and controlled by regulatory and government authorities across the world. Failure to fully comply with such regulations, could lead to stringent actions from the authorities/ government. Regulators across the world, including the USFDA, have become stricter with the pharmaceutical industry.

Regulatory requirements and consequences for non-compliance are also getting more severe. Your Company is operating in a state of compliance as required by the Regulatory Agencies. US FDA inspection was announced in February for Tanaku site but was postponed till further notice by authorities due to Covid 19 pandemic situation. The site is ready for inspection should an announcement be made.

#### Going Concern

The Company has initiated various measures, including restructuring of debts/business and infusion of funds etc. As part of overall debt resolution plan, the Company has signed Asset Transfer Agreement for sale of specified brands. The same has been concluded on 7 February 2020 and brands and allied assets in agreement, have been transferred. Consequently, gain of ₹ 8,264.04 lakhs has been recognised on sale of brands and presented under exceptional items in the statement of profit and loss. The sale proceeds have been utilized towards repayment of debt as part of debt resolution plan. Consequently, in the opinion of the management, operations of the Company will continue without interruption in spite of negative net worth. Hence, financial statements are prepared on a "going concern" basis.

#### Foreign Exchange Fluctuations:

As the share of exports to total sales made by your Company is considerable, same is partly hedge through natural hedging via raw material imports. Further management exercise close monitoring of currency fluctuations.

**(F) Financial Review:**

**In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.**

The detailed financial & operational performance is provided on page no. 65.

**(G) Cautionary Statement:**

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

**For and on behalf of the Board of Directors,**

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
**Vice Chairman**  
**DIN: 00005868**

**Pallavi P. Shedge**  
**Director**  
**DIN: 08356412**

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## CORPORATE GOVERNANCE REPORT

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

Wanbury Limited ("the Company") believes in and practices good corporate governance. The Company's philosophy of Corporate Governance envisages attainment of the transparency, accountability and equity in all its dealings with all stakeholders. As a Public Listed Company, the Company is committed to complete, accurate and timely disclosure in reports and documents that it files with regulatory authorities.

The Company is fully compliant with all the mandatory provisions of Regulation 72 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Compliances are as follows:

### (2) BOARD OF DIRECTORS:

The composition of the Board, Category of the Directors and Number of Directorship & Membership / Chairmanship of Committees in other companies as on 31<sup>st</sup> March, 2020 are as under:

Name of the Directors	Category**	Age (in years)	No. of Other Directorship(s) Held *	No. of Committee Position Held in all Companies#	
				Member	Chairperson
Mr. K. Chandran	P &WTD	62	Nil	2	Nil
Mr. N. K. Puri	I & NED	77	Nil	1	1
Mr. S. K. Bhattacharyya	I & NED	69	5	1	3
Ms. Pallavi P. Shedge \$	I & NED	42	Nil	2	Nil

\* Excluding Directorship in private limited and foreign companies.

\*\* P – Promoter, WTD - Whole-time Director, I – Independent NED - Non-Executive Director.

# includes only Audit Committee & Stakeholders Relationship Committee.

\$ Ms. Pallavi P. Shedge was re-appointed as Non-Executive Independent Woman Director by the Board of Directors at their meeting held on 14<sup>th</sup> February, 2020 for a term of four years.

### Names of the Listed entities where the person is a Director and the category of Directorship as on 31<sup>st</sup> March, 2020

Sr. No.	Name of Directors	Other Directorship	Category of other Entities Directorship
1.	Mr. K. Chandran	Nil	Nil
2.	Mr. N. K. Puri	Nil	Nil
3.	Mr. S. K. Bhattacharyya	a) C&S Electric Limited b) Dabur India Limited c) H & B Stores Limited. d) SBM Bank (India) Limited e) Controls and Switchgear Contactors Limited	Director Director Director Director Director
4.	Ms. Pallavi P. Shedge	Nil	Nil

### Disclosure of relationship between Directors Inter-se:

None of the Directors of the Board is a member of more than 10 Committees and no Director is Chairman/Chairperson of more than 5 Committees across all public limited companies in which he/she is a Director.

The Board/Committee Meetings are scheduled well in advance after considering availability of all the Board Members. The Notice and Agenda papers of each Board/Committee Meeting are given to each Director well in advance except for the Audit Committee & Board Meeting held on 22<sup>nd</sup> October, 2019 to transact urgent business where all the independent directors were present at the meeting and short notice for the same has been approved by all the members of committee & Board.

All the items on the Agenda are accompanied by Notes/ Memorandum to the Board giving comprehensive information on the related subject. Detailed presentations are made at the Board/Committee Meetings in relation to the matters like Financial/Business Plans, Financial Results, etc. The Board/Committee Members are free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The Board Meeting is generally scheduled at least once in a quarter to consider the quarterly performance and the financial results. The Minutes of the Board / Committee Meetings are circulated on conclusion of the Board/Committee Meeting to the Board/Committee Members for their comments and confirmed at the subsequent meeting.

During the year under review i.e. from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020, eight (8) Board Meetings were held on 1<sup>st</sup> June 2019, 14<sup>th</sup> August 2019, 14<sup>th</sup> August 2019, 20<sup>th</sup> September 2019, 30<sup>th</sup> September 2019, 22<sup>nd</sup> October 2019, 13<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020. The time gap between two consecutive Board Meeting has not exceeded maximum permissible time gap of 120 days.

**Directors Attendance Record:**

Name of Directors	No. of Board Meetings attended during the year	Whether last AGM attended
Mr. K. Chandran	8	Yes
Mr. N. K. Puri	8	Yes
Mr. S. K. Bhattacharyya	8	Yes
Ms. Pallavi P. Shedge	8	Yes

**Shareholding of Non- executive Directors:**

None of the Non-executive Directors hold any shares in the Company.

**Skill, Expertise and Competence of the Board of Directors:**

The matrix setting out the skills/expertise/competence of the Board of Directors are as under:

Sr. No.	Skill, expertise, competence	Description	Name of the Director who possesses the said skill
1.	Business acumen	Ability to combine experience, knowledge & perspective to make sound business decisions.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedge
2.	Vision	Ability to see future with precision based on knowledge, experience and power of reasoning to shape company's plans.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedge
3.	Strategic thinking	Ability to identify opportunities, critical evaluation of the same and plan for successful implementation, to achieve desired business goal.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedge
4.	Industry knowledge	Ability to comprehend intricacies of running an industry and guide the executive management to achieve desired goals.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedge
5.	Sector knowledge	Understanding of pharma sector with specific emphasis on various factors influencing the business in the sector.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedge
6.	Marketing	Thorough understanding of market and ability to deploy most innovative and effective marketing strategies supported by best use of technology	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya,
7.	International Business knowledge	Ability to understand nuances of international markets in different geographies, identify business opportunities & achieve business goals	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya,
8.	Finance & Accounting	Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning, oversee budgets & efficient use of resources.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedge
9.	Risk management	Ability to identify key risks associated with the business and put in place risk minimisation and mitigation framework to insulate the business from pitfalls.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedge

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

10.	General management	Ability to propel company's business goals forward with analytical and critical thinking and complex problem solving.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedje
11.	Leadership	Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedje
12.	Communication	Ability to convey effectively and efficiently with all stakeholders to achieve organisation goals.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedje
13.	Understanding of regulatory framework	Ability to understand & interpret regulatory framework in which company operates & guide in alignment of business and policies with the same.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedje
14.	Networking	Ability to cultivate productive relationships that have shared interests and use the same for furtherance of business objectives	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya,
15.	Human resource management	Ability to engage, develop, inspire and manage people in an organisation, so that they help to achieve organisational goals and gain a competitive advantage.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedje
16.	Objectivity	Trait of forming views and opinions based on facts and not influenced by personal beliefs.	Mr. K. Chandran, Mr. N. K. Puri, Mr. S. K. Bhattacharyya, Ms. Pallavi P. Shedje

### Independent Directors:

It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

Pursuant to a notification dated 22<sup>nd</sup> October, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

### Confirmation of the Compliance of the Codes:

All Directors and members of Senior Management have, as on 31<sup>st</sup> March, 2020, affirmed their compliance with:

- The Company's Code of Conduct for Prevention of Insider Trading in its shares;
- Disclosures relating to all material and financial transactions;
- Annual Disclosure(s) as required under the Code of Conduct of Prevention of Insider Trading.

### (3) BOARD COMMITTEES:

At present, the Board has five committees namely the Audit Committee, the Stakeholders Relationship Committee, the Nomination & Remuneration Committee, the Risk Management Committee and the Day to Day Affairs Committee.

#### (A) AUDIT COMMITTEE:

The Company's Audit Committee has been constituted in accordance with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year under review, seven (7) meetings of the Audit Committee were held on 1<sup>st</sup> June 2019, 14<sup>th</sup> August 2019, 14<sup>th</sup> August 2019, 20<sup>th</sup> September 2019, 22<sup>nd</sup> October 2019, 13<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020. The time gap between two consecutive Audit Committee Meetings has not exceeded maximum permissible time gap of 120 days.

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

Name of Directors	Designation	Category	No. of Meetings Attended
Mr. N. K. Puri	Chairman	I & NED	7
Mr. S. K. Bhattacharyya	Member	I & NED	7
Ms. Pallavi P. Shedje	Member	I & NED	7
Mr. K. Chandran	Member	P & WTD	7



Mr. Vinod Verma is the Chief Financial Officer of the Company.

Mr. Jitendra J. Gandhi is the Company Secretary of the Company.

All Members are financially literate and have expertise in accounting and related financial management field.

**Terms of Reference:**

The terms of reference to the Audit Committee include:

**(I) Powers of Audit Committee:**

The Audit Committee shall have, *inter alia*, following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**(II) Role of Audit Committee:**

The role of the Audit Committee shall, *inter alia*, include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval for payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### (III) Review of information by Audit Committee:

The Audit Committee shall mandatorily review, inter alia, the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

### (B) NOMINATION AND REMUNERATION COMMITTEE:

The Company's Nomination & Remuneration Committee has been constituted in accordance with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The Committee consists of 4 Directors. The Chairperson of the Committee is an Independent Director. Mr. Jitendra J. Gandhi acts as Company Secretary of the meeting.

During the year under review, four (4) meetings of the Nomination & Remuneration Committee were held on 14<sup>th</sup> August 2019, 14<sup>th</sup> August 2019, 13<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020.

The attendance records of the Members at the meeting are as under:

Name of Directors	Designation	Category	No. of Meetings Attended
Mr. S. K. Bhattacharyya	Chairperson	I & NED	4
Mr. N. K. Puri	Member	I & NED	4
Ms. Pallavi P. Shedge	Member	I & NED	4
Mr. K. Chandran	Member	P & WTD	4

#### The terms of reference:

- (a) The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (b) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (c) The Committee shall, while formulating the policy shall ensure that:
  - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Performance evaluation criteria for Independent Directors are laid down in the Policy on Board evaluation and more specifically the following:

- Attendance and participation.
- Help in bringing independent judgment on Board's deliberations.
- Independent judgment on strategy, performance, risk management, etc.
- Objectivity & constructivity while exercising duties.
- Safeguarding interests of minority shareholders.

#### Employees Stock Option Scheme 2016

The Company has instituted Employee Stock Option Scheme 2016 ("Wanbury ESOP 2016") which was approved by the shareholders vide their resolution dated 29<sup>th</sup> September, 2016 to reward eligible employees. Pursuant to the said scheme and on the recommendation of the Nomination and Remuneration Committee, the Board had granted 3,50,000 options to employees. During the Year ended 31<sup>st</sup> March, 2020, 25,000 options were vested and allotted. 1,25,000 options are outstanding as on 31<sup>st</sup> March, 2020.

#### Remuneration to Executive Director/s:

Payment of remuneration to executive director is governed by the agreement executed between Mr. K. Chandran, WTD and the Company subject to the provisions of Schedule V of the Companies Act, 2013 for the Financial Year ended 31<sup>st</sup> March 2020.

#### Details of Remuneration debited to Profit & Loss Account:

(₹ in Lakhs)

Name of Director	Salary & Perquisites	Performance Linked Bonus	Total	Service Tenure
Mr. K. Chandran	Nil	Nil	Nil	Upto 31 <sup>st</sup> August, 2022

#### Remuneration to Non Executive Directors:

The Fees paid to Non-Executive Directors for attending Meetings of Board of Directors as well as Committees of the Board, as decided by the Board, are within the limits prescribed by the Companies Act, 2013.

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

#### Sitting Fees paid:

Name of Non-Executive Directors	Sitting Fee (₹)
Mr. N. K. Puri	7,10,000
Mr. S. K. Bhattacharyya	7,10,000
Ms. Pallavi P. Shedge	7,10,000
<b>Total....</b>	<b>21,30,000</b>

#### (C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company's Stakeholders Relationship has been constituted in accordance with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The Committee consists of 4 Directors. The Chairman of the Committee is an Independent Director.

Mr. Vinod Verma is the Chief Financial Officer of the Company.

Mr. Jitendra J. Gandhi is the Company Secretary of the Company.

During the year under review, Four (4) meetings of the Stakeholders Relationship Committee were held on 14<sup>th</sup> August 2019, 14<sup>th</sup> August 2019, 13<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020.

The attendance records of the Members at the meeting are as under:

Name of Directors	Designation	Category	No. of Meetings Attended
Mr. S. K. Bhattacharyya	Chairperson	I & NED	4
Mr. N. K. Puri	Member	I & NED	4
Ms. Pallavi P. Shedge	Member	I & NED	4
Mr. K. Chandran	Member	P & WTD	4

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

Total 2 complaints were received and replied to the satisfaction of Shareholders during the year under review. No complaint and no share transfer request were pending at the beginning of the year i. e. on 1<sup>st</sup> April, 2019 and at the end of the year i.e. 31<sup>st</sup> March, 2020.

### (D) RISK MANAGEMENT COMMITTEE:

Risk Management Committee has been formed by the Board of Directors of the Company to consider the potential risks of the business of the Company and to plan for the mitigation of the same. Following are the Members of Risk Management Committee:

Name of Directors	Designation	Category
Mr. N. K. Puri	Chairperson	I & NED
Mr. S. K. Bhattacharyya	Member	I & NED
Ms. Pallavi P. Shedge	Member	I & NED
Mr. K. Chandran	Member	P&WTD

### (E) DAY TO DAY AFFAIRS COMMITTEE:

The Day to Day Affairs Committee comprises of following Members:

Name of Committee Members	Designation
Mr. K. Chandran	Chairperson/ Wholetime Director
Dr. Shireesh Ambhaikar	Member
Mr. Vinod Verma	Member
Mr. Jitendra J. Gandhi	Member

The Day to Day Affairs Committee meets to take decisions on the matters delegated by the Board of Directors. During the year under review, nine (9) meetings of the Day To Day Affairs Committee were held on 11<sup>th</sup> April 2019, 11<sup>th</sup> June 2019, 10<sup>th</sup> July 2019, 30<sup>th</sup> September 2019, 31<sup>st</sup> October 2019, 18<sup>th</sup> November 2011, 11<sup>th</sup> December, 2019, 21<sup>st</sup> January, 2020 and 2<sup>nd</sup> March, 2020.

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

1. To take the decisions relating to the Bank Accounts i.e. opening of account, closing of account, availing any facility (internet banking, at par facility) etc.
2. To revise the authorisation for mode of operations of the Bank Accounts of the Company as per requirements from time to time.
3. To undertake borrowings and give guarantees within CDR Mechanism not exceeding ₹ 5 Crore and decide the terms & conditions of such borrowings and guarantees.
4. To take record of the Share Transfer Committee Minutes.
5. Giving Power of Attorney to the personnel of the Company to deal with the Government Authorities / Semi Government Authorities and private bodies including Income Tax Department, Excise Department, Sales Tax Department, Custom Department, Court Matters, Company Law Matters, Maharashtra Industrial Development Corporation and Maharashtra Pollution control Board.
6. To appoint C&F Agent, Selling Agent, Purchasing Agent, Distributor on Consignment Basis (DCBs), Transport Agent, Warehouse Agent, and other agents relating to the operations of the Company.
7. To authorize the persons to represent the Company as Member in the general meeting of the other Company, in which the Company is Member.
8. To obtain manufacturing license or any other license on loan license basis or any other basis.
9. To open the offices, branch offices, warehouses of the Company in any part of India;
10. To enter into warehousing and logistic arrangements for the requirements of the Company.
11. To give authorisation for filing of applications, forms or other documents for obtaining registration, licenses, permission from any authority to carry on the existing business of the Company in any part of India and to represent before such authorities on behalf of the Company.
12. To give authorisation to apply, file and avail the services / connectivity of any services for offices, stores or other places of the Company.
13. To issue and allot Equity Shares of the Company upon conversion request received from FCCB Holders.
14. To issue & allot securities of the Company.

15. To issue & allot Equity Shares of the Company to the OFCD Holders as and when the OFCD holders exercise conversion option.
16. To issue & allot Equity Shares of the Company to the Warrant Holders as and when the Warrant Holders exercise conversion option.
17. To allow companies whether already incorporated or to be incorporated to use “Wanbury” word in their name and also to use logo of the Company.
18. To take properties on lease, leave & license or otherwise in the normal and ordinary course of business of the Company with total lease commitment not exceeding a limit of ₹ 1 Crore.
19. To give the authority to any person to enter into any service related agreement e.g. housekeeping, repair & maintenance, security etc. for office, stores and other places of the Company.
20. To give authorisation to any persons to sign & file returns, forms and other documents with government and statutory authorities in compliance with any statute applicable to the Company from time to time.
21. To file the suits, appeals, petitions, affidavits etc. before any court or authority on behalf of the Company on any matter except for any initiation or settlement of any litigation, arbitration, proceedings or claims which, in the opinion of the Investor, is material in the context of the business in each case not in excess of ₹ 50 Lakhs.
22. To defend the suits, legal proceedings etc. against the Company on behalf of the Company and to appoint any attorney/counsel/advocate etc. to appear before any court or authority on behalf of the Company.
23. To take any other decision on any matter to be arrived in day to day business activities of the Company.

#### INDEPENDENT DIRECTORS MEETING:

Schedule IV of the Companies Act, 2013 and the Rules made thereunder mandates that the Independent Directors of the Company hold at least one meeting in a year without the attendance of non-independent directors and Members of the Management. It is recommended that all the Independent Directors of the Company be present at such meetings. These meetings are expected to review the performance of the non-independent directors and the Board as a whole as well as the performance of the Chairman of the Board taking into account the views of the executive directors and non-executive directors, assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership, strengths & weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board including the Chairman.

#### Following are the Members of Independent Directors meeting:

Name of Directors	Category
Mr. N. K. Puri	I & NED
Mr. S. K. Bhattacharyya	I & NED
Ms. Pallavi P. Shedge	I & NED

During the year under review, meeting of Independent Directors was held on 14<sup>th</sup> February, 2020 in compliance with the requirements of Schedule IV of the Companies Act, 2013. Following items were considered at the said meeting:

- a. Presentation on familiarising the Independent Directors with operations of the Company;
- b. Performance review of Non-Independent Directors, Board as a whole and Chairman of the Company;
- c. Assess the quality, quantity and timeliness of flow of information between Company Management and the Board.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (7) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

The Company had issued formal letter of appointment to all Independent Directors alongwith terms and conditions and the draft of the same is placed on the website of the Company.

The details of the familiarisation program of Independent Directors have been put on the website of the Company.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel and the same is available on Company's website.

The Company has adopted a Whistle Blower Policy and the same is available on Company's website.

The Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the Company to familiarise the Independent Directors with the Company, their roles, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various programmes.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

The details of familiarisation programs imparted to the Independent Directors by the Company is placed on the Company's website, the web link of the same is: <http://www.wanbury.com/investorrelsl/policies/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

### PREVENTION OF INSIDER TRADING:

The Company has devised and adopted Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. Company Secretary is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time.

### (4) GENERAL BODY MEETING:

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

Financial Year	Date	Time	Venue
2018-19	30 <sup>th</sup> September, 2019	11:30 A.M.	Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.
2017-18	27 <sup>th</sup> September, 2018	11:30 A.M.	Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.
2016-17	29 <sup>th</sup> September, 2017	11:30 A.M.	Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.

#### (b) Postal Ballot:

i) During the year under review, the Company has passed following resolutions through Postal Ballot.

Sr. No.	Date of Postal Ballot	Subject matter
1.	22 <sup>nd</sup> October, 2019	To to consider and approve the issue and allotment of 12,50,000 equity shares on preferential basis to M/s. Edelweiss Asset Reconstruction Company Limited (EARC) as a Trustee of EARC Trust SC 145 as a part of restructuring of the debt as per SEBI ICDR Regulation as amended from time to time

ii) **Person who conducted the postal ballot exercise:**

Ms. Kala Agarwal, Practicing Company Secretary appointed as the Scrutinizer, had conducted the postal ballot voting process.

iii) **Procedure for Postal ballot:**

The postal ballot was conducted in accordance with the procedure set out in Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations.

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

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

Sr. No.	Date of AGM	Subject matter
1.	30 <sup>th</sup> September, 2019	to approve re-appointment of Mr. K. Chandran for a period of 3 (three) years as Whole-time Director of the Company.
2.	27 <sup>th</sup> September, 2018	To approve the continuation of directorship of mr. N. K. Puri (DIN-00002226), non-executive independent director who has attained the age of seventy-five (75) years.
3.	27 <sup>th</sup> September, 2018	To approve subsidiarisation by way of hiving off/transfer of formulation business into its wholly owned subsidiary Company.
4.	29 <sup>th</sup> September, 2017	To adopt new set of Articles of Association of the Company, to the exclusion of the existing set of Articles of Association.

#### (d) Subsidiary Companies:

Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.



The Company has below mentioned 4 foreign subsidiaries:

- (i) Wanbury Holdings B. V., Netherlands;
- (ii) Cantabria Pharma S. L., Spain; # (under liquidation)
- (iii) Wanbury Global FZE, Ras Al Khaimah, UAE.
- (iv) Ningxia Wanbury Fine Chemicals Co. Ltd., China;  
# Subsidiary of Wanbury Holdings B. V., Netherlands

The Policy on material subsidiaries is placed on Company's website.

**(e) Means of Communication:**

The Quarterly (un-audited financial result) and Annual Audited Financial Result of the Company are electronically submitted on the online Portals - 'BSE Corporate Compliance & Listing Centre' (Listing Centre) and 'Electronic Application Processing System' (NEAPS) of BSE and NSE respectively, within 30 minutes of their approval by the Board pursuant to the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same results are published in Free Press Journal and Navshakti Newspapers in accordance with the provisions of Listing Regulations with Stock Exchanges and also posted on the Website of the Company i.e. [www.wanbury.com](http://www.wanbury.com)

**(5) GENERAL SHAREHOLDERS INFORMATION:**

**(a) Annual General Meeting:**

Day & Date	:	<b>Monday, 28<sup>th</sup> September, 2020</b>
Time	:	<b>11:30 A.M.</b>
Place/Venue	:	<b>Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) due to COVID-19 Pandemic</b>
Company's Registered Office	:	<b>BSEL Tech Park, B-Wing, 10<sup>th</sup> Floor, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400 703, India</b>

**(b) Financial Calendar:**

For quarter ending on 30 <sup>th</sup> June 2020.	Unaudited Financial Results will be declared within 45 days from the end of the quarter.
For quarter ending on 30 <sup>th</sup> September 2020.	Unaudited Financial Result will be declared within 45 days from the end of the quarter.
For quarter ending on 31 <sup>st</sup> December 2020.	Unaudited Financial Result will be declared within 45 days from the end of the quarter.
For quarter ending on 31 <sup>st</sup> March 2021.	Audited Financial Result will be declared within 60 days from the end of Financial year 2020-2021.
Annual General Meeting for the Financial Year ending on 31 <sup>st</sup> March 2021.	On or before 30 <sup>th</sup> September 2021.

**(c) Book Closure:**

The Share Transfer Books and the Register of Members will remain closed from **Tuesday, 22<sup>nd</sup> September 2020** to **Monday, 28<sup>th</sup> September 2020** (both days inclusive) for the purpose of Annual General Meeting.

**(d) Listing on Stock Exchanges & Stock Codes:**

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

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

The ISIN Number of Company is "INE107F01022".

The Company has paid listing fees to BSE Ltd. & National Stock Exchange of India Ltd. for the Financial Year 2019-2020.

The Company has paid custody fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2019-2020.



# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

(e) **Corporate Identity Number (CIN):**

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

**Share Transfer System:**

The Shares sent for transfer are generally registered and disposed of within a period of 15 days from the date of receipt, if the documents are complete in all respects. The Stakeholders relationship committee is authorised to approve the Share Transfers.

The Company's shares are traded on the Stock Exchanges in the compulsory dematerialised form. Shareholders are requested to ensure that their Depository Participants ("DPs") promptly send physical documents, i.e. Dematerialization Request Form ("DRF"), Share Certificates, etc. to the ISD by providing the Dematerialization Request Number ("DRN"). Documents for transfer in the physical form, i.e., the Transfer Deeds, Share Certificates, etc., should similarly be sent to the ISD.

**Dematerialization:**

As on 31<sup>st</sup> March 2020, 2,17,11,056 Equity Shares of the Company (representing 86.95 % of the total shares) were held in the dematerialised form and 32,59,061 Equity Shares (representing 13.05 % of the total shares) were held in the physical form. Shares of Company are listed on the two stock exchanges with nationwide terminal viz. BSE and NSE.

The shares are frequently traded on these exchanges.

(g) **Stock Data:**

Monthly Volume and High, Low & Close of Market price of Company's Equity Shares traded on the BSE Limited, Mumbai during the year ended on 31<sup>st</sup> March 2020 were as under:

Month	High (₹)	Low (₹)	Close (₹)	BSE Sensex Close	Volume (No. of Shares)
April 2019	24.70	20.60	20.65	39031.55	26322
May 2019	21.60	16.75	20.80	39714.20	30568
June 2019	21.65	13.90	15.00	39394.64	28223
July 2019	17.45	12.42	14.40	37481.12	56713
August 2019	14.10	11.55	11.84	37332.79	16486
September 2019	13.23	10.90	12.95	38667.33	29327
October 2019	12.72	11.00	12.09	40129.05	33414
November 2019	22.06	11.70	21.55	40793.81	77411
December 2019	22.50	17.85	18.75	41253.74	51374
January 2020	20.55	18.10	18.20	40723.49	75698
February 2020	33.35	17.70	29.55	38297.29	117385
March 2020	30.00	16.05	18.20	29468.49	96642

**Source: BSE Website**

Monthly Volume and High, Low & Close of Market price of Company's Equity Shares traded on the National Stock Exchange of India Limited, Mumbai during the period ended on 31<sup>st</sup> March, 2020 were as under:

Month	High (₹)	Low (₹)	Close (₹)	S & P CNX Nifty Close	Volume (No. of Shares)
April 2019	24.50	20.50	20.65	11748.15	66551
May 2019	22.10	16.75	20.30	11922.80	60168
June 2019	21.30	14.00	14.45	11788.85	29444
July 2019	17.60	12.50	14.45	11118.00	65905
August 2019	15.00	11.50	11.80	11023.25	24953
September 2019	13.10	11.25	11.80	11474.45	29859
October 2019	12.75	10.75	12.15	11877.45	39495
November 2019	21.40	11.75	21.40	12056.05	100321
December 2019	22.45	17.50	18.60	12168.45	66073
January 2020	20.80	17.70	18.85	11962.10	84670
February 2020	33.40	17.50	29.40	11201.75	319440
March 2020	29.95	16.15	18.30	8281.10	171968

**Source: NSE Website**

(h) **Distribution Schedule on number of Shares as on 31<sup>st</sup> March, 2020:**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 100	7180	57.47	4,04,126	1.62
101 to 200	1535	12.29	2,74,986	1.10
201 to 500	1799	14.40	6,85,999	2.75
501 to 1000	902	7.22	7,56,243	3.02
1001 to 5000	859	6.88	19,56,882	7.83
5001 to 10000	123	0.98	8,92,042	3.57
10001 to 100000	82	0.65	20,60,076	8.24
100001 & above	14	0.11	1,79,64,763	71.87
<b>Total</b>	<b>12,494</b>	<b>100.00</b>	<b>2,49,95,117</b>	<b>100.00</b>

(i) **Distribution Schedule on scrip value as on 31<sup>st</sup> March, 2020:**

Share of Nominal Value in ₹	No. of Share holders	% of Share holders	Total Amount in ₹	% of Amount
Upto 5000	10,514	84.15	1,36,51,110	5.46
5001 to 10000	902	7.22	75,62,430	3.02
10001 to 20000	497	3.98	77,52,930	3.10
20001 to 30000	197	1.58	50,56,500	2.02
30001 to 40000	93	0.74	33,67,820	1.35
40001 to 50000	72	0.58	33,91,570	1.36
50001 to 100000	123	0.98	89,20,420	3.57
100001 & above	96	0.77	20,02,48,390	80.12
<b>Total</b>	<b>12,494</b>	<b>100.00</b>	<b>24,99,51,170</b>	<b>100.00</b>

(j) **Shareholding Pattern as on 31<sup>st</sup> March, 2020 was as under:**

Category	No. of Shares Held	% of Holding
<b>(A) Promoter Holding</b>		
<b>Indian Promoter:</b>		
(a) Expert Chemicals (India) Private Limited	1,00,05,561	40.03
<b>Foreign Promoter:</b>		
(b) Kingsbury Investment INC	30,24,000	12.10
<b>Person acting in Concert:</b>	-	-
<b>Sub Total (A)</b>	<b>1,30,29,561</b>	<b>52.13</b>
<b>(B) NON PROMOTERS HOLDING</b>		
<b>Institutional Investors</b>		
Mutual Funds and UTI	66	0.00
Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions /Non -Government Institutions)	5,35,871	2.14
FII's	-	-
<b>Sub Total (B)</b>	<b>5,35,937</b>	<b>2.14</b>
<b>(C) Others</b>		
Private Bodies Corporate	25,86,967	10.35
Indian Public	75,49,764	30.20
NRI / OCB	9,32,237	3.73
Any-Other (Foreign-Companies)	-	-
IEPF	3,38,715	1.36
Clearing Members	21,936	0.09
<b>Sub Total (C)</b>	<b>1,14,29,619</b>	<b>45.73</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>2,49,95,117</b>	<b>100.00</b>

(k) **Outstanding Warrants:**

11,25,236 Warrants of the face value of ₹ Nil were allotted to the shareholders of erstwhile PPIL pursuant to the order dated 24<sup>th</sup> April 2007 of Hon'ble BIFR, which were exercisable upto 27<sup>th</sup> June 2012. Refer Note No. 21.3 of the Financial Statements.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### (l) Optionally Fully Convertible Debentures:

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of face values of ₹ 1,000/- each (₹ One Thousand each) of the aggregate nominal value of ₹ 5,81,99,000/- (₹ Five Crore Eighty One Lac Ninety Nine Thousand only) have remained unpaid as on 31<sup>st</sup> March 2020.

Zero Coupon Optionally Fully Convertible Debenture Holders had a right to convert the same into Equity Shares of the Company between 1<sup>st</sup> November 2008 and 30<sup>th</sup> April 2012, at higher of:

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

However, none of the OFCD Holder had made an application to convert OFCD into Equity Shares of the Company.

The aforesaid OFCD were issued pursuant to the Order of Hon'ble BIFR dated 24<sup>th</sup> April 2007. Refer Note No. 45a of the Financial Statements.

### (m) Reconciliation of Share Capital Audit Report:

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

The Company is on a regular basis submitting Reconciliation of Share Capital Audit Report, in terms of the provisions of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, certified by Practicing Company Secretary to Stock Exchanges.

### (n) Unclaimed Shares dividend:

- i) There are no shares outstanding in "Unclaimed Suspense Account" at the beginning and at the end of the year.
- ii) In accordance with the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) (as amended), the Company is required to statutorily transfer the shares held by the Shareholders whose dividend has remained unclaimed for a consecutive period of seven years or more to IEPF.

As at 31<sup>st</sup> March 2020, a total of 3,38,715 Shares of the Company were lying in the Demat account of the IEPF Authority.

During the previous year ended 31<sup>st</sup> March 2019, the Company had also filed form IEPF-4 with the IEPF authority giving the details of shares transferred. The details of shares transferred are also available on the Company's website [www.wanbury.com](http://www.wanbury.com). Shareholders are requested to follow the below mentioned procedure for claiming their shares/ unclaimed dividend from IEPF:

- a) Make an online application in Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in);
- b) Send a copy of the online application duly signed on each page by Shareholders/ claimant alongwith copy of challan and all documents mentioned in Form IEPF-5 to the Company's Registrar & Share Transfer Agent at Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. India for verification of his/her claim;
- c) The Company shall, within 15 days of receipt of the claim form, send a verification report to the IEPF Authority alongwith all documents submitted by the claimant;
- d) On verification, the IEPF Authority shall release the shares/dividend directly to the claimant.

### (o) Plant Locations:

- a) Plot No. A-15, M.I.D.C., Ind. Area, Patalganga, Maharashtra
- b) Plot No. J-17, M.I.D.C. Tarapur, Maharashtra
- c) K. Illindalaparru Village, Tanuku, Dist. - West Godavari, Andhra Pradesh

### (p) Compliance Officer:

The Board of Directors has designated Mr. Jitendra J. Gandhi, Company Secretary as the Compliance Officer of the Company.

**(q) Address for Correspondence:**

**Wanbury Limited**

Secretarial Department

CIN: L51900MH1988PLC048455

BSEL Tech Park,

B-Wing, 10<sup>th</sup> Floor, Sector 30-A, Opp. Vashi Railway Station,

Vashi, Navi Mumbai - 400 703, India.

Tel : +91-22-67942222

Fax: +91-22-67942111/333

E-mail: [shares@wanbury.com](mailto:shares@wanbury.com)

Website: [www.wanbury.com](http://www.wanbury.com)

Shareholders of the Company can lodge their complaints on E-Mail ID: [shares@wanbury.com](mailto:shares@wanbury.com).

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

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

C-101, 247 Park, L. B. S. Marg,

Vikhroli (West),

Mumbai - 400 083. India.

Telephone No.: +91-22-2851 6338, 28515606/5644

E-mail: [support@sharexindia.com](mailto:support@sharexindia.com)

**(s) Credit Ratings:**

The Company does not have any credit rating programme.

The Company does not have any fixed deposit programme nor has any proposal involving mobilisation of funds in India or abroad.

**(t) Management Discussion and Analysis Report:**

Management Discussion and Analysis Report is part of Annual Report.

**(u) General Disclosures:**

**I) Related Party Transactions**

- (i) A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee every quarter;
- (ii) There were no material individual transactions with related parties that were not in the ordinary course of business and at arm's length during the Financial Year ended 31st March 2020;
- (iii) There were no material significant transactions during the Financial Year with related parties such as the Promoters, Directors, Key Managerial Personnel, Relatives or Subsidiaries that could have potential conflict of interest with the Company;
- (iv) The mandatory disclosure of transactions with related parties, in compliance with the Indian Accounting Standard (IndAS-24), forms part of this annual report;
- (v) Related Party Transactions policy of the Company can be accessed on the Company's website [www.eihltd.com](http://www.eihltd.com).

**II) Capital Market non- compliances, if any:**

There were no instances of non-compliance by the Company on any matter relating to the capital markets during the past three years;

**III) Vigil Mechanism/ Whistleblower Policy:**

The Company has a Whistleblower Policy which can be accessed on the Company's website [www.eihltd.com](http://www.eihltd.com). It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in terms of the policy.

During the Financial Year, Nil complaint was received which by the Whistle Committee and reported to the Audit Committee.

Action recommended by the Whistle Committee/ Audit Committee has been implemented by the management.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### IV) Policies

In accordance with the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has formulated the following policies which can be accessed on the Company's website [www.wanbury.com](http://www.wanbury.com):

- i) Policy on Material Subsidiaries;
- ii) Policy on Distribution of dividend;
- iii) Policy on Determination and disclosure of material events;
- iv) Policy on Preservation and Archival of documents;
- v) Risk Management Policy.
- vi) Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment), Regulations, 2018. The Code of Conduct for Prevention of Insider Trading, Code of fair disclosure of Unpublished Price Sensitive Information and Policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information can be accessed on the Company's website [www.wanbury.com](http://www.wanbury.com)

### V) Independent Directors Meeting

Independent Directors met on 14<sup>th</sup> February, 2020 to review the performance of the Non-Independent Directors and the Board as a whole, performance of the Chairperson and quality, quantity and timeliness of information exchange between the Company Management and the Board.

### VI) Board Evaluation

The Company has put in place a Board Evaluation process.

### VII) Sexual Harassment at Workplace

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any sexual harassment complaint during the Financial Year under review.

### VIII) Internal Controls

The Company has put in place adequate Internal Control Systems and Procedures including adequate financial controls with reference to the financial statement.

### IX) Certificate from Company Secretary in Practice regarding Directors disqualification under the Act etc.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached and forms part of this report.

### X) Fee to Statutory Auditors:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which statutory auditor is a part during the Financial Year is ₹ 19,20,000/-.

### XI) Committee Recommendations

There have been no instances where the Board had not accepted any recommendation of/submission by any committee which is mandatorily required, in the Financial Year 2019-2020.

### XII) During the year, the Company has made preferential allotment of equity shares to M/s. Edelweiss Asset Reconstruction Company Limited (EARC) as a Trustee of EARC Trust SC 145 by converting its part of debt into equity shares as part of Restructuring of Debt.

### XIII) There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.

### XIV) The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and Regulation 46(2) under Listing Regulations.

**XV)** Following penalty or strictures have been imposed on the Company by Stock Exchanges and no other penalty or strictures have been imposed by SEBI or any statutory authorities or any matter related to capital markets during the last three years:

<b>Year</b>	<b>Particulars</b>
2019 - 2020	<p>i) Penalty aggregating to ₹ 4,48,400/- (Rupees Four Lakhs Forty Eight Thousand Four Hundred only) has been levied by the National Stock Exchange of India Limited on 27<sup>th</sup> September, 2019 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 31<sup>st</sup> March, 2019 by the stipulated date i.e. 30<sup>th</sup> May, 2019 which has been paid on 30<sup>th</sup> August, 2019.</p> <p>ii) Penalty aggregating to ₹ 4,48,400/- (Rupees Four Lakhs Forty Eight Thousand Four Hundred only) has been levied by the BSE Limited on 17<sup>th</sup> September, 2019 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 31<sup>st</sup> March, 2019 by the stipulated date i.e. 30<sup>th</sup> May, 2019 which has been paid on 30<sup>th</sup> August, 2019.</p> <p>iii) Penalty aggregating to ₹ 11,800/- (Rupees Eleven Thousand Eight Hundred only) has been levied by the BSE Limited on 14<sup>th</sup> October, 2019 for non compliance of Regulation 29(2)/29(3) of Listing Regulations regarding delay in furnishing prior intimation of Board Meeting has been paid on 19<sup>th</sup> November, 2019.</p> <p>iv) Penalty aggregating to ₹ 11,800/- (Rupees Eleven Thousand Eight Hundred only) has been levied by the NSE Limited on 11<sup>th</sup> November, 2019 for non compliance of Regulation 29(2)/29(3) of Listing Regulations regarding delay in furnishing prior intimation of Board Meeting has been paid on 19<sup>th</sup> November, 2019.</p>
2018 - 19	<p>i) Penalty aggregating to ₹ 6,98,800/- (Rupees Six Lakhs Ninety Eight Thousand Eight Hundred only) has been levied by the National Stock Exchange of India Limited on 15<sup>th</sup> June, 2018 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 31<sup>st</sup> March, 2018 by the stipulated date i.e. 30<sup>th</sup> May, 2018 which has been paid on 13<sup>th</sup> August, 2018.</p> <p>ii) Penalty aggregating to ₹ 6,98,800/- (Rupees Six Lakhs Ninety Eight Thousand Eight Hundred only) has been levied by the BSE Limited on 15<sup>th</sup> June 2018 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 31<sup>st</sup> March, 2018 by the stipulated date i.e. 30<sup>th</sup> May, 2018 which has been paid on 13<sup>th</sup> August, 2018.</p>
2016 – 17	<p>Penalty aggregating to ₹ 80,500/- (Eighty Thousand Five Hundred only) has been levied by the BSE Limited on 7<sup>th</sup> June 2017 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 30<sup>th</sup> September 2016 by the stipulated date i.e. 15<sup>th</sup> November 2016 which has been paid on 8<sup>th</sup> June 2017.</p>

**For and on behalf of the Board of Directors,**

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
**Vice Chairman**  
**DIN: 00005868**

**Pallavi P. Shedge**  
**Director**  
**DIN: 08356412**

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

---

## DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I, K. Chandran, Vice Chairman of the Company hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March, 2020.

For Wanbury Limited,

**K. Chandran**  
Vice Chairman  
DIN: 00005868

Navi Mumbai, 22<sup>nd</sup> July, 2020

---

## CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Mr. K. Chandran, Vice Chairman and Mr. Vinod Verma, Chief Financial Officer hereby certify for the Financial Year ended 31<sup>st</sup> March, 2020 that: -

- (a) We have reviewed Indian accounting standards (Ind AS) financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with Ind AS, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:
  - (i) there are no significant changes in internal control over financial reporting during the year;
  - (ii) there are no significant changes in accounting policies during the year except as required to comply with Ind AS, applicable laws and regulations ; and
- (iii) there are no instances of significant fraud of which we have become aware.

For and on behalf of the Board of Directors,

Navi Mumbai, 22<sup>nd</sup> July, 2020

**K. Chandran**  
Vice Chairman  
DIN: 00005868

**Pallavi P. Shedge**  
Director  
DIN: 08356412



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
Wanbury Limited  
BSEL Tech Park, 10<sup>th</sup> Floor, B- Wing,  
Sector 30-A, Opp. Vashi Railway Station, Vashi,  
Navi Mumbai – 400 703.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Wanbury Limited CIN L51900MH1988PLC048455 and having registered office at BSEL Tech Park, 10<sup>th</sup> Floor, B- Wing, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400703 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Mr. K. Chandran	00005868	01.09.2005
2.	Mr. N. K. Puri	00002226	09.03.2005
3.	Mr. S. K. Bhattacharyya	01924770	30.05.2013
4.	Ms. Pallavi P. Shedge	08356412	14.02.2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Kala Agarwal**  
**Practising Company Secretary**  
**Certificate of Practice Number: 5356**  
**Membership Number: 5976**  
**UDIN: F005976B000505343**

Place: Mumbai  
Date: 25.07.2020

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH  
THE CORPORATE GOVERNANCE REQUIREMENTS UNDER AS PER  
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To the Members of  
**Wanbury Limited**

1. We, V. Parekh & Associates, Chartered Accountants, the statutory auditors of Wanbury Limited ("the Company") have examined the compliance of conditions of Corporate governance by the Company, for the year ended 31 March 2020, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations').

**Management's Responsibility for compliance with the conditions of Listing Regulations**

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that during the year ended 31 March 2020, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We 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.

**Restriction on Use**

9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hand it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this report.

FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 107488W

Navi Mumbai,  
DATED: 22 July 2020  
ICAI UDIN : 20038615AAAAHC5749

RASESH V. PAREKH - PARTNER  
MEMBERSHIP NO. 38615

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WANBURY LIMITED  
Report on Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Wanbury Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2020, the Standalone Statement of Profit and Loss including Other Comprehensive Income (Loss), the Standalone Statement of Changes in Equity, the Standalone Cash Flow Statement for the year then ended and a summary of the Notes to the standalone financial statement, including significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, other comprehensive income (loss), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statement.

**Material Uncertainty Related to Going Concern:**

In spite of negative net worth of the Company, the standalone financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note No. 61 of the standalone financial statements.

Our opinion is not modified in respect of the same.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the standalone financial statements:

- a) The Company has given guarantee in respect of Exim Bank's investments of USD 60 Lakhs (₹ 4,523.15 Lakhs) in Wanbury Holding B.V., a subsidiary of the Company which has been invoked. The said dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement as stated in Note No. 42 (a) of the standalone financial statements.
- b) Note No. 45 of the standalone financial statements regarding the status of merger of erstwhile PPIL with the Company. and Our opinion is not modified in respect of these matters.
- c) Note No. 66 to the standalone financial statements, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of Provisions and Contingent liabilities</b></p> <p>The Company undergoes assessment proceedings from time to time with direct and indirect tax authorities and with certain other parties. There is a high level of judgement required in estimating the level of provisioning and/ or the disclosures required. The management's assessment is supported by advice from internal / external tax consultants and legal consultants, where considered necessary by the management. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported Profit and Balance Sheet position.</p> <p>(Refer Note 41, 42 &amp; 43 of the standalone financial statements)</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;</li> <li>Obtaining details of the related matters, inspecting the supporting evidences and critically assessing management's evaluation through discussions with management on both the likelihood of outcome and the magnitude of potential loss;</li> <li>Reading recent orders and/ or communication received from the tax authorities and with certain other parties, and management replies to such communication;</li> <li>Evaluating independence, objectivity and competence of the management's tax / legal consultants (internal/ external);</li> <li>Understanding the current status of the tax assessments/ litigations;</li> <li>Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the facts and circumstances and assessment of the likely outcome.</li> <li>Assessing the likelihood of the potential financial exposure;</li> <li>We did not identify any material exceptions as a result of above procedures relating to management's assessment of provisions and contingent liabilities.</li> </ul>
<p><b>Appropriateness of the Expected credit loss ("ECL").</b></p> <p>To recognise ECL, the Company applies simplified approach for trade receivable which do not contain a significant financing component and general approach for corporate guarantee contracts and financial assets measured at amortised cost and FVTOCI debt instrument.</p> <p>In calculating ECL, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>ECL is considered as KAM in view of significant estimates and judgements made by the management for measurement and recognition of the same.</p> <p>(Refer Note 63 of the standalone financial statements)</p>	<p>Our procedures, in relation to testing of ECL, includes the following:</p> <ul style="list-style-type: none"> <li>We have verified the calculation of ECL as estimated by the management. We have examined the methodology and the judgements/ assumptions used by the management while estimating ECL.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon ("Other information")

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's and Board Of Director's Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income (loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and board of director's are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and board of director's.
- Conclude on the appropriateness of management and board of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income (loss), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, no managerial remuneration has been paid or provided during the year. Hence, requirement of Section 197(16) of the Act are not applicable to the Company.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at 31 March 2020, on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;
    - ii. The Company has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2020.

**FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 107488W**

**Navi Mumbai,  
DATED: 22 July, 2020  
UDIN: 20038615AAAAHD2336**

**RASESH V. PAREKH - PARTNER  
MEMBERSHIP NO. 38615**



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in para 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **WANBURY LIMITED** on the standalone financial statements for the year ended 31 March 2020.)

- 1) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets i.e Property, Plant and Equipment("PPE").
  - b) As informed to us by the management, the Company has a policy of physically verifying fixed assets (PPE) in a phased manner over a period 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 and the same has been properly dealt with in the books of account.
  - c) According to the information and explanations given to us and the title deeds / lease deeds and other records examined by us, we report that the title deeds / lease deeds in respect of all the immovable properties of land which are freehold, immovable properties of land that have been taken on lease and buildings, as disclosed as Fixed Asset (PPE) in Note 8 to the standalone financial statements, are held in the name of the Company or in the erstwhile name of the Company or in the name of the transferor companies which have merged into the Company, as at the balance sheet date.
- 2) According to the information and explanation given to us, the inventories have been 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. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
- 3) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- 6) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- 7) According to the information and explanations given to us:
  - a) According to information and explanations given to us and records of the Company examined by us on a test check basis, the Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities. On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management, there are no undisputed amounts payable in respect of aforesaid material statutory dues as at 31 March 2020, which were in arrears for a period of more than six months from the date they became payable except in respect of Income Tax of ₹ 49.38 Lakhs and statutory dues of erstwhile PPIL referred to in Note 45a of the standalone financial statements.
  - b) On the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Goods and Service Tax, Customs Duty, and Cess as at 31 March 2020 which have not been deposited on account of a dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of the Statute	Nature of the Dues	Amount ₹ In Lakhs*	Period to which amounts relate	Forum where dispute is Pending
The Income Tax Act, 1961	Income Tax/ TDS/ Interest / Penalty	501.21	AY 2010-11	Deputy Commissioner of Income tax, Mumbai



# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

Name of the Statute	Nature of the Dues	Amount ₹ In Lakhs*	Period to which amounts relate	Forum where dispute is Pending
The Central Sales Tax Act, 1956	Sales Tax/Interest / Penalty	42.95	FY 1997-98 to FY 2004-05	Andhra Pradesh High Court
		2,972.28	FY 1992-93 FY 1994-95 FY 1996-97 FY 1997-98 & FY 2000-01 to FY 2004-05	Bombay High Court
Service Tax under Finance Act, 1994	Service Tax/ Interest/ Penalty	290.32	FY 2005-06 to FY 2010-11	Central, Excise and Service Tax Appellate Tribunal, Mumbai
		31.43	FY 2011-12	The Commissioner of Central Excise (Appeals), Mumbai
The Central Excise Act, 1944	Excise Duty/ Penalty	26.10	Mar 2013 to Dec 2013	The Custom, Excise and Service Tax Appellate Tribunal (CESTAT), Hyderabad
		41.94	Jan 2014 to Oct 2014	The Custom, Excise and Service Tax Appellate Tribunal (CESTAT), Hyderabad
		20.03	Nov 2014 to Aug 2015	The Commissioner of Central Excise (Appeals), Guntur, Andhra Pradesh

\*Net of amounts paid under protest or otherwise. Amount as per demand order including interest and penalty wherever quantified.

- 8) Based on our audit procedures, information and explanations given to us, there is no delay in respect of repayment of loans or borrowings to financial institutions, banks, Government and dues to debenture holders, except for the following defaults.

Particulars	Amount of default as at the balance sheet date (₹ in Lakhs)	Period of default (in days) and Remarks
Andhra bank		
- Interest	559.27	1 to 1097 days
EXIM Bank		
- Principal	653.68	1 to 732 days
- Interest	107.00	1 to 671 days
State Bank of India - London		
-Principal	1361.23	367 days
-Interest	60.57	1 to 367 days
Foreign Currency Convertible Bond Holders		
- Principal	345.44	1 to 2,899 days
- Interest	115.85	1 to 3,198 days
Non Convertible Debentures		
	55.67	Unpaid from 1 May 2009
	97.00	Unpaid from 1 May 2010
		Refer Note 27.1 and 45a of standalone the financial statements

Particulars	Amount of default as at the balance sheet date (₹ in Lakhs)	Period of default (in days) and Remarks
Optionally Fully Convertible Debentures	291.00 291.00	Unpaid from 30 April 2010 Unpaid from 30 April 2011 Refer Note 27.2 and 45a of "The Standalone" financial statements
Term Loans taken by erstwhile PPIL from banks / financial institutions	68.02	Unpaid from respective due dates. Refer Note 27.4, 27.5 and 45a of the standalone financial statements

- 9) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loan during the year.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 11) According to the information and explanation given to us and on the basis of our examination of the records of the Company, during the year, no managerial remuneration has been paid or provided.
- 12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transaction have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- 14) According to the information and explanation given to us, during the year, the Company has made preferential allotment of equity shares to Edelweiss Asset Reconstruction Company Limited (EARC) as a Trustee of EARC Trust SC 145 by converting part of the debt into equity, which is in compliance of section 42 of the Companies Act, 2013. (Refer Note 21.7)
- 15) In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- 16) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 107488W**

Navi Mumbai,  
DATED: 22 July, 2020  
UDIN: 20038615AAAAHD2336

**RASESH V. PAREKH - PARTNER  
MEMBERSHIP NO. 38615**

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in para 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **WANBURY LIMITED** on the Standalone financial statements for the year ended 31 March 2020.)

#### **Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **WANBURY LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation and presentation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the above mentioned Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

---

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 107488W**

**Navi Mumbai,  
DATED: 22 July, 2020  
UDIN: 20038615AAAAHD2336**

**RASESH V. PAREKH - PARTNER  
MEMBERSHIP NO. 38615**

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## BALANCE SHEET AS AT 31 MARCH 2020

(₹ in Lakhs)

	Note No.	As at 31/03/2020	As at 31/03/2019
<b>A</b>			
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	8	15,933.22	17,178.77
(b) Capital work-in-progress	8	1,389.38	896.54
(c) Other Intangible assets	8	41.29	57.65
(d) Right of use assets		415.00	-
(e) Financial Assets			
(i) Investments	9	0.68	1.98
(ii) Loans	10	268.64	295.03
(iii) Other financial assets	11	6.79	6.75
(f) Deferred tax assets (net)	12	336.38	336.38
(g) Other non-current assets	13	114.20	16.34
		<b>18,505.58</b>	<b>18,789.44</b>
<b>Current Assets</b>			
(a) Inventories	14	1,225.73	1,933.29
(b) Financial Assets			
(i) Trade receivables	15	5,079.20	4,440.87
(ii) Cash and cash equivalents	16	262.23	270.78
(iii) Bank balances other than (ii) above	17	1,403.48	250.78
(iv) Loans	18	-	-
(v) Other financial assets	19	54.91	57.46
(c) Other current assets	20	811.72	2,345.28
		<b>8,837.27</b>	<b>9,298.46</b>
Non-Current Assets classified as held for sale	45b	373.59	373.59
		<b>9,210.86</b>	<b>9,672.05</b>
		<b>27,716.44</b>	<b>28,461.49</b>
<b>Total Assets</b>			
<b>B</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	21	2,499.51	2,372.01
(b) Other Equity	22	(14,282.66)	(20,730.73)
		<b>(11,783.15)</b>	<b>(18,358.72)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
Borrowings	23	9,954.16	12,303.16
(b) Provisions	24	1,156.17	1,069.36
		<b>11,110.33</b>	<b>13,372.52</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	25	2,492.34	8,520.54
(ii) Trade payables	26		
a) Total outstanding dues of Micro enterprise and Small enterprise (Refer Note 51)		9.58	9.67
b) Total outstanding dues of creditors other than Micro enterprise and Small enterprise		12,129.49	11,169.07
(iii) Other financial liabilities	27	12,376.23	11,902.94
(b) Other current liabilities	28	1,031.21	1,498.40
(c) Provisions	29	278.90	272.59
(d) Current Tax Liabilities (Net)	30	71.51	74.48
		<b>28,389.26</b>	<b>33,447.69</b>
		<b>27,716.44</b>	<b>28,461.49</b>
<b>Total Equity and Liabilities</b>			

### Significant Accounting Policies

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

As per our report of even date  
For M/s. V. Parekh & Associates.

Chartered Accountants  
Firm Reg. No: 107488W

Rasesh V. Parekh  
Partner  
Membership No. 038615  
Navi Mumbai, 22 July 2020

6

For and on behalf of the Board

K. Chandran  
Vice Chairman  
(DIN: 00005868)

Pallavi P. Shedge  
Director  
(DIN: 08356412)

Jitendra J. Gandhi  
Company Secretary

Vinod Verma  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income :</b>			
Revenue from operations	31	36,745.47	39,137.41
Other Income	32	114.01	932.63
<b>Total Income</b>		<b>36,859.48</b>	<b>40,070.04</b>
<b>EXPENSES</b>			
(a) Cost of materials consumed	33	14,642.35	16,499.40
(b) Purchases of Stock-in-trade		2,332.78	3,626.75
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	598.83	(506.23)
(d) Employee benefits expense	35	6,747.88	7,589.22
(e) Finance costs	36	3,287.07	3,988.46
(f) Depreciation and amortisation expense	37	968.41	996.91
(g) Other expenses	38	10,079.11	10,374.12
<b>Total Expenses</b>		<b>38,656.43</b>	<b>42,568.63</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(1,796.95)</b>	<b>(2,498.59)</b>
<b>Exceptional item</b>			
- Gain on sale of brands	49	8,264.04	-
<b>Profit/(loss) before tax</b>		<b>6,467.09</b>	<b>(2,498.59)</b>
<b>Tax Expense</b>	52		
-Current tax (net)		0.02	0.19
-Deferred tax (net)		20.85	(13.85)
Total tax expense		<b>20.87</b>	<b>(13.66)</b>
<b>Profit/(Loss) for the year</b>		<b>6,446.22</b>	<b>(2,484.93)</b>
<b>Other Comprehensive Income/(Loss)</b>			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial gain/ loss on defined benefit obligation		(66.84)	44.38
(ii) Income tax effect on above		20.85	(13.85)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
<b>Other Comprehensive Income/(Loss) for the year, net of tax</b>		<b>(45.99)</b>	<b>30.53</b>
<b>Total comprehensive Income/(Loss) for the year</b>		<b>6,400.23</b>	<b>(2,454.40)</b>
<b>There are no discontinued operations</b>			
<b>Earnings per equity share ( Face value of ₹ 10/-)</b>	39		
(1) Basic- Before Exceptional Items		(7.59)	(10.48)
(2) Basic- After Exceptional Items		26.90	(10.48)
(3) Diluted- Before Exceptional Items		(7.59)	(10.48)
(4) Diluted- After Exceptional Items		26.90	(10.48)

**Significant Accounting Policies**

6

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

As per our report of even date  
For M/s. V. Parekh & Associates.  
Chartered Accountants  
Firm Reg. No: 107488W

For and on behalf of the Board

**K. Chandran**  
Vice Chairman  
(DIN: 00005868)

**Pallavi P. Shedge**  
Director  
(DIN: 08356412)

**Rasesh V. Parekh**  
Partner  
Membership No. 038615

**Jitendra J. Gandhi**  
Company Secretary

**Vinod Verma**  
Chief Financial Officer

Navi Mumbai, 22 July 2020

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
<b>A Cash flows from Operating Activities</b>		
Net Profit /(Loss) before Tax	6,467.09	(2,498.59)
Adjustments for:		
Gain on sale of Brands (Refer Note 49)	(8,264.04)	-
Depreciation and amortisation	968.41	996.91
(Profit)/ Loss on Sale /discard of Property, Plant & Equipments (Net)	(8.57)	33.62
Allowances/(Reversal) for Doubtful debts (Net)	(1,012.91)	(217.38)
Allowances/(Reversal) for Doubtful Loans & advances (Net)	(3,493.40)	88.29
Allowance/(Reversal) for Corporate guarantee (Net)	-	244.64
Amounts Written Off	4,453.65	-
Finance Cost	3,287.07	3,988.46
Unrealised Exchange (Gain)/ Loss (Net)	(34.49)	56.10
Interest Income	(36.04)	(61.20)
Gain on Extinguishment of Financial Liability	-	(790.32)
Amount Written Back	(10.01)	(46.07)
Fair value (gain)/Loss on financial asset measured at fair value	1.30	(0.01)
Share based payment expenses/(reversal)	8.10	(2.67)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>2,326.16</b>	<b>1,791.78</b>
Changes in Working Capital:		
Decrease/(Increase) in Trade Receivable	(516.44)	(1,376.68)
Decrease /(Increase) in Non Current Financial Assets-Loans	32.71	(5.15)
Decrease/(Increase) in Other Non Current Assets	(2.89)	5.33
Decrease/(Increase) in Other current financial assets	(14.61)	(25.35)
Decrease/(Increase) in Other Current Assets	1,668.74	(86.80)
Decrease/(Increase) in Inventories	707.57	(626.22)
Increase/(Decrease) in Other Current-Financial Liabilities	(197.10)	(220.82)
Increase/(Decrease) in Other Current Liabilities	(467.19)	481.96
Increase/(Decrease) in Non Current Provisions	19.98	99.36
Increase/(Decrease) in Current Provisions	6.31	(32.12)
Increase/ (Decrease) in Trade Payables	852.45	2,974.05
<b>Cash Generated from (Used in) Operations</b>	<b>4,415.69</b>	<b>2,979.34</b>
Direct Taxes Paid (Net of Refunds/Prior Years Adjustments)	(2.99)	(6.45)
<b>Net Cash generated from (Used in) Operating Activities</b>	<b>4,412.70</b>	<b>2,972.89</b>
<b>B. Cash flows from Investing Activities</b>		
Capital Expenditure on Property, Plant & Equipment including Capital Advances	(783.06)	(471.55)
Proceeds from sale of Property, Plant & Equipment	20.19	1.45
Interest Income Received	17.57	50.53
Bank Balance not considered as Cash and Cash Equivalents (Net)	(1,152.74)	112.15
Gain on sale of Brands (Refer Note 49)	8,264.04	-
<b>Net Cash generated from (Used in) Investing Activities</b>	<b>6,366.00</b>	<b>(307.42)</b>
<b>C. Cash flows from Financing Activities</b>		
Interest and Other Finance Cost	(1,082.64)	(1,137.99)
Proceeds from issue of equity shares	2.50	-
Repayment of Borrowings	(9,707.10)	(1,540.44)
<b>Net Cash generated from (Used in) Financing Activities</b>	<b>(10,787.24)</b>	<b>(2,678.43)</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(8.55)</b>	<b>(12.96)</b>
Cash and Cash equivalents as at the beginning of the Year	270.78	283.74
<b>Cash and Cash Equivalents as at the end of the Year (Refer Note 16)</b>	<b>262.23</b>	<b>270.78</b>
1. Figures in brackets indicates outflow.		
2. Previous year's figures are regrouped & recasted wherever required.		

### Significant Accounting Policies (Refer Note 6)

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For M/s. V. Parekh & Associates.  
Chartered Accountants  
Firm Reg. No: 107488W

For and on behalf of the Board

**K. Chandran**  
Vice Chairman  
(DIN: 00005868)

**Pallavi P. Shedge**  
Director  
(DIN: 08356412)

**Rasesh V. Parekh**  
Partner  
Membership No. 038615  
Navi Mumbai, 22 July 2020

**Jitendra J. Gandhi**  
Company Secretary

**Vinod Verma**  
Chief Financial Officer



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**

A. Equity Share Capital		(₹ in Lakhs)			
Particulars	1 April 2018	Changes in Equity Share Capital during the year	31 March 2019	Changes in Equity Share Capital during the year	31 March 2020
Authorised 20,00,000 Preference shares of ₹100/- each	2,000.00	-	2,000.00	-	2,000.00
<b>3,00,00,000 Equity Shares of ₹10/- each</b>	<b>3,000.00</b>	-	<b>3,000.00</b>	-	<b>3,000.00</b>
	<b>5,000.00</b>	-	<b>5,000.00</b>	-	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up (Refer Note 21)</b>	<b>2,372.01</b>	-	<b>2,372.01</b>	<b>127.50</b>	<b>2,499.51</b>

B. Other Equity		(₹ in Lakhs)						
Particulars		Other Equity						Total Other Equity
		Reserves and Surplus						
		Capital Reserve	Securities Premium Account	Debenture Redemption Reserve	General Reserve	Employee Stock Option Outstanding	Retained Earnings	
<b>Balance as at 1 April 2018</b>		683.41	5,950.25	412.25	1,323.52	25.80	(26,668.89)	(18,273.66)
(Loss) for the year		-	-	-	-	-	(2,484.93)	(2,484.93)
Other comprehensive income/(loss) for the year (net of tax)		-	-	-	-	-	30.53	30.53
<b>Total comprehensive income/(loss) for the year</b>		-	-	-	-	-	(2,454.40)	(2,454.40)
Share based payments of employees		-	-	-	-	11.16	-	11.16
Employee Stock options Lapsed		-	-	-	-	(13.83)	-	(13.83)
<b>Balance as at 31 March 2019</b>		<b>683.41</b>	<b>5,950.25</b>	<b>412.25</b>	<b>1,323.52</b>	<b>23.13</b>	<b>(29,123.29)</b>	<b>(20,730.73)</b>
Profit for the year		-	-	-	-	-	6,446.22	6,446.22
Other comprehensive income/(loss) for the year (net of tax)		-	-	-	-	-	(45.99)	(45.99)
<b>Total comprehensive income/(loss) for the year</b>		-	-	-	-	-	<b>6,400.23</b>	<b>6,400.24</b>
Shares allotted during the year		-	39.74	-	-	-	-	39.74
Share based payments of employees		-	-	-	-	8.10	-	8.10
ESOP exercised during the year		-	9.68	-	-	(9.68)	-	-
<b>Balance as at 31 March 2020</b>		<b>683.41</b>	<b>5,999.67</b>	<b>412.25</b>	<b>1,323.52</b>	<b>21.56</b>	<b>(22,723.07)</b>	<b>(14,282.66)</b>

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### Nature of each reserve and surplus

**Capital Reserve:-**This Reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations earlier.

**Securities Premium Account:-** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Debenture Redemption Reserve:-** This reserve is created out of the retained earnings for the amount of debentures to be redeemed, as per the provisions of Companies Act, 2013.

**General Reserve:-** This Reserve is created by an appropriation from one component of equity to another, not being an item of other comprehensive income.

**Employee Stock Option Outstanding:-**This Reserve relates to stock options granted by the Company to employees. This Reserve is transferred to securities premium or retained earnings on exercise or cancellation of vested options.

**Retained earnings:-** This is net surplus or deficit in the statement of profit and loss.

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

As per our report of even date  
For M/s. V. Parekh & Associates.  
Chartered Accountants  
Firm Reg. No: 107488W

Rasesh V. Parekh  
Partner  
Membership No. 038615

Navi Mumbai, 22 July 2020

For and on behalf of the Board

K. Chandran  
Vice Chairman  
(DIN: 00005868)

Jitendra J. Gandhi  
Company Secretary

Pallavi. P. Shedge  
Director  
(DIN: 08356412)

Vinod Verma  
Chief Financial Officer

---

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **1. CORPORATE INFORMATION:**

Wanbury Limited (“the Company”) is a public limited company incorporated and domiciled in India.

Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Registered office of the Company is located at BSEL Tech Park, B-Wing, 10<sup>th</sup> Floor, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400 703.

The Company is engaged in the business of pharmaceutical and related activities, including research. The financial statements of the Company for the year ended 31 March 2020 are approved for issue by the Company’s Board of Directors on 22 July 2020.

### **2. BASIS OF PREPARATION**

These financial statements are prepared in accordance with Indian Accounting Standard (‘Ind AS’), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (‘SEBI’). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **3. FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are presented in Indian Rupees (‘INR’ or ‘Rupees’ or ‘Rs.’ or ‘₹’) which is the functional currency for the Company.

### **4. ROUNDING OFF OF AMOUNTS**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh.

### **5. CURRENT VERSUS NON-CURRENT CLASSIFICATION**

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

#### **An asset is a current asset when it is:**

- Expected to be realized or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

#### **A liability is a current liability when it is:**

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

#### **Operating Cycle:**

Based on the nature of products / activities of the Company and the normal time between acquisition of the assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **6. SIGNIFICANT ACCOUNTING POLICIES:**

#### **a. Property, plant and equipment:**

Freehold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes GST eligible for credit/setoff, wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects/expansion, net of income earned during the project development stage prior to its intended use, are considered pre-operative expenses and disclosed under Capital Work-in-Progress.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated/ derecognised from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

### **Depreciation & Amortisation:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided based on straight line method, over the useful life of the assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of Property, plant and equipment outstanding at Balance sheet date are disclosed as Capital Advances under "Non Current Assets - Others".

### **b. Intangible Assets:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles are not capitalised (except as per the below mentioned policy on research and development) and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Cost of software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

### **Research and Development:**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalized. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The amount capitalized comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment and Other Intangible Assets utilized for research and development are capitalized and depreciated/ amortised in accordance with the policies stated for Property, plant and equipment and Other Intangible Assets.

**c. Non-Current assets held for sale:**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable. Non-current assets as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. These assets are presented separately in balance sheet. Property, plant and equipment are not depreciated once classified as held for sale.

**d. Impairment of Non-Financial Assets:**

The carrying amount of Non-Financial Assets/ Cash Generating Units ('CGU') are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised in the Statement of Profit and Loss wherever the carrying amount of a Non-Financial Assets / CGU exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss is increased or reversed depending on the changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization, if there was no impairment.

**e. Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets:**

**Classification:**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'), on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in case of financial assets not recorded at FVTPL.

**Subsequent measurement:**

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL/FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss- FVTPL), or recognised in other comprehensive income (i.e. fair value through other comprehensive income -FVTOCI).

**Financial Assets measured at amortised cost (net of write down for impairment, if any):**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

**Financial assets measured at Fair value through other comprehensive income ('FVTOCI'):**

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Fair value movements are recognised in the other comprehensive income.

In case of investment in equity instruments which are not held for trading, on initial recognition the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. In case an equity instrument is designated at FVTOCI, the fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

### **Financial assets measured at fair value through profit or loss ('FVTPL'):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss. Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

### **Investment in Subsidiary:**

Investment in equity instruments of subsidiaries are measured at cost as per IND AS 27. In the financial statements, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

### **Derecognition of Financial Assets:**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Impairment of Financial Assets (Other than at Fair Value):**

In accordance with Ind AS 109, The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and FVTOCI debt instrument.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### **Financial Liabilities:**

#### **Classification:**

The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

#### **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### **Subsequent measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest bearing Loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and Losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit & Loss.

#### **Derecognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **Derivative Financial Instrument:**

Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



**f. Inventories:**

Raw materials and packing materials are valued at lower of cost and net realizable value, cost of which includes duties and taxes - net of set-offable GST/Custom Duty wherever applicable. Finished products including traded goods and work-in-progress are valued at lower of cost and net realizable value. Cost is arrived on moving average basis.

The cost of inventories have been computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present location and condition.

Slow and non-moving material, obsolesces defective inventory are fully provided for and valued at net realizable value.

Goods and materials in transit are valued at actual cost incurred up to the reporting date.

Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

**g. Trade Receivables :**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost, less loss allowance.

**h. Cash and Cash Equivalents :**

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**i. Cash Flow Statements :**

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

**j. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items, denominated in foreign currencies at the reporting date are re-measured at the exchange rate prevailing on the reporting date. Non-monetary foreign currency items denominated in foreign currency are carried at cost and not re-measured at the exchange rate prevailing as at reporting date.

Any income or expense on account of exchange difference either on settlement or on re-measurement is recognised in the Statement of Profit and Loss.

**k. Revenue Recognition :**

The Company derives revenue primarily from sale of manufactured goods and traded goods

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) – 'Revenue from contracts with customers'. The effect on adoption of Ind-AS 115 was insignificant.

Revenue from the sale of goods is only recognised – net of Goods & Service Tax, cash discounts, discounts and rebates – if the following conditions are met:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.



# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

A receivable is recognised when the goods are delivered as this is the point in the time that the consideration is unconditional because only the passage of time is required before the payment is done.

Dividend income is recognised when right to receive dividend is established. Interest income is recognised on time proportion basis. Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

### **I. Employee Benefits :**

#### **(i) Short term employee benefits**

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus ex-gratia etc are recognised during the period in which the employee renders related service.

#### **(ii) Defined benefit plans**

##### **Gratuity plan**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, Performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

The Company contributes all ascertained liabilities to the group gratuity scheme with Life Insurance Corporation of India as permitted by laws of India.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the annual reporting period to the net defined benefit liability or asset. Service cost and net interest expenses or income is recognised in profit or loss.

##### **Compensated absences**

Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

Liability in respect of Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

#### **(iii) Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **m. Share-based payment transactions:**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in Equity under "Share Based Payment Reserve". At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share based Payment Reserve.

**n. Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the terms agreed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

**o. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lenders agree, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**p. Borrowing Costs :**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**q. Lease :**

The Company has adopted Ind AS 116-Leases effective 1 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April, 2019). Accordingly, previous period information has not been restated.

The Company lease assets primarily consists of office premises which are generally cancellable and leasehold land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### r. Government Grant

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached condition.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

### s. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period [including instruments which are mandatorily convertible into equity shares of the Company (if any)]. Diluted earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### t. Income Taxes :

Income tax expense comprises current and deferred income tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

#### Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the company;

- Has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if;

- The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### u. Provisions and Contingent Liabilities :

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for;

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**v. Fair value measurement:**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date in accordance with IND AS 113. Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position;

- Derivative financial instruments, if any, are measured at fair value received from Bank.
- Employee Stock Option Plan (ESOP) at fair value as per Actuarial Valuation Report.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**w. Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

**x. Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

**7. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

**Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19)**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, tangible and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**a. Property, plant and equipment :**

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

**b. Allowance for Inventories :**

Management reviews the inventory age listing on a periodic basis. The review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statement for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the Company's financial statements.

**c. Intangible Assets :**

Internal technical or user team assesses the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

**d. Recognition and measurement of defined benefit obligations :**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

**e. Recognition of deferred tax assets and income tax :**

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

**f. Recognition and measurement of other provisions :**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

**g. Contingencies :**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**h. Allowance for uncollected accounts receivable and advances :**

Trade receivables do not carry any interest and are stated at values as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management considers them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**i. Insurance Claims :**

Insurance claims are recognised when the Company has reasonable certainty of recovery.

**j. Impairment Reviews :**

Impairment exists when the carrying value of a non financial asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**8.1 PROPERTY, PLANT & EQUIPMENTS**

Current Year

(₹ in Lakhs)

Description	Gross Block			As at 31 March 2020 (4)= (1+2-3)	Accumulated Depreciation/Amortisation			Net Block As at 31 March 2020 (9) =(4-8)
	As at 1 April 2019 (1)	Addition (2)	Deduction/Adjustment (3)		As at 1 April 2019 (5)	for the Period (6)	Deduction/Adjustment (7)	
<b>A</b>								
<b><u>Property, Plant &amp; Equipments</u></b>								
Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	4,739.81
Factory Building	4,502.75	10.83	0.55	4,513.03	678.81	0.25	923.78	3,589.25
Plant & Machinery	9,042.65	92.55	0.22	9,134.98	1,614.35	0.04	2,158.46	6,976.52
Furniture & Fixtures	302.19	-	-	302.19	115.71	-	146.42	155.77
Vehicles	127.78	1.55	-	129.33	101.40	-	116.21	13.12
Office Equipments	141.57	7.68	5.27	143.98	91.46	4.94	111.38	32.60
Electrical Installations	101.94	-	0.63	101.31	41.60	0.36	49.44	51.87
Laboratory Equipments	604.84	1.15	17.71	588.28	179.95	8.20	231.35	356.93
Computers	87.79	13.44	0.78	100.46	70.58	0.27	83.10	17.36
Leasehold Improvement	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19,651.32</b>	<b>127.20</b>	<b>25.16</b>	<b>19,753.37</b>	<b>2,893.86</b>	<b>14.07</b>	<b>3,820.14</b>	<b>15,933.22</b>
<b>B</b>								
<b><u>Other Intangible Asset</u></b>								
Software	130.16	5.92	1.18	134.90	72.51	0.66	93.61	41.29
<b>Total</b>	<b>130.16</b>	<b>5.92</b>	<b>1.18</b>	<b>134.90</b>	<b>72.51</b>	<b>0.66</b>	<b>93.61</b>	<b>41.29</b>
<b>C</b>								
<b><u>Capital Work In Progress</u></b>								
<b>Total (A+B+C)</b>	<b>19,781.48</b>	<b>133.12</b>	<b>26.34</b>	<b>19,888.26</b>	<b>2,966.37</b>	<b>14.72</b>	<b>3,913.75</b>	<b>17,363.89</b>



### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### 8.2 Previous Year

(₹ in Lakhs)

Description	Gross Block			Accumulated Depreciation/Amortisation			Net Block As at 31 March 2019 (9)=(4-8)	
	As at 1 April 2018 (1)	Addition (2)	Deduction/ Adjustment (3)	As at 31 March 2019 (4)=(1+2-3)	As at 1 April 2018 (5)	for the Period (6)		Deduction/ Adjust- ment (7)
<b>A</b>								
<b>Property, Plant &amp; Equipments</b>								
Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	4,739.81
Lease Hold Land	440.24	-	-	440.24	12.62	6.31	-	421.31
Factory Building	4,122.41	380.34	-	4,502.75	446.48	232.33	-	3,823.94
Plant & Machinery	9,046.55	37.68	41.58	9,042.65	1,071.35	551.86	8.86	7,428.30
Furniture & Fixtures	300.31	2.28	0.40	302.19	82.33	33.57	0.19	186.48
Vehicles	127.78	-	-	127.78	73.90	27.50	-	26.38
Office Equipments	143.69	1.39	3.51	141.57	64.13	29.57	2.24	50.11
Electrical Installations	102.24	-	0.30	101.94	29.72	12.04	0.16	60.34
Laboratory Equipments	613.22	2.61	10.99	604.84	129.53	60.82	10.40	424.89
Computers	80.33	9.55	2.09	87.79	53.57	18.95	1.94	17.21
Leasehold Improvement	15.84	-	15.84	-	13.11	2.73	15.84	-
<b>Total</b>	<b>19,732.42</b>	<b>433.85</b>	<b>74.71</b>	<b>20,091.56</b>	<b>1,976.74</b>	<b>975.68</b>	<b>39.63</b>	<b>2,912.79</b>
<b>B</b>								
<b>Other Intangible Asset</b>								
Software	129.04	1.12	-	130.16	51.27	21.25	-	57.65
<b>Total</b>	<b>129.04</b>	<b>1.12</b>	<b>-</b>	<b>130.16</b>	<b>51.27</b>	<b>21.25</b>	<b>-</b>	<b>57.65</b>
<b>C</b>								
<b>Capital Work In Progress</b>								
<b>Total (A+B+C)</b>	<b>19,861.46</b>	<b>434.97</b>	<b>74.71</b>	<b>20,221.72</b>	<b>2,028.01</b>	<b>996.92</b>	<b>39.63</b>	<b>2,985.30</b>

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

8.4 Capital Work in Progress includes Machinery under installation, Construction material purchases and other assets under erection. It includes ₹ 896.54 Lacs (Pr. Yr.- ₹ 896.54 Lacs) of erstwhile PPIL (Refer Note 45a).

8.5 Addition includes ₹ Nil (Pr. Yr. - ₹ Nil) used for Research & Development

8.6 Right of use assets

(₹ in Lakhs)

Description	Gross Block			Accumulated Depreciation			Net Block As at 31 March 2020 (9)=(4-8)	
	As at 1 April 2019 (1)	Addition (2)	Deduction/ Adjustment (3)	As at 31 March 2020 (4)=(1+2-3)	As at 1 April 2019 (5)	for the Period (6)		Deduction/ Adjustment (7)
<b>Right of use Assets</b>								
Lease Hold Land	421.31	-	-	421.31	-	6.31	-	415.00
<b>Total</b>	<b>421.31</b>	<b>-</b>	<b>-</b>	<b>421.31</b>	<b>-</b>	<b>6.31</b>	<b>-</b>	<b>415.00</b>

Refer Note 58



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>9 Non Current Investments</b>		
<b>9.1 Investment in Equity Instruments</b>		
<b>(i) In Subsidiary Companies - Unquoted (at cost/deemed cost)</b>		
<b>Ningxia Wanbury Fine Chemicals</b>		
13,260 (Pr. Yr. - 13,260) Share of USD 1 each fully paid up	-	-
<b>Wanbury Holding B. V.</b>		
6,489 (Pr. Yr. - 6,489) Ordinary Share of Euro 1,000 each full paid up	-	-
(Pledged with Banks against loan given to the Cantabria Pharma S.L.)	-	-
Advance for Pending Allotment of ordinary shares	-	-
<b>Wanbury Global FZE</b>		
5 (Pr. Yr. - 5) Shares of AED 1,00,000 each fully paid up	-	-
Quasi Share Capital	-	-
<b>(ii) In Others -Unquoted (Fair Value through Profit &amp; Loss)</b>		
<b>The Saraswat Co-op. Bank Ltd.</b>		
706 (Pr. Yr. - 706) Equity Share of ₹ 10 each fully paid up	0.07	0.07
<b>The Shamrao Vithal Co-op. Bank Ltd.</b>		
100 (Pr. Yr. - 100) Equity Share of ₹ 25 each fully paid up	0.03	0.03
<b>Bravo Healthcare Limited</b>		
12,71,250 (Pr. Yr. - 12,71,250) Equity Share of ₹ 10 each fully paid up	-	-
<b>(iii) In Others - Quoted ( Fair Value through Profit &amp; Loss)</b>		
<b>Bank of India</b>		
1,800 (Pr. Yr. - 1,800) Equity Share of ₹ 10 each fully paid up	0.58	1.88
	<b>0.68</b>	<b>1.98</b>
9.2 Aggregate carrying value of quoted investments	0.58	1.88
9.3 Aggregate market value of quoted investments	0.58	1.88
9.4 Aggregate carrying value of unquoted investments	0.10	0.10
9.5 Aggregate amount of impairment in value of investments	-	-
9.6 Details of investments at cost which has been fully provided for diminution in the value in the earlier years:		
<b>Ningxia Wanbury Fine Chemicals</b>		
13,260 (Pr. Yr. - 13,260) Share of USD 1 each fully paid up	5.29	5.29
<b>Wanbury Holding B. V.</b>		
6,489 (Pr. Yr. - 6,489) Ordinary Share of Euro 1,000 each fully paid up	3,849.02	3,849.02
Advance for Investment Pending Allotment	10,004.46	10,004.46
<b>Wanbury Global FZE</b>		
5 (Pr. Yr. - 5) Shares of AED 1,00,000 each fully paid up	68.33	68.33
Quasi Share Capital	1,254.35	1,254.35
<b>Bravo Healthcare Limited</b>		
12,71,250 (Pr. Yr. - 12,71,250) Equity Share of ₹ 10 each fully paid up	53.40	53.40
	<b>15,234.85</b>	<b>15,234.85</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>10 Non Current Financial Assets - Loans (Unsecured, unless otherwise stated)</b>		
Security Deposits- Considered Good	268.64	295.03
Other Loans		
- Credit Impaired	-	1,471.78
	-	1,471.78
Less: Allowance for Doubtful Other Loans	-	1,471.78
	-	-
	<b>268.64</b>	<b>295.03</b>
<b>11 Non Current Financial Assets - Others (Unsecured, considered good, unless otherwise stated)</b>		
In Deposit Accounts with Banks (Under Lien)		
-with original maturity of more than 12 months from balance sheet date	6.75	6.71
Interest Accrued on fixed deposit with Banks	0.04	0.04
	<b>6.79</b>	<b>6.75</b>
<b>12 Deferred Tax Assets</b>		
MAT Credit Entitlement	336.38	336.38
	<b>336.38</b>	<b>336.38</b>
<b>13 Non Current Assets - Others</b>		
Capital Advances	110.95	15.99
Prepaid Expenses	3.25	0.35
	<b>114.20</b>	<b>16.34</b>
<b>14 Inventories</b>		
Raw Materials and Packing Materials	357.29	473.18
Work-in-Progress	335.81	296.89
Finished Goods (including in transit ₹ Nil Lakhs, Pr.Yr.- ₹ 517.56)	212.32	625.34
Stock-in-Trade	303.01	527.74
Fuel	17.30	10.14
	<b>1,225.73</b>	<b>1,933.29</b>
<b>15 Trade Receivables</b>		
- Considered Good - Unsecured	5,079.20	4,440.87
- Significant Increase in Credit Risk	692.14	1,705.04
	5,771.34	6,145.91
Less: Allowance for doubtful trade receivables	692.14	1,705.04
	<b>5,079.20</b>	<b>4,440.87</b>
<p>The carrying amounts of the trade receivables include receivables which are subject to factoring arrangement. Under this arrangement, the company has transferred the relevant receivables to the "Factor" in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Company considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.</p> <p><b>The relevant carrying amounts are as follows:</b></p>		
Total transferred receivables	213.66	428.85
Associated secured borrowing (Note 25)	193.13	374.49
<b>16 Cash and Cash Equivalents</b>		
Balances with Banks:		
- In Current Account	248.17	261.45
- In EEFC Account	6.30	5.78
Cash on Hand	7.76	3.55
	<b>262.23</b>	<b>270.78</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>17 Bank Balances other than Cash and Cash Equivalents</b>		
In Deposit Accounts with Banks (Under Lien)		
-with original maturity of more than 3 months and upto 12 months	156.24	207.38
-with original maturity of more than 12 months	43.40	43.40
In Deposit Accounts with Banks (Others)		
-with original maturity of more than 12 months	1,203.84	
	<b>1,403.48</b>	<b>250.78</b>
<b>18 Current Financial Assets - Loans Unsecured</b>		
Other Loans		
- Credit Impaired	-	56.54
	-	56.54
Less: Allowance for Doubtful Other Loans	-	56.54
	-	-
<b>19 Current Financial Assets - Others</b>		
Interest Accrued on fixed deposit with Banks	1.50	0.18
Other Interest Receivable		
- Considered Good	10.81	-
- Considered Doubtful	-	313.49
	10.81	313.49
Less: Allowance for Doubtful Other Interest Receivable	-	313.49
	10.81	-
Export Benefit Receivable	42.60	28.06
Net settlement gain receivable on Derivative Assets	-	29.22
	<b>54.91</b>	<b>57.46</b>
<b>20 Other Current Assets- Non Financial (Unsecured, considered good, unless otherwise stated)</b>		
Advances to Related Parties (Refer Note 60):		
- Considered Good	-	-
- Considered Doubtful	7,291.07	8,809.00
	7,291.07	8,809.00
Less: Allowance for Doubtful Advances to related parties	7,291.07	8,809.00
	-	-
Advance to Employees:		
- Considered Good	73.06	87.31
- Considered Doubtful	170.09	304.76
	243.15	392.07
Less: Allowance for Doubtful Advances to Employees	170.09	304.76
	73.06	87.31
Advance to Suppliers other than Capital Advances		
- Considered Good	225.04	41.74
- Considered Doubtful	178.98	207.17
	404.02	248.91
Less: Allowance for Doubtful Advances to Suppliers	178.98	207.17
	225.04	41.74
Prepaid Expenses	113.63	99.07
Export Benefit Receivable	295.79	212.06
Balance with Statutory/Government Authorities:		
- VAT Receivable	104.20	104.20
- GST Receivable	-	1,800.90
	<b>811.72</b>	<b>2,345.28</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>21 Share Capital</b>		
<b><u>Authorised</u></b>		
20,00,000 Preference shares of ₹ 100/- each	2,000.00	2,000.00
3,00,00,000 Equity Shares of ₹ 10/- each	3,000.00	3,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b><u>Issued, Subscribed and Paid-Up</u></b>		
<b>2,49,95,117 (Pr. Yr. - 2,32,20,117) Equity Shares of ₹ 10/- each fully paid up</b>	2,499.51	2,372.01
<b>Total Share Capital</b>	<b>2,499.51</b>	<b>2,372.01</b>

### 21.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	31 March 2020		31 March 2019	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	2,37,20,117	2,372.01	2,37,20,117	2,372.01
Add: Equity shares allotted during the year to Edelweiss Asset Reconstruction Company Limited (EARC) as part of Restructuring of Debts	12,50,000	125.00	-	-
"Add: Equity shares allotted during the year against option's exercised under Employee Stock Option Plan 2016"	25,000	2.50	-	-
<b>Shares outstanding at the end of the period</b>	<b>2,49,95,117</b>	<b>2,499.51</b>	<b>2,37,20,117</b>	<b>2,372.01</b>

### 21.2 Terms/Rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares & pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

### 21.3 Outstanding Options to subscribe to equity shares

11,25,236 warrants of the face value of ₹ Nil have been allotted to the shareholders of Erstwhile PPIL as per the BIFR order. The warrant holders have the right to subscribe to one equity share of ₹ 10/- each at the premium of ₹ 125/- per share which is exercisable within five years from 27 June 2007, being the date of allotment of the warrants. Refer note 45a.

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of face value of ₹ 1,000/- each were allotted to the lenders of erstwhile PPIL pursuant to the order dated 24 April 2007 of Hon'ble BIFR. OFCD were convertible between 1 November 2008 and 30 April 2012 into its equity shares at a price of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right. Refer note 45 a.

Refer Note 46 for rights of lender under CDR scheme to convert dues into equity shares of the Company under certain condition stipulated in Master Restructuring Agreement dated 19 September 2011.

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

Name of Shareholder	31 March 2020		31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	30,24,000	12.10%	30,24,000	12.75%
Expert Chemicals (India) Pvt. Ltd.	1,00,05,561	40.03%	1,00,05,561	42.18%
Edelweiss Asset Reconstruction Company Limited (EARC)	17,50,000	7.00%	-	-

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 21.5 Equity Shares reserved for issuance:

Particulars	31 March 2020	31 March 2019
	No of Shares of FV ₹ 10	No of Shares of FV ₹ 10
Employee Stock Options Plan 2016 of the Company	9,73,464	9,98,464

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

21.7 During the year, the Company has allotted 12,50,000 equity shares of ₹ 10 each at a premium of ₹ 3.18, on preferential basis to M/s EARC a Trustee of EARC Trust SC 145, as part of Restructuring of Debts.

21.8 The Company is not a subsidiary company.

	31 March 2020	31 March 2019
	₹ in Lakhs	₹ in Lakhs
<b>22 Other Equity</b>		
Capital Reserves	683.41	683.41
Securities Premium	5,999.67	5,950.25
Debenture Redemption Reserve	412.25	412.25
General Reserve	1,323.52	1,323.52
Employee Stock Option Outstanding	21.56	23.13
Retained Earnings	(22,723.07)	(29,123.29)
<b>Total other equity</b>	<b>(14,282.66)</b>	<b>(20,730.73)</b>

### 23 Non-current Financial Liabilities - Borrowings

#### Term loans (Secured)

From Banks (Rupee)	-	869.35
From Others (Rupee)	9,954.16	11,433.81

#### Vehicle Loans (Secured)

From Others (Rupee)	-	-
	<b>9,954.16</b>	<b>12,303.16</b>

### 23.1 Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Cash and cash equivalents	262.23	270.78
Non-current Borrowings	(9,954.16)	(12,303.16)
Current Borrowings	(2,492.34)	(8,520.54)
Current maturities of long term borrowings	(3,916.63)	(2,475.34)
Interest accrued	(1,173.11)	(881.02)
Unpaid dues	(1,801.81)	(2,802.65)
<b>Net Debt</b>	<b>(19,075.82)</b>	<b>(26,711.93)</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

₹ in Lakhs

Particulars	Cash and cash equivalent	Liability from financing activities	Total
<b>Balance as on 1 April 2019</b>	<b>270.78</b>	<b>(26,982.71)</b>	<b>(26,711.93)</b>
Cash outflows	(8.55)	9,707.10	9,698.55
Interest expense for the year	-	(3,122.32)	(3,122.32)
Interest payment	-	1,082.64	1,082.64
Revaluation of foreign currency borrowings	-	(22.76)	(22.76)
<b>Closing balance as on 31 March 2020</b>	<b>262.23</b>	<b>(19,338.05)</b>	<b>(19,075.82)</b>

₹ in Lakhs

Particulars	Cash and cash equivalent	Liability from financing activities	Total
<b>Balance as on 1 April 2018</b>	<b>283.74</b>	<b>(26,489.29)</b>	<b>(26,205.55)</b>
Cash outflows	(12.96)	1,540.44	1,527.48
Interest expense for the year	-	(3,988.46)	(3,988.46)
Interest payment	-	1,137.99	1,137.99
Gain on extinguishment of loan liability	-	790.32	790.32
Revaluation of foreign currency borrowings	-	26.29	26.29
<b>Closing balance as on 31 March 2019</b>	<b>270.78</b>	<b>(26,982.71)</b>	<b>(26,711.93)</b>

23.2 Nature of Security	Term of Interest and Repayment	As at 31 March 2020	As at 31 March 2019
<p><b>Working Capital Term Loan I :</b></p> <p>First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant &amp; on all the present and future current assets of the company including few brands of the company. Second pari passu charges on all the present and future fixed assets of the company, situated at Tanuku plant. Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis. Pledge of 1271250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis. Corporate Guarantee of Experts Chemicals , Bravo Healthcare, Wanbury Global FZE and Kingsbury investments, Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>IDBI Bank : The loan is repayable in 4 equal annual installments from 30th Sept 2017 to 30th Sept 2020</p> <p>All other lenders : The loan is repayable in 4 equal annual installments from 31st March 2018 to 31st March 2021</p> <p>Fixed Interest payable @ 1% p.a.</p>	796.40	1,022.78

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

<p><b>Funded Interest Term Loan :</b>          First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant &amp; on all the present and future current assets of the company including few brands of the company. Second pari passu charges on all the present and future fixed assets of the company, situated at Tanuku plant. Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis. Pledge of 1271250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis. Corporate Guarantee of Experts Chemicals , Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>The loan is repayable in 32 quarterly instalments starting from 1st Oct 2012 to 30th Sept. 2020</p> <p>Interest rate of 3% p.a. for Fy 2010-11 which shall be increased by 1% each year till it reaches a level of 5% in Fy 2012-13 and thereafter will remain constant.</p>	425.27	483.03
<p><b>Term loan EARC -Edelweiss :</b>          First pari passu charge on all the present and future fixed assets including few brands of the company. Second pari passu charge on all the present and future current assets of the company. Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis. Pledge of 1271250 shares of Bravo Healthcare Ltd. and pledge of 5 shares of Wanbury Global FZE, Corporate Guarantee of Experts Chemicals, Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, Director of the company.</p>		12,085.96	12,886.70
<p><b>Working Capital Term Loan II:</b>          First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant &amp; on all the present and future current assets of the company including few brands of the company. Second pari passu charges on all the present and future fixed assets of the company, situated at Tanuku plant. Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis. Pledge of 1271250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis. Corporate Guarantee of Experts Chemicals , Bravo Healthcare, Wanbury Global FZE and Kingsbury investments, Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>IDBI Bank :The loan is repayable in 4 equal annual installments from 30th Sept 2017 to 30th Sept. 2020</p> <p>All other lenders : The loan is repayable in 4 equal annual installments from 31st March 2018 to 31st March 2021</p> <p>Ballooning interest 1% to 4% in FY 2013-14 , to 5% in FY 2015-16 and to 8% in FY 2018-19 and thereafter it will remain same</p>	832.00	882.03



# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

<b>Term Loan</b> First pari passu charge on all the present and future fixed assets of the company, excluding Tanuku plant. First pari passu charge on few brands of the company. Second pari passu charge on all the present and future fixed assets situated at Tanuku plant. Second pari passu charge on all the present and future current assets of the company. Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc. on pari passu basis. Pledge of 1271250 shares of Bravo Healthcare Ltd. and pledge of 5 shares of Wanbury Global FZE, Corporate Guarantee of Experts Chemicals, Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, Director of the company.	The Loan is repayable in 32 quarterly installments from 31.12.2012 to 30.09.2020  Interest @ 9.50% p.a.	1,051.12	1,451.04
<b>Vehicle Loan</b> First charge on vehicles against which loan is disbursed.		-	0.82
<b>Total Non-Current Borrowings</b> Less: Current Maturities of Long Borrowings and Vehicle Loan (Refer Note 27) Less: Unpaid Dues of Long term Borrowings (Refer Note 27) Less: Interest Accrued (Refer Note 27)		15,190.74 3,916.63 653.68 666.27	16,726.40 2,330.42 1,676.78 416.04
<b>Non-Current Borrowings (as per Balance Sheet)</b>		<b>9,954.16</b>	<b>12,303.16</b>

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>24 Non-Current Provisions</b>		
<b>Provision for employee benefits (Net)</b> (Refer Note 55)		
Provision for Gratuity	708.45	611.39
Provision for Leave Benefits	447.72	457.97
	<b>1,156.17</b>	<b>1,069.36</b>
<b>25 Current Financial Liabilities - Borrowings</b> (Secured unless otherwise stated)		
<b>Working Capital Loans repayable on demand</b> (Refer Note 25.1)		
From Banks (Rupee)	2,248.96	8,095.80
From Others (Rupee)*	-	-
<b>Factored Receivables</b> (Refer Note 25.2 and 15)		
From Others (Foreign Currency)	193.13	374.49
<b>Loans repayable on demand (Unsecured)</b> (Refer Note 45a)		
From Banks (Rupee)	29.94	29.94
From Others (Rupee)	20.31	20.31
	<b>2,492.34</b>	<b>8,520.54</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

- 25.1 Above loans are secured by first pari-passu charge on current assets including few brands of the Company, second charge on both present and future fixed assets of the company and Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc. and Pledge of 12,71,250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis. Further there is Corporate Guarantee of Experts Chemicals, Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, director of the company.
- 25.2 Factoring facilities are secured by subservient (residual) charge on all present and future receivables, book debts, outstandings, monies receivables, claims and bills of the company, which are now due and or which may be due at anytime of its approved debtors and subservient charge on all present and future fixed asset and current assets of the company.

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
<b>26 Current Financial Liabilities - Trade Payables</b>		
Total outstanding dues of Micro enterprise and Small enterprise (Refer Note 51)	9.58	9.67
Total outstanding dues of creditors other than Micro enterprise and Small enterprise	12,129.49	11,169.07
	<b>12,139.07</b>	<b>11,178.74</b>

Refer Note 60 for Payables to Related Party

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
<b>27 Current Financial Liabilities - Others (Unsecured unless otherwise stated)</b>		
Current maturities of:		
-Long Term Borrowings- Banks (Secured) (Refer Note 23)	1,784.84	1,079.60
-Long Term Borrowings- Others (Secured) (Refer Note 23)	2,131.79	1,250.00
-Vehicle Loan (Secured) (Refer Note 23)	-	0.82
-Dues of FCCB Holders	-	144.92
Interest accrued but not due on:		
-Long Term Borrowings- Banks (Secured) (Refer note 23)	1.44	-
-Dues to FCCB Holders	-	22.68
-Debentures (Secured)	328.98	328.98
Interest accrued and due on (Refer Note 27.3)		
-Long Term Borrowings- Banks (Secured) (Refer Note 23)	666.27	413.13
-Long Term Borrowings- Others (Secured) (Refer Note 23)	-	2.91
-Dues of FCCB Holders	115.85	108.39
-Liability against Corporate Guarantee (Refer Note 43)	60.57	4.93
Unpaid Dues of:		
-Long Term Borrowings- Banks (Secured) (Refer Note 27.3, 23)	653.68	1,476.78
-Long Term Borrowings- Others (Secured) (Refer Note 27.3, 23)	-	200.00
-FCCB Holders (Refer Note 27.3)	345.44	323.20
-Liability against Corporate Guarantee (Refer Note 27.3 & 43)	1,361.23	1,320.94
-Long Term Borrowings of erstwhile PPIL (Secured) (Refer Note 27.4 & 27.5)	68.02	68.02
-Matured Zero Coupon Non Convertible Redeemable Debentures	152.67	152.67
-Optionally Fully Convertible Debentures	581.99	581.99
Other Payables:		
- Capital Creditors	59.32	121.50
- Others (Includes Inland bills payable, stale cheques, dues of PPIL etc)	74.21	177.92
- Security Deposit	401.00	444.50
- Liability against Corporate Guarantees issued (Refer Note 43)	3,588.94	3,679.06
	<b>12,376.23</b>	<b>11,902.94</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- 27.1 The NCD are to be secured by a pari passu charge on the fixed assets of erstwhile PPIL. The NCD comprises of Part A of ₹ 60 and Part B of ₹ 40 which are redeemable at par at the end of two years and three years respectively from 1 May, 2007. The Company had redeemed Part A of ₹ 60 relating to 1,49,709 NCD's in the earlier years. NCD's amounting to ₹ 55.67 Lakhs and ₹ 97 Lakhs was due for repayment on 1 May 2009 and 1 May 2010 respectively. Refer Note 45a.
- 27.2 The OFCD are to be secured by a pari passu charge on the fixed assets of erstwhile PPIL. OFCD are convertible between 1 November, 2008 and 30 April, 2012 into equity shares at a price being higher of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right amounting to ₹ 290.99 Lakhs and ₹ 291 Lakhs was due for repayment on 30 April 2010 and 30 April 2011 respectively. Refer Note 45a.
- 27.3 There is delay in repayment of
- (i) term loan from banks aggregating to ₹ 653.68 Lakhs (Pr. Yr. - ₹ 1,476.78 Lakhs) ranging from 1 to 732 days (Pr. Yr. - 1 to 821 days).
  - (ii) term loan from other aggregating to ₹ Nil (Pr. Yr. - ₹ 200.00 Lakhs) by Nil day (Pr. Yr. - 1 to 17 days).
  - (iii) amount payable to FCCB Holders aggregating to ₹ 345.44 Lakhs (Pr. Yr. - ₹ 323.20 Lakhs) ranging from 1 to 2899 days (Pr. Yr. - 1 to 2533 days).
  - (iv) interest on secured borrowings aggregating to ₹ 666.27 Lakhs (Pr. Yr. - ₹ 416.04 Lakhs) ranging from 1 to 1097 days (Pr. Yr. - 1 to 731 days) in respect of dues to banks/ financial institutions.
  - (v) interest on FCCB aggregating to ₹ 115.85 Lakhs (Pr. Yr. - ₹ 108.39 Lakhs) ranging from 1 to 3198 days (Pr. Yr. - 1 to 2832 days).
  - (vi) amount payable against Corporate guarantee ₹ 1,421.80 Lakhs (Pr. Yr. - ₹ 1,325.87 Lakhs) ranging from 1 to 367 days (Pr. Yr. - 1 day)
- 27.4 Term loans of erstwhile PPIL amounting to ₹ 68.02 Lakhs are secured by a pari-passu first charge on its fixed assets of erstwhile PPIL.
- 27.5 The said dues were payable as per Merger Cum Revival Scheme approved by the BIFR vide its order dated 24 April, 2007. Refer Note 45a.

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>28 Other Current Liabilities</b>		
- Advance received from customers	227.88	463.00
- Statutory Dues Payable	803.33	1,035.40
	<b>1,031.21</b>	<b>1,498.40</b>
<b>29 Current Provisions</b>		
<b>Provision for employee benefits (Net)</b> (Refer Note 56)		
Provision for Gratuity	103.40	101.17
Provision for Leave Benefits	49.52	39.34
Bonus Provision	125.98	132.08
	<b>278.90</b>	<b>272.59</b>
<b>30 Current Tax Liabilities (Net)</b>		
Provision for Income Tax (Net of Payment) (Refer Note 53)	71.51	74.48
	<b>71.51</b>	<b>74.48</b>
<b>31 Revenue From Operations</b>		
<u>Sale of products:</u>		
- Finished Goods	27,561.03	27,382.67
- Traded Goods	8,698.42	11,308.28
<u>Other Operating Revenue:</u>		
- Export Incentive	411.04	417.24
- Sale of Scrap	74.98	29.22
	<b>36,745.47</b>	<b>39,137.41</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>32 Other Income</b>		
Interest on Bank Deposits	20.50	18.99
Other Interest	15.54	42.21
Exchange Difference (Net)	58.82	-
Insurance Claim	-	29.68
Amounts written back (Net)	8.57	-
Profit on sale of Fixed Assets	10.01	46.07
Dividend Income	0.03	-
Gain on Measurement of Equity Instrument at Fair Value	-	0.01
Gain on Extinguishment of Financial Liability (Net) (Refer Note for 47)	-	790.32
Miscellaneous Income	0.54	5.35
	<b>114.01</b>	<b>932.63</b>
<b>33 Cost of Materials Consumed</b>		
Raw Materials & Packing Materials Consumed	14,642.35	16,499.40
	<b>14,642.35</b>	<b>16,499.40</b>
<b>34 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Inventories at the beginning of the year</b>		
- Finished Goods	625.34	247.23
- Work-in-Progress	296.89	131.01
- Stock-in-Trade	527.74	565.50
<b>(A)</b>	<b>1,449.97</b>	<b>943.74</b>
<b>Inventories at the end of the year</b>		
- Finished Goods	212.32	625.34
- Work-in-Progress	335.81	296.89
- Stock-in-Trade	303.01	527.74
<b>(B)</b>	<b>851.14</b>	<b>1,449.97</b>
<b>Changes in Inventories</b>		
- Finished Goods	413.02	(378.11)
- Work-in-Progress	(38.92)	(165.88)
- Stock-in-Trade	224.73	37.76
<b>(A-B)</b>	<b>598.83</b>	<b>(506.23)</b>
<b>35 Employee Benefits Expense</b>		
Salaries, Wages, Bonus and Allowances	6,076.95	6,841.45
Contribution to Provident and Other Funds	469.45	569.07
Expense on Employee Stock Option Scheme	8.10	(2.67)
Staff Welfare Expenses	193.38	181.37
	<b>6,747.88</b>	<b>7,589.22</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>36 Finance Cost</b>		
Interest expense	3,287.07	3,988.46
	<b>3,287.07</b>	<b>3,988.46</b>
<b>37 Depreciation and amortization expense (Refer Note 8 )</b>		
Depreciation on property, plant and equipment	940.34	975.66
Depreciation on right-of-use assets	6.31	
Amortization expense of Intangible Asset	21.76	21.25
	<b>968.41</b>	<b>996.91</b>
<b>38 Other Expenses</b>		
Advertisement & Sales Promotional Expenses	942.85	1,471.67
Travelling & Conveyance	757.95	1,159.78
Power & Fuel	1,537.53	1,446.24
Allowances /(Reversal) for Doubtful Loans & advances (Net)	(3,493.40)	88.29
Allowances/(Reversal) for doubtful debts (Net)	(1,012.91)	(217.38)
Allowance/(Reversal) for Corporate guarantee (Net)	-	244.64
Amounts written off	4,453.65	-
Breakages & Expiry	716.15	600.00
Carriage Outward	728.18	689.69
Legal & Professional Charges	1,616.18	1,270.77
Commission On Sales	291.32	544.00
Consumption of Stores, Spares & Consumables	351.71	285.20
Rent	262.05	310.75
Exchange Difference (Net)	-	28.18
Loss on Measurement of Equity Instrument at Fair Value	1.30	-
Repairs to Plant & Machineries	614.70	253.31
Repairs to Buildings	277.61	36.19
Repairs- Others	133.27	223.30
Rates & Taxes	38.11	95.93
License Fees	95.44	126.31
Insurance	86.46	66.05
Loss on sale/discard of Property, Plant & Equipments (Net)	-	33.62
Sales Tax & Service Tax	1.00	35.50
Miscellaneous Expenses	1,679.96	1,582.08
	<b>10,079.11</b>	<b>10,374.12</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 39. Earnings Per Share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars		31 March 2020	31 March 2019
<b>Basic and Diluted Earnings Per Share:</b>			
Profit/ (loss) after tax & before exceptional items, attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(A)	(1,817.82)	(2,484.93)
Add: Dilutive effect on profit (₹ in Lakhs)	(B)	-	-
Profit/ (loss) after tax & before exceptional items, attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(C=A+B)	(1,817.82)	(2,484.93)
Profit/ (loss) after tax & exceptional items, attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(D)	6,446.22	(2,484.93)
Add: Dilutive effect on profit (₹ in Lakhs)	(E)	-	-
Profit/ (loss) after tax & exceptional items, attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(F=D+E)	6,446.22	(2,484.93)
Weighted Average Number of Equity Shares outstanding-for Basic EPS	(G)	2,39,65,814	2,37,20,117
Add: Dilutive effect of Employee Stock Options*/ Other Options outstanding -Number of Equity Shares	(H)	-	-
Weighted Average Number of Equity Shares for Diluted EPS	(I=G+H)	2,39,65,814	2,37,20,117
Face Value per Equity Share (₹)		10	10
Basic Earnings/ (Loss) Per Share, before exceptional items (₹)	(A/G)	(7.59)	(10.48)
Diluted Earnings/ (Loss) Per Share, before exceptional items (₹)	(C/I)	(7.59)	(10.48)
Basic Earnings/ (Loss) Per Share, after exceptional items (₹)	(D/G)	26.90	(10.48)
Diluted Earnings/ (Loss) Per Share, after exceptional items (₹)	(F/I)	26.90	(10.48)

Employee Stock Options are not included in the calculation of diluted earnings per share because they are antidilutive. Further, since there was loss in previous year ended 31 March 2019, potential equity shares were not considered as dilutive. Hence, Diluted EPS is same as Basic EPS in both the years.

### 40. Commitments:

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 45.87 Lakhs (Pr. Yr. ₹ 39.72 Lakhs).
- Other Commitments- Non Cancellable operating leases (Refer Note 58).

### 41. Contingent Liabilities:

₹ in Lakhs

Sr. No.	Particulars	31 March 2020	31 March 2019
a)	Contract of take out undertaking executed in favour of bank/financial institution for loans given to step down subsidiary-Cantabria Pharma SL.	28,237.00 (Euro 340.00 Lakhs)	26,418.82 (Euro 340.00 Lakhs)
	Loans outstanding at the year end for undertaking as above.(Refer note 43)	17,829.20 (Euro 214.68 Lakhs)	16,430.06 (Euro 208.45 Lakhs)
b)	Disputed demands by Income Tax Authorities. Amount paid under protest and shown as advance.	617.15 115.93	617.15 115.93
c)	Disputed demands by Sales Tax Authorities. Amount paid under protest and shown as advance.	3,015.23 Nil	3,015.23 Nil

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

d)	Disputed demands by Service Tax Authorities. Amount paid under protest and shown as advance	381.25 59.50	381.25 59.50
e)	Disputed demands by Excise Authorities.	88.07	88.07
f)	Disputed demand by National Pharmaceutical Pricing Authority (NPPA)	190.58	190.58
g)	Claims against the Company not acknowledged as debts	47,805.24	2,687.65
h)	Custom Duty on import under Advance License Scheme, pending fulfillment of Export obligation.	2,870.00	3,325.26

The management considers the Service Tax, Excise Duty, Custom Duty, Sales Tax, GST and Income Tax demand received from the authorities and demand received from NPPA are not tenable against the company, and therefore no provision for these contingencies has been made. Further, in respect of aforesaid matters, the Company does not expect to have any material adverse effect on the company's financial conditions, results of operations or cash flows. Future cash flows in respect of liability under clause (a) is dependent on terms agreed upon with the parties and in respect of liability under clause (b) to (h) are dependent on decisions by relevant authorities of respective disputes.

42. a. Exim Bank has subscribed to 4,511 Preference Shares of Euro 1,000/- each of Wanbury Holding B. V., a subsidiary company pursuant to the Preference Share Subscription Agreement dated 7 December 2006. Pursuant to the said agreement, Exim Bank has exercised Put Option vide letter dated 8 November, 2011 and the Company is required to pay USD 60 Lakhs (Pr. Yr. USD 60 Lakhs) [₹ 4,523.15 Lakhs (Pr. Yr. ₹ 4,150.28 Lakhs)] to acquire aforesaid preference shares. The said dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement. (Refer note 43)
- b. State Bank of India, London has filed legal proceedings dated 28 February 2017, demanding repayment of Euro 38.23 Lakhs (Pr. Yr. Euro 38.23 Lakhs) [₹ 3,175.00 Lakhs (Pr. Yr. ₹ 2,970.56 Lakhs)] together with interest till the date of repayment by the Company in terms of Guarantee & Loan agreement dated 27 September 2007 vide which aforesaid credit facilities was granted to Cantabria Pharma S L, the step down subsidiary of the Company. State Bank of India, London vide compromise settlement letter dated 1 Feb 2018 approved the settlement of their dues at 20% in respect of loan availed by Cantabria Pharma SL. The settled amount was payable by the Company by 31 March 2019, out of which the Company has paid 3 Lakhs Euro [₹ 249.15 Lakhs] during the previous year ended 31 March 2019. The Company had requested for extension of payment of balance dues by 31 March 2020. The Company has paid 0.61 Lakhs Euro [₹ 50.61 Lakhs] during the year ended 31 March 2020. Further, the Company has requested for extension of time for payment of balance dues by 31 March 2021 and the request is under consideration by State Bank of India, London. The Company has been providing for interest on the amount payable at the end of the year. (Refer note 43)
43. The Company expects to settle Corporate Guarantee liability of Cantabria Pharma SL, the step down subsidiary of the Company & Wanbury Holding B.V., a subsidiary company (Refer note 41(a) & 42), at approximately ₹ 4950.17 Lakhs (Pr. Yr. ₹ 5,000 Lakhs) and the same is shown under "Current Financial Liabilities - Others".
44. The Company has one segment of activity namely "Pharmaceutical".
45. a. Erstwhile the Pharmaceutical Products of India Limited (PPIL) was merged with the Company, pursuant to the Order dated 24 April 2007, passed by Hon'ble Board for Industrial and Financial Reconstruction (BIFR).

The Hon'ble Supreme Court vide its order dated 16 May 2008, had set aside the above referred BIFR order and remitted the matter back to BIFR for considering afresh as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), in response to a petition filed by one of the unsecured creditors of erstwhile PPIL.

The BIFR had directed IDBI Bank, which was appointed as an Operating Agency, to formulate new Draft Rehabilitation Scheme (DRS) pursuant to the Order of Hon'ble Supreme Court of India dated 16 May 2008. In the meanwhile, the Company had sought legal opinion and the Company was advised to maintain status quo ante with respect to the merger under the said Scheme and that it should take further steps only on the basis of the fresh BIFR Order.

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

As per BIFR Order dated 24 April 2007, statutory dues of erstwhile PPIL comprising of income tax ₹ 250.36 Lakhs, profession tax ₹ 6.06 Lakhs, custom duty ₹ 230 Lakhs, sales tax ₹ 8.50 Lakhs and excise duty ₹ 15.62 Lakhs were required to be paid in six annual installments and the Company has pursuant to the scheme, allotted Non Convertible Debentures (NCDs) of ₹ 242.50 Lakhs and Optionally Fully Convertible Debentures (OFCDs) of ₹ 581.99 Lakhs, to some of the lenders of erstwhile PPIL, out of which dues amounting to ₹ 152.67 Lakhs and ₹ 581.99 Lakhs in respect



## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

of NCDs and OFCDs respectively, remains payable at the period end. Since BIFR was considering the matter afresh, pending fresh directives from the BIFR, aforesaid dues were not paid.

However, the Government of India had, vide Notification No. S.O. 3568(E) dated 25 November 2016, notified the SICA Repeal Act, 2003, w.e.f. 1 December 2016, and as a consequence thereof, BIFR and AAIFR stood dissolved w.e.f. 1 December 2016. Simultaneously, in terms of Section 252 of Insolvency & Bankruptcy Code (“IBC 2016”), the government amended Section 4(b) of the said repeal act in the manner specified in the Eighth Schedule of IBC 2016, resulting in the abatement of all pending proceedings including pending merger scheme before BIFR.

In view of the foregoing developments, the management is currently considering various other options under the available laws and as may be advised by experts either to regularize lawfully all acts and deeds done under the erstwhile merger scheme or to undo what was done in pursuance and as a sequel of the erstwhile merger scheme sanctioned by BIFR vide order dated 24 April 2007.

### **b. Assets held for sale:**

As per the scheme of rehabilitation and merger approved by BIFR, erstwhile PPIL is required to sell office premises at Saki Naka, Mumbai and R & D premises at Turbhe, Navi Mumbai in settlement of part dues of secured and unsecured payables mentioned in the aforesaid scheme. Consequently, the said assets are classified as held for sale and measured at lower of carrying cost and fair value less cost to sell. The Company is not charging any depreciation on assets held for sale.

The Company is committed to the plan of sale of assets and is in search of suitable buyers for assets held for sale.

**Details of the assets held for sale are as under:**

**(₹ in Lakhs)**

<b>Description</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Office Premises	196.54	196.54
Building	177.05	177.05
<b>Total</b>	<b>373.59</b>	<b>373.59</b>

- 46.** The Corporate Debt Restructuring (CDR) proposal of the Company, having 30 September 2010 as the cutoff date, has been approved by the CDR Cell vide its Letter of Approval (LOA) dated 23 May 2011. Subsequently on execution of the Master Restructuring Agreement (MRA) dated 19 September 2011, effect of CDR Scheme has been given in the financial statements as per the MRA in accordance with applicable Indian Accounting Standard.

MRA among other terms and conditions, provide for:

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

- 47.a.** During the year ended 31 March 2018, Bank of India (“BOI”) approved One Time Settlement (“OTS”) vide letter dated 29 September 2017 in respect of loans availed and outstanding by the Company including external commercial borrowing and interest accrued upto 9 June 2017. As per the terms of settlement, the Company had to pay the agreed amount within 9 months from settlement date with an interest at base rate plus 1% on agreed amount. Consequently, a gain of ₹ 5,296.02 lakhs had been recognised on derecognition of earlier loan and included in “other income”.

During the previous year ended 31 March 2019, the Company had requested for extension of time for payment of balance outstanding amount which was considered and approved by BOI vide letter dated 26 July 2019. As per the revised terms of settlement, the Company was required to pay a revised OTS amount of ₹ 4,900.00 Lakhs by 31 August 2019. Accordingly, additional liability of ₹ 1,011.86 Lakhs was recognised during the previous year and gain recognized in earlier year to the extent of ₹ 1,011.86 was reversed and included in “Other Income – Gain on Extinguishment of Financial Liability (Net)”.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

During the year ended 31 March 2020, the Company has made part payment to BOI against its dues out of the proceeds from Sale of Brands (Refer Note 49). Further, the Company has requested for extension of time for payment of balance dues upto 31 March 2021 and the request is under consideration by BOI. Hence, the said dues as on 31 March 2020 is shown under "Current Financial Liabilities- Borrowings". The Company has provided for interest as per the revised terms agreed.

- b. State Bank of Mysore ("SBM") vide its letter dated 31 March 2017, has informed about sale of its loan exposure on the Company to Edelweiss Asset Reconstruction Company Limited ("EARCL").

During the previous year ended 31 March 2019, vide agreement dated 29 January 2019 with EARCL, the Company has agreed to the restructuring of dues payable to EARCL. Appropriate effect of the said settlement is given in the Financial Statements and consequently, gain of ₹ 1,802.18 Lakhs has been recognised on derecognition of earlier loan, which has been included in "Other Income – Gain on Extinguishment of Financial Liability (Net)".

During the year ended 31 March 2020, the Company has made payment to EARCL out of the proceeds from Sale of Brands (Refer Note 49). The balance outstanding liability as at year end is shown under "Non-Current Financial Liabilities-Borrowings" & Current maturities is shown under "Other Current Financial Liabilities" respectively.

48. During the year ended 31 March 2017, State bank of India has sold its loan exposure on the Company to Edelweiss Asset Reconstruction Company Limited (EARCL) at an agreed value. As part of the settlement, the Company has agreed to pay the dues in structured installments.

During the previous year ended 31 March 2019, EARCL vide agreement dated 29 January 2019, has revised repayment schedule in respect of dues payable by the Company. Accordingly, effect of aforesaid revised agreement has been given in the Financial Statements.

During the year ended 31 March 2020, the Company has made payment to EARCL out of the proceeds from Sale of Brands (Refer Note 49).

The balance outstanding liability at the year end is shown under "Non-Current Financial Liabilities-Borrowings" & Current maturities is shown under "Other Current Financial Liabilities" respectively.

49. During the year ended 31 March 2020, the Company has entered into an Asset Transfer Agreement("ATA") dated 10 October 2019, as amended from time to time, with Cipla Limited for Sale of four Brands and related inventory owned by the Company. On 7 February 2020, the Sale was concluded and the agreed brands and related inventory as per the ATA have been transferred to Cipla Limited. Gain of ₹ 8,264.04 lakhs on sale of brands has been recognised and presented as an "Exceptional items" in the statement of profit and loss.

The sale proceeds have been utilized towards repayment of debt to various lenders, as part of debt resolution plan.

Details of Repayment of Debt from sale proceeds is as follows :

Name of the Bank	₹ In Lakhs
Andhra Bank	520.00
Axis Bank	300.00
Bank of India	4,300.00
Edelweiss Asset Reconstruction Company Limited	1,810.00
Export Import Bank of India	1,200.00
IDBI Bank	310.00
<b>Total</b>	<b>8,440.00</b>

50. The balances of trade receivables, trade payables, loans and advances are subject to confirmation/reconciliation and adjustments, if any.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 51. Details of dues to Micro and Small Enterprises as defined under “Micro, Small & Medium Enterprises Development Act, 2006” :

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
a)The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year Principal Interest	7.29 0.17	8.19 0.00
b)The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c)The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small And Medium Enterprises Development Act 2006.	Nil	Nil
d)The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.29	1.48
e)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act 2006.	2.29	Nil

### 52. Research and Development Expenditure

The aggregate amount of revenue expenditure (except depreciation) incurred during the year on Research and Development and shown in the respective heads of account is ₹ 424.94 Lakhs (Pr. Yr. ₹ 883.62 Lakhs).

### 53. Income Tax

Income tax (expense)/benefit recognized in the income statement consist of the following :

#### A. Current Tax :

Income tax (expense)/benefits recognised in the statement of profit and loss consist of the following:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Current tax on profit for the year	-	-
Adjustment for current tax of prior periods	0.02	0.19
<b>Total Current Tax expenses</b>	<b>0.02</b>	<b>0.19</b>
Deferred tax expense / (benefits)	-	-
Origination and reversal of timing difference	20.85	(13.85)
<b>Total Deferred Tax expenses</b>	<b>20.85</b>	<b>(13.85)</b>
<b>Income tax expense for the year recognised in the statement of profit &amp; loss.</b>	<b>20.87</b>	<b>(13.66)</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### B. Reconciliation of Effective Tax Rate:

The following is a reconciliation of the company's effective tax rate:

(₹ in Lakhs)

Particulars	31 March 2020
Accounting profit before income taxes	6,467.09
Enacted tax rate in India (%)	34.94%
<b>Computed expected tax expenses</b>	<b>2,259.86</b>
Tax effect of income which is chargeable at a different rate	(963.09)
Tax effect of Unabsorbed Depreciation	149.97
Effect of exempt operating income	(1,574.68)
Effect of non deductible expenses	155.59
Additional deduction on R & D Expenses	(24.64)
Effect of exempt non-operating income	(3.00)
Effect of Income exempt from Tax	(0.01)
Adjustment for current tax of prior periods	0.02
<b>Income Tax expenses</b>	<b>0.02</b>
<b>Effective Tax rate</b>	<b>0.00%</b>

The Company has incurred loss during the previous year ended 31 March 2019. Since in the previous year, there was book loss and tax loss and hence no tax was payable as per provisions of Income Tax Act, 1961. Therefore, calculation of effective tax rate is not relevant and hence, not given.

### C. Deferred Tax Assets & (Liabilities):

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Deferred Tax Liabilities	(7,137.69)	(6,469.51)
Deferred Tax Assets (restricted to deferred tax liabilities above)	7,137.69	6,469.51
MAT credit entitlement	336.38	336.38
<b>Deferred tax assets/ (liabilities)</b>	<b>336.38</b>	<b>336.38</b>

The tax effects of significant temporary differences that resulted in deferred tax assets & liabilities and a description of these differences are as given below:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	2,433.33	2,229.01
Borrowing at amortised cost	4,704.36	4,240.50
Financial Instrument at Fair Value through Profit and Loss (FVTPL)	-	-
<b>Total Deferred Tax Liabilities</b>	<b>7,137.69</b>	<b>6,469.51</b>
<b>Deferred Tax Assets</b>		
Employee Benefit Expenses	501.42	418.69
Provision for Doubtful Debts/Receivable	2,911.30	4,014.75
Unabsorbed depreciation	834.89	2,198.63
Bank Gurantee Invoked	1,729.59	1,560.00
Expenses deductible on payment basis	3,614.95	2,280.96
IND -AS Adjustments	332.38	296.80
<b>Total Deferred Tax Assets</b>	<b>9,924.52</b>	<b>11,279.47</b>
<b>Total Deferred Tax Assets Resticted to</b>	<b>7,137.69</b>	<b>6,469.51</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

54. The Company had applied to the Central Government on 18 January 2016 for the approval of excess remuneration paid to Mr. K. Chandran, Wholetime Director amounting to ₹ 49.77 Lakhs pertaining to F.Y. 2015-16. In addition to the excess remuneration of 2015-16, pending approval, excess remuneration amounting to ₹ 41.77 Lakhs for the F.Y. 2016-17, ₹ 45.77 Lakhs for the F.Y. 2017-18 and ₹ 34.40 Lakhs for the F.Y. 2018-19 was paid aggregating to ₹ 171.71 Lakhs. The said dues have been recovered during the previous year ended 31 March 2019.

No Managerial Remuneration is paid during the year ended 31 March 2020. As per the Companies Act, 2013 and Rules made thereunder and Schedule V, Mr K. Chandran, WTD of the Company is not eligible for any remuneration and hence no remuneration is paid to him during the year under review.

### 55. Details of Auditors Remuneration:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Statutory Auditors Remuneration :		
- Audit Fees	12.50	12.50
- Certification & Other Matters	6.55	6.40
- Out of Pocket Expenses	0.70	0.16
Cost Auditors Remuneration :		
- Cost Auditor Fees	1.75	1.75

Note: Above figures are exclusive of GST, wherever applicable.

### 56. Employee Benefits

As required by Ind AS 19 "Employees Benefits" the disclosure are as under:

#### Defined Contribution Plans

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

During the year, the Company has contributed and recognized the following amounts as expenses in the statement of profit and loss:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Provident Fund, Employee's Pension Scheme and MLWF	289.97	332.12
Employees State Insurance	39.62	65.42
Super Annuation Fund	4.90	4.36
<b>TOTAL</b>	<b>334.49</b>	<b>401.90</b>

#### Defined Benefit Plans

**Gratuity:** Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement or resignation with a payment ceiling of ₹ 20 lakhs. The Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

i) **On normal retirement / early retirement / withdrawal / resignation:**

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

ii) **On the death in service:**

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports are as under:

(₹ in Lakhs)

	Particulars	31 March 2020	31 March 2019
(i)	<b>Changes in Defined Benefit Obligation</b>		
	Opening defined benefit obligation	727.93	684.91
	Current service cost	85.23	113.23
	Interest cost	52.90	49.78
	Actuarial loss / (gain)		

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	-changes in financial assumptions	101.91	-
	-changes in demographic assumptions	(0.22)	
	-experience adjustments	(26.89)	(51.37)
	Past service Cost*	-	6.57
	Benefit (paid)	(99.94)	(75.19)
	<b>Closing defined benefit obligation</b>	<b>840.92</b>	<b>727.93</b>
<b>(ii)</b>	<b>Changes in Value of Plan Assets</b>		
	Opening value of plan assets	24.87	24.08
	Expenses deducted from the fund		-
	Adjustment to the opening fund		-
	Interest Income	3.31	4.36
	Return on plan assets excluding amounts included in Interest Income	7.95	(6.99)
	Contributions by employer	2.42	3.42
	Benefits (paid)	Nil	Nil
	<b>Closing value of plan assets</b>	<b>38.55</b>	<b>24.87</b>
<b>(iii)</b>	<b>Amount recognised in the Balance Sheet</b>		
	Present value of funded obligations as at year end	840.92	727.94
	Fair value of the plan assets as at year end	(38.55)	(24.87)
	<b>Net (asset) / liability recognised as at the year end</b>	<b>802.37</b>	<b>703.07</b>
<b>(iv)</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>		
	Current service cost	85.23	113.23
	Past service cost *	-	6.57
	Net Interest cost	49.59	45.42
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	<b>Expenses recognised in the Statement of Other Comprehensive Income</b>		
	Net actuarial loss/(gain) recognized in the current year	66.84	(44.38)
	-changes in financial assumptions	101.91	-
	-changes in demographic assumptions	(0.22)	
	-experience adjustments	(26.89)	(51.37)
	Return on plan assets excluding amounts included in Interest Income	(7.96)	6.99
<b>(v)</b>	<b>Asset information</b>		
	Policy of Insurance	100%	100%
<b>(vi)</b>	<b>Principal actuarial assumptions used</b>		
	Discount rate (p.a.)	6.05%	7.60%
	Salary growth rate (p.a.)	7.50%	7.50%
	Withdrawal rate	5% at all ages	5% at all ages
	Rate on return on plan assets	6.05%	7.60%
	Mortality rate	Based on Indian Assured Lives Mortality 2012-14 Table	Based on Indian Assured Lives Mortality 2006-08 Table

\*Past service cost is on account of increase in liability due to enhancement of gratuity ceiling from ₹ 10 lakhs to ₹ 20 Lakhs in the previous financial year.

### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Following is the amount of defined benefit obligation that would have been if there is a certain change in assumption as indicated below:

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	772.60	920.20	671.81	792.76
Salary growth rate (1% movement)	896.23	789.86	773.20	686.17
Withdrawal rate (10% movement)	839.86	841.83	730.23	725.45

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The expected contribution for Defined Benefit Plan for the next financial year will be in line with current financial year.

The Average outstanding terms of obligations(years) as at valuation date is 8.86 years

### **Death Benefit:**

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

### **Leave Encashment:**

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using the "Projected Unit Credit Method".

Accordingly aggregate of ₹ 497.24 Lakhs (Pr. Yr. ₹ 497.31 Lakhs) being liability as at the year end for compensated absences as per actuarial valuation has been provided in the accounts.

The Actuary has outlined the following risks associated with the plan:

### **A. Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:**

If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

If actual mortality rates are higher than assumed mortality rate assumption than the leave benefit will be paid earlier than expected. The acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:**

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the leave benefit will be paid earlier than expected. The impact of this will depend on the relative values of the assumed salary growth and discount rate.

**Variability in availment rates:** If actual availment rates are higher than assumed availment rate assumption then leave balances will be utilised earlier than expected. This will result in reduction in leave balances and Obligation.

### **B. Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.



# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

### D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

### E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

### 57. Employees Stock Options Plan ('ESOP')

The Company has established an Employee Stock Options Plan 2016 ('WANBURY ESOP – 2016') which was approved by the shareholders vide their resolution dated 29 September 2016. The options issued under the above scheme vest in phased manner. Each option entitles an employee to subscribe to one equity share of company at an exercise price of ₹ 10 per share.

The options will be vested over a period of five years subject to continuous employment with the Company and the fulfillment of performance parameters.

Particulars of the options under 'WANBURY ESOP-2016' are as under:

Particulars	31 March 2020 (FV ₹ 10)	31 March 2019 (FV ₹ 10)
Options outstanding as at the beginning of the Year	1,00,000	3,00,000
Add: Options granted during the Year	50,000	Nil
Less: Options lapsed during the Year	Nil	2,00,000
Less: Options Exercised during the Year	25,000	Nil
Options outstanding as at the End of the year	1,25,000	1,00,000

The Compensation cost of stock options granted to employees is measured by the fair value method and is amortised over the vesting period. The fair value is determined using black scholes option pricing model.

Details of the options granted under 'WANBURY ESOP-2016' are as under:

Grant Date	30 May 2017
No. of Options	1,00,000
Exercise price	₹ 10
Weighted average fair value of options	₹ 39.89
Vesting Period	Graded vesting from 30 May 2018 to 30 May 2022
Exercise Period	2 Years from Vesting
Price of the underlying share in the market at the time of grant of option	₹ 47

The key assumptions used for calculating fair value are as under:

Expected life of the option	Between 2 to 6 years
Dividend yield	0%
Expected volatility	48.92%
Risk free rate of return	6.9%
Attrition rate	0%

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **58. Disclosure for leases under Ind AS 116- “Leases”:**

The Company has taken various/few premises on lease. These are generally cancellable and ranges from 12 months to 60 months and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restriction imposed by lease agreements and there are no sub leases. There are no contingent rents.

#### **Transition to Ind AS 116**

The Company has adopted Ind AS 116 effective from 1 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with cumulative impact recognised on 1 April 2019 being the date of initial application. Accordingly, previous period information has not been restated. The Company lease assets primarily consists of office premises which are generally cancellable and leasehold land. The Company did not have any material impact on the financial statements on application of the Ind AS 116.

On adoption of Ind AS 116 , net block of Leasehold Land as on 31 March 2019 aggregating to ₹ 421.31 (Refer note 8.2) has been recognized as Right-of-use assets with corresponding lease liability of ₹ Nil as on 1 April 2019.

Right-of-use assets will be depreciated on a straight-line basis over the shorter of the lease term and useful life of the asset.

For cancellable leases, the Company recognises the lease payments as an operating expense in the Statement of Profit and Loss on a straight line basis over the term of lease. During the year ended 31 March 2020, the Company has recognised lease rental of ₹ 262.05 Lakhs (Pr. Yr. ₹ 310.75 Lakhs) in the Statement of Profit and Loss as “Rent” under Note 38.

### **59. Disclosure required by regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements, 2015):**

Interest free Advances to:

(₹ in Lakhs)

<b>Particulars</b>	<b>Outstanding as on 31 March 2020</b>	<b>Maximum Balance Outstanding during the period</b>
Bravo Healthcare Ltd.	6,071.74 (Pr. Yr. 7,589.67)	7,589.67 (Pr. Yr. 7,589.67)
Cantabria Pharma S. L. - a subsidiary company	1,219.33 (Pr. Yr. 1,219.33)	1,219.33 (Pr. Yr. 1,219.33)

### **60. Related Party Disclosure:**

#### **A. Relationship:**

##### **Category I: Entity having significant influence over the Company:**

- Expert Chemicals (India) Pvt. Ltd.

##### **Category II: Subsidiary Companies:**

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

##### **Category III: Key Management Personnel and their relatives:**

- Mr. K. Chandran-Vice Chairman
- Mr. Vinod Verma – Chief Financial Officer
- Mr. Jitendra J. Gandhi – Company Secretary
- Mr. N.K.Puri - Non-Executive Independent Director
- Mr. S.K.Bhattacharya - Non-Executive Independent Director
- Ms. Pallavi P. Shedje- Non - Executive Independent Women Director – w.e.f 14 February 2019
- Ms. Poonam Arya Bharti - Non-Executive Independent Women Director – upto 14 November 2018

##### **Category IV: Enterprise over which persons covered under Category III above are able to exercise significant control:**

- Wanbury Infotech Private Limited
- Bravo Healthcare Limited
- Wanbury Pharma Limited

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### B. Transactions carried out with Related Parties:

(₹ in Lakhs)

Sr. No.	Transactions	Category	31 March 2020	31 March 2019
1)	<b>Information Technology Services taken:</b>			
	Wanbury Infotech Pvt. Ltd.	IV	216.00	216.27
2)	<b>Key Management Compensation</b>			
a)	<b>Short Term Employee Benefits</b>			
	Mr. Vinod Verma	III	136.76	145.76
	Mr. Jitendra Gandhi	III	38.95	32.91
	<b>Share Based Payments</b>	<b>III</b>	<b>8.10</b>	<b>11.16</b>
	<b>Post-Employment Benefits</b>	<b>III</b>	<b>7.81</b>	<b>7.69</b>
b)	<b>Sitting fees to Non-Executive Directors</b>			
	Mr. N.K.Puri	III	7.10	4.60
	Mr. S.K.Bhattacharya	III	7.10	4.60
	Ms.Pallavi P. Shedge	III	7.10	1.00
	Ms. Poonam Arya Bharti	III	-	3.60
3)	<b>Advances Given Written off:</b>			
	Bravo Healthcare Ltd.	IV	1,517.93	Nil

### C. Balances due from/to Related Parties:

(₹ in Lakhs)

Sr. No.	Particulars	Category	31 March 2020	31 March 2019
1)	<b>Advances given:</b>			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo Healthcare Ltd.	IV	6,071.74	7,589.67
2)	<b>Provision for doubtful advances:</b>			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo. Healthcare Ltd.	IV	6,071.74	7,589.67
3)	<b>Trade Payable – Others:</b>			
	Wanbury Infotech Pvt. Ltd.	IV	112.44	80.18
4)	<b>For Investments and impairment in value of investments: (Refer Note 9.6)</b>			
5)	<b>For corporate guarantee given by the Company:( Refer Note 41(a) &amp; 43)</b>			
6)	<b>For guarantee issued on behalf of the company: (Refer Note 23.2 &amp; 25.1)</b>			

61. Net-worth of the Company as on 31 March 2020 is negative and its current liabilities are more than current assets. The Company has initiated various measures, including restructuring of debts/ business and infusion of funds etc. During the year, the Company sold four brands and related inventory owned by the Company and the sale proceeds have been utilized towards repayment of debt as part of debt resolution plan (Refer Note 49). Further, during the year ended 31 March 2020, the outbreak of Coronavirus (Covid-19) pandemic is causing significant disturbance and slowdown of economic activity globally and in India. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Company has taken all necessary measures to mitigate the impact of Covid-19 on the business of the Company. Consequently, in the opinion of the management, operations of the Company will continue without interruption and hence, financial statements are prepared on a “going concern” basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 62. Capital Management

The primary objective of the Company's capital management is to maximise shareholder value.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company has initiated various measures, including restructuring of debts and infusion of funds etc.

During the year ended 31 March 2020, the Company has allotted 12,50,000 equity shares of ₹ 10 each at a premium of ₹ 3.18, on preferential basis to M/s Edelweiss Asset Reconstruction Company Limited (EARC) as a Trustee of EARC Trust SC 145, by converting debt into equity as part of Restructuring of Debt.

Further, during the year the Company sold four brands owned by the Company and the sale proceeds have been utilized towards repayment of debt as part of debt resolution plan (Refer Note 49)

For the purpose of the Company's capital management, the Company monitors Net Debts and Equity.

Equity includes all components of equity i.e. issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

Net Debt includes all liabilities i.e. interest bearing loans and borrowings, trade payables, provisions and other liabilities less cash and cash equivalents.

Details of the Equity and Net Debts are as under:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Equity Share Capital	2,499.51	2,372.01
Other Equity	(14,282.66)	(20,730.73)
<b>Total Equity</b>	<b>(11,783.15)</b>	<b>(18,358.72)</b>
Debt(including all other liabilities)	39,499.58	46,820.21
Less: Cash and Cash Equivalents	262.23	270.78
<b>Net Debt(including all other liabilities)</b>	<b>39,237.34</b>	<b>46,549.43</b>

### 63. Financial Instrument – Fair values and risk management

#### A. Category of Financial Instruments

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Investment in equity instruments	0.68	-	1.98	-
Security deposits given	-	268.64	-	295.03
Trade Receivables	-	5,079.20	-	4,440.87
Cash and cash equivalents	-	262.23	-	270.78
Bank balances other than Cash and cash equivalents	-	1,403.48	-	250.78
Other financial assets	-	61.70	-	64.21
<b>Total Financial Assets</b>	<b>0.68</b>	<b>7,075.25</b>	<b>1.98</b>	<b>5,321.67</b>
<b>Financial Liabilities</b>				
Borrowings	-	18,164.93	-	26,101.70
Interest accrued on borrowings	-	1,112.54	-	876.09
Trade payables	-	12,139.07	-	11,178.74
Capital creditors	-	59.32	-	121.50
Security deposits received	-	401.00	-	444.50
Other financial liabilities	-	5084.95	-	5,182.85
<b>Total Financial Liabilities</b>	<b>-</b>	<b>36,961.79</b>	<b>-</b>	<b>43,905.38</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### B. Fair Value Measurements

#### Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level is as follows -

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in active markets or identical assets and liabilities.

**Level 2:** The fair value of financial instruments that are not traded in an active market (like forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

#### Valuation techniques used to determine fair value

1. The fair value of the quoted investment is determined using traded quoted bid prices in an active market. The fair value of unquoted investments is determined using inputs other than quoted prices included in level 1 that are observable for assets and liabilities.
2. Fair value of forward contracts is determined using quoted forward exchange rates at the reporting date. Quotes are being taken from banks/ financial institutions.

(₹ in Lakhs)

Financial Assets and Liabilities measured at fair value	31 March 2020			31 March 2019		
	Level			Level		
	1	2	3	1	2	3
<b>Financial Assets</b>						
<b>Recurring fair value measurements</b>						
Investment in equity instruments	0.58	-	0.10	1.88	-	0.10
Mark To Market -Derivative asset	-	-	-	-	-	-
<b>Total financial assets</b>	<b>0.58</b>	<b>-</b>	<b>0.10</b>	<b>1.88</b>	<b>-</b>	<b>0.10</b>
<b>Financial Liabilities</b>						
<b>Recurring fair value measurements</b>	-	-	-	-	-	-
<b>Total Financial liabilities</b>	-	-	-	-	-	-

### C. Financial Risk Management

Company has exposure to following risks arising from financial instruments:

- ▶ Credit Risk
  - ▶ Trade Receivables
  - ▶ Other Financial Instruments
- ▶ Liquidity Risk
- ▶ Market Risk
  - ▶ Currency Risk
  - ▶ Interest Rate Risk
  - ▶ Price Risk

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **i. Risk Management Framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligation.

The Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

### **ii. Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### **(a) Trade Receivables**

Customer credit risk is managed by the Company subject to Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from wholesalers, non-interest bearing and are generally on 7 days to 150 days credit term. Credit limits are established for all customers based on internal rating criteria and any deviation in credit limit require approval of Directors. Outstanding customer receivables are regularly monitored. Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. Trade receivables do not contain any significant financing component and hence, the Group recognises life time expected credit loss based on simplified approach.

#### **Expected Credit Loss on trade receivable under simplified approach**

(₹ in Lakhs)

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Balance as at the beginning of the year	1,705.04	1,922.43
Additional provision charged to statement of Profit and Loss during the year	66.23	70.55
Utilised during the year	(1,079.13)	(287.94)
<b>Balance as at the end of the year</b>	<b>692.14</b>	<b>1,705.04</b>

#### **(b) Other Financial Instruments**

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks or financial institutions with high credit rating assigned by credit rating agencies. For other financial assets, the Company assesses and manages the credit risk internally. Company considers the probability of default upon initial recognition and assess whether there has been a significant increase in credit risk subsequently based in the historical losses and forward looking supportable information. If there is a significant increase in credit risk of a financial asset since its initial recognition the Company recognises life time expected credit loss otherwise 12 months expected credit loss is recognized based on general approach.

#### **Expected Credit Loss on financial assets other than trade receivables and corporate guarantee contracts (based on general approach)**

(₹ in Lakhs)

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Balance as at the beginning of the year	6,841.83	6,841.83
Additional provision charged to statement of Profit and Loss during the year	29.22	244.64
Utilised during the year	(1891.65)	(244.64)
<b>Balance as at the end of the year</b>	<b>4,979.39</b>	<b>6,841.83</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### iii. Liquidity Risk

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to maintain optimum level of liquidity at all times, to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt etc. at an optimised cost. Working capital requirements are adequately addressed by internally generated and borrowed funds.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period

(₹ in Lakhs)

Particulars	As at 31 March 2020				
	Carrying Amount	Cash Outflow			
		Within 1 Year	1 to 5 Years	More than 5 Year	Total
Borrowings and Interest thereon	19,277.47	11,404.68	13,535.98	-	24,940.67
Trade payables and Capital creditors	12,198.38	12,198.38	-	-	12,198.38
Other Financial liabilities	5,485.94	5,485.94	-	-	5,485.94
<b>Total</b>	<b>36,961.79</b>	<b>29,089.01</b>	<b>13,535.98</b>	<b>-</b>	<b>42,624.99</b>

Particulars	As at 31 March 2019				
	Carrying Amount	Cash Outflow			
		Within 1 Year	1 to 5 Years	More than 5 Year	Total
Borrowings and Interest thereon	26,977.79	14,790.43	17,715.08	-	32,505.51
Trade payables and other Payables	11,300.24	11,300.24	-	-	11,300.24
Other Financial liabilities	5,627.35	5,627.35	-	-	5,627.35
<b>Total</b>	<b>43,905.38</b>	<b>31,718.02</b>	<b>17,715.08</b>	<b>-</b>	<b>49,433.10</b>

#### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

The analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non financial assets and liabilities.

#### (a) Currency Risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company.

The currencies in which these transactions are primarily denominated are US dollars (US \$), Pound (GBP) and Euro.

As the share of exports to total sales made by your Company is considerable, same is partly hedge through natural hedging via raw material imports. Further management exercise close monitoring of currency fluctuations.

During the year, the Company has not entered into any forward exchange contract, being derivative instrument to mitigate foreign currency risk.

There are no forward contract outstanding at the end of the year.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### Foreign Currency Risk Exposures:

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

Particulars	Foreign Currency	Foreign Currency Amount in Lakhs		in Lakhs	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Amount Receivable	EURO	10.57	7.81	877.61	607.14
	US \$	24.65	42.14	1,857.91	2,914.86
	CNY	0.06	0.04	0.63	0.38
Amount Payable*	EURO	8.11	8.18	673.43	635.95
	US \$	20.67	25.37	1,557.85	1,755.21
	GBP	-	0.00#	-	0.08
	CNY	-	0.01	-	0.14

# GBP – 84.49

### Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

The following table details the Company's sensitivity to 1% increase and decrease in the exchange rate between the Indian Rupee and respective currencies. A positive number below indicates an increase in profit/ decrease in losses and negative number indicates decrease in profit/ increase in losses:

Particulars	1% strengthening in INR		1% weakening in INR	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
EURO	(2.04)	0.29	2.04	(0.29)
US \$	(3.00)	(11.61)	3.00	11.61
CNY	(0.01)	-	0.01	-

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of borrowings of the Company are at fixed interest rate and are carried at amortised cost. They are therefore not subject to interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because off a change in market interest rates.

### (c) Price risk

The Company is exposed to equity price risks arising from equity investments. However, there is no material impact of the sensitivity.

### 64. Revenue (Ind As 115)

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured/traded goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### Disaggregation of Revenue

(₹ In Lakhs)

Particulars	31 March 2020	31 March 2019
<b>Primary geographical market:</b>		
- India	18,065.31	21,935.38
- Outside India	18,194.14	16,755.57
Total revenue from contracts with customers	36,259.45	<b>38,690.95</b>
<b>Timing of the revenue recognition:</b>		
- Goods transferred at a point in time	36,259.45	38,690.95
- Services transferred over time	-	-
Total revenue from contracts with customers	<b>36,259.45</b>	<b>38,690.95</b>

Variable components such as discounts and rebates continue to be recognised as deduction from revenue in compliance with Ind AS 115.

(₹ In Lakhs)

Revenue Break – up	31 March 2020	31 March 2019
Revenue as per contracted price	36,594.63	41,140.11
Adjusted for:		
- Sales returns	(288.99)	(553.13)
- Discounts / Rebates/Incentives	(53.02)	(1,895.79)
- Others	6.83	(0.24)
<b>Net Revenue</b>	<b>36,259.45</b>	<b>38,690.95</b>

65. The Company is facing some challenges on raw material availability mainly due to working capital constraints. The current supplier arrangement and fund availability ensures material availability sufficient to cater only to the plants at Tanuku and Patalganga which being USFDA & EUGMP approved facilities, fetch better realisation of API produced. Hence, the Company has shut the operations at Tarapur plant. However, the Company has retained key manpower resources and is maintaining facilities to keep it ready for restart once material availability is re-established.

#### 66. Impact of COVID – 19 (Global pandemic)

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

67. Previous Year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification.

#### As per our report of even date

**K. Chandran**  
Vice Chairman  
(DIN: 00005868)

**Pallavi P. Shedge**  
Director  
(DIN: 08356412)

**Jitendra J. Gandhi**  
Company Secretary

**Vinod Verma**  
Chief Financial Officer

Navi Mumbai, 22 July 2020

---

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF WANBURY LIMITED****Report on the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **WANBURY LIMITED** ("the Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss including Other Comprehensive Income (Loss), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of the consolidated loss, other comprehensive income (loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statement.

**Material Uncertainty Related to Going Concern:**

In spite of negative net worth of the Group, consolidated financial statements have been prepared on going concern basis for the reasons stated in Note No. 62 of the consolidated financial statements.

Our opinion is not modified in respect of the same.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note No. 44(a) of the consolidated financial statements regarding guarantee given in respect of Exim Bank's investment in Wanbury Holding B.V., a subsidiary of the Holding Company which has been invoked. The said dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement.
- b) Note No. 47 of the consolidated financial statements regarding the status of merger of erstwhile PPIL with the Holding Company.
- c) Note No. 67 to the consolidated financial statements, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Group's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments.

Our opinion is not modified in respect of these matters.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of Provisions and Contingent liabilities</b></p> <p>The Holding Company undergoes assessment proceedings from time to time with direct and indirect tax authorities and with certain other parties. There is a high level of judgement required in estimating the level of provisioning and/ or the disclosures required. The management's assessment is supported by advice from internal / external tax consultants and legal consultants, where considered necessary by the management. Accordingly, unexpected adverse outcomes could significantly impact reported Loss and Balance Sheet position.</p> <p>(Refer Note 43, 44 &amp; 45 of the consolidated financial statements)</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;</li> <li>• Obtaining details of the related matters, inspecting the supporting evidences and critically assessing management's evaluation through discussions with management on both the likelihood of outcome and the magnitude of potential loss;</li> <li>• Reading recent orders and/ or communication received from the tax authorities and with certain other parties, and management replies to such communication;</li> <li>• Evaluating independence, objectivity and competence of the management's tax / legal consultants (internal/ external);</li> <li>• Understanding the current status of the tax assessments/ litigations;</li> <li>• Obtaining direct written confirmations from legal/ tax consultants (internal/ external) to confirm the facts and circumstances and assessment of the likely outcome.</li> <li>• Assessing the likelihood of the potential financial exposure;</li> <li>• We did not identify any material exceptions as a result of above procedures relating to management's assessment of provisions and contingent liabilities.</li> </ul>
<p><b>Appropriateness of the Expected credit loss ("ECL").</b></p> <p>To recognise ECL, the Company applies simplified approach for trade receivable which do not contain a significant financing component and general approach for corporate guarantee contracts and financial assets measured at amortised cost and FVTOCI debt instrument.</p> <p>In calculating ECL, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>ECL is considered as KAM in view of significant estimates and judgements made by the management for measurement and recognition of the same.</p> <p>(Refer Note 64 of the Consolidated financial statements)</p>	<p>Our procedures, in relation to testing of ECL, includes the following:</p> <ul style="list-style-type: none"> <li>• We have verified the calculation of ECL as estimated by the management. We have examined the methodology and the judgements/assumptions used by the management while estimating ECL.</li> </ul>

There are no reportable KAM as per Subsidiary Companies Auditors Report.

### Information Other than the Financial Statements and Auditor's Report Thereon ("Other information")

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's and Board of Directors' Responsibility for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of the consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income (loss), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

- Conclude on the appropriateness of management and Board of directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the "Other Matters" paragraph below.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- a) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs 152.81 Lakhs as at 31 March 2020, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.65 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditors.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary as was audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income (Loss), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder.
- e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, no managerial remuneration has been paid or provided during the year. Hence, requirement of Section 197(16) of the Act are not applicable to the Group.

- 2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group - Refer Note 43 to the consolidated financial statements;
  - ii. The Group has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company; and
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended 31 March 2020.

**FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 107488W**



Navi Mumbai,

DATED: 22 July 2020

UDIN: 20038615AAAAHE4882

RASESH V. PAREKH - PARTNER

MEMBERSHIP NO. 38615

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in para 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **WANBURY LIMITED** on the consolidated financial statements for the year ended 31 March 2020.)

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company as of that date.

#### **Management's Responsibility for Internal Financial Controls**

Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation and presentation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the above mentioned Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements is restricted to the Holding Company since all the subsidiaries of the Group are foreign subsidiaries, which are not subject to the report on the Internal Financial Controls.

**FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 107488W**

**Navi Mumbai,  
DATED: 22 July 2020  
UDIN: 20038615AAAAHE4882**

**RASESH V. PAREKH - PARTNER  
MEMBERSHIP NO. 38615**

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(₹ in Lakhs)

	Note No.	As at 31/03/2020	As at 31/03/2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	9	15,933.22	17,178.77
(b) Capital work-in-progress	9	1,389.38	896.54
(c) Other Intangible assets	9	41.29	57.65
(d) Right of use assets	9	415.00	-
<b>(e) Financial Assets</b>			
(i) Investments	10	0.68	1.98
(ii) Loans	11	268.64	295.03
(iii) Other financial assets	12	6.79	6.75
(f) Deferred tax assets (net)	13	336.38	336.38
(g) Other non-current assets	14	114.20	16.35
		<b>18,505.58</b>	<b>18,789.45</b>
<b>Current Assets</b>			
(a) Inventories	15	1,225.73	1,933.30
<b>(b) Financial Assets</b>			
(i) Trade receivables	16	5,079.20	4,440.87
(ii) Cash and cash equivalents	17	266.10	274.00
(iii) Bank balances other than (ii) above	18	1,403.48	250.78
(iv) Loans	19	-	-
(v) Other financial assets	20	54.91	57.46
(c) Other current assets	21	960.65	2,485.28
		<b>8,990.07</b>	<b>9,441.69</b>
Non-Current Assets classified as held for sale	47b	373.59	373.59
		<b>9,363.66</b>	<b>9,815.28</b>
<b>Total Assets</b>		<b>27,869.24</b>	<b>28,604.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	22	2,499.51	2,372.01
(b) Other Equity	23	(16,844.82)	(23,299.58)
		<b>(14,345.31)</b>	<b>(20,927.57)</b>
<b>Liabilities</b>			
Non controlling Interest			
Non-current liabilities			
<b>(a) Financial Liabilities</b>			
Borrowings	24	9,954.16	12,303.16
Provisions	25	1,156.17	1,069.37
		<b>11,110.33</b>	<b>13,372.53</b>
<b>Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	26	2,492.34	8,520.53
<b>(ii) Trade payables</b>			
a) Total outstanding dues of Micro enterprise and Small enterprise (Refer Note 53)		9.58	9.67
b) Total outstanding dues of creditors other than Micro enterprise and Small enterprise		12,177.22	11,213.93
(iii) Other financial liabilities	28	15,042.44	14,569.15
(b) Other current liabilities	29	1,032.23	1,499.42
(c) Provisions	30	278.90	272.59
(d) Current Tax Liabilities (Net)	31	71.51	74.48
		<b>31,104.22</b>	<b>36,159.77</b>
<b>Total Equity and Liabilities</b>		<b>27,869.24</b>	<b>28,604.73</b>

### Significant Accounting Policies

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

As per our report of even date

For M/s. V. Parekh & Associates.

Chartered Accountants

Firm Reg. No: 107488W

Rasesh V. Parekh

Partner

Membership No. 038615

Navi Mumbai, 22 July 2020

7

For and on behalf of the Board

K.Chandran

Vice Chairman

(DIN: 00005868)

Jitendra J. Gandhi

Company Secretary

Pallavi P. Shedge

Director

(DIN: 08356412)

Vinod Verma

Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income :</b>			
Revenue from operations	32	36,745.47	39,137.41
Other Income	33	113.97	932.63
<b>Total Income</b>		<b>36,859.44</b>	<b>40,070.04</b>
<b>EXPENSES</b>			
(a) Cost of materials consumed	34	14,642.35	16,499.40
(b) Purchases of Stock-in-trade		2,332.78	3,626.75
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	598.83	(506.23)
(d) Employee benefits expense	36	6,747.88	7,589.22
(e) Finance costs	37	3,287.07	3,988.46
(f) Depreciation and amortisation expense	38	968.41	996.91
(g) Other expenses	39	10,079.11	10,373.96
<b>Total Expenses</b>		<b>38,656.43</b>	<b>42,568.46</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(1,796.99)</b>	<b>(2,498.43)</b>
<b>Exceptional item</b>			
- Gain on sale of brands	51	8,264.04	-
<b>Profit/(loss) before tax</b>		<b>6,467.05</b>	<b>(2,498.43)</b>
<b>Tax Expense</b>			
	55		
-Current tax (net)		0.02	0.19
-Deferred tax (net)		20.85	(13.85)
<b>Total tax expense</b>		<b>20.87</b>	<b>(13.65)</b>
<b>Profit/(Loss) for the year</b>		<b>6,446.18</b>	<b>(2,484.77)</b>
<b>Other Comprehensive Income/(Loss)</b>			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial gain/ loss on defined benefit obligation		(66.84)	44.38
(ii) Income tax effect on above		20.85	(13.85)
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax on items that may be reclassified to profit or loss		6.66	(2.37)
<b>Other Comprehensive Income/(Loss) for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive Income/(Loss) for the year</b>		<b>(39.33)</b>	<b>28.16</b>
<b>There are no discontinued operations</b>		<b>6,406.85</b>	<b>(2,456.61)</b>
<b>Earnings per equity share ( Face value of ₹ 10/-)</b>			
	40		
(1) Basic- Before Exceptional Items		(7.59)	(10.48)
(2) Basic- After Exceptional Items		26.90	(10.48)
(3) Diluted- Before Exceptional Items		(7.59)	(10.48)
(4) Diluted- After Exceptional Items		26.90	(10.48)

### Significant Accounting Policies

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

As per our report of even date  
For M/s. V. Parekh & Associates.

Chartered Accountants  
Firm Reg. No: 107488W

7  
For and on behalf of the Board

**K.Chandran**  
Vice Chairman  
(DIN: 00005868)

**Pallavi P. Shedge**  
Director  
(DIN: 08356412)

**Rasesh V. Parekh**  
Partner  
Membership No. 038615

**Jitendra J. Gandhi**  
Company Secretary

**Vinod Verma**  
Chief Financial Officer

Navi Mumbai, 22 July 2020

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	31March 2020	31March 2019
<b>A Cash flows from Operating Activities</b>		
Net Profit /(Loss) before Tax	6,467.05	(2,498.43)
Adjustments for:		
Gain on sale of Brands (Refer Note 51)	(8,264.04)	-
Depreciation and amortisation	968.41	996.91
(Profit)/ Loss on Sale /discard of Property, Plant & Equipments (Net)	(8.57)	33.62
Allowances/(Reversal) for Doubtful debts (Net)	(1,012.91)	(217.38)
Allowances/(Reversal) for Doubtful Loans & advances (Net)	(3,493.40)	88.29
Allowance/(Reversal) for Corporate guarantee (Net)	-	244.64
Amounts Written Off	4,453.65	-
Finance Cost	3,287.07	3,988.46
Unrealised Exchange (Gain)/ Loss (Net)	(34.49)	56.10
Interest Income	(36.04)	(61.20)
Gain on Extinguishment of Financial Liability	-	(790.32)
Amount Written Back	(10.01)	(46.07)
Fair value gain on financial asset measured at fair value	1.30	(0.01)
Share based payment expenses / (reversal)	8.10	(2.67)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>2,326.12</b>	<b>1,791.94</b>
Changes in Working Capital:		
Decrease/(Increase) in Trade Receivable	(516.44)	(1,376.68)
Decrease /(Increase) in Non Current Financial Assets-Loans	32.70	(5.15)
Decrease/(Increase) in Other Non Current Assets	(2.89)	5.32
Decrease/(Increase) in Other current financial assets	(14.59)	(25.35)
Decrease/(Increase) in Other Current Assets	1,659.81	(83.39)
Decrease/(Increase) in Inventories	707.57	(626.23)
Increase/(Decrease) in Other Current-Financial Liabilities	(197.12)	(220.85)
Increase/(Decrease) in Other Current Liabilities	(467.11)	482.11
Increase/(Decrease) in Non Current Provisions	19.98	99.37
Increase/(Decrease) in Current Provisions	6.32	(32.12)
Increase/ (Decrease) in Trade Payables	855.31	2,972.92
Increase (Decrease) in Foreign Currency Translation Reserve	6.66	(2.37)
<b>Cash Generated from (Used in) Operations</b>	<b>4,416.32</b>	<b>2,979.53</b>
Direct Taxes Paid (Net of Refunds/Prior Years Adjustments)	(2.99)	(6.45)
<b>Net Cash generated from (Used in) Operating Activities</b>	<b>4,413.33</b>	<b>2,973.08</b>
<b>B. Cash flows from Investing Activities</b>		
Capital Expenditure on Property, Plant & Equipment including Capital Advances	(783.06)	(471.54)
Proceeds from sale of Property, Plant & Equipment	20.19	1.45
Interest Income Received	17.57	50.53
Bank Balance not considered as Cash and Cash Equivalents (Net)	(1,152.74)	112.15
Gain on sale of Brands(Refer Note 51)	8,264.04	-
<b>Net Cash generated from (Used in) Investing Activities</b>	<b>6,366.00</b>	<b>(307.41)</b>
<b>C. Cash flows from Financing Activities</b>		
Interest and Other Finance Cost	(1,082.63)	(1,137.99)
Proceeds from issue of equity shares	2.50	-
Repayment of Borrowings	(9,707.10)	(1,540.43)
<b>Net Cash generated from (Used in) Financing Activities</b>	<b>(10,787.23)</b>	<b>(2,678.42)</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(7.90)</b>	<b>(12.75)</b>
Cash and Cash equivalents as at the beginning of the Year	274.00	286.75
<b>Cash and Cash Equivalents as at the end of the Year (Refer Note 17)</b>	<b>266.10</b>	<b>274.00</b>

1. Figures in brackets indicates outflow.

2. Previous year's figures are regrouped & recasted wherever required.

### Significant Accounting Policies(Refer Note 7)

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

As per our report of even date

For M/s. V. Parekh & Associates.

Chartered Accountants

Firm Reg. No: 107488W

For and on behalf of the Board

**K.Chandran**  
Vice Chairman  
(DIN: 00005868)

**Pallavi P. Shedge**  
Director  
(DIN: 08356412)

**Rasesh V. Parekh**

Partner

Membership No. 038615

**Jitendra J. Gandhi**  
Company Secretary

**Vinod Verma**  
Chief Financial Officer

Navi Mumbai, 22 July 2020

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**
**A. Equity Share Capital**

(₹ in Lakhs)

Particulars	1 April 2018	Changes in Equity Share Capital during the year	31 March 2019	Changes in Equity Share Capital during the year	31 March 2020
<b>Authorised</b>					
20,00,000 Preference shares of ₹ 100/- each	2,000.00	-	2,000.00	-	2,000.00
3,00,00,000 Equity Shares of ₹ 10/- each	3,000.00	-	3,000.00	-	3,000.00
	<b>5,000.00</b>	-	<b>5,000.00</b>	-	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up (Refer Note 22)</b>	<b>2,372.01</b>	-	<b>2,372.01</b>	<b>127.50</b>	<b>2,499.51</b>

**B. Other Equity**

(₹ in Lakhs)

Particulars	Other Equity						Total Other Equity
	Capital reserve	Securities Premium	Debenture Redemption Reserve	General reserve	Employee stock option outstanding	Foreign Currency Translation Reserve	
<b>Balance as at 1 April 2018</b>	683.41	5,950.25	412.25	1,323.52	25.80	5.86	(20,840.30)
(Loss) for the year	-	-	-	-	-	-	(2,484.77)
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	-	-	(2.37)	30.53
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	-	(2.37)	(2,454.23)
Share based payments of employees	-	-	-	-	11.16	-	11.16
Employee Stock options Lapsed	-	-	-	-	(13.83)	-	(13.83)
<b>Balance as at 31 March 2019</b>	<b>683.41</b>	<b>5,950.25</b>	<b>412.25</b>	<b>1,323.52</b>	<b>23.13</b>	<b>3.49</b>	<b>(23,299.58)</b>
Profit for the year	-	-	-	-	-	-	6,446.18
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	-	-	6.66	(45.99)
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	-	6.66	6,400.19
Shares allotted during the year	-	39.74	-	-	-	-	39.74
Share based payments of employees	-	-	-	-	8.10	-	8.10
ESOP exercised during the year	-	9.68	-	-	(9.68)	-	-
<b>Balance as at 31 March 2020</b>	<b>683.41</b>	<b>5,999.67</b>	<b>412.25</b>	<b>1,323.52</b>	<b>21.56</b>	<b>10.15</b>	<b>(16,844.82)</b>

# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

### Nature of each reserve and surplus

**Capital Reserve:-**This Reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations earlier.

**Securities Premium:-** Securities premium comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013

**Debenture Redemption Reserve:-** This reserve is created out of the retained earnings for the amount of debentures to be redeemed, as per the provisions of Companies Act, 2013.

**General reserve:-** This Reserve is created by an appropriation from one component of equity to another, not being an item of other comprehensive income.

**Employee Stock Option Outstanding:-**This Reserve relates to stock options granted by the Company to employees. This Reserve is transferred to securities premium or retained earnings on exercise or cancellation of vested options.

**Retained earnings:-** This is net surplus or deficit in the statement of profit and loss.

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

As per our report of even date  
For M/s. V. Parekh & Associates.  
Chartered Accountants  
Firm Reg. No: 107488W

Rasesh V. Parekh  
Partner  
Membership No. 038615

Navi Mumbai, 22 July 2020

For and on behalf of the Board

K.Chandran  
Vice Chairman  
(DIN: 00005868)

Jitendra J. Gandhi  
Company Secretary

Pallavi P. Shedge  
Director  
(DIN: 08356412)

Vinod Verma  
Chief Financial Officer



---

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****1. CORPORATE INFORMATION:**

Wanbury Limited (“the Holding Company” or “the Company”) is a public limited company incorporated and domiciled in India.

Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Registered office of the Company is located at BSEL Tech Park, B-Wing, 10<sup>th</sup> Floor, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400 703.

The Consolidated Financial Statement (“CFS”) comprises the Holding Company and its Subsidiaries (referred to collectively as “the Group”).

The Holding Company is engaged in the business of pharmaceutical and related activities, including research. The Consolidated Financial Statements of the Group for the year ended 31 March 2020 are approved for issue by Holding Company’s Board of Directors on 22 July 2020.

**2. BASIS OF PREPARATION:**

These Financial Statements of the Group are prepared in accordance with Indian Accounting Standards (‘Ind AS’), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (‘SEBI’). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**3. PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements comprises the financial statement of the Holding Company and its Subsidiaries. The Financial Statements of the Holding Company and its Subsidiaries have been consolidated on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions, intra-group balances and unrealized losses resulting there from and are presented to the extent possible, in the same manner as the Group’s independent financial statements. The statement of profit and loss and each component of other comprehensive income are attributed to the equity holders of the Holding Company of the group.

The Financial Statement of the Holding Company and its Subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financials statements of Subsidiaries to bring their accounting policies into line with the Groups accounting policies.

The financial statements of the Subsidiaries used in consolidation are drawn up to the same reporting date as that of the Holding Company’s i.e., year ended 31 March 2020.

**4. FUNCTIONAL AND PRESENTATION CURRENCY:**

Functional currencies of Subsidiary companies are the respective local currencies. These financial statements are presented in Indian Rupees (‘INR’ or ‘Rupees’ or ‘Rs.’ or ‘₹’) which is the functional currency of the Holding Company.

**5. ROUNDING OFF OF AMOUNTS**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh.

**6. CURRENT VERSUS NON-CURRENT CLASSIFICATION**

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

**An asset is a current asset when it is:**

- Expected to be realized or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

**A liability is a current liability when it is:**

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or

- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

### **Operating Cycle:**

Based on the nature of products / activities of the Group and the normal time between acquisition of the assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **7. SIGNIFICANT ACCOUNTING POLICIES:**

### **a. Property, plant and equipment :**

Freehold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred upto the date the asset is ready for its intended use and excludes GST eligible for credit/setoff, wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects/expansion, net of income earned during the project development stage prior to its intended use, are considered pre-operative expenses and disclosed under Capital Work-in-Progress.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated/ derecognised from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

### **Depreciation & Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided based on straight line method, over the useful life of the assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of Property, plant and equipment outstanding at Balance sheet date are disclosed as Capital Advances under "Non Current Assets - Others".

### **b. Intangible Assets :**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles are not capitalised (except as per the below mentioned policy on research and development) and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Cost of software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

### **Research and Development**

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalized. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. The amount capitalized comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment and Other Intangible Assets utilized for research and development are capitalized and depreciated / amortised in accordance with the policies stated for Property, plant and equipment and Other Intangible Assets.

#### **c. Non-Current assets held for sale :**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable. Non-current assets as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. These assets are presented separately in balance sheet. Property, plant and equipment are not depreciated once classified as held for sale.

#### **d. Impairment of non-financial assets :**

The carrying amount of Non-Financial Assets/ Cash Generating Units ('CGU') are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized in the Consolidated Statement of Profit and Loss wherever the carrying amount of a Non-Financial Assets / CGU exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss is increased or reversed depending on the changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

#### **e. Financial Instruments :**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial Assets:**

#### **Classification:**

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'), on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### **Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in case of financial assets not recorded at FVTPL.

#### **Subsequent measurement:**

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL/FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the Consolidated statement of profit and loss (i.e. fair value through profit or loss- FVTPL), or recognised in other comprehensive income (i.e. fair value through other comprehensive income -FVTOCI).

### **Financial Assets measured at amortised cost (net of write down for impairment, if any):**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Consolidated Statement of profit and loss.

### **Financial assets measured at Fair value through other comprehensive income ('FVTOCI'):**

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Fair value movements are recognized in the other comprehensive income.

In case of investment in equity instruments which are not held for trading, on initial recognition the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. In case an equity instrument is designated at FVTOCI, the fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

### **Financial assets measured at fair value through profit or loss ('FVTPL'):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss. Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

### **Derecognition of Financial Assets:**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

### **Impairment of Financial Assets (Other than at Fair Value):**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and FVTOCI debt instrument.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### **Financial Liabilities:**

#### **Classification:**

The Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

#### **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### **Subsequent measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest bearing Loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and Losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit & Loss.

**Derecognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

**Derivative Financial Instrument:**

The Group uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**f. Inventories:**

Raw materials and packing materials are valued at lower of cost and net realizable value, cost of which includes duties and taxes - net of set offable GST/Custom Duty wherever applicable. Finished products including traded goods and work-in-progress are valued at lower of cost and net realizable value. Cost is arrived on moving average basis.

The cost of inventories have been computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present location and condition.

Slow and non-moving material, obsolesces defective inventory are fully provided for and valued at net realizable value.

Goods and materials in transit are valued at actual cost incurred up to the reporting date.

Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

**g. Trade Receivables :**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost, less loss allowance.

**h. Cash and Cash Equivalents :**

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**i. Cash Flow Statements :**

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

**j. Foreign Currency Transactions :**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items, denominated in foreign currencies at the reporting date are re-measured at the exchange rate prevailing on the reporting date. Non-monetary foreign currency items denominated in foreign currency are carried at cost and not re-measured at the exchange rate prevailing as at reporting date.

Any income or expense on account of exchange difference either on settlement or on re-measurement is recognised in the Consolidated Statement of Profit and Loss.

In case of foreign operations whose functional currency is different from the holding company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Consolidated Statement of Profit and Loss as a part of gain or loss on disposal.



### k. Revenue Recognition :

The Group derives revenue primarily from sale of manufactured goods and traded goods.

Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) –‘Revenue from contracts with customers’. The effect on adoption of Ind-AS 115 was insignificant.

Revenue from the sale of goods is only recognised – net of Goods & Service Tax, cash discounts, discounts and rebates – if the following conditions are met:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

A receivable is recognised when the goods are delivered as this is the point in the time that the consideration is unconditional because only the passage of time is required before the payment is done.

Dividend income is recognised when right to receive dividend is established. Interest income is recognised on time proportion basis. Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

### l. Employee Benefits of the holding company:

#### (i) Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus ex-gratia etc are recognised during the period in which the employee renders related service.

#### (ii) Defined benefit plans

##### Gratuity plan

The holding company provides for gratuity, a defined benefit retirement plan (‘the Gratuity Plan’) covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment with the holding company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, Performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

The holding company contributes all ascertained liabilities to the group gratuity scheme with Life Insurance Corporation of India as permitted by laws of India.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the annual reporting period to the net defined benefit liability or asset. Service cost and net interest expenses or income is recognised in profit or loss.

##### Compensated absences

The holding company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

Liabilities in respect of Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(ii) **Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. The holding company pays provident fund contributions to publicly administered provident funds as per local regulations. The holding company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

m. **Share-based payment transactions of the holding company:**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the holding Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in Equity under "Share Based Payment Reserve". At the end of each reporting period, the holding company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share based Payment Reserve.

n. **Trade and Other Payables:**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the terms agreed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

o. **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lenders agree, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

p. **Borrowing Costs :**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

q. **Lease :**

The Group has adopted Ind AS 116-Leases effective 1 April 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April, 2019). Accordingly, previous period information has not been restated.

The Group lease assets primarily consists of office premises which are generally cancellable and leasehold land. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:



# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

---

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

### r. **Government Grant:**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the attached condition.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

### s. **Earnings Per Share:**

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period [including instruments which are mandatorily convertible into equity shares (if any)]. Diluted earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### t. **Income Taxes :**

Income tax expense comprises current and deferred income tax. It is recognized in Consolidated Statement of Profit and Loss except to the extent that it relates items recognized directly in equity or in OCI.

#### **Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group;

- Has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if;

- The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternate Tax ("MAT") credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**u. Provisions and Contingent Liabilities :**

A provision is recognized only when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed in the Notes to the Consolidated Financial Statements. Contingent liabilities are disclosed for;

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**v. Fair value measurement :**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date in accordance with IND AS 113. Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position;

- Derivative financial instruments, if any, are measured at fair value received from Bank.
- Employee Stock Option Plan (ESOP) at fair value as per Actuarial Valuation Report.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

w. **Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

x. **Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

8. **CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

**Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19)**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, tangible and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

a. **Property, plant and equipment :**

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when the group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

b. **Allowance for Inventories:**

Management reviews the inventory age listing on a periodic basis. The review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statement for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the Company's financial statements.

c. **Intangible Assets :**

Internal technical or user team assesses the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

d. **Recognition and measurement of defined benefit obligations :**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

e. **Recognition of deferred tax assets and income tax :**

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

---

**f. Recognition and measurement of other provisions :**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

**g. Contingencies :**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against group as it is not possible to predict the outcome of pending matters with accuracy.

**h. Allowance for uncollected accounts receivable and advances :**

Trade receivables do not carry any interest and are stated values as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management considers them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**i. Insurance Claims :**

Insurance claims are recognised when the Group has reasonable certainty of recovery.

**j. Impairment Reviews :**

An impairment exists when the carrying value of a non financial asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### 9.1 PROPERTY, PLANT & EQUIPMENTS

(₹ in Lakhs)

Description	Gross Block			Accumulated Depreciation/Amortisation				Net Block
	As at 1 April 2019 (1)	Addition (2)	Deduction/ Adjustment (3)	As at 31 March 2020 (4)=(1+2-3)	As at 1 April 2019 (5)	for the Period (6)	Deduction/ Adjustment (7)	As at 31 March 2020 (9)=(4-8)
<b>A</b>								
<b>Property, Plant &amp; Equipments</b>								
Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	4,739.81
Factory Building	4,502.75	10.83	0.55	4,513.03	678.81	245.22	0.25	3,589.25
Plant & Machinery	9,042.65	92.55	0.22	9,134.98	1,614.35	544.15	0.04	6,976.52
Furniture & Fixtures	302.19			302.19	115.71	30.71		155.77
Vehicles	127.78	1.55	-	129.33	101.40	14.81	-	13.12
Office Equipments	141.57	7.68	5.27	143.98	91.46	24.86	4.94	32.60
Electrical Installations	101.94	-	0.63	101.31	41.60	8.20	0.36	51.87
Laboratory Equipments	604.84	1.15	17.71	588.28	179.95	59.60	8.20	356.93
Computers	87.79	13.44	0.78	100.45	70.58	12.79	0.27	17.35
Leasehold Improvement	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19,651.32</b>	<b>127.20</b>	<b>25.17</b>	<b>19,753.35</b>	<b>2,893.86</b>	<b>940.34</b>	<b>14.07</b>	<b>15,933.22</b>
<b>B</b>								
<b>Other Intangible Asset</b>								
Software	130.16	5.92	1.18	134.90	72.51	21.76	0.66	41.29
<b>Total</b>	<b>130.16</b>	<b>5.92</b>	<b>1.18</b>	<b>134.90</b>	<b>72.51</b>	<b>21.76</b>	<b>0.66</b>	<b>41.29</b>
<b>C</b>								
<b>Capital Work In Progress</b>	-	-	-	-	-	-	-	1,389.38
<b>Total (A+B+C)</b>	<b>19,781.48</b>	<b>133.12</b>	<b>26.35</b>	<b>19,888.25</b>	<b>2,966.37</b>	<b>962.10</b>	<b>14.72</b>	<b>17,363.89</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**
**9.2 Previous Year**

(₹ in Lakhs)

Description	Gross Block				Accumulated Depreciation/Amortisation			Net Block As at 31 March 2019 (9)=(4-8)
	As at 1 April 2018 (1)	Addition (2)	Deduction/ Adjustment (3)	As at 31 March 2019 (4)=(1+2-3)	As at 1 April 2018 (5)	for the Period (6)	Deduction/ Adjustment (7)	
<b>A</b>								
<b>Property, Plant &amp; Equipments</b>								
Free Hold Land	4,739.81			4,739.81	-	-	-	4,739.81
Lease Hold Land	440.24			440.24	12.62	6.31	18.93	421.31
Factory Building	4,122.41	380.34		4,502.75	446.48	232.33	678.81	3,823.94
Plant & Machinery	9,046.55	37.68	41.58	9,042.65	1,071.35	551.86	1,614.35	7,428.30
Furniture & Fixtures	300.31	2.28	0.40	302.19	82.33	33.57	115.71	186.48
Vehicles	127.78			127.78	73.90	27.50	101.40	26.38
Office Equipments	143.69	1.39	3.51	141.57	64.13	29.57	91.46	50.11
Electrical Installations	102.24		0.30	101.94	29.72	12.04	41.60	60.34
Laboratory Equipments	613.22	2.61	10.99	604.84	129.53	60.82	179.95	424.89
Computers	80.33	9.55	2.09	87.79	53.57	18.95	70.58	17.21
Leasehold Improvement	15.84		15.84	-	13.11	2.73	-	-
<b>Total</b>	<b>19,732.42</b>	<b>433.85</b>	<b>74.71</b>	<b>20,091.56</b>	<b>1,976.74</b>	<b>975.68</b>	<b>2,912.79</b>	<b>17,178.77</b>
<b>B</b>								
<b>Other Intangible Asset</b>								
Software	129.04	1.12	-	130.16	51.27	21.25	72.51	57.65
<b>Total</b>	<b>129.04</b>	<b>1.12</b>	<b>-</b>	<b>130.16</b>	<b>51.27</b>	<b>21.25</b>	<b>72.51</b>	<b>57.65</b>
<b>C</b>								
<b>Capital Work In Progress</b>								
<b>Total (A+B+C)</b>	<b>19,861.46</b>	<b>434.97</b>	<b>74.71</b>	<b>20,221.71</b>	<b>2,028.01</b>	<b>996.92</b>	<b>2,985.30</b>	<b>18,132.96</b>

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

9.4 Capital Work in Progress includes Machinery under installation, Construction material purchases and other assets under erection. It includes ₹ 896.54 Laos (Pr. Yr.- ₹ 896.54 Laos) of erst while PPIL (Refer Note 47a)

9.5 Addition includes ₹ Nil (Pr. Yr. - ₹ Nil) used for Research &amp; Development

**9.6 Right of use assets**

(₹ in Lakhs)

Description	Gross Block			Accumulated Depreciation			Net Block As at 31 March 2020 (9)=(4-8)
	As at 1 April 2019 (1)	Addition (2)	Deduction/ Adjustment (3)	As at 1 April 2019 (5)	for the Period (6)	Deduction/ Adjustment (7)	
<b>Right of use Assets</b>							
Lease Hold Land	421.31	-	-	-	6.31	-	6.31
<b>Total</b>	<b>421.31</b>	<b>-</b>	<b>-</b>	<b>421.31</b>	<b>6.31</b>	<b>-</b>	<b>415.00</b>

(Refer Note 60)

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>10 Non Current Investments</b>		
<b>10.1 Investment in Equity Instruments</b>		
<b>(i) In Subsidiary Companies - Unquoted (at cost/deemed cost)</b>		
<b>Cantabria Pharma S.L.</b>		
1000(Pr. Yr. - 1000) Shares of Euro 60 each of Cantabria	-	-
<b>(ii) In Others - Unquoted ( Fair Value through Profit &amp; Loss)</b>		
<b>The Saraswat Co-op. Bank Ltd.</b>		
706 (Pr. Yr. - 706) Equity Share of ₹ 10 each fully paid up	0.07	0.07
<b>The Shamrao Vithal Co-op. Bank Ltd.</b>		
100 (Pr. Yr. - 100) Equity Share of ₹ 25 each fully paid up	0.03	0.03
<b>Bravo Healthcare Limited</b>		
2,71,250 (Pr. Yr. - 12,71,250) Equity Share of ₹ 10 each fully paid up	-	-
<b>(iii) In Others - Quoted ( Fair Value through Profit &amp; Loss)</b>	0.03	0.03
<b>Bank of India</b>		
1,800 (Pr. Yr. - 1,800) Equity Share of ₹ 10 each fully paid up	0.58	1.88
	<b>0.68</b>	<b>1.98</b>
10.2 Aggregate carrying value of quoted investments	0.58	1.88
10.3 Aggregate market value of quoted investments	0.58	1.88
10.4 Aggregate carrying value of unquoted investments	0.10	0.10
10.5 Aggregate amount of impairment in value of investments	-	-
10.6 Details of investments at cost which has been fully provided for diminution in the value in the earlier years:		
<b>Cantabria Pharma S.L.</b>		
1000(Pr. Yr. - 1000) Shares of Euro 60 each of Cantabria Pharma SL, Spain fully paid up	381.28	381.28
<b>Bravo Healthcare Limited</b>		
12,71,250 (Pr. Yr. - 12,71,250) Equity Share of ₹ 10 each fully paid up	53.40	53.40
	<b>434.68</b>	<b>434.68</b>
<b>11 Non Current Financial Assets - Loans (Unsecured, unless otherwise stated)</b>		
Security Deposits- Considered Good		
- Considered Good	268.64	295.03
- Considered Doubtful	0.80	0.80
	269.44	295.83
Less: Allowance for Doubtful Security Deposits	0.80	0.80
	268.64	295.03
Other Loans		
- Credit Impaired	1,462.78	2,934.57
	1,462.78	2,934.57
Less: Allowance for Doubtful Other Loans	1,462.78	2,934.57
	-	-
	<b>268.64</b>	<b>295.03</b>
<b>12 Non Current Financial Assets - Others (Unsecured, considered good, unless otherwise stated)</b>		
In Deposit Accounts with Banks (Under Lien)		
-with original maturity of more than 12 months from balance sheet date	6.75	6.71
Interest Accrued on fixed deposit with Banks	0.04	0.04
	<b>6.79</b>	<b>6.75</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>13 Deferred Tax Assets</b>		
MAT Credit Entitlement	336.38	336.38
	<b>336.38</b>	<b>336.38</b>
<b>14 Non Current Assets - Others</b>		
Capital Advances	110.95	15.99
Prepaid Expenses	3.25	0.36
	<b>114.20</b>	<b>16.35</b>
<b>15 Inventories</b>		
Raw Materials and Packing Materials	357.29	473.18
Work-in-Progress	335.81	296.89
Finished Goods (including in transit ₹ Nil Lakhs, Pr.Yr.- ₹ 517.56)	212.32	625.34
Stock-in-Trade	303.01	527.74
Fuel	17.30	10.15
	<b>1,225.73</b>	<b>1,933.30</b>
<b>16 Trade Receivables</b>		
- Considered Good - Unsecured	5,079.20	4,440.87
- Which have significant Increase in Credit Risk	692.14	1,705.04
	<b>5,771.34</b>	<b>6,145.91</b>
Less: Allowance for doubtful trade receivables	692.14	1,705.04
	<b>5,079.20</b>	<b>4,440.87</b>
<p>The carrying amounts of the trade receivables include receivables which are subject to factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the "Factor" in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Company considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.</p> <p><b>The relevant carrying amounts are as follows:</b></p>		
Total transferred receivables	213.66	428.85
Associated secured borrowing (Note 26)	193.13	374.49
<b>17 Cash and Cash Equivalents</b>		
Balances with Banks:		
- In Current Account	252.04	264.67
- In EEFC Account	6.30	5.78
Cash on Hand	7.76	3.55
	<b>266.10</b>	<b>274.00</b>
<b>18 Bank Balances other than Cash and Cash Equivalents</b>		
In Deposit Accounts with Banks (Under Lien)		
-with original maturity of more than 3 months and upto 12 months	156.24	207.38
-with original maturity of more than 12 months)	43.40	43.40
In Deposit Accounts with Banks (Others)		
-with original maturity of more than 12 months	1,203.84	-
	<b>1,403.48</b>	<b>250.78</b>
<b>19 Current Financial Assets - Loans</b>		
<b>Unsecured</b>		
Other Loans		
- Credit Impaired	-	56.54
	-	56.54
Less: Allowance for Doubtful Other Loans	-	56.54
	-	-

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>20 Current Financial Assets - Others</b>		
Interest Accrued on fixed deposit with Banks	1.50	0.18
Other Interest Receivable		
- Considered Good	10.81	-
- Considered Doubtful	-	313.50
	10.81	313.50
Less: Allowance for Doubtful Other Interest Receivable	-	313.50
	10.81	-
Export Benefit Receivable	42.60	28.06
Mark to market derivative assets	-	-
Net settlement gain receivable on Derivative Assets	-	29.22
	<b>54.91</b>	<b>57.46</b>
<b>21 Other Current Assets- Non Financial (Unsecured, considered good, unless otherwise stated)</b>		
Advances to Related Parties (Refer Note 61):		
- Considered Doubtful	7,291.07	8,809.00
	7,291.07	8,809.00
Less: Allowance for Doubtful Advances to related parties	7,291.07	8,809.00
	-	-
Advance to Employees:		
- Considered Good	73.06	87.31
- Considered Doubtful	170.09	304.76
	243.15	392.07
Less: Allowance for Doubtful Advances to Employees	170.09	304.76
	73.06	87.31
Advance to Suppliers other than Capital Advances		
- Considered Good	373.98	181.74
- Considered Doubtful	297.82	326.00
	671.81	507.74
Less: Allowance for Doubtful Advances to Suppliers	297.82	326.00
	373.98	181.74
Prepaid Expenses	113.62	99.08
Export Benefit Receivable	295.79	212.06
Balance with Statutory/Government Authorities:		
- VAT Receivable	104.20	104.20
- GST Receivable	-	1,800.90
	<b>960.65</b>	<b>2,485.28</b>
<b>22 Share Capital</b>		
<b>Authorised</b>		
20,00,000 Preference shares of ₹ 100/- each	2,000.00	2,000.00
3,00,00,000 Equity Shares of ₹ 10/- each	3,000.00	3,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-Up</b>		
2,49,95,117 (Pr. Yr. - 2,37,20,117) Equity Shares of ₹ 10/- each fully paid up	2,499.51	2,372.01
<b>Total Share Capital</b>	<b>2,499.51</b>	<b>2,372.01</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 22.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	31 March 2020		31 March 2019	
	Number	₹ (in Lakhs)	Number	₹ (in Lakhs)
Shares outstanding at the beginning of the year	2,37,20,117	2,372.01	2,37,20,117	2,372.01
Add: Equity shares allotted during the year to Edelweiss Asset Reconstruction Company Limited (EARC) as part of Restructuring of Debts	12,50,000	125.00	-	-
Add: Equity shares allotted during the year against option's exercised under Employee Stock Option Plan 2016	25,000	2.50	-	-
<b>Shares outstanding at the end of the period</b>	<b>2,49,95,117</b>	<b>2,499.51</b>	<b>2,37,20,117</b>	<b>2,372.01</b>

### 22.2 Terms/Rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares & pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

### 22.3 Outstanding Options to subscribe to equity shares

11,25,236 warrants of the face value of ₹ Nil have been allotted to the shareholders of Erstwhile PPIL as per the BIFR order. The warrant holders have the right to subscribe to one equity share of ₹ 10/- each at the premium of ₹ 125/- per share which is exercisable within five years from 27 June 2007, being the date of allotment of the warrants. Refer note 47a.

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of face value of ₹ 1,000/- each were allotted to the lenders of erstwhile PPIL pursuant to the order dated 24 April 2007 of Hon'ble BIFR. OFCD were convertible between 1 November 2008 and 30 April 2012 into its equity shares at a price of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right. Refer note 47a.

Refer Note 48 for rights of lender under CDR scheme to convert dues into equity shares of the Company under certain condition stipulated in Master Restructuring Agreement dated 19 September 2011.

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

Name of Shareholder	31 March 2020		31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	30,24,000	12.10%	30,24,000	12.75%
Expert Chemicals (India) Pvt. Ltd.	1,00,05,561	40.03%	1,00,05,561	42.18%
Edelweiss Asset Reconstruction Company Limited (EARC)	17,50,000	7.00%	-	-

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### 22.5 Equity Shares reserved for issuance:

Particulars	31 March 2020	31 March 2019
	No of Shares of FV ₹ 10	No of Shares of FV ₹ 10
Employee Stock Options Plan 2016 of the Company	9,73,464	9,98,464

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

22.7 During the year, the Company has allotted 12,50,000 equity shares of ₹ 10 each at a premium of ₹ 3.18, on preferential basis to M/s EARC a Trustee of EARC Trust SC 145, as part of Restructuring of Debts.

22.8 The Company is not a subsidiary company.

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>23 Other Equity</b>		
Capital Reserves	683.41	683.41
Securities Premium	5,999.67	5,950.25
Debenture Redemption Reserve	412.25	412.25
General Reserve	1,323.52	1,323.52
Employee Stock Option Outstanding	21.56	23.13
Retained Earnings	(25,295.38)	(31,695.63)
Exchange Fluctuation Reserve	10.15	3.49
<b>Total other equity</b>	<b>(16,844.82)</b>	<b>(23,299.58)</b>
<b>24 Non-current Financial Liabilities - Borrowings</b>		
<b>Term loans (Secured)</b>		
From Banks (Rupee)	-	869.35
From Others (Rupee)	9,954.16	11,433.81
<b>Vehicle Loans (Secured)</b>		
From Others (Rupee)	-	-
	<b>9,954.16</b>	<b>12,303.16</b>

### 24.1 Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Cash and cash equivalents	266.10	274.00
Non-current Borrowings	(9,954.16)	(12,303.16)
Current Borrowings	(2,492.34)	(8,520.53)
Current maturities of long term borrowings	(3,916.63)	(2,475.34)
Interest accrued	(1,173.12)	(881.02)
Unpaid dues	(1,801.82)	(2,802.65)
<b>Net Debt</b>	<b>(19,071.96)</b>	<b>(26,708.70)</b>

₹ in Lakhs

Particulars	Cash and cash equivalent	Liability from financing activities	Total
<b>Balance as on 1 April 2019</b>	<b>274.00</b>	<b>(26,982.71)</b>	<b>(26,708.71)</b>
Cash outflows	(7.90)	9,707.10	9,699.20
Interest expense for the year	-	(3,122.32)	(3,122.32)
Interest payment	-	1,082.63	1,082.63
Revaluation of foreign currency borrowings	-	(22.76)	(22.76)
<b>Closing balance as on 31 March 2020</b>	<b>266.10</b>	<b>(19,338.06)</b>	<b>(19,071.96)</b>

₹ in Lakhs

Particulars	Cash and cash equivalent	Liability from financing activities	Total
<b>Balance as on 1 April 2018</b>	<b>286.75</b>	<b>(26,489.29)</b>	<b>(26,202.54)</b>
Cash outflows	(12.75)	1,540.46	1,527.71
Interest expense for the year	-	(3,988.46)	(3,988.46)
Gain on extinguishment of loan liability	-	790.32	790.32
Revaluation of foreign currency borrowings	-	1,137.99	1,137.99
Revaluation of foreign currency borrowings	-	26.28	26.28
<b>Closing balance as on 31 March 2019</b>	<b>274.00</b>	<b>(26,982.70)</b>	<b>(26,708.70)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

₹ in Lakhs

24.2	Nature of Security	Term of Interest and Repayment	As at 31 March 2020	As at 31 March 2019
	<p><b>Working Capital Term Loan I :</b> First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant &amp; on all the present and future current assets of the company including few brands of the company.</p> <p>Second pari passu charges on all the present and future fixed assets of the company, situated at Tanuku plant. Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis.</p> <p>Pledge of 1271250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis. Corporate Guarantee of Experts Chemicals , Bravo Healthcare, Wanbury Global FZE and Kingsbury investments, Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>IDBI Bank : The loan is repayable in 4 equal annual installments from 30th Sept 2017 to 30th Sept 2020.</p> <p>All other lenders : The loan is repayable in 4 equal annual installments from 31st March 2018 to 31st March 2021.</p> <p>Fixed Interest payable@ 1% p.a.</p>	796.40	1,022.78
	<p><b>Funded Interest Term Loan :</b> First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant &amp; on all the present and future current assets of the company including few brands of the company. Second pari passu charges on all the present and future fixed assets of the company, situated at Tanuku plant. Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis.</p> <p>Pledge of 1271250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis. Corporate Guarantee of Experts Chemicals , Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>IDBI &amp; EXIM: The loan is repayable in 32 quarterly instalments starting from 31st Oct 2012 to 30th Dec 2020.</p> <p>Other lenders: The loan is repayable in 32 quarterly instalments starting from 1st Oct 2012 to 30th Sept. 2020. Interest rate of 3% p.a. for Fy 2010-11 which shall be increased by 1% each year till it reaches a level of 5% in Fy 2012-13 and thereafter will remain constant.</p>	425.27	483.03
	<p><b>Term loan EARC -Edelweiss :</b> First pari passu charge on all the present and future fixed assets including few brands of the company.</p> <p>Second pari passu charge on all the present and future current assets of the company.</p> <p>Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis.</p> <p>Pledge of 1271250 shares of Bravo Healthcare Ltd. and pledge of 5 shares of Wanbury Global FZE, Corporate Guarantee of Experts Chemicals, Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>“State Bank of India: The loan is repayable in 19 quarterly installments starting from 31st Dec 2018 - 15th June 2023.</p> <p>State Bank of Mysore: The loan is repayable in 19 quarterly installments starting from 31st Dec 2018 - 15th June 2023.</p> <p>Interest payable@ 12% p.a.</p>	12,085.96	12,886.70

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

<p><b>Working Capital Term Loan II:</b>            First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant &amp; on all the present and future current assets of the company including few brands of the company.            Second pari passu charges on all the present and future fixed assets of the company, situated at Tanuku plant.            Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis.            Pledge of 1271250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis.            Corporate Guarantee of Experts Chemicals , Bravo Healthcare, Wanbury Global FZE and Kingsbury investments, Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>IDBI Bank :The loan is repayable in 4 equal annual installments from 30th Sept 2017 to 30th Sept. 2010.</p> <p>All other lenders :            The loan is repayable in 4 equal annual installments from 31st March 2018 to 31st March 2021.</p> <p>Ballooning interest 1% to 4% in FY 2013-14 , to 5% in FY 2015-16 and to 8% in FY 2018-19 and thereafter it will remain same.</p>	832.00	882.03
<p><b>Term Loan</b>            First pari passu charge on all the present and future fixed assets of the company, excluding Tanuku plant.            First pari passu charge on few brands of the company.            Second pari passu charge on all the present and future fixed assets situated at Tanuku plant. Second pari passu charge on all the present and future current assets of the company.            Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited &amp; Kingsbury Investment Inc. on pari passu basis.            Pledge of 1271250 shares of Bravo Healthcare Ltd. and pledge of 5 shares of Wanbury Global FZE, Corporate Guarantee of Experts Chemicals , Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, Director of the company.</p>	<p>The Loan is repayable in 32 quarterly installments from 31.12.12 to 30.09.2020.</p> <p>Interest @ 9.50% p.a.</p>	1,051.12	1,451.04
<p><b>Vehicle Loan</b>            First charge on vehicles against which loan is disbursed.</p>		-	0.82
<p><b>Total Non-Current Borrowings</b>            Less: Current Maturities of Long Borrowings and Vehicle Loan (Refer Note 28)            Less: Unpaid Dues of Long term Borrowings (Refer Note 28)            Less: Interest Accrued (Refer Note 28)  <b>Non-Current Borrowings (as per Balance Sheet)</b></p>		15,190.75 3,916.63 653.68 666.27 9,954.16	16,726.41 2,330.42 1,676.79 416.04 12,303.16

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>25. Non-Current Provisions</b>		
<b>Provision for employee benefits (Net)</b> (Refer Note 58)		
Provision for Gratuity	708.45	611.39
Provision for Leave Benefits	447.72	457.98
	<b>1,156.17</b>	<b>1,069.37</b>
<b>26 Current Financial Liabilities - Borrowings</b> <b>(Secured unless otherwise stated)</b>		
<b>Working Capital Loans repayable on demand</b> (Refer Note 26.1)		
From Banks (Rupee)	2,248.96	8,095.79
From Others (Rupee)*	-	-
<b>Factored Receivables</b> (Refer Note 26.2 and 16)		
From Others (Foreign Currency)	193.13	374.49
<b>Loans repayable on demand (Unsecured)</b> (Refer Note 47a)		
From Banks (Rupee)	29.94	29.94
From Others (Rupee)	20.31	20.31
	<b>2,492.34</b>	<b>8,520.53</b>
26.1 Above loans are secured by first pari-passu charge on current assets including few brands of the Company, second charge on both present and future fixed assets of the company and Pledge of unencumbered shareholding in the company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc. and Pledge of 12,71,250 shares of Bravo Healthcare Ltd and pledge of 5 shares of Wanbury Global FZE on pari passu basis. Further there is Corporate Guarantee of Experts Chemicals, Bravo Healthcare, Wanbury Global FZE and Kingsbury investments and Personal Guarantee of Mr. K Chandran, director of the company.		
26.2 Factoring facilities are secured by subservient (residual) charge on all present and future receivables, book debts, outstandings, monies receivables, claims and bills of the company, which are now due and or which may be due at anytime of its approved debtors and subservient charge on all present and future fixed asset and current assets of the company.		
<b>27 Current Financial Liabilities - Trade Payables</b>		
Total outstanding dues of Micro enterprise and Small enterprise (Refer Note 53)	9.58	9.67
Total outstanding dues of creditors other than Micro enterprise and Small enterprise	12,177.22	11,2139.93
	<b>12,186.80</b>	<b>11,223.60</b>
Refer Note 61 for Payables to Related Party		
	<b>31 March 2020</b> ₹ in Lakhs	<b>31 March 2019</b> ₹ in Lakhs
<b>28 Current Financial Liabilities - Others</b> <b>(Unsecured unless otherwise stated)</b>		
Current maturities of:		
-Long Term Borrowings- Banks (Secured) (Refer Note 24)	1,784.84	1,079.60
-Long Term Borrowings- Others (Secured) (Refer Note 24)	2,131.79	1,250.00
-Vehicle Loan (Secured) (Refer Note 24)	-	0.82
-Dues of FCCB Holders	-	144.92



# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Interest accrued but not due on:

-Long Term Borrowings- Banks (Secured) (Refer note 24)	1.44	-
-Dues to FCCB Holders	-	22.68
-Debentures (Secured)	328.98	328.98

Interest accrued and due on (Refer Note 28.3)

-Long Term Borrowings- Banks (Secured) (Refer Note 24)	666.27	413.13
-Long Term Borrowings- Others (Secured) (Refer Note 24)	-	2.91
-Dues of FCCB Holders	115.85	108.39
-Liability against Corporate Guarantee (Refer Note 45)	60.57	4.93

Unpaid Dues of:

-Long Term Borrowings- Banks (Secured) (Refer Note 28.3, 24)	653.68	1,476.78
-Long Term Borrowings- Others (Secured) (Refer Note 28.3, 24)	-	200.00
-FCCB Holders (Refer Note 28.3)	345.44	323.20
-Long Term Borrowings of erstwhile PPIL (Secured) (Refer Note 28.4 & 28.5)	68.02	68.02
-Matured Zero Coupon Non Convertible Redeemable Debentures (NCD) (Secured) (Refer Note 28.1 & 28.5)	152.67	152.67
-Optionally Fully Convertible Debentures(OFCD)(SECURED)(Refer Note 28.2 & 28.5)	581.99	581.99
-Liability against Corporate Guarantee (Refer Note 28.3 & 45)	1,361.23	1,320.94

Other Payables:

- Capital Creditors	59.32	121.50
- Others	74.21	177.91
(Includes Inland bills payable, stale cheques, dues of PPIL etc)		
- Security Deposit	401.00	444.50
- Liability against Corporate Guarantees issued (Refer Note 45)	3,588.94	3,679.06
- Redeemable preference shares (4,511 Preference Shares of Euro 1000 each)	2,666.20	2,666.20

<b>15,042.44</b>	<b>14,569.15</b>
------------------	------------------

- 28.1 The NCD are to be secured by a pari passu charge on the fixed assets of the Company situated at Patalganga and Plot No.J-17 at Tarapur. The NCD comprises of Part A of ₹ 60 and Part B of ₹ 40 which are redeemable at par at the end of two years and three years respectively from 1 May, 2007. The Company had redeemed Part A of ₹ 60 relating to 1,49,709 NCD's in the earlier years. NCD's amounting to ₹ 55.67 Lakhs and ₹ 97 Lakhs was due for repayment on 1 May 2009 and 1 May 2010 respectively. Refer Note 47a.
- 28.2 The OFCD are to be secured by a pari passu charge on the fixed assets of erstwhile PPIL situated at Plot No 24 at Tarapur and fixed assets at Mazgaon. OFCD are convertible between 1 November, 2008 and 30 April, 2012 into equity shares at a price being higher of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right amounting to ₹ 290.99 Lakhs and ₹ 291 Lakhs was due for repayment on 30 April 2010 and 30 April 2011 respectively. Refer Note 47a.
- 28.3 There is delay in repayment of
- term loan from banks aggregating to ₹ 653.68 Lakhs (Pr. Yr. - ₹ 1,476.78 Lakhs) ranging from 1 to 732 days (Pr. Yr. - 1 to 821 days).
  - term loan from other aggregating to ₹ Nil (Pr. Yr. - ₹ 200.00 Lakhs) by Nil day (Pr. Yr. - 1 to 17 days).
  - amount payable to FCCB Holders aggregating to ₹ 345.44 Lakhs (Pr. Yr. - ₹ 323.20 Lakhs) ranging from 1 to 2899 days (Pr. Yr. -1 to 2533 days).
  - interest on secured borrowings aggregating to ₹ 666.27 Lakhs (Pr. Yr. - ₹ 416.04 Lakhs) ranging from 1 to 1097 days (Pr. Yr. - 1 to 731 days) in respect of dues to banks/ financial institutions.
  - interest on FCCB aggregating to ₹ 115.85 Lakhs (Pr. Yr. - ₹ 108.39 Lakhs) ranging from 1 to 3198 days (Pr. Yr. - 1 to 2832 days).
  - amount payable against Corporate guarantee ₹ 1421.80 Lakhs (Pr. Yr. - ₹ 1,325.87 Lakhs) ranging from 1 to 367 days (Pr. Yr.- 1 day)

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

28.4 Term loans of erstwhile PPIL amounting to ₹ 68.02 Lakhs are secured by a pari-passu first charge on its fixed assets of erstwhile PPIL.

28.5 The said dues were payable as per Merger Cum Revival Scheme approved by the BIFR vide its order dated 24 April, 2007. Refer Note 47a.

	<b>31 March 2020</b> ₹ in Lakhs	<b>31 March 2019</b> ₹ in Lakhs
<b>29 Other Current Liabilities</b>		
- Advance received from customers	228.91	463.96
- Statutory Dues Payable	803.32	1,035.46
	<b>1,032.23</b>	<b>1,499.42</b>
<b>30 Current Provisions</b>		
<b>Provision for employee benefits (Net)</b> (Refer Note 58)		
Provision for Gratuity	103.40	101.17
Provision for Leave Benefits	49.52	39.34
Bonus Provision	125.98	132.08
	<b>278.90</b>	<b>272.59</b>
<b>31 Current Tax Liabilities (Net)</b>		
Provision for Income Tax (Net of Payment) (Refer Note 55)	71.51	74.48
	<b>71.51</b>	<b>74.48</b>
<b>32 Revenue From Operations</b>		
<u>Sale of products:</u>		
- Finished Goods	27,561.03	27,382.67
- Traded Goods	8,698.42	11,308.28
<u>Other Operating Revenue:</u>		
- Export Incentive	411.04	417.24
- Sale of Scrap	74.98	29.22
	<b>36,745.47</b>	<b>39,137.41</b>
<b>33 Other Income</b>		
Interest on Bank Deposits	20.50	18.99
Other Interest	15.54	42.21
Exchange Difference (Net)	58.78	-
Insurance Claim	-	29.68
Profit on sale of Fixed Assets	8.57	-
Amounts written back	10.01	46.07
Dividend Income	0.03	-
Miscellaneous Income	0.54	5.35
Gain on Measurement of Equity Instrument at Fair Value	-	0.01
Gain on Extinguishment of Financial Liability (Net) (Refer Note for 49)	-	790.32
	<b>113.97</b>	<b>932.63</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 ₹ in Lakhs	31 March 2019 ₹ in Lakhs
<b>34 Cost of Materials Consumed</b>		
Raw Materials & Packing Materials Consumed	14,642.35	16,499.40
	<b>14,642.35</b>	<b>16,499.40</b>
<b>35 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Inventories at the beginning of the year</b>		
- Finished Goods	625.34	247.23
- Work-in-Progress	296.89	131.01
- Stock-in-Trade	527.74	565.50
<b>(A)</b>	<b>1,449.97</b>	<b>943.74</b>
<b>Inventories at the end of the year</b>		
- Finished Goods	212.32	625.34
- Work-in-Progress	335.81	296.89
- Stock-in-Trade	303.01	527.74
<b>(B)</b>	<b>851.14</b>	<b>1,449.97</b>
<b>Changes in Inventories</b>		
- Finished Goods	413.02	(378.11)
- Work-in-Progress	(38.92)	(165.88)
- Stock-in-Trade	224.73	37.75
<b>(A-B)</b>	<b>598.83</b>	<b>(506.23)</b>
<b>36 Employee Benefits Expense</b>		
Salaries, Wages, Bonus and Allowances	6,076.95	6,841.45
Contribution to Provident and Other Funds	469.45	569.07
Expense on Employee Stock Option Scheme	8.10	(2.67)
Staff Welfare Expenses	193.38	181.37
	<b>6,747.88</b>	<b>7,589.22</b>
<b>37 Finance Cost</b>		
Interest expense	3,287.07	3,988.46
	<b>3,287.07</b>	<b>3,988.46</b>
<b>38 Depreciation and amortization expense (Refer Note 9 )</b>		
Depreciation on property, plant and equipment	940.34	975.66
Depreciation on right-of-use assets	6.31	-
Amortization on Intangible Asset	21.76	21.25
	<b>968.41</b>	<b>996.91</b>

---

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

<b>39 Other Expenses</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
Advertisement & Sales Promotional Expenses	942.85	1,471.67
Travelling & Conveyance	757.95	1,159.78
Power & Fuel	1,537.53	1,446.24
Allowances /(Reversal) for Doubtful Loans & advances (Net)	(3,493.40)	88.29
Allowances/(Reversal) for doubtful debts (Net)	(1,012.91)	(217.38)
Allowance/(Reversal) for Corporate guarantee (Net)	-	244.64
Amounts written off	4,453.65	-
Breakages & Expiry	716.15	600.00
Carriage Outward	728.18	689.69
Legal & Professional Charges	1,616.18	1,270.77
Commission On Sales	291.32	544.00
Consumption of Stores, Spares & Consumables	351.71	285.20
Rent (Refer Note 60)	262.05	310.75
Exchange Difference (Net)	-	27.94
Loss on Measurement of Equity Instrument at Fair Value	1.30	-
Repairs to Plant & Machineries	614.70	253.31
Repairs to Buildings	277.61	36.19
Repairs- Others	133.27	223.30
Rates & Taxes	38.11	95.93
License Fees	95.44	126.31
Insurance	86.46	66.05
Loss on sale/discard of Property, Plant & Equipments (Net)	-	33.62
Sales Tax & Service Tax	1.00	35.50
Miscellaneous Expenses	1,679.96	1,582.16
	<b>10,079.11</b>	<b>10,373.96</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 40. Earnings Per Share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars		31 March 2020	31 March 2019
<b>Basic and Diluted Earnings Per Share:</b>			
Profit/ (loss) after tax & before exceptional items, attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(A)	(1,817.86)	(2,484.77)
Add: Dilutive effect on profit (₹ in Lakhs)	(B)	-	-
Profit/ (loss) after tax & before exceptional items, attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(C=A+B)	(1,817.86)	(2,484.77)
Profit/ (loss) after tax & exceptional items, attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(D)	6,446.18	(2,484.77)
Add: Dilutive effect on profit (₹ in Lakhs)	(E)	-	-
Profit/ (loss) after tax & exceptional items , attributable to Equity Shareholders- for Basic EPS (₹ in Lakhs)	(F=D+E)	6,446.18	(2,484.77)
Weighted Average Number of Equity Shares outstanding-for Basic EPS	(G)	2,39,65,814	2,37,20,117
Add: Dilutive effect of Employee Stock Options*/ Other Options outstanding -Number of Equity Shares	(H)	-	-
Weighted Average Number of Equity Shares for Diluted EPS	(I=G+H)	2,39,65,814	2,37,20,117
Face Value per Equity Share (₹)		10	10
Basic Earnings/ (Loss) Per Share, before exceptional items (₹)	(A/G)	(7.59)	(10.48)
Diluted Earnings/ (Loss) Per Share, before exceptional items (₹)	(C/I)	(7.59)	(10.48)
Basic Earnings/ (Loss) Per Share, after exceptional items (₹)	(D/G)	26.90	(10.48)
Diluted Earnings/ (Loss) Per Share, after exceptional items (₹)	(F/I)	26.90	(10.48)

\* Employee Stock Options are not included in the calculation of diluted earnings per share because they are antidilutive. Further, since there was loss in previous year ended 31 March 2019, potential equity shares were not considered as dilutive.

Hence, Diluted EPS is same as Basic EPS in both the years.

### 41. Consolidated Financial Statements present the consolidated accounts of Wanbury Limited (“the Holding Company” or “the Company”) and the following Subsidiaries (collectively referred to as “the Group”)

Name of the Company	Country of Incorporation	% of voting power and beneficial ownership as at	
		31 March 2020	31 March 2019
Wanbury Holding B.V.	Netherland	100%	100%
Ningxia Wanbury Fine Chemicals Company Limited	China	100%	100%
Wanbury Global FZE	UAE	100%	100%

Accounts of the above subsidiary companies are for the period from 1 April 2019 to 31 March 2020 and are incorporated in the Consolidated Financial Statements. Financial statement and other financial information of aforesaid subsidiaries have been audited by other auditors.

Cantabria Pharma S. L. (CP), a wholly owned subsidiary of Wanbury Holding B. V., had filed for voluntary insolvency in the Commercial Court of Madrid, Spain on 4 November 2013. As per the order of Commercial Court of Madrid, Spain, the Receiver has taken the control of CP on 26 February 2014.

Consequent to the appointment of Receiver on 26 February 2014, Wanbury Holding BV ceased to have control over its wholly owned subsidiary, Cantabria Pharma S.L., Spain and wholly owned step down subsidiary Laboratories Wanbury S.L., Spain. Accordingly, effect of desubsidiarization had already been given and, in respect of investment in and amounts recoverable from aforesaid subsidiaries have already been fully provided for in the Consolidated Financial Statements for the period ended 30 September 2014.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 42. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 45.87 Lakhs (Pr.Yr. - ₹ 39.72 Lakhs).

Other Commitments – Non Cancellable Operating Lease (Refer Note 60)

### 43. Contingent Liabilities:

(₹ in Lakhs)

Sr. No.	Particulars	31 March 2020	31 March 2019
a)	Contract of take out undertaking executed in favour of bank/financial institution for loans given to step down subsidiary-Cantabria Pharma SL.	28,237.00 (Euro 340.00 Lakhs)	26,418.82 (Euro 340.00 Lakhs)
	Loans outstanding at the year end for undertaking as above.(Refer note 45)	17,829.20 (Euro 214.68 Lakhs)	16,430.06 (Euro 208.45 Lakhs)
b)	Disputed demands by Income Tax Authorities. Amount paid under protest and shown as advance.	617.15 115.93	617.15 115.93
c)	Disputed demands by Sales Tax Authorities. Amount paid under protest and shown as advance.	3,015.23 Nil	3,015.23 Nil
d)	Disputed demands by Service Tax Authorities. Amount paid under protest and shown as advance.	381.25 59.50	381.25 59.50
e)	Disputed demands by Excise Authorities.	88.07	88.07
f)	Disputed demand by National Pharmaceutical Pricing Authority (NPPA)	190.58	190.58
g)	Claims against the Company not acknowledged as debts	47,805.24	2,687.65
h)	Custom Duty on import under Advance License Scheme, pending fulfillment of Export obligation.	2,870.00	3325.26

The management considers the Service Tax, Excise Duty, Custom Duty, Sales Tax, GST and Income Tax demand received from the authorities and demand received from NPPA are not tenable against the Group, and therefore no provision for these contingencies has been made. Further, in respect of aforesaid matters, the Group does not expect to have any material adverse effect on the Groups's financial conditions, results of operations or cash flows. Future cash flows in respect of liability under clause (a) is dependent on terms agreed upon with the parties and in respect of liability under clause (b) to (h) are dependent on decisions by relevant authorities of respective disputes.

44. a. 4,511 (Pr. Yr. 4,511) Preference Shares of Euro 1,000/- each of Wanbury Holding B. V. The said preference shares are redeemable/ convertible into equity shares subject to the fulfillment of certain conditions mentioned in the agreement as per the agreed terms. Exim Bank has subscribed to 4,511 Preference Shares of Euro 1,000/- each of Wanbury Holding B. V., pursuant to the Preference Share Subscription Agreement dated 7 December 2006. Pursuant to the said agreement, Exim Bank has exercised Put Option vide letter dated 8 November 2011 and the Holding Company is required to pay USD 60 Lakhs (Pr. Yr. USD 60 Lakhs) [₹ 4,523.15 Lakhs (Pr. Yr. ₹ 4,150.28 Lakhs)] to acquire aforesaid preference shares. The said dues being part of the CDR scheme will be accounted upon arriving at mutually agreed terms of settlement. (Refer Note 45)
- b. State Bank of India, London has filed legal proceedings dated 28 February 2017, demanding repayment of Euro 38.23 Lakhs (Pr. Yr. Euro 38.23 Lakhs) [₹ 3,175.00 Lakhs (Pr. Yr. ₹ 2,970.56 Lakhs)] together with interest till the date of repayment by the Holding Company in terms of Guarantee & Loan agreement dated 27 September 2007 vide which aforesaid credit facilities was granted to Cantabria Pharma S L, the step down subsidiary of the Holding Company. State Bank of India, London vide compromise settlement letter dated 1 Feb 2018 approved the settlement of their dues at 20% in respect of loan availed by Cantabria Pharma SL. The settled amount was payable by the Holding Company by 31 March 2019, out of which the Holding Company has paid 3 Lakhs Euro [₹ 249.15 Lakhs] during the previous year ended 31 March 2019. The Holding company had requested for extension of payment of balance dues by 31 March 2020. However, the Holding company has paid 0.61 Lakhs Euro [₹ 50.61 Lakhs] during the year ended 31 March 2020. Further, the Holding Company has requested for extension of time for payment of balance dues by 31 March 2021 and the request is under consideration by State Bank of India, London. The Holding Company has been providing for interest on the amount payable at the end of the year. (Refer note 45)

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

45. The Holding Company expects to settle Corporate Guarantee liability of Cantabria Pharma SL & Wanbury Holding B.V. (Refer note 43(a) & 44), at approximately ₹ 4,950.17 Lakhs (Pr. Yr. ₹ 5,000 Lakhs)) and the same is shown under "Current Financial Liabilities- Others".

### 46. Segment Reporting

#### A. Basis for Segmentation :

The operations of the Group is limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Chief Operating Decision Maker reviews the internal management reports prepared based on an aggregation of financial information on a periodic basis.

There are no material operations in subsidiary companies.

#### B. Geographic information :

##### i. Revenue from external customers

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Within India	18,065.31	21,935.37
Outside India	18,194.14	16,755.57

##### ii. Non-Current assets

##### (other than financial instruments and deferred tax assets)

None of the non-current assets (other than financial assets) are located outside India.

#### C Major Customer :

None of the customer account for 10% or more of its total revenue.

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

The Hon'ble Supreme Court vide its order dated 16 May 2008, had set aside the above referred BIFR order and remitted the matter back to BIFR for considering afresh as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), in response to a petition filed by one of the unsecured creditors of erstwhile PPIL.

The BIFR had directed IDBI Bank, which was appointed as an Operating Agency, to formulate new Draft Rehabilitation Scheme (DRS) pursuant to the Order of Hon'ble Supreme Court of India dated 16 May 2008. In the meanwhile, the Holding Company had sought legal opinion and the Holding Company was advised to maintain status quo ante with respect to the merger under the said Scheme and that it should take further steps only on the basis of the fresh BIFR Order.

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

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

However, the Government of India had, vide Notification No. S.O. 3568(E) dated 25 November 2016, notified the SICA Repeal Act, 2003, w.e.f. 1 December 2016, and as a consequence thereof, BIFR and AAIFR stood dissolved w.e.f. 1 December 2016. Simultaneously, in terms of Section 252 of Insolvency & Bankruptcy Code ("IBC 2016"), the government amended Section 4(b) of the said repeal act in the manner specified in the Eighth Schedule of IBC 2016, resulting in the abatement of all pending proceedings including pending merger scheme before BIFR.

In view of the foregoing developments, the management is currently considering various other options under the available laws and as may be advised by experts either to regularize lawfully all acts and deeds done under the erstwhile merger scheme or to undo what was done in pursuance and as a sequel of the erstwhile merger scheme sanctioned by BIFR vide order dated 24 April 2007.



## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **b. Assets held for sale:**

As per the scheme of rehabilitation and merger approved by BIFR, erstwhile PPIL is required to sell office premises at Saki Naka, Mumbai and R & D premises at Turbhe, Navi Mumbai in settlement of part dues of secured and unsecured payables mentioned in the aforesaid scheme. Consequently, the said assets are classified as held for sale and measured at lower of carrying cost and fair value less cost to sell. The Holding Company is not charging any depreciation on asset held for sale.

The Holding Company is committed to the plan of sale of assets and is in search of suitable buyers for assets held for sale.

**Details of the assets held for sale are as under:**

**(₹ in Lakhs)**

<b>Description</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Office Premises	196.54	196.54
Building	177.05	177.05
<b>Total</b>	<b>373.59</b>	<b>373.59</b>

48. The Corporate Debt Restructuring (CDR) proposal of the Holding Company, having 30 September 2010 as the cutoff date, has been approved by the CDR Cell vide its Letter of Approval (LOA) dated 23 May 2011. Subsequently on execution of the Master Restructuring Agreement (MRA) dated 19 September 2011, effect of CDR Scheme has been given in the financial statements as per the MRA in accordance with applicable Indian Accounting Standard.

MRA among other terms and conditions, provide for:

- Additional fund, non fund based assistance from the CDR lenders;
  - Promoters to bring further contributions in stages;
  - Reporting and other compliances by the Company;
  - Right to the CDR lenders to convert at their option, the whole of the outstanding amount or 20% of rupee equivalent of the defaulted amount into fully paid up equity shares of the Company at par, in case of certain defaults by the Company; and
  - Right to receive recompense for the reliefs and sacrifices extended by Lenders within the CDR parameters with the approval of the CDR Empowered Group.
- 49.a. During the year ended 31 March 2018, Bank of India ("BOI") approved One Time Settlement ("OTS") vide letter dated 29 September 2017 in respect of loans availed and outstanding by the Holding Company including external commercial borrowing and interest accrued upto 9 June 2017. As per the terms of settlement, the Holding Company had to pay the agreed amount within 9 months from settlement date with an interest at base rate plus 1% on agreed amount. Consequently, a gain of ₹ 5,296.02 lakhs had been recognised on derecognition of earlier loan and included in "other income".

During the previous year ended 31 March 2019, the Holding Company had requested for extension of time for payment of balance outstanding amount which was considered and approved by BOI vide letter dated 26 July 2019. As per the revised terms of settlement, the Holding Company is required to pay the revised OTS amount of ₹ 4,900.00 Lakhs by 31 August 2019. Accordingly, additional liability of ₹ 1,011.86 Lakhs was recognised during the pervious year and gain recognized in earlier year to the extent of ₹ 1,011.86 Lakhs has been reversed and included in "Other Income - Gain on Extinguishment of Financial Liability (Net)".

During the year ended 31 March 2020, the Holding Company has made part payment of BOI against its dues out of the proceeds from Sale of Brands (Refer Note 51). Further, the holding Company has requested for extension of time for payment of balance dues upto 31 March 2021 and the request is under consideration by BOI.

Hence, the said dues as on 31 March 2020 is shown under "Current Financial Liabilities- Borrowings". The Holding Company has provided for interest as per the revised terms agreed.

- State Bank of Mysore ("SBM") vide its letter dated 31 March 2017, has informed about sale of its loan exposure on the Holding Company to Edelweiss Asset Reconstruction Company Limited ("EARCL").

During the previous year ended 31 March 2019, vide agreement dated 29 January 2019 with EARCL, the Holding Company has agreed to the restructuring of dues payable to EARCL. Appropriate effect of the said settlement is given in the Financial Statements and consequently, gain of ₹ 1,802.18 Lakhs has been recognised on derecognition of earlier loan, which has been included in "other income – Gain on Extinguishment of Financial Liability (Net)".

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

During the year ended 31 March 2020, the Holding Company has made to EARCL out of the proceeds from Sale of Brands (Refer Note 51). The balance outstanding liability as at year end is shown under "Non-Current Financial Liabilities-Borrowings" & Current maturities is shown under "Other Current Financial Liabilities" respectively.

50. During the year ended 31 March 2017, State bank of India has sold its loan exposure on the Holding Company to Edelweiss Asset Reconstruction Company Limited (EARCL) at an agreed value. As part of the settlement, the Holding Company has agreed to pay the dues in structured installments.

During the previous year ended 31 March 2019, EARCL vide agreement dated 29 January 2019, has revised repayment schedule in respect of dues payable by the Holding Company. Accordingly, effect of aforesaid revised agreement has been given in the Financial Statements.

During the year ended 31 March 2020, the Holding Company has made payment to EARCL out of the proceeds from Sale of Brands (Refer Note 51).

The balance outstanding liability at the year end is shown under "Non-Current Financial Liabilities-Borrowings" & Current maturities is shown under "Other Current Financial Liabilities" respectively.

51. During the year ended 31 March 2020, the Holding Company has entered into an Asset Transfer Agreement ("ATA") dated 10 October 2019, as amended from time to time, with CIPLA Limited for Sale of four Brands and related inventory owned by the Holding Company. On 7 February 2020, the Sale was concluded and the agreed brands and related inventory as per the ATA have been transferred to Cipla Limited. Gain of ₹ 8,264.04 Lakhs on sale of brands has been recognised and presented as an "Exceptional items" in the statement of profit and loss.

The sale proceeds have been utilized towards repayment of debt to various lenders, as part of debt resolution plan.

Details of Repayment of Debt from sale proceeds is as follows :

Name of the Bank	₹ In Lakhs
Andhra Bank	520.00
Axis Bank	300.00
Bank of India	4,300.00
Edelweiss Asset Reconstruction Company Limited	1,810.00
Export Import Bank of India	1,200.00
IDBI Bank	310.00
<b>Total</b>	<b>8,440.00</b>

52. The balances of trade receivables, trade payables, loans and advances are subject to confirmation/reconciliation and adjustments, if any.
53. **Details of dues to Micro and Small Enterprises as defined under "Micro, Small & Medium Enterprises Development Act, 2006" :**

This information has been determined to the extent such parties have been identified on the basis of information available with the Holding Company.

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
a)The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	7.29	8.19
Interest	0.17	0.00
b)The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.29	1.48
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act 2006.	2.29	Nil

### 54. Research and Development Expenditure

The aggregate amount of revenue expenditure (except depreciation) incurred during the year on Research and Development and shown in the respective heads of account is ₹ 424.94 Lakhs (Pr. Yr. ₹ 883.62 Lakhs)

### 55. Income Tax

Income tax (expense)/benefit recognized in the income statement consist of the following :

#### A. Current Tax :

Income tax (expense)/benefits recognised in the statement of profit and loss consist of the following:

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Current tax on profit for the year	-	-
Adjustment for current tax of prior periods	0.02	0.19
<b>Total Current Tax expenses</b>	<b>0.02</b>	<b>0.19</b>
Deferred tax expense / (benefits)	-	-
Origination and reversal of timing difference	20.85	(13.85)
<b>Total Deferred Tax expenses</b>	<b>20.85</b>	<b>(13.85)</b>
<b>Income tax expense for the year recognised in the statement of profit &amp; loss.</b>	<b>20.87</b>	<b>(13.66)</b>

#### B. Reconciliation of Effective Tax Rate:

The following is a reconciliation of the group's effective tax rate:

Particulars	(₹ in Lakhs)
	31 March 2020
Accounting profit before income taxes	6,467.05
Enacted tax rate in India (%)	34.94%
<b>Computed expected tax expenses</b>	<b>2,259.86</b>
Tax effect of income which is chargeable at a different rate	(963.09)
Tax effect of Unabsorbed Depreciation	149.97
Effect of exempt operating income	(1,574.68)
Effect of non deductible expenses	155.59
Additional deduction on R & D Expenses	(24.64)
Effect of exempt non-operating income	(3.00)
Effect of Income exempt from Tax	(0.01)
Adjustment for current tax of prior periods	0.02
<b>Income Tax expenses</b>	<b>0.02</b>
<b>Effective Tax rate</b>	<b>0.00%</b>

The Group has incurred loss during the previous year ended 31 March 2019. Since in the previous year, there was book loss and tax loss and hence no tax was payable as per provisions of Income Tax Act, 1961.

Therefore, calculation of effective tax rate is not relevant and hence, not given.

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### C. Deferred Tax Assets & (Liabilities):

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Deferred Tax Liabilities	(7,137.69)	(6,469.51)
Deferred Tax Assets (restricted to deferred tax liabilities above)	7,137.69	6,469.51
MAT credit entitlement	336.38	336.38
<b>Total Deferred tax assets/ (liabilities)</b>	<b>336.38</b>	<b>336.38</b>

The tax effects of significant temporary difference that resulted in deferred tax assets & liabilities and a description of these difference is given below:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	2,433.33	2,229.01
Borrowing at amortised cost	4,704.36	4,240.50
Financial Instrument at Fair Value through Profit and Loss (FVTPL)	-	-
<b>Total Deferred Tax Liabilities</b>	<b>7,137.69</b>	<b>6,469.51</b>
<b>Deferred Tax Assets</b>		
Employee Benefit Expenses	501.42	418.69
Provision for Doubtful Debts/Receivable	2,911.30	4,014.75
Unabsorbed depreciation	834.89	2,198.63
Bank Gurantee Invoked	1,729.59	1,560.00
Expenses deductible on payment basis	3,614.95	2,280.96
IND -AS Adjustments	332.38	296.80
<b>Total Deferred Tax Assets</b>	<b>9,924.52</b>	<b>10,769.83</b>
<b>Total Deferred Tax Assets Resticted to</b>	<b>7,137.69</b>	<b>6,469.51</b>

56. The Holding Company had applied to the Central Government on 18 January 2016 for the approval of excess remuneration paid to Mr. K. Chandran, Wholetime Director amounting to ₹ 49.77 Lakhs pertaining to F.Y. 2015-16. In addition to the excess remuneration of 2015-16, pending approval, excess remuneration amounting to ₹ 41.77 Lakhs for the F.Y. 2016-17, ₹ 45.77 Lakhs for the F.Y. 2017-18 and ₹ 34.40 Lakhs for the F.Y. 2018-19 was paid aggregating to ₹ 171.71 Lakhs. The said dues have been recovered during the previous year ended 31 March 2019.

No Managerial Remuneration is paid during the year ended 31 March 2020. As per the Companies Act, 2013 and Rules made thereunder and Schedule V, Mr K. Chandran, WTD of the Company is not eligible for any remuneration and hence no remuneration is paid to him during the year under review.

### 57. Details of Auditors Remuneration:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Statutory Auditors Remuneration :		
- Audit Fees	12.50	12.50
- Certification & Other Matters	6.55	6.40
- Out of Pocket Expenses	0.70	0.16
Cost Auditors Remuneration :		
- Cost Auditor Fees	1.75	1.75

**Note:** Above figures are exclusive of GST, wherever applicable.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 58. Employee Benefits

As required by Ind AS 19 "Employees Benefits" the disclosure are as under:

#### Defined Contribution Plans

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

During the year, the following amounts are contributed and recognised the following amounts as expenses in the statement of profit and loss:

	(₹ in Lakhs)	
Particulars	31 March 2020	31 March 2019
Provident Fund, Employee's Pension Scheme and MLWF	289.97	332.12
Employees State Insurance	39.62	65.42
Super Annuation Fund	4.90	4.36
<b>TOTAL</b>	<b>334.49</b>	<b>401.90</b>

#### Defined Benefit Plans

**Gratuity:** Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement or resignation with a payment ceiling of ₹ 20 lakhs. The Holding Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

i) **On normal retirement / early retirement / withdrawal / resignation:**

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

ii) **On the death in service:**

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports are as under:

(₹ in Lakhs)

	Particulars	31 March 2020	31 March 2019
<b>(i)</b>	<b>Changes in Defined Benefit Obligation</b>		
	Opening defined benefit obligation	727.93	684.91
	Current service cost	85.23	113.23
	Interest cost	52.90	49.78
	Actuarial loss / (gain)	-	-
	-changes in financial assumptions	101.91	-
	-changes in demographic assumptions	(0.22)	-
	-experience adjustments	(26.89)	(51.37)
	Past service Cost*	-	6.57
	Benefit (paid)	(99.94)	(75.19)
	<b>Closing defined benefit obligation</b>	<b>840.92</b>	<b>727.93</b>
<b>(ii)</b>	<b>Changes in Value of Plan Assets</b>		
	Opening value of plan assets	24.87	24.08
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Interest Income	3.31	4.36
	Return on plan assets excluding amounts included in Interest Income	7.95	(6.99)
	Contributions by employer	2.42	3.42
	Benefits (paid)	Nil	Nil
	<b>Closing value of plan assets</b>	<b>38.55</b>	<b>24.87</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

<b>(iii)</b>	<b>Amount recognised in the Balance Sheet</b>		
	Present value of funded obligations as at year end	840.92	727.94
	Fair value of the plan assets as at year end	(38.55)	(24.87)
	<b>Net (asset) / liability recognised as at the year end</b>	<b>802.37</b>	<b>703.07</b>
<b>(iv)</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>		
	Current service cost	85.23	113.23
	Past service cost *	-	6.57
	Net Interest cost	49.59	45.42
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	<b>Expenses recognised in the Statement of Other Comprehensive Income</b>		
	Net actuarial loss/(gain) recognized in the current year	66.84	(44.38)
	-changes in financial assumptions	101.91	-
	-changes in demographic assumptions	(0.22)	
	-experience adjustments	(26.89)	(51.37)
	Return on plan assets excluding amounts included in Interest Income	(7.96)	6.99
<b>(v)</b>	<b>Asset information</b>		
	Policy of Insurance	100%	100%
<b>(vi)</b>	<b>Principal actuarial assumptions used</b>		
	Discount rate (p.a.)	6.05%	7.60%
	Salary growth rate (p.a.)	7.50%	7.50%
	Withdrawal rate (p.a)	5% at all ages	5% at all ages
	Rate on return on plan assets (p.a)	6.05%	7.60%
	Mortality rate	Based on Indian Assured Lives Mortality 2012-14 Table	Based on Indian Assured Lives Mortality 2006-08 Table

\*Past Service cost is on account of increase in liability due to enhancement of gratuity ceiling from ₹ 10 Lakhs to ₹ 20 Lakhs.

### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation.

Following is the amount of defined benefit obligation that would have been if there is a certain change in assumption as indicated below:

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	772.60	920.20	671.81	792.76
Salary growth rate (1% movement)	896.23	789.86	773.20	686.17
Withdrawal rate (10% movement)	839.86	841.83	730.23	725.45

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

The expected contribution for Defined Benefit Plan for the next financial year will be in line with current financial year. The Average outstanding terms of obligations (years) as at valuation date is 8.86 years.

### **Death Benefit:**

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

### **Leave Encashment:**

The Holding Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Holding Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using the "Projected Unit Credit Method".

Accordingly aggregate of ₹ 497.24 Lakhs (Pr. Yr. ₹ 497.31 Lakhs) being liability as at the year end for compensated absences as per actuarial valuation has been provided in the accounts.

The Actuary has outlined the following risks associated with the plan:

#### **A. Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

#### **Variability in mortality rates:**

If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

If actual mortality rates are higher than assumed mortality rate assumption than the leave benefit will be paid earlier than expected. The acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

#### **Variability in withdrawal rates:**

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the leave benefit will be paid earlier than expected. The impact of this will depend on the relative values of the assumed salary growth and discount rate.

**Variability in availment rates:** If actual availment rates are higher than assumed availment rate assumption then leave balances will be utilised earlier than expected. This will result in reduction in leave balances and Obligation.

#### **B. Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

#### **C. Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Holding Company there can be strain on the cashflows.

#### **D. Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

#### **E. Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

#### **59. Employees Stock Options Plan ('ESOP')**

The Holding Company has established an Employee Stock Options Plan 2016 ('WANBURY ESOP – 2016') which was approved by the shareholders vide their resolution dated 29 September 2016. The options issued under the above scheme



# WANBURY LIMITED

## 32<sup>nd</sup> Annual Report 2019-2020

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

vest in phased manner. Each option entitles an employee to subscribe to one equity share of the Holding Company at an exercise price of ₹ 10 per share.

The options will be vested over a period of five years subject to continuous employment with the Holding Company and the fulfillment of performance parameters.

Particulars of the options under 'WANBURY ESOP-2016' are as under:

Particulars	31 March 2020 (FV ₹ 10)	31 March 2019 (FV ₹ 10)
Options outstanding as at the beginning of the Year	1,00,000	3,00,000
Add: Options granted during the Year	50,000	Nil
Less: Options lapsed during the Year	Nil	2,00,000
Less: Options Exercised during the Year	25,000	Nil
Options outstanding as at the End of the year	1,25,000	1,00,000

The Compensation cost of stock options granted to employees is measured by the fair value method and is amortised over the vesting period. The fair value is determined using black scholes option pricing model.

**Details of the options granted under 'WANBURY ESOP-2016' are as under:**

Grant Date	30 May 2017
No. of Options	1,00,000
Exercise price	₹ 10
Weighted average fair value of options	₹ 39.89
Vesting Period	Graded vesting from 30 May 2018 to 30 May 2022
Exercise Period	2 Years from Vesting
Price of the underlying share in the market at the time of grant of option	₹ 47

**The key assumptions used for calculating fair value are as under:**

Expected life of the option	Between 2 to 6 years
Dividend yield	0%
Expected volatility	48.92%
Risk free rate of return	6.9%
Attrition rate	0%

#### 60. Disclosure for leases under Ind AS 116- "Leases":

The Group has taken various/few premises on lease. These are generally cancellable and ranges from 12 months to 60 months and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restriction imposed by lease agreements and there are no sub leases. There are no contingent rents.

#### Transition to Ind AS 116

The Group has adopted Ind AS 116 effective from 1 April 2019, using the modified retrospective method. The Group has applied the standard to its leases with cumulative impact recognised on 1 April 2019 being the date of initial application. Accordingly, previous period information has not been restated. The Group lease assets primarily consists of office premises which are generally cancellable and leasehold land. The Group did not have any material impact on the financial statements on application of the Ind AS 116.

On adoption of Ind AS 116, net block of Leasehold Land as on 31 March 2019 aggregating to ₹ 421.31 (refer note 9.6) has been recognized as Right-of-use assets with corresponding lease liability of ₹ Nil as on 1 April 2019.

Right-of-use assets will be depreciated on a straight-line basis over the shorter of the lease term and useful life of the asset.

For cancellable leases, the Group recognises the lease payments as an operating expense in the Statement of Profit and Loss on a straight line basis over the term of lease. During the year ended 31 March 2020, the Group has recognised lease rental of ₹ 262.05 Lakhs (Pr. Yr. ₹ 310.75 Lakhs) in the Statement of Profit and Loss as "Rent" under Note 39.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **61. Related Party Disclosure:**

#### **A. Relationship:**

##### **Category I: Entity having significant influence over the Holding Company:**

- Expert Chemicals (India) Pvt. Ltd.

##### **Category II: Subsidiary Companies:**

- Cantabria Pharma S. L. (Spain) (Under Liquidation)

##### **Category III: Key Management Personnel and their relatives:**

- Mr. K. Chandran-Vice Chairman
- Mr. Vinod Verma – Chief Financial Officer
- Mr. Jitendra J. Gandhi – Company Secretary
- Mr. N.K.Puri - Non-Executive Independent Director
- Mr. S.K.Bhattacharya - Non-Executive Independent Director
- Ms. Pallavi P. Shedge- Non - Executive Independent Women Director – w.e.f 14 February 2019
- Ms. Poonam Arya Bharti - Non-Executive Independent Women Director –upto 14 November 2018

##### **Category IV: Enterprise over which persons covered under Category III above are able to exercise significant control:**

- Wanbury Infotech Private Limited
- Bravo Healthcare Limited
- Wanbury Pharma Limited

#### **B. Transactions carried out with Related Parties:**

(₹ in Lakhs)

<b>Sr. No.</b>	<b>Transactions</b>	<b>Category</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>1)</b>	<b>Information Technology Services taken:</b>			
	Wanbury Infotech Private limited	IV	216.00	216.00
<b>2)</b>	<b>Key Management Compensation</b>			
a)	<b>Short Term Employee Benefits</b>			
	Mr. Vinod Verma	III	136.76	145.76
	Mr. Jitendra Gandhi	III	38.95	32.91
	<b>Share Based Payments</b>	<b>III</b>	<b>8.10</b>	<b>11.16</b>
	<b>Post-Employment Benefits</b>	<b>III</b>	<b>7.81</b>	<b>7.69</b>
b)	<b>Sitting fees to Non-Executive Directors</b>			
	Mr. N.K.Puri	III	7.10	4.60
	Mr. S.K.Bhattacharya	III	7.10	4.60
	Ms.Pallavi P. Shedge	III	7.10	1.00
	Ms. Poonam Arya Bharti	III	-	3.60
<b>3)</b>	<b>Advances Given Written off:</b>			
	Bravo Healthcare Ltd.	IV	1,517.93	Nil

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### C. Balances due from/to Related Parties:

(₹ in Lakhs)				
Sr. No.	Particulars	Category	31 March 2020	31 March 2019
1)	<b>Advances given:</b>			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo Healthcare Ltd.	IV	6,071.74	7,589.67
2)	<b>Provision for doubtful advances:</b>			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo Healthcare Ltd.	IV	6,071.74	7,589.67
3)	<b>Trade Payable – Others:</b>			
	Wanbury Infotech Pvt. Ltd.	IV	112.44	80.18
4)	<b>For Investments and impairment in value of investments: (Refer Note 10.6)</b>			
5)	<b>For corporate guarantee given by the Company:( Refer Note 431(a))</b>			
6)	<b>For guarantee issued on behalf of the company: (Refer Note 24.2 &amp; 26.1)</b>			

62. Net-worth of the Group as on 31 March 2020 is negative and its current liabilities are more than current assets. The Group has initiated various measures, including restructuring of debts/ business and infusion of funds etc. During the year, the Holding Company sold four brands and related inventory owned by the Holding Company and the sale proceeds have been utilized towards repayment of debt as part of debt resolution plan (Refer Note 51). Further, during the year ended 31 March 2020, the outbreak of Coronavirus (Covid-19) pandemic is causing significant disturbance and slowdown of economic activity globally and in India. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Group has taken all necessary measures to mitigate the impact of Covid-19 on the business of the Group. Consequently, in the opinion of the management, operations of the Group will continue without interruption and hence, financial statements are prepared on a “going concern” basis.

### 63. Capital Management

The primary objective of the Group’s capital management is to maximise shareholder value.

The capital structure of the Group is based on the management’s judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Group has initiated various measures, including restructuring of debts and infusion of funds etc.

During the year ended 31 March 2020, the Holding Company has allotted 12,50,000 equity shares of ₹ 10 each at a premium of ₹ 3.18, on preferential basis to M/s. Edelweiss Asset Reconstruction Company Limited (EARC) as a Trustee of EARC Trust SC 145, by converting debt into equity as part of Restructuring of Debt.

Further, during the year the Group sold four brands owned by the Company and the sale proceeds have been utilized towards repayment of debt as part of debt resolution plan (Refer Note 51)

For the purpose of the group’s capital management, the Group monitors Net Debts and Equity.

Equity includes all components of equity i.e. issued equity capital, share premium and all other equity reserves attributable to the equity holders.

Net Debt includes all liabilities i.e. interest bearing loans and borrowings, trade payables, provisions and other liabilities less cash and cash equivalents.

Details of the Equity and Net Debts are as under:

(₹ in Lakhs)		
Particulars	31 March 2020	31 March 2019
Equity Share Capital	2,499.51	2,372.01
Other Equity	(16,844.82)	(23,299.58)
<b>Total Equity</b>	<b>(14,345.31)</b>	<b>(20,927.57)</b>
Debt (including all other liabilities)	42,214.56	49,532.20
Less: Cash and Cash Equivalents	266.10	274.00
<b>Net Debt (including all other liabilities)</b>	<b>41,948.46</b>	<b>49,258.20</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 64. Financial Instrument – Fair values and risk management A. Category of Financial Instruments

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Investment in equity instruments	0.68	-	1.98	-
Security deposits given	-	268.64	-	295.03
Trade Receivables	-	5,079.20		4,440.87
Cash and cash equivalents	-	266.10		274.00
Bank balances other than Cash and cash equivalents	-	1,403.48		250.78
Other financial assets		61.70		64.21
<b>Total Financial Assets</b>	<b>0.68</b>	<b>7,079.12</b>	<b>1.98</b>	<b>5,324.89</b>
<b>Financial Liabilities</b>				
Borrowings	-	18,164.95	-	26,101.72
Interest accrued on borrowings	-	1,173.12	-	881.02
Trade payables	-	12,186.80	-	11,223.63
Capital creditors	-	59.32	-	121.50
Security deposits received	-	401.00	-	444.50
Other financial liabilities	-	7,690.59	-	7,844.07
<b>Total Financial Liabilities</b>	<b>-</b>	<b>39,675.78</b>	<b>-</b>	<b>46,616.44</b>

### B. Fair Value Measurements

#### Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level is as follows -

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in active markets or identical assets and liabilities.

**Level 2:** The fair value of financial instruments that are not traded in an active market (like forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

#### Valuation techniques used to determine fair value

- The fair value of the quoted investment is determined using traded quoted bid prices in an active market. The fair value of unquoted investments is determined using inputs other than quoted prices included in level 1 that are observable for assets and liabilities.
- Fair value of forward contracts is determined using quoted forward exchange rates at the reporting date. Quotes are being taken from banks/ financial institutions.

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Financial Assets and Liabilities measured at fair value	31 March 2020			31 March 2019		
	Level			Level		
	1	2	3	1	2	3
<b>Financial Assets</b>						
<b>Recurring fair value measurements</b>						
Investment in equity instruments	0.58	-	0.10	1.88	-	0.10
Mark To Market -Derivative asset	-	-	-	-	-	-
<b>Total financial assets</b>	<b>0.58</b>	<b>-</b>	<b>0.10</b>	<b>1.88</b>	<b>-</b>	<b>0.10</b>
<b>Financial Liabilities</b>						
<b>Recurring fair value measurements</b>						
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### C. Financial Risk Management

Company has exposure to following risks arising from financial instruments:

- ▶ Credit Risk
  - ▶ Trade Receivables
  - ▶ Other Financial Instruments
- ▶ Liquidity Risk
- ▶ Market Risk
  - ▶ Currency Risk
  - ▶ Interest Rate Risk
  - ▶ Price Risk

#### i. Risk Management Framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies, under the guidance of Audit Committee.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

#### ii. Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### (a) Trade Receivables

Customer credit risk is managed by the Group subject to established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from wholesalers, non-interest bearing and are generally on 7 days to 150 days credit term. Credit limits are established for all customers based on internal rating criteria and any deviation in credit limit require approval of Directors. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

A impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. Trade receivables do not contain any significant financing component and hence, the Group recognises life time expected credit loss based on simplified approach.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### Expected Credit Loss on trade receivable under simplified approach

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	1,705.04	1,922.43
Additional provision charged to statement of Profit and Loss during the year	66.23	70.55
Utilised during the year	(1,079.13)	(287.94)
Balance as at the end of the year	<b>692.14</b>	<b>1,705.04</b>

### (b) Other Financial Instruments

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks or financial institutions with high credit rating assigned by credit rating agencies. For other financial assets, the Group assesses and manages the credit risk internally. The Group considers the probability of default upon initial recognition and assess whether there has been a significant increase in credit risk subsequently based in the historical losses and forward looking supportable information. If there is a significant increase in credit risk of a financial asset since its initial recognition the Group recognises life time expected credit losses otherwise 12 months expected credit losses is recognised.

### Expected Credit Loss on financial assets other than trade receivables and corporate guarantee contracts (based on general approach)

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	8,304.60	8,304.60
Additional provision charged to statement of Profit and Loss during the year	29.22	244.64
Utilised during the year	(1,891.65)	(244.64)
Balance as at the end of the year	<b>6,442.17</b>	<b>8,304.60</b>

### iii. Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain optimum level of liquidity at all times, to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt etc. at an optimised cost. Working capital requirements are adequately addressed by internally generated and borrowed funds.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in Lakhs)

Particulars	As at 31 March 2020				
	Carrying Amount	Cash Outflow			
		Within 1 Year	1 to 5 Years	More than 5 Year	Total
Borrowings and Interest thereon	19,277.47	11,404.69	13,535.98	-	24,940.67
Trade payables and Capital creditors	12,246.11	12,246.11	-	-	12,246.11
Other Financial liabilities	8,152.14	8,152.14	-	-	8,152.14
<b>Total</b>	<b>39,675.72</b>	<b>31,802.94</b>	<b>13,535.98</b>	<b>-</b>	<b>45,338.92</b>

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	As at 31 March 2019				
	Carrying Amount	Cash Outflow			Total
		Within 1 Year	1 to 5 Years	More than 5 Year	
Borrowings and Interest thereon	26,982.74	14,790.43	17,715.08	-	32,505.51
Trade payables and other Payables	11,345.13	11,345.13	-	-	11,345.13
Other Financial liabilities	8,288.57	8,288.57	-	-	8,288.57
<b>Total</b>	<b>46,616.44</b>	<b>34,424.13</b>	<b>17,715.08</b>	<b>-</b>	<b>52,139.21</b>

### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Holding Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

The analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non financial assets and liabilities.

### (a) Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group.

The currencies in which these transactions are primarily denominated are US dollars (US \$), Pound (GBP) and Euro.

As the share of exports to total sales made by Holding Company is considerable, same is partly hedge through natural hedging via raw material imports. Further management exercise close monitoring of currency fluctuations.

During the year, the Group has not entered into any forward exchange contract, being derivative instrument to mitigate foreign currency risk.

There are no forward contract outstanding at the end of the year.

#### Foreign Currency Risk Exposures:

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

Particulars	Currency	Foreign Currency Amount in Lakhs		₹ in Lakhs	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Amount Receivable	EURO	10.57	7.81	877.61	607.14
	US \$	24.65	42.14	1,857.91	2,914.86
	CNY	0.06	0.04	0.63	0.38
Amount Payable*	EURO	8.11	8.18	673.43	635.95
	US \$	20.67	25.37	1,557.85	1,755.21
	GBP	-	0.00#	-	0.08
	CNY	-	0.01	-	0.14

# GBP – 84.49

#### Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

The following table details the Group's sensitivity to 1% increase and decrease in the exchange rate between the Indian Rupee and respective currencies. A positive number below indicates an increase in profit/ decrease in losses and negative number indicates decrease in profit/ increase in losses:



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	1% strengthening in INR		1% weakening in INR	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
EURO	(2.04)	0.29	2.04	(0.29)
US \$	(3.00)	(11.61)	3.00	11.61
CNY	(0.01)	-	0.01	-

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of borrowings of the Group are at fixed interest rate and are carried at amortised cost. They are therefore not subject to interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because off a change in market interest rates.

**(c) Price risk**

The Group is exposed to equity price risks arising from equity investments. However, there is no material impact of the sensitivity.

**65. Revenue (Ind As 115)**

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured/traded goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. The credit period provided by the Group is not significant, hence there is no significant financing component.

**Disaggregation of Revenue**

(₹ In Lakhs)

Particulars	31 March 2020	31 March 2019
<b>Primary geographical market:</b>		
- India	18,065.31	21,935.38
- Outside India	18,194.14	16,755.57
Total revenue from contracts with customers	<b>36,259.45</b>	<b>38,690.95</b>
<b>Timing of the revenue recognition:</b>		
- Goods transferred at a point in time	36,259.45	38,690.95
- Services transferred over time	-	-
Total revenue from contracts with customers	<b>36,259.45</b>	<b>38,690.95</b>

Variable components such as discounts and rebates continue to be recognised as deduction from revenue in compliance with Ind AS 115.

(₹ In Lakhs)

Revenue Break – up	31 March 2020	31 March 2019
Revenue as per contracted price	36,594.63	41,140.11
Adjusted for:		
- Sales returns	(288.99)	(553.13)
- Discounts / Rebates/Incentives	(53.02)	(1,895.79)
- Others	6.83	(0.24)
<b>Net Revenue</b>	<b>36,259.45</b>	<b>38,690.95</b>

There are no material operations in subsidiary companies.

# WANBURY LIMITED

32<sup>nd</sup> Annual Report 2019-2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

66. The Holding Company is facing some challenges on raw material availability mainly due to working capital constraints. The current supplier arrangement and fund availability ensures material availability sufficient to cater only to the plants at Tanuku and Patalganga which being USFDA & EUGMP approved facilities, fetch better realisation of API produced. Hence, the Holding Company has shut the operations at Tarapur plant. However, the Holding Company has retained key manpower resources and is maintaining facilities to keep it ready for restart once material availability is re-established.

### 67. Impact of COVID – 19 (Global Pandemic)

The extent of the impact of COVID 19 outbreak on operations of the Group will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, Government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and can't be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Group's operations may be affected. However, the Group does not expect that the outbreak will have material adverse effect on operations or financials results at this time.

68. Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As at 31 March 2020:

Particulars	Net assets, i.e. total assets minus total liabilities		Share of profit		Share of other Comprehensive income		Share of total Comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs
<b>Parent</b>								
Wanbury Limited	82.14	(11,783.15)	100.00	6,446.22	116.94	(45.99)	99.90	6,400.23
<b>Foreign Subsidiary</b>								
Wanbury Holdings B.V	17.88	(2,564.69)	-	-	-	-	-	-
Ningxia Wanbury Fine Chemicals Company Limited	-	(0.10)	-	-	-	-	-	-
Wanbury Global FZE	(0.02)	2.64	(0.00)	(0.04)	-	-	(0.00)	(0.04)
Exchange differences on translation of foreign operations	-	-	-	-	(16.94)	6.66	0.10	6.66
<b>Total</b>	<b>100.00</b>	<b>(14,345.31)</b>	<b>100.00</b>	<b>6,446.18</b>	<b>100.00</b>	<b>(39.33)</b>	<b>100.00</b>	<b>6,406.85</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

As at 31 March 2019:

Particulars	Net assets, i.e. total assets minus total liabilities		Share of profit		Share of other Comprehensive income		Share of total Comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs
<b>Parent</b>								
Wanbury Limited	87.73	(18,358.72)	100.01	(2,484.93)	108.42	30.53	99.91	(2,454.39)
<b>Foreign Subsidiary</b>								
Wanbury Holdings B.V	12.28	(2,570.85)	-	-	-	-	-	-
Ningxia Wanbury Fine Chemicals Company Limited	0.00	(0.10)	-	-	-	-	-	-
Wanbury Global FZE	(0.01)	2.10	(0.01)	0.15	-	-	(0.01)	0.15
Exchange differences on translation of foreign operations					(8.42)	(2.37)	0.10	(2.37)
<b>Total</b>	<b>100.00</b>	<b>(20,927.57)</b>	<b>100.00</b>	<b>(2,484.78)</b>	<b>100.00</b>	<b>28.16</b>	<b>100.00</b>	<b>(2,456.61)</b>

The above figures are after eliminating intra group transactions and intra group balances.

69. Previous Year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification.

**For and on behalf of the Board**

**K.Chandran**  
Vice Chairman  
(DIN: 00005868)

**Pallavi P. Shedge**  
Director  
(DIN: 08356412)

Navi Mumbai, 22 July 2020

**Jitendra J. Gandhi**  
Company Secretary

**Vinod Verma**  
Chief Financial Officer







[www.wanbury.com](http://www.wanbury.com)

Registered office and Head Office:

B-Wing, 10th Floor, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400 703. Maharashtra, India