

Wanbury Limited

Regd. Office : BSEL Tech Park, B-wing
10th Floor, Sector-30 A,
Opp. Vashi Railway Station,
Vashi Navi Mumbai 400 703
Maharashtra, INDIA
Tel. : +91-22-6794 2222
+91-22-7196 3222
Fax : +91-22-6794 2111/333
CIN L51900MH1988PLC048455
Email : info@wanbury.com
Website : www.wanbury.com



9th September, 2019

To, The Manager, Department of Corporate Services - Listing, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. Scrip Code: 524212	To, The Manager, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block -G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Symbol: WANBURY
--	--

Dear Sir,

Sub.: Submission of Annual Report for the Financial Year 2018 - 2019.

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the soft version of Annual Report of the Company for the Financial Year 2018-2019 alongwith the notice of 31st Annual General Meeting of the Company scheduled to be held on Monday, 30th September, 2019 at 11:30 A.M. at Ebony Hall, Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703 to transact the business as set out in the Notice.

We are also enclosing the certificate dated 5th September, 2019 towards dispatch of Annual Report for the FY 2018-19 to the Shareholders of the Company for your ready reference..

Kindly take the above on your records and acknowledge the receipt.

Thanking you,

Yours faithfully,
For Wanbury Limited


Jitendra J. Gandhi
Company Secretary



Encl.: as above.



SHREE KRISHNA

ENTERPRISES

Division of Bulk Mailing & Courier Services

Gala No.1 Ground Floor, Hasti Industrial Premises, Opp : L & T Automation Campus,
MIDC, TTC, Nr. Sarovar Hotel, Mahape, Navi Mumbai - 400 710.
Mob : 086555 27667 • Email : shreekrishnaenterprises14@gmail.com

Date :

5th September, 2019

To
M/s. Wanbury Ltd
BSEL Tech Park, B-Wing,
10th Floor, Sector 30 - A,
Opp. Vashi Railway Station,
Vashi, Navi Mumbai - 400 703.

Kind Attn.: Mr. Jitendra J. Gandhi, Company Secretary

Dear Sir,

Sub.: Dispatch of Annual Reports for the Financial Year 2018-19

We hereby certified that we have completed the dispatch of 9,578 Annual Reports of your Company all over India on Thursday, 5th September, 2019 through Courier.

This is for your information and records.

Thanking You,

Yours faithfully,
For, Shree Krishna Enterprises


Chandrakant Jaurkar
Authorised Signatory





Towards Better Healthcare



2018

2019

**ANNUAL
REPORT** |

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 Shedje (w.e.f. 14 th February, 2019)	-	Non-Executive Independent Director
Ms. Poonam Arya Bharti (upto 14 th November, 2018)	-	Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Vinod Verma

COMPANY SECRETARY

Mr. Jitendra J. Gandhi

REGISTERED & HEAD OFFICE

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

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

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

CONTENTS.....	Page No.
Notice	02
Director's Report	10
Management Discussion and analyses Report	33
Corporate Governance Report	35
Auditors' Certificate on Corporate Governance Compliances...53	
STAND ALONE FINANCIAL STATEMENT	
Auditors' Report	54
Balance sheet	64
Statement of Profit & Loss	65
Cash Flow Statement	66
Notes to Financial Statement	69
CONSOLIDATED FINANCIAL STATEMENT	
Auditors' Report on Consolidated Accounts.....	113
Consolidated Balance sheet.....	120
Consolidated Statement of Profit & Loss.....	121
Consolidated Cash Flow Statement.....	122
Notes to Consolidated Financial Statement.....	125

WANBURY LIMITED

31st Annual Report 2018-2019

NOTICE

Notice is hereby given that the **Thirty First (31st)** Annual General Meeting of the Members of Wanbury Limited will be held on **Monday, 30th day of September, 2019** at 11:30 A.M. at Ebony Hall, Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703 to transact the following business, with or without modifications.

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2019 along with the Reports of Directors and Auditors thereon; and
 - b. the Consolidated Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 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 31st Annual General Meeting until the conclusion of the 32nd Annual General Meeting, to audit the accounts of the Company for the Financial Year 2019-20 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 2019-20.

“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 2019-20, amounting to ₹1,75,000/- (Rupees One Lakh Seventy Five Thousand only) plus re-imburement 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 a **SPECIAL RESOLUTION:**
To approve the re-appointment of Mr. K. Chandran for a period of 3 years as Whole-time Director of the Company.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V as amended upto date, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 {including any statutory modification(s) or re-enactment thereof, for the time being in force}, and, as per recommendation of the Nomination & Remuneration Committee, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. K. Chandran (DIN: 00005868) as Wholetime Director of the Company for a period of three years with effect from 1st September, 2019 on such terms and conditions without any remuneration, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit and as may be acceptable to Mr. K. Chandran, Wholetime Director of the Company as per Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof as under:

A. Period:

Three years w.e.f. 1st September, 2019 with liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration: NIL

C. Perquisites:

- i) Reimbursement of Expenses on actual, pertaining to gas, fuel, electricity and telephone.

- ii) Personal Accident Insurance coverage for self as per the rules of the Company.
- iii) Company's contribution towards Provident Fund and superannuation fund or annuity fund on basic salary as per the rules applicable to Senior Executives of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iv) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the rules applicable to Senior Executives of the Company.
- v) Leave and encashment of leave at the end of the tenure as per the rules applicable to Senior Executives of the Company.
- vi) A car for use of Company's business.
- vii) Spouse accompanying on any official domestic and overseas trip will be governed as per the policy of the Company as applicable to Wholetime Director/Senior Executives of the Company.
- viii) Fees of one corporate club in India (including Admission and Membership fees).
- ix) Any other policies/benefits that are introduced by the Group from time to time as applicable at his level.

FURTHER RESOLVED THAT the aggregate of the Salary, allowances and perquisites in any financial year shall be subject to the limits prescribed from time to time under Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, if any, and Rules made thereunder read with Schedule V to the Act as may be from time to time be in force or otherwise as may be permissible under the law.

FURTHER RESOLVED THAT in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid remuneration will be minimum remuneration subject to the approval of Lenders wherever required.

FURTHER RESOLVED THAT subject as aforesaid, Mr. K. Chandran shall be governed by such other rules as may be applicable to the Senior Executives of the Company from time to time.

FURTHER RESOLVED THAT the period of office shall be liable to determination by retirement of directors by rotation.

FURTHER RESOLVED THAT the Board of Directors ("Board")/Nomination and Remuneration Committee of Directors ("NRC") of the Company be and are hereby authorized to alter and vary the terms and conditions of the said appointment including authority from time to time to determine the amount of remuneration, performance linked incentive and commission as also the type and amount of perquisites, other benefits and allowances payable to Mr. K Chandran, WTD of the Company subject to the limits prescribed under Section 197 and Schedule V to the Act (including any amendment, modification, variation or re-enactment thereof) and to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required in regard to the said appointment as it may in its sole and absolute discretion deem fit, to give effect to this resolution."

Registered Office:

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

By Order of the Board of Directors
For Wanbury Limited

Jitendra J. Gandhi
Company Secretary

Mumbai, 14th August, 2019

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE ON POLL; INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of Corporate Members must be supported by an appropriate Board Resolution /authority as applicable authorizing their representative to attend and vote on their behalf at the meeting.
3. The 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 reappointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.
4. The Register of Members and Share Transfer Books of the Company will remain closed from, **Tuesday, 24th September, 2019 to Monday, 30th September, 2019** (both days inclusive) for the purpose of Annual General Meeting.
5. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
6. 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** in respect of the Shares held in Physical Form and (ii) to their Depository Participants (DPs) in respect of Shares held in Dematerialized Form.
7. 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.
8. Shareholders desiring any information as regards to the Accounts of the Company are requested to write to the Company at least seven days in advance of the Annual General Meeting; so that the information to the extent practicable can be made available at the Annual General Meeting.
9. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the meeting hall.
10. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the 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. 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.
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.
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. Members holding shares in physical mode:
 - a. 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.
 - b. 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.

- c. 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.
15. 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.
16. 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.
17. The Board of Directors of the Company has appointed Ms. Kala Agarwal, Practicing Company Secretary as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
18. Process and manner for Members opting for remote e - Voting is as under:
- The remote voting period begins on **Friday, 27th September, 2019 at 09:00 A.M. and ends on Sunday, 29th September, 2019 at 05:00 P.M.** During this period Shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date** i.e. **Monday, 23rd September, 2019 (Record Date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - The Shareholders should log on to the e-voting website www.evotingindia.com
 - Click on Shareholders.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Registered Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in dematerialised form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:

For Members holding shares in Dematerialised Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both dematerialised shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	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"> If both the details are not recorded with the depository or Company please enter the Member ID/Regd. Folio Number in the Dividend Bank details field as mentioned in instruction (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the **EVS** for **Wanbury Limited**.
- 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

31st Annual Report 2018-2019

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) 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.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) 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 and enter the details as prompted by the system.
 - (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xix) **Note for Non – Individual Shareholders and Custodians:**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
19. The persons who have acquired shares and become members of the Company after dispatch of the notice of Annual General Meeting, may obtain User ID and Password for Remote e-voting by sending request to the Company / Sharex Dynamics (India) Pvt. Ltd. either by way of a letter or by sending email to shares@wanbury.com / support@sharexindia.com.
 20. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the Annual General Meeting and the Members attending the Annual General Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.
 21. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
 22. A Member’s voting rights shall be in proportion to her share of the paid-up equity share capital of the Company as on **Monday 23rd September, 2019 (‘cut-off date’)**. A person whose name is recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the depositories as on the **‘cut-off date only’** shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting.
 23. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting.
 24. Members are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically with respective Depository Participant (if holding shares in electronic form) or the Company / Sharex Dynamic (India) Pvt. Ltd. (if holding shares in physical form). The requests to the Company / Sharex Dynamic (India) Pvt. Ltd. can either be sent by way of a letter or by sending e-mail to shares@wanbury.com / sharexindia@vsnl.com
 25. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (from 10:00 A.M. to 05:00 P.M.) on all business working days except Sundays, upto and including the date of the Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

ITEM NO 4: RATIFICATION OF THE REMUNERATION PAYABLE TO M/s. MANISH SHUKLA & ASSOCIATES, COST AUDITOR, MUMBAI, FOR CONDUCTING COST AUDIT FOR THE FINANCIAL YEAR 2019-20.

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 Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2020.

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:

RE-APPOINTMENT OF MR. K. CHANDRAN FOR A PERIOD OF 3 YEARS AS WHOLETEIME DIRECTOR OF THE COMPANY.

The Members of the Company had approved the appointment of Mr. K. Chandran as Wholetime Director of the Company for a period of three years at their 28th Annual General Meeting held on 28th September, 2016. The term of appointment of Mr. K. Chandran as Whole-time Director is expires on 31st August, 2019.

Mr. K. Chandran has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company. Keeping this in view, the Board of Directors at its meeting held on 14th August 2019, and on the recommendation of Nomination & Remuneration Committee had approved the re-appointment of Mr. K. Chandran as Whole-time Director of the Company w.e.f. 1st September, 2019 for a period of Three (3) years on such terms and conditions subject to the approval of Shareholders in General Meeting and Lenders. Mr. K. Chandran fulfills the eligibility criteria set out under part I of Schedule V to the Companies Act, 2013.

The information as required under Schedule V to the Companies Act, 2013 are as under:

I. GENERAL INFORMATION:

- (1) Nature of Industry – **Pharmaceutical Industry.**
- (2) Date of commencement of commercial production – **The Company commenced its pharmaceutical business from 1988 onwards.**
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – **Not Applicable.**
- (4) **FINANCIAL PARAMETERS: .** **(Amount ₹. in Lakhs)**

Financial Parameters	2018-19	2017-18	2016-17	2015-16	2014-15*
Total Income	40,070.04	45,031.08	43,662.82	42,466.78	25,640.73
Total Expenditure	42,568.63	48,267.57	44,897.74	43,170.25	25,192.47
Profit / (Loss) Before Tax	(2,498.59)	(3,236.49)	(460.32)	(703.47)	448.25
Profit / (Loss) After Tax	(2,484.93)	(3,198.73)	(505.02)	(703.47)	320.78
Rate of Dividend recommended/ declared	0%	0%	0%	0%	0%

* Financial Year 2014-15 was of 6 months period starting from 1st October, 2014 to 31st March, 2015.

Figures for the FY 2017-18 & 2018-19 are as per IND AS and prior to that as per IGAAP.

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

(Amount ₹. in Lakhs)

Year	Foreign Exchange Earnings (Income)	Foreign Exchange Outgo (Expenditure)
2018 - 2019	17,217.73	6,088.40
2017 - 2018	12,796.79	3,244.99
2016 - 2017	19,494.72	4967.96
2015 -2016	17,217.73	6,088.40
2014 -2015*	12,796.79	3,244.99

WANBURY LIMITED

31st Annual Report 2018-2019

* Financial Year 2014-15 was of 6 months period starting from 1st October, 2014 to 31st March, 2015.

Figures for the FY 2017-18 & 2018-19 are as per IND AS and prior to that as per IGAAP.

(6) **Foreign investments or collaborators, if any:**

The Company has four foreign subsidiaries namely Wanbury Holdings B.V., Wanbury Global FZE, Cantabria Pharma S. L. and Ningxia Wanbury Fine Chemicals Company Limited. Kindly refer to the Note No. 60 in the notes to accounts for the investment made by the Company in the subsidiaries, which forms part of Annual Report.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background details:** Mr. K. Chandran aged about 61 years, is a Science Graduate and has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company.
- (2) **Past Remuneration:** Remuneration of Rs. Nil was paid to Mr. K. Chandran for the year 2018-2019.
- (3) **Job profile and his suitability:** Mr. K. Chandran is in-charge of the overall administration of the Company and its Subsidiary Companies, subject to the superintendence, direction and control of the Board of Directors of the Company.
- (4) **Remuneration proposed:** Nil.
- (5) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – N.A.**
- (6) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Mr. K. Chandran does not have any pecuniary relationship with the Company or relationship with any managerial personnel.

III. OTHER INFORMATION:

(1) **Reason of loss or inadequate profits:**

The Company has made a Loss of (₹ 2,484.93) Lakhs for the financial year 2018-19.

(2) **Steps taken or proposed to be taken for improvement:**

The Company has taken a number of initiatives to improve the yield and other cost reduction by improving the manufacturing process. All vacancies have been filled across the country with the best talent. The Company has also engaged some of the best talent in the industry at senior management leadership levels. The new product pipeline is robust and the launch of these products should help to achieve a significant growth in revenues and profitability.

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

Over the next three years the Company is targeting an overall compounded annual growth rate of 11%, which as aforesaid would be laid by growth in existing products, new product introductions, foray in new divisions and markets, increased geographical spread of the Company and expansion of its manufacturing and research capacities.

Except Mr. K. Chandra and his relatives, none of the other Directors or Key Managerial Personnel or their relative(s) are in any way concerned or interested, financially or otherwise, in passing of this Resolution.

The Board recommends passing of the Special Resolution as set out in Item No. 5 of the accompanying notice for the approval of the Shareholders.

Registered Office:

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

By Order of the Board of Directors
For Wanbury Limited

Jitendra J. Gandhi
Company Secretary

Mumbai, 14th August, 2019

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 & 5

Name of the Director	Mr. K. Chandran
Date of Birth	1st January, 1958
DIN	00005868
Qualification	Graduate
Expertise in Specific Area	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.
Date of First Appointment on the Board of the Company	23rd January, 2001
No. of Shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel	N.A.
No. of Board meetings attended during FY 2018-19	5
Name of the other public limited companies in which Directorship held:	Nil
Membership of committees (M- Member) (C- Chairman)	Nil
Terms and conditions of appointment	Whole-time director, liable to retire by rotation.

WANBURY LIMITED

31st Annual Report 2018-2019

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting herewith the 31st Annual Report of the business and operations alongwith Audited Financial Statements of the Company for the Financial Year ended 31stMarch, 2019.

FINANCIAL HIGHLIGHTS (STANDALONE):

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

(₹. in Lakhs)

PARTICULARS	2018-19	2017-18
Total Revenue from operations	39,137.41	37,417.23
Other Income	932.63	7,613.85
Total Income	40,070.04	45,031.08
Total Expenses	42,568.63	48,267.57
Profit /(Loss) Before Tax	(2,498.59)	(3,236.49)
Less: Tax	(13.66)	(37.76)
Net Profit / (Loss) after tax	(2,484.93)	(3,198.73)

CONSOLIDATED ACCOUNTS:

The Consolidated Financial Statements of your Company for the Financial Year 2018–19 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 Director.

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 ₹ **40,070.04** Lakhs as against ₹ 45,031.08 Lakhs in the previous year. The Total Expenses incurred in the current Financial Year was ₹ **42,568.63** Lakhs as against ₹ 48,267.57 Lakhs in the previous year. Exceptional items during the year under review were Nil as against Nil in the previous year.

The Loss after tax for the Financial Year under review was (₹**2,484.93** Lakhs) as against a loss of (₹ 3,198.73 Lakhs) in the previous Financial Year

SHARE CAPITAL:

The paid up capital of the Company is ₹ 23,72,01,170/- . The Company has not issued any shares during the financial year 2018-19 and therefore the Share Capital remained same during the said 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 in the negative, the Board of Directors of the Company has not recommended any dividend for the Financial Year 2018-2019.

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 31st March, 2019 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 Shedge #	Non-Executive Independent Woman Director (w.e.f.14 th February, 2019)
5.	Ms. Poonam Arya Bharti \$ (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	Non-Executive Independent Woman Director (upto 14th November, 2018)

\$ Ms. Poonam Arya Bharti had resigned as Non-executive Independent Woman Director on 29th May, 2018 and again appointed as Non-executive Independent Woman Director on 10th August, 2018. However, she has again resigned as Non-executive Independent Woman Director on 14th November, 2018.

The Board has appointed Ms. Pallavi Shedge (DIN - 08356412), as an Additional Director in the capacity of Non-Executive Independent Woman Director of the Company at its meeting held on 14th February, 2019 subject to approval of the Shareholders. However, subsequently, she was appointed as Director by the Members of the Company by postal ballot held on 22nd March, 2019.

The Board has also re-appointed Mr. N. K. Puri and Mr. S. K. Bhattacharyya whose terms expired on 31st March, 2019 for a further period of five (5) years subject to approval of Shareholders. However, they also re-appointed as Directors by the Members of the Company at postal ballot held on 22nd March, 2019.

Mr. N. K. Puri, Mr. S. K. Bhattacharyya and Ms. Pallavi 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, Wholetime Director, who has been longest in the office, retire 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 appointment /re-appointment of Directors.

Mr. Prashant Menon, Formulation-Director (Sales and Marketing) resigned on. 11th October, 2018.

Dr. Shireesh Ambhaikar, President-Operations, API Business resigned on 16th July, 2018. However, he has again rejoined on 3rd 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:

Five (5) Board Meetings were held during the Financial Year 2018-19. These meetings were held on 10th August, 2018, 10th August, 2018, 27th September 2018, 14th November 2018 and 14th February, 2019.

DECLARATION BY INDEPENDENT DIRECTORS:

Independent Directors have given 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.

WANBURY LIMITED

31st Annual Report 2018-2019

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at www.wanbury.com.

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.

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 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 on 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.

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 27th September, 2018, 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 31st (this) Annual General Meeting till the conclusion of 32nd Annual General Meeting was recommended by the Audit Committee and the Board of Directors respectively in their meeting held on 14th August, 2019 subject to the approval of the Members in the ensuing Annual General Meeting to be held on Monday, 30th September, 2019. 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. D. C. Dave & Co., Cost Accountant, Mumbai as the Cost Auditor for the Financial Year 2018-19. M/s. D. C. Dave & Co., 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 31st March, 2018 which was due for filing on 30th September, 2018 was filed with the Central Government (Ministry of Corporate Affairs) on 21st September, 2018.

The Board of Directors at its meeting held on 14th August, 2019 has appointed M/s. Manish Shukla & Associates,, Cost Accountant, Mumbai as Cost Auditor of the Company for the Financial Year 2019-20. As required by Section 148 of the Act, necessary resolution has been included in the Notice convening the 31st 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 2019-20.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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 31st March, 2019 (i.e. from 1st April, 2018 to 31st March, 2019). 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 conducting the Audit Committee & Board Meeting for the last quarter of the financial year ended 31.03.2018 as per the for the Regulation SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and consequently the Company has paid the Penalty of ₹ 6,98,800/- to the BSE Limited & ₹ 6,98,800/- to NSE Ltd.*

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 ₹ 6,98,800/- each to the BSE Limited & NSE Ltd. on 13th August, 2018 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 31st March, 2018 for the Financial Year 2017-18 as per SEBI Circular No. CIR/CFD/CMD/12/2015 dated 30th November, 2015.*

CORPORATE SOCIAL RESPONSIBILITY POLICY:

Provisions of Section 135 of the Companies Act 2013 related with 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year under review, four Meetings of the Audit Committee were held on 10th August, 2018, 10th August, 2018, 14th November 2018 & 14th February 2019 along with the Board Meetings.

WANBURY LIMITED

31st Annual Report 2018-2019

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 Shedge	Member (w.e.f.14.02.19)	I & NED
4	Ms. Poonam Arya Bharti	Member (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	I & NED
5	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 Shedge	Member (w.e.f.14.02.19)	I & NED
4	Ms. Poonam Arya Bharti	Member (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	I & NED
5	Mr. K. Chandran	Member	P & WTD

Nomination and Remuneration Policy is available on the website of the Company at 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 Shedge	Member (w.e.f.14.02.19)	I & NED
4	Ms. Poonam Arya Bharti	Member (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	I & NED
5	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 Shedge	Member (w.e.f.14.02.19)	I & NED
4	Ms. Poonam Arya Bharti	Member (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	I & NED
5	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 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.

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 29th 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 3,00,000 options to employees. During the Year ended 31st March, 2019, 2,00,000 options were lapsed. 1,00,000 options are outstanding as on 31st March, 2019.

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.

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

As required by 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.

WANBURY LIMITED

31st Annual Report 2018-2019

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 31st March, 2019 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 31st March, 2019 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;
- 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,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

ANNEXURE- I

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I. REGISTRATION DETAILS :

1.	CIN	L51900MH1988PLC048455
2.	Registration Date	11.08.1988
3.	Name of the Company	Wanbury Limited
4.	Category / Sub-Category of the Company	Public Limited Company
5.	Address of the Registered office and contact details	BSEL Tech Park, B - Wing, 10 th Floor, Sector 30A, Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400 703. Maharashtra.
6.	Whether listed company Yes / No	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	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

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 ^o 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. Netdharland.

WANBURY LIMITED

31st Annual Report 2018-2019

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 st March, 2018				No. of Shares held at the end of the year, 31 st March, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	10005561	0	10005561	42.182	10005561	0	10005561	42.18	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	10005561	0	10005561	43.09	10005561	0	10005561	42.18	-
(2) Foreign									
a) Individuals NRIs/ For India	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	0	3024000	3024000	12.749	0	3024000	3024000	12.75	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	0	3024000	3024000	12.749	0	3024000	3024000	12.75	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10005561	3024000	13029561	56.11	10005561	3024000	13029561	54.93	-
(B) 1. Public Shareholding									
1. Institutions									
a) Mutual Funds	66	49	115	0.00	66	-	66	0.00	0.00
b) Banks / FI	2951	521	3472	0.015	2951	521	3472	0.015	0.00
c) Central Govt	1	0	1	0.00	338866	0	338866	1.429	1.429
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	532399	0	532399	2.245	532399	0	532399	2.245	0.00
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	535417	570	535987	2.26	874282	521	874803	3.69	1.43
2. Non-Institutions									
a) BODIES CORP.									
i) Indian	1524845	4746	1529591	6.45	1453285	1353	1454638	6.13	-0.315
ii) Overseas	-	-	-	-	-	-	-	-	-
b) INDIVIDUALS									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4929856	450184	5380040	22.681	4813806	138348	4952154	20.877	-1.804

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2265823	0	2265823	9.552	2466730	0	2466730	10.399	0.847
c) OTHERS SPECIFY									
a) Non Resident Indians	813638	17029	830667	3.502	798993	2119	801112	3.377	-0.125
b) Overseas Corporate Bodies	0	94680	94680	0.399	0	94680	94680	0.399	0
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	53768	0	53768	0.227	46439	0	46439	0.196	-0.031
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	9587930	566639	10154569	42.809	9579253	236500	9815753	41.381	-1.428
Total Public Shareholding (B)=(B)(1)+(B)(2)	10123347	567209	10690556	45.069	10453535	237021	10690556	45.07	0.001
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20128908	3591209	23720117	100.00	20459096	3261021	23720117	100.00	0

ii. Share Holding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 st April, 2018			No. of Shares held at the end of the year 31 st March, 2019			
		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	28.46	10005561	42.18	28.46	-
2.	Kingsbury Investment Inc.	3024000	12.75	0	3024000	12.75	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
	At the beginning of the year	-	-	-	-
	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):	-	-	-	-
	At the End of the year	-	-	-	-

WANBURY LIMITED

31st Annual Report 2018-2019

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 1st April, 2018		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year 31st March, 2019	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	PANDIAN ILANGO VAN	598965	2.53	01-04-2018				
	-Closing Balance			31-03-2019		No Change	598965	2.53
2	MAGNUM EQUIFIN PRIVATE LIMITED	500100	2.15	01-04-2018				
	-Closing Balance			31-03-2019		No Change	500100	2.11
3	EDELWEISS ASSET RECONSTRUCTION COMP	500000	2.11	01-04-2018				
	-Closing Balance			31-03-2019		No Change	500000	2.11
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	338865	1.46	06-04-2018				
	-Closing Balance			31-03-2019		No Change	338865	1.43
5	LIFE INSURANCE CORPORATION OF INDIA	279462	1.17	01-04-2018				
	-Closing Balance			31-03-2019		No Change	279462	1.18
6	GENERAL INSURANCE CORPORATION OF INDIA	252937	1.07	01-04-2018				
	-Closing Balance			31-03-2019		No Change	252937	1.07
7	KANISHKA JAIN	241899	1.02	01-04-2018				
	-Closing Balance			31-03-2019		No Change	241899	1.02
8	YELAMARTHI THIMMA RAJA	235839	0.99	01-04-2018				
				29-03-2019	-2333	Sold	233506	0.99
	-Closing Balance			31-03-2019			233506	0.99
9	CHHAGANBHAI PARSOTTAMBHAI PATEL HUF .	196257	0.83	01-04-2018				
				06-07-2018	5850	Buy	202107	0.87
				24-08-2018	350	Buy	202457	0.85
				21-09-2018	100	Buy	202557	0.85
				26-10-2018	23964	Buy	226521	0.96
				30-11-2018	4200	Buy	230721	0.97
	-Closing Balance			31-03-2019			230721	0.97
10	DIPAK KANAYALAL SHAH	80000	0.34	01-04-2018				
				27-07-2018	500	Buy	80500	0.34
				21-09-2018	10244	'Buy	90744	0.38
				28-09-2018	500	'Buy	91244	0.39
				05-10-2018	2000	'Buy	93244	0.39
				19-10-2018	9235	Buy	102479	0.43
				26-10-2018	22000	Buy	124479	0.53
				09-11-2018	521	Buy	125000	0.53
				01-03-2019	2550	Buy	127550	0.54
	-Closing Balance			31-03-2019			127550	0.54

11	Deepak K Natesan	115458	0.49	01-04-2018				
	-Closing Balance			31-03-2019		No Change	115458	0.49
12	INCHEM INC	94680	0.40	01-04-2018				
	-Closing Balance			31-03-2019		No Change	94680	0.40

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
	For Each of the Directors and KMP	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	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
Indebtedness at the beginning of the financial year as on 01.04.2018				
i) Principal Amount	24,627.99	589.70		25,217.69
ii) Interest due but not paid	408.70	115.70		524.40
iii) Interest accrued but not due	747.19			747.19
Total (i+ii+iii)	25,783.88	705.40	-	26,489.28
Change in Indebtedness during the financial year:				
• Addition	1,988.35			1,988.35
• Reduction	1,393.61	106.21		1,499.81
Net Change	594.74	-106.21	-	488.54
Indebtedness at the end of the financial year as on 31.03.2019				
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
Total (i+ii+iii)	26,378.62	599.19	-	26,977.81

WANBURY LIMITED

31st Annual Report 2018-2019

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 ₹)
		K. Chandran - WTD	-
1.	Gross salary	*45,77,280	45,77,280
	(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	-	-
	Total - (A)	45,77,280	45,77,280

* For the Financial Year 2018-19, excess remuneration amounting to ₹ 45.77 Lakhs is recovered from Mr. K. Chandran, Whole-time Director.

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. Poonam Arya Bharti	Ms. Pallavi Shedge	
1.	Independent Director					
	Fee for attending board / committee meetings	4,60,000	4,60,000	3,60,000	1,00,000	13,80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	4,60,000	4,60,000	3,60,000	1,00,000	13,80,000
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	4,60,000	4,60,000	3,60,000	1,00,000	13,80,000
	Total Managerial Remuneration					

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	Formulation – Director (Sales and Marketing)	Company Secretary	CFO	
		Dr. Shireesh Ambhaikar (Upto 30.11.2018)	Mr. Prashant Menon (Upto 08.01.2019)	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	81,16,000	97,57,876	30,97,332	1,39,83,148	3,49,54,356
	(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	-	-	-	-	-
	Total (A)	81,16,000	97,57,876	30,97,332	1,39,83,148	3,49,54,356

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
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 31.03.2018	₹ 6,98,800/- paid as penalty on 13th August, 2018 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	-	-	-	-	-
OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

WANBURY LIMITED

31st Annual Report 2018-2019

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. (Netherlands)	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.	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019
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= ₹ 78.06	AED 1 AED= ₹ 18.14	CNY 1 CNY= ₹ 10.33
5.	Share Capital	3,849.02	1,322.68	5.29
6.	Reserves & Surplus	(16,424.26)	(1,320.58)	(129.50)
7.	Total Assets	140.00	3.22	0
8.	Total Liabilities	140.00	3.22	0
9.	Investments	0	0	0
10.	Turnover	0	0.24	0
11.	Profit before taxation	0	(0.15)	0
12.	Provision for taxation	0	0	0
13.	Profit after taxation	0	(0.15)	0
14.	Proposed Dividend	NIL	NIL	NIL
15.	% of shareholding	100	100	100

Notes:

1. Name of subsidiaries which are yet to commence operations: **NOT APPLICABLE**
2. 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)

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:

1. Name of associate or joint ventures which are yet to commence operations: **NOT APPLICABLE**
2. 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

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

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.	Not Applicable
	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 1st April, 2018 to 31st March, 2019)
	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.	10.08.18
	f. Amount paid as advance, if any.	Nil

For and on behalf of the Board of Directors,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

WANBURY LIMITED

31st Annual Report 2018-2019

ANNEXURE –IV

FORM NO. - MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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, 10th 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 book 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 31st March, 2019 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 31st March, 2019 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.
 1. Income Tax Act, 1961.
 2. Payment of Gratuity Act, 1972.

3. Payment of Wages Act, 1936.
4. Employees State Insurance Act, 1948.
5. Provident Fund Act, 1952 & Family Pension Act, 1971
6. Payment of Bonus Act, 1965.
7. Workmen's Compensation Act, 1923.
8. Minimum Wages Act, 1948.
9. The Factories Act, 1948.
10. Industrial Disputes Act, 1947.
11. The Contract Labour (Regulation & Abolition) Act, 1970.
12. Personnel Injuries (Compensation) Act, 1963.
13. Public Liability Insurance Act, 1991.
14. The Apprentices Act, 1961.
15. Equal Remuneration Act, 1976.
16. Employment Exchanges (compulsory vacation of notices) Act, 1959.
17. Maternity Benefit Act, 1961.
18. Industrial Employment (Standing orders) Act, 1946.
19. Environment (Protection) Act, 1986.
20. The Information Technology Act, 2000.
21. The Depositories Act, 1996.
22. The IRDA Act, 1999.
23. The Competition Act, 2002.
24. Consumer Protection Act, 1986.
25. Right to Information Act, 2005.
26. Emblems and Names (Prevention of Improper Use) Act, 1950.
27. The Trade Marks Act, 1999.
28. The Patents Act, 1970.
29. The Indian Copyright Act, 1957.
30. Pharmacy Act, 1948.
31. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.
32. Essential Commodities Act, 1955.
33. Food Safety and Standards Act, 2006.
34. The Central Goods And Services Tax Act, 2017
35. Maharashtra Goods and Services Tax Act, 2017
36. The Boiler Act, 1923
37. The Maharashtra Fire Prevention & Life Safety measures Act, 2006
38. The Air (Prevention and Control of Pollution) Act, 1981
39. The Narcotic Drugs and Psychotropic Substances Act, 1985
40. The Andhra Pradesh Fire Services Act, 1999
41. The Water (Prevention and Control of Pollution) Cess Act, 1977
42. Drugs & Cosmetics Act, 1940

WANBURY LIMITED

31st Annual Report 2018-2019

43. Drugs (Prices Control) Order ,1995
44. Homoeopathy Central Council Act, 1973
45. Petroleum Act, 1934
46. Poisons Act, 1919
47. Food Safety and Standards Act, 2006
48. Insecticides Act, 1968
49. Bombay Provincial Municipal Corporations Act, 1949
50. Trade Union Act, 1926
51. Foreign Trade (Development and Regulation) Act, 1951
52. Industrial Relations Act, 1967
53. 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 Audit Committee & Board Meeting for the last quarter of the Financial year ended 31.03.2018 as per Regulation 33 of the SEBI (LODR), Regulation 2015 and consequently, the Company has paid penalty of ₹ 6,98,800/- to the BSE Ltd. and ₹ 6,98,800/- 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 subject to the noting mentioned above. During the year, Ms. Poonam Arya Bharti resigned from the Company and Ms. Pallavi Prakash Shedge was appointed as an Additional Non-executive Independent Woman Director and was further regularised through Postal Ballot. Approval for the continuation of the directorship of Mr. N.K. Puri as Non Executive Independent Director, who has attained the age of 75 years, was obtained at the Postal Ballot during the year under review.

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.

Ms. Kala Agarwal
Practising Company Secretary
C P No.: 5356

Place: Mumbai
Date: 30th May, 2019

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, 10th 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.

Ms. Kala Agarwal
Practising Company Secretary
C P No.: 5356

Place: Mumbai
Date: 30th May, 2019

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 Wholetime Director to the median remuneration of the employees of the Company for the Financial Year ended on 31st March, 2019 was Nil as No remuneration is paid to wholetime 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 2018-19 was 16.17% and 21.47% respectively.
- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2018-19 was 5%.
- (iv) The number of permanent employees on the rolls of Company were 1756.
- (v) Average percentage increase made in the salaries of all the employees other than managerial personnel in the previous Financial Year i.e. 2018-19 was 5% 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,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

WANBURY LIMITED

31st Annual Report 2018-2019

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	3,00,000
2	Options vested	Nil
3	Options exercised	Nil
4	Total number of shares arising as result of exercise of options	Nil
5	Options lapsed during the year	2,00,000
6	The Exercise price	₹ 10/-
7	Variation of terms of options	No variation during the year
8	Money realized by exercise of options	Nil
9	Total number of options in force: Employee-wise details of options granted to:	1,00,000 Mr. Vinod Verma - CFO
	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,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

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

- 1) Maintaining Power Factor 0.995 to 0.999 with as Per New MSEDCL Rules for power factor incentive Saves approx 13.2 lakhs/year
- 2) Replacement of Boiler fire Bars With New design Earlier we are replacing fire bars Twice in a year saves 3 lakhs/year
- 3) Sanctioned Maximum Demand From 542 KVA to 700 KVA & Save 2.5 lakhs/year
- 4) Installation of Level Sensor for Under Ground MIDC Water storage Tank to Avoid from Over flow.
- 5) Installation of MPD motor protective device For Reactors Motors to Avoid motor winding wound out from any faults Saves approx 1.5Lakhs/year
- 6) Installation of energy Efficient Motors.
- 7) Nitrogen Purging Arrangement for all Reaction Vessels to Avoid any accident during Reaction.
- 8) Replaced Festo Tube With SS 316 Tubing to avoid Damage Every Time During FBP operation Saves 60 Thousand/year.
- 9) Installed PFA lined Manhole Cover To Crystallizers to Avoid Glass Chip out & MS Expose.
- 10) Purified System Fast flush Water collected & used in Cooling tower for Water make up to 9 m³/day saves approx 1.5lakhs in year .
- 11) Forth nightly Cleaning Of DX Unit Condenser cooling Coil & Checking of Gas Pressure, Installation Of External Pressure Switch To avoid Failure of Compressor saves approx 1.5lakhs/year.
- 12) Vessel lamps converted from 23 w CFL lamps to lamps to 9 w LED Lamp.
- 13) Plant lamps converted from 23 w CFL lamps to lamps to 9 w LED lamps.
- 14) Street lights started conversion to 250 W HVMV Lamp to 60W LED lamps.
- 15) VFD installed for centrifuge and Reactor for power saving purpose
- 16) Water level controller installed for R.O. plant and water tanks
- 17) Old motors replace to new motors
- 18) Capacitor bank maintain power factor for energy saving
- 19) Every month once cleaning of condensers introduced in Brine condensers to reduce the discharge pressure of the compressor where in power reduction is obtained.

(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;

₹ 17 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;

WANBURY LIMITED

31st Annual Report 2018-2019

- (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:

Particulars	(₹ in Lakhs)	
	For the year ended on 31.03.2019	For the year ended on 31.03.2018
INCOME:		
Foreign Exchange earned by the Company:	18501.71	14,698.17
FOB Value of Exports	492.19	440.41
Freight, Insurance etc.		
TOTAL INCOME	18,993.90	15,138.59
EXPENDITURE:		
CIF Value of Imports:	6181.85	2764.76
Raw Materials [Including High Seas purchases]	Nil	48.37
Capital Goods	23.21	110.80
Interest	72.11	109.15
Commission expense	71.17	80.48
Legal & Professional Fees	323.08	250.99
Other Expenses (including traveling and business promotion)		
TOTAL EXPENDITURE	6671.42	3,364.55

For and on behalf of the Board of Directors,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

GLOBAL INDUSTRY OVERVIEW

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) Domestic Formulations Business:

Your Company registered rank of 98 in the latest AIOCD AWACS March 19 annual ranking. Overall formulations business showed a decline of 7% in revenues. 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 continue to be Cpink, Coriminic, Adtrol range, Chymonac, Folinine & Productiv range. However few brands like Coriminic, L-Folinine, Chymonac - have reflected positive sales growth trend in their respected markets.

Your Company focused on addressing persisting challenges related to operational efficiencies, cost optimisation and capability building 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:

Operations and Capability Building:

- Monitoring and control systems put in place helped achieve improved operational efficiency.
- Field force training continued to be focused as a critical area to ensure an engaged field force.
- MDP [Managers Development Program] was undertaken in all the divisions so as to build capability of managers.
- The MIS team continues to support with detailed data analytics that helped improve governance.
- Distribution SOPs in place helped rationalise costs and improve sales hygiene.
- Monthly Engagement programs for various support teams at the HO has been conducted to facilitate a common understanding of Business needs.

(B) 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 2019 registered Growth of 10% with revenue clogged at ₹ 278 Crs. The increase in revenue was mainly driven by improved availability of raw material through arrangement with some Trader. Sertraline continued to do well with a revenue Growth of 30% compared to FY18. The business saw growth in the order book position of Sertraline & Tramadol.

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.

WANBURY LIMITED

31st Annual Report 2018-2019

(D) Margin Improvement Initiatives:

We have identified various avenues of margin improvement like cost reduction, Yield improvement, better product realisation. The company have merged its r&D centre T Mahape & Tanuku, same will yield in better sync between R&D and Plant and will result in cost optimisation and reduction product lead time.

(E) Human Resource (HR) Initiatives at Wanbury:

As part of our continuous effort to improve employee engagement and reduction of employee attrition, company have taken various initiatives during the year. This includes imparting training, ensuring work life balance and defining carrier progression for key talents.

(F) 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 significant market share. Sertraline and Tramadol are seeing high demand especially in international markets. In the Formulations Business, the Company has mitigated this risk to a very large extent by diversifying its product portfolio and launching new value added products. The continuous rise in crude oil 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. During the year, Company has successfully completed USFDA Audit at its major API facility in Tanuku Plant, Andhra Pradesh.

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.

(H) Financial Review:

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

(I) Cautionary Statement:

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

For and on behalf of the Board of Directors,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

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 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	61	Nil	2	Nil
Mr. N. K. Puri	I & NED	75	Nil	1	1
Mr. S. K. Bhattacharyya	I & NED	68	7	1	3
Ms. Pallavi Prakash Shedge \$ (w.e.f.14.02.2019)	I & NED	43	Nil	2	Nil
Ms. Poonam Arya Bharti @ (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	I & NED	47	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 Shedge was appointed as an additional Director (Non-Executive Independent Woman Director) by the Board of Directors at their meeting held on 14th February, 2019 for a term of one year.

@ Ms. Poonam Arya Bharti was resigned as Non-executive Independent Woman Director on 29th May, 2018 and again appointed as Non-executive Independent Woman Director on 10th August, 2019. However, she has again resigned as Non-executive Independent Woman Director on 14th November, 2018.

List of Other Directorship of all Director:

Sr. No.	Name of the Directors	Other Directorship	Designation
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	Director Director Director Director
4	Ms. Pallavi Prakash Shedge	N.A	N.A

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. 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.

WANBURY LIMITED

31st Annual Report 2018-2019

The Board Meeting is generally scheduled at least once in a quarter to consider the quarterly performance and the financial results. However, the time gap between two consecutive Board Meeting held on 8 February 2018 and 10 August 2018 is 182 days, which exceeds maximum permissible time gap of 120 days. 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 1st April 2018 to 31st March 2019, Five (5) Board Meetings were held on 10th August, 2018, 10th August, 2018, 27th September 2018, 14th November 2018 and 14th February, 2019. The time gap between two consecutive Board Meeting held on 8 February 2018 and 10 August 2018 is 182 days which exceeds 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	5	YES
Mr. N. K. Puri	5	YES
Mr. S. K. Bhattacharyya	4	NO
Ms. Pallavi Shedge (w.e.f. 14.02.19)	1	NA
Ms. Poonam Arya Bharti (upto 29.05.2018) (w.e.f 10.08.2018 to 14.11.2018)	4	NO

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:

Qualifications:

- Degree holder in relevant disciplines (e.g. management, accountancy, legal, sales, marketing, administration, finance, and Corporate Governance and hospitality industry related disciplines); or
- Recognised specialist.

Experience:

- Experience of management in a diverse organization;
- Experience in accounting and finance, administration, corporate, legal and strategic planning;
- Ability to work effectively with other members of the Board.

Skills:

- Excellent interpersonal, communication and representational skills;
- Leadership skills;
- Extensive team building and management skills;
- Strong influencing and negotiating skills;
- Continuous professional development to refresh knowledge and skills;

Abilities and Attributes:

- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to observe the fundamental code of conduct.

Independent Directors:

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

Confirmation of the Compliance of the Codes:

All Directors and members of Senior Management have, as on 31st March, 2019, 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, Four (4) meetings of the Audit Committee were held on 10th August, 2018, 10th August, 2018, 14th November 2018 and 14th February, 2019. The gap between two Audit Meetings has exceeded more than 120 days for the last quarter i.e. 31st March, 2018.

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	4
Mr. S. K. Bhattacharyya	Member	I & NED	4
Ms. Pallavi Shedge (w.e.f. 14.02.19)	Member	I & NED	1
Ms. Poonam Arya Bharti (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	Member	I & NED	3
Mr. K. Chandran	Member	P & WTD	4

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;
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 3 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, Three (3) meetings of the Nomination & Remuneration Committee were held on 10th August 2018, 14th November 2018, and 14th February 2019.

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

Name of Directors	Designation	Category	No. of Meetings Attended
Mr. N. K. Puri	Chairperson	I & NED	3
Mr. S. K. Bhattacharyya	Member	I & NED	3
Ms. Pallavi Shedje (w.e.f. 14.02.19)	Member	I & NED	1
Ms. Poonam Arya Bharti (upto 29.05.2018) (w.e.f. 10.08.2018 to 14.11.2018)	Member	I & NED	2
Mr. K. Chandran	Member	P & WTD	3

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 29th 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 3,00,000 options to employees. During the Year ended 31st March, 2019, 2,00,000 options were lapsed. 1,00,000 options are outstanding as on 31st March, 2019.

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 31st March 2019.

Details of Remuneration debited to profit & Loss Account:

(₹ in Lakhs)

Name of Directors	Salary & Perquisites	Performance Linked Bonus	Total	Service Tenure
Mr. K. Chandran	Nil	Nil	Nil	Upto 30 th August, 2019

WANBURY LIMITED

31st Annual Report 2018-2019

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 has 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 (Rs.)
Mr. N. K. Puri	4,60,000
Mr. S. K. Bhattacharyya	4,60,000
Ms. Pallavi Shedge	1,00,000
Ms. Poonam Arya Bharti	3,60,000

(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 10th August 2018, 10th August 2018, 14th November 2018 and 14th February, 2019.

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 Shedge (w.e.f. 14.02.19)	Member	I & NED	1
Ms. Poonam Arya Bharti (upto 29.05.2018) (w.e.f 10.08.2018 to 14.11.2018)	Member	I & NED	3
Mr. K. Chandran	Member	P & WTD	4

Total 6 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 1st April, 2018 and at the end of the year i.e. 31st March, 2019.

(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 Shedge (w.e.f. 14.02.19)	Member	I & NED
Ms. Poonam Arya Bharti (upto 29.05.2018) (w.e.f 10.08.2018 to 14.11.2018)	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/Vice Chairman
Dr. Shireesh Ambhaikar	Member
Mr. Prashant Menon (upto 11.10.2018)	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, Eight (8) meetings of the Day To Day Affairs Committee were held on 29th May 2018, 9th July 2018, 9th August 2018, 6th September 2018, 30th October 2018, 15th November 2018, 27th November 2018 and 23rd January, 2019.

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 Rs. 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 Rs.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 Rs. 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.

WANBURY LIMITED

31st Annual Report 2018-2019

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 Shedge (w.e.f. 14.02.19)	I & NED
Ms. Poonam Arya Bharti (upto 29.05.2018) (w.e.f 10.08.2018 to 14.11.2018)	I & NED

During the year under review, meeting of Independent Directors was held on 14th February, 2019 in compliance with the requirements of Schedule IV of the Companies Act, 2013. Following items were considered at the said meeting:

- Presentation on familiarising the Independent Directors with operations of the Company;
- Performance review of Non-Independent Directors, Board as a whole and Chairman of the Company;
- 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. 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
2017-18	27 th September, 2018	11:30 A.M.	Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.
2016-17	29 th September, 2017	11:30 A.M.	Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.
2015-16	29 th September, 2016	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
01	9 th July, 2018	To consider appointment of M/s. V. Parekh & Associates, Chartered Accountants, (Firm Registration No. 107488W), Mumbai, as the Statutory Auditors of the Company to fill the casual vacancy and to fix their remuneration:
02	9 th July, 2018	To consider the ratification of the resolution passed at the 28th Annual General Meeting held on 29th September, 2016 regarding the issue and allotment of 5,00,000 CCD's convertible into equal number of Equity Shares to M/s. Edelweiss Asset Reconstruction Company Ltd. ("EARC") as a Trustee of EARC Trust SC 145.
03	25 th March, 2019	To consider and accord approval to sell, lease or otherwise dispose of, to mortgage/ create charges on the properties of the company under section 180(1)(a) of the Companies Act, 2013.
04	25 th March, 2019	To borrow in excess of the paid-up capital and free reserves of the Company under section 180(1)(c) of the Companies Act, 2013.
05	25 th March, 2019	To consider and accord approval for the appointment (Regularisation) of Ms. Pallavi Shedge (DIN: 08356412) as non-executive independent woman Director of the Company.
06	25 th March, 2019	To consider and accord approval for re-appointment of Mr. N. K. Puri (DIN: 00002226) as a non-executive independent Director of the Company.
07	25 th March, 2019	To consider and accord approval for re-appointment of Mr. S. K. Bhattacharyya (DIN: 01924770) as a non-executive independent Director of the Company.

- 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
01	27 th 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.
02	27 th September, 2018	To approve subsidiarisation by way of hiving off/transfer of formulation business into its wholly owned subsidiary company.
03	29 th September, 2017	To adopt new set of Articles of Association of the Company, to the exclusion of the existing set of Articles of Association.
04	29 th September 2016	Appointment and payment of remuneration to Mr. K. Chandran, Whole-Time Director of the Company.
05	29 th September 2016	Issue of Equity Shares on preferential basis under CDR Scheme to the promoter group Company i.e. M/s. Expert Chemicals (India) Pvt. Ltd.
06	29 th September 2016	Issue/Allotment of CCD's convertible into equal number of Equity Shares on preferential basis to Edelweiss Asset Reconstruction Company Limited (EARC).
07	29 th September 2016	Issue of Stock Options under Employee Stock Option Plan 2016.
08	29 th September 2016	Issue of 3,00,000 Options, to Mr. P. V. Pasupathy, being the President of the Company exceeding 1% of the paid-up/issued capital.

WANBURY LIMITED

31st Annual Report 2018-2019

(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

(5) GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting:

Day & Date : **Monday, 30th September, 2019**
Time : **11:30 A.M.**
Place/Venue : **Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703.**

(b) Financial Calendar:

For quarter ending on 30 th June 2019	Unaudited Financial Results will be declared within 45 days from the end of the quarter.
For quarter ending on 30 th September 2019	Unaudited Financial Result will be declared within 45 days from the end of the quarter.
For quarter ending on 31 st December 2019	Unaudited Financial Result will be declared within 45 days from the end of the quarter.
For quarter ending on 31 st March 2020	Audited Financial Result will be declared within 60 days from the end of Financial year 2019-20.
Annual General Meeting for the Financial Year ending on 31 st March 2020	On or before 30 th September 2020.

(c) Book Closure:

The Share Transfer Books and the Register of Members will remain closed from **Tuesday, 24th September 2019 to Monday, 30th September 2019** (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 2018- 19.

The Company has paid custody fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2018-19.

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

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

Share Transfers: 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 31st March 2019, 2,04,59,096 Equity Shares of the Company (representing 86.25 % of the total shares) were held in the dematerialised form and 3261021 equity million Shares (representing 13.75 % of the total shares) were held in the physical form. As on 31st March 2019, the total number of Shareholders were 18000 out of which 15500 (86.25%) were holding shares in a dematerialised form. The balance 2500 (13/75%) shareholders continued to hold shares 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 31st March 2019 were as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	BSE Sensex Close	Volume (No. of Shares)
April 2018	38.30	32.00	33.00	35160.36	86817
May 2018	34.65	25.30	30.15	35322.38	79975
June 2018	30.35	24.45	24.8	35423.48	60467
July 2018	26.95	23.30	25.65	37606.58	32467
August 2018	28.50	23.30	25.15	38645.07	67467
September 2018	26.90	20.60	20.75	36227.14	84314
October 2018	23.65	19.40	21.25	34442.05	74202
November 2018	22.50	19.45	21.70	36194.30	48678
December 2018	22.75	19.00	20.35	36068.33	30068
January 2019	20.50	17.00	17.15	36256.69	25579
February 2019	18.65	14.90	17.60	35867.44	39735
March 2019	24.40	17.50	21.85	38672.91	140608

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 31st March, 2019 were as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	S & P CNX Nifty Close	Volume (No. of Shares)
April 2018	37.40	31.10	32.20	10739.35	87092
May 2018	33.85	25.65	30.15	10736.15	94669
June 2018	30.40	24.80	24.95	10714.30	83042
July 2018	26.95	22.50	24.45	11356.50	47062
August 2018	28.50	23.50	24.95	11680.50	88493
September 2018	27.25	20.35	21.05	10930.45	93328
October 2018	23.40	18.90	21.25	10386.60	106321
November 2018	22.35	19.50	22.20	10876.75	64812
December 2018	22.45	19.00	20.35	10862.55	67308
January 2019	21.45	17.10	17.10	10830.95	42340
February 2019	18.00	14.50	17.30	10792.50	39923
March 2019	24.45	16.50	21.70	11623.90	105635

WANBURY LIMITED

31st Annual Report 2018-2019

Source: NSE Website

(h) Distribution Schedule on number of Shares as on 31st March, 2019:

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 100	7265	56.62	414356	1.75
101 to 200	1600	12.47	287694	1.21
201 to 500	1857	14.47	708888	2.99
501 to 1000	966	7.53	808785	3.41
1001 to 5000	919	7.16	2074342	8.75
5001 to 10000	130	1.01	947600	4.00
10001 to 100000	80	0.62	1922814	8.11
100001 & above	14	0.11	16555638	69.80
Total	12831	100.00	2,37,20,117	100.00

(i) Distribution Schedule on scrip value as on 31st March, 2019:

Share of Nominal Value in Rs.	No. of Share – holders	% of Share – holders	Total Amount in Rs.	% of Amount
Upto 5000	10722	83.56	14109380	5.95
5001 to 10000	966	7.53	8087850	3.41
10001 to 20000	538	4.19	8335730	3.51
20001 to 30000	203	1.58	5170450	2.18
30001 to 40000	105	0.82	3791470	1.60
40001 to 50000	73	0.57	3445770	1.45
50001 to 100000	130	1.01	9476000	4.00
100001 & above	94	0.73	184784520	77.90
Total	12831	100.00	23,72,01,170	100.00

(j) Shareholding Pattern as on 31st March, 2019 was as under:

Category	No. of Shares Held	% of Holding
(A) Promoter Holding		
Indian Promoter:		
(a) Expert Chemicals (India) Private Limited	1,00,05,561	42.18
Foreign Promoter:		
(b) Kingsbury Investment INC	30,24,000	12.75
Person acting in Concert:	-	-
Sub Total (A)	1,30,29,561	54.93
(B) NON – PROMOTERS HOLDING		
Institutional Investors		
Mutual Funds and UTI	67	0.00
Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions /Non -Government Institutions)	8,74,736	3.69
FII's	-	-
Sub – Total (B)	8,74,803	3.69
(C) Others		
Private Bodies Corporate	14,54,638	6.12
Indian Public	68,20,516	28.75
NRI / OCB	8,95,792	3.78
Any-Other (Foreign-Companies)	-	-
IEPF	3,38,865	1.43
Clearing Members	46,439	0.20
Sub – Total (C)	98,15,753	41.38
GRAND TOTAL (A+B+C)	2,37,20,117	100.00

(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 24th April, 2007 of Hon'ble BIFR, which were exercisable upto 27th June, 2012. Refer Note No. 21.3 of the Financial Statements.

(l) Optionally Fully Convertible Debentures:

58,199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of face values of ₹ 1,000/- each (Rs. One Thousand each) of the aggregate nominal value of ₹ 5,81,99,000/- (Rs. Five Crore Eighty One Lac Ninety Nine Thousand only) have remained unpaid as on 31st March, 2018.

Zero Coupon Optionally Fully Convertible Debenture Holders had a right to convert the same into Equity Shares of the Company between 1st November, 2008 and 30th 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 24th April, 2007. Refer Note No. 46 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 Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, certified by Practicing Company Secretary to Stock Exchanges.

(n) Transfer of Shares held by Shareholders if their dividend remained unclaimed for seven consecutive years to Investor Education and Protection Fund Authority (IEPF)

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.

The Company had sent Notices by Registered Post to those Shareholders who have not claimed their dividend for the past seven years or more to claim their Dividend.

Notices were also published in the Newspapers on 28th February, 2018 requesting Shareholders to claim their dividend failing which their Shares will be transferred to IEPF.

Shareholders who have responded to the Notice have been paid the dividend amount. The Shareholders from whom no response was received, the Company had transferred their shareholding to the demat account of the IEPF between 3rd April, 2018 to 4th April, 2018. The details of shares transferred to IEPF are as under:

No. of Shareholders	No. of shares transferred
3871	338865

The Company has 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. 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;
- 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.

WANBURY LIMITED

31st Annual Report 2018-2019

(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, 10th Floor, Sector 30-A, Opp. Vashi Railway Station,
Vashi, Navi Mumbai - 400 703, India.

Tel : +91-22-67942222

Fax: +91-22-67942111/333

E-mail: shares@wanbury.com

Website: www.wanbury.com

Shareholders of the Company can lodge their complaints on E-Mail ID: 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

(s) Credit Ratings:

The Company does not have and 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 2019;
- (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.

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. 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.

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:

- 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.
- e) 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

V) Independent Directors Meeting

Independent Directors met on 14th February, 2019 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 ₹ 18,90,000/-.

WANBURY LIMITED

31st Annual Report 2018-2019

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 2018-19.

XII) The Company had not raised any funds through preferential allotment of qualified institutional placement.

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:

Year	Particulars
2017- 18	<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 15th June, 2018 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 31st March, 2018 by the stipulated date i.e. 30th May, 2018 which has been paid on 13th 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 15th June 2018 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 31st March, 2018 by the stipulated date i.e. 30th May, 2018 which has been paid on 13th August, 2018.</p>
2016- 17	<p>i) Penalty aggregating to ₹ 70,000/- (Rs. Seventy Thousand only) has been levied by the National Stock Exchange of India Limited on 29th November, 2016 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 30th September 2016 by the stipulated date i.e.15th November 2016 which has been paid on 30th November 2016.</p> <p>ii) Penalty aggregating to ₹ 80,500/-(Eighty Thousand Five Hundred only) has been levied by the BSE Limited on 7th June 2017 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 30th September 2016 by the stipulated date i.e. 15th November 2016 which has been paid on 8th June 2017.</p>
2015-16	Penalty aggregating to ₹ 70,000/- (Rs. Seventy Thousand only) has been levied by the National Stock Exchange of India Limited on 29 th November, 2016 for non compliance of Regulation 33 of Listing Regulations regarding delay in holding Board Meeting for the quarter ended 30 th September, 2016 by the stipulated date i.e.15 th November, 2016 which has been paid on 30 th November, 2016.

For and on behalf of the Board of Directors,

K. Chandran
Vice Chairman
DIN: 00005868

N. K. Puri
Director
DIN: 00002226

Mumbai, 14th August, 2019

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 31st March 2019.

For Wanbury Limited,

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

Mumbai, 14th August, 2019

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 31st March, 2019 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 Wanbury Limited,

**Vinod Verma
Chief Financial Officer**

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

Mumbai, 14th August, 2019

WANBURY LIMITED

31st Annual Report 2018-2019

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, 10th 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 having CIN L51900MH1988PLC048455 and having registered office at 4 BSEL Tech Park, 10th Floor, B- Wing, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400 703 (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) 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 31st March, 2019 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.

Sr. No.	Name of the Director	DIN	Date of Appointment in Company
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 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. For Jus & Associates

Company Secretaries

Kala Agarwal

Practising Company Secretary

Certificate of Practice Number: 5356

Membership Number: 34897

Place: Mumbai

Date: 30th May, 2019

AUDITORS' CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE

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 2019, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

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. 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 SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in the regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended 31 March, 2019.
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 SEBI 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 Certificate.

FOR AND ON BEHALF OF

**V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 107488W**

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

Mumbai, 14th August, 2019

WANBURY LIMITED

31st Annual Report 2018-2019

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 Balance Sheet as at 31 March 2019, the Statement of Profit and Loss including Other Comprehensive Income (Loss), the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and a summary of the 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 2019, and its loss, 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 Standards 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.

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. 60 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 (₹ 4,150.28 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.

Our opinion is not modified in respect of these matters.

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>Assessment of Provisions and Contingent liabilities</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 Loss and Balance Sheet position.</p> <p>(Refer Note 41, 42 & 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"> • Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls; • 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; • Reading recent orders and/ or communication received from the tax authorities and with certain other parties, and management replies to such communication; • Evaluating independence, objectivity and competence of the management's tax / legal consultants (internal/ external); • Understanding the current status of the tax assessments/ litigations; • 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. • Assessing the likelihood of the potential financial exposure; • We did not identify any material exceptions as a result of above procedures relating to management's assessment of provisions and contingent liabilities.
<p>Appropriateness of the Expected credit loss ("ECL").</p> <p>The Company applies simplified approach for trade receivable and general approach for corporate guarantee contracts and financial assets other than trade receivable to recognise ECL.</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 62 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"> • We have verified management's calculations in respect of estimate made by the management towards ECL. We have examined the methodology and the judgements/assumptions made by the management while making ECL.

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

The Company's Board of Directors is 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 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 Responsibility for the Standalone Financial Statements

The Company's Board of Directors is 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.

WANBURY LIMITED

31st Annual Report 2018-2019

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 is 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.

Those 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.
- Conclude on the appropriateness of management'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.

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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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"; and
 - 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:

Excess remuneration to the Whole time director for the current year paid / provided of Rs. 34.40 Lakhs as per the provisions of section 197 read with Schedule V to the Companies Act, 2013 has been recovered during the year.

- 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 2019, 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 2019.

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

Mumbai, 14th August, 2019
UDIN: 19038615AAAAIR7747

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

WANBURY LIMITED

31st Annual Report 2018-2019

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 2019.)

- 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 2019, 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 2019 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
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.

WANBURY LIMITED

31st Annual Report 2018-2019

Particulars	Amount of default as at the balance sheet date (₹ in Lakhs)	Period of default (in days) and Remarks
Andhra bank - Principal - Interest	1,005.27 353.70	1 to 731 days 1 to 731 days
Axis Bank - Interest	1.57	1 day
EXIM Bank - Principal - Interest	460 56.86	1 to 366 days 1 to 731 days
IDBI Bank - Principal - Interest	11.52 1.02	1 to 91 days 1 day
Edelweiss Asset Reconstruction Company Limited ("EARCL") - Principal - Interest	200 2.91	1 to 17 days 1 to 107 days
State Bank of India - London -Principal -Interest	1320.94 4.93	1 day 1 day
Foreign Currency Convertible Bond Holders - Principal - Interest	 323.20 108.39	 1 to 2,533 days 1 to 2,832 days
Non Convertible Debentures	55.67 97.00	Unpaid from 1 May 2009 Unpaid from 1 May 2010 Refer Note 27.1 and 45a of "The Standalone" financial statements
Optionally Fully Convertible Debentures	290.99 291.00	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 stand-alone 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:
Excess remuneration to the whole time director paid / provided as per the provisions of section 197 read with Schedule V to the Companies Act, 2013, for the year ended 31 March 2018, 31 March 2017 and 31 March 2016 the Company has paid ₹ 45.77 Lakhs, ₹ 41.77 Lakhs and ₹ 49.77 Lakhs respectively, which was shown as recoverable under "Other Current Assets – Non Financial" and for the year ended 31 March 2019 amounting to ₹ 34.40 Lakhs, aggregating to ₹ 171.71 Lakhs, have been fully recovered during the current financial year.
- 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, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
 - 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**

Mumbai, 14th August, 2019
UDIN: 19038615AAAAIR7747

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

WANBURY LIMITED

31st Annual Report 2018-2019

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 2019.)

Report on the Internal Financial Controls under Clause (i) 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 2019 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 2019 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**

Mumbai, 14th August, 2019
UDIN: 19038615AAAAIR7747

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

WANBURY LIMITED

31st Annual Report 2018-2019

BALANCE SHEET AS AT 31 MARCH 2019

(₹ in Lakhs)

	Note No.	31 March 2019	31 March 2018
A ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	8	17,178.77	17,755.68
(b) Capital work-in-progress	8	896.54	1,004.84
(c) Other Intangible assets	8	57.65	77.78
(d) Financial Assets			
(i) Investments	9	1.98	1.96
(ii) Loans	10	295.03	279.19
(iii) Other financial assets	11	6.75	35.53
(e) Deferred tax assets (net)	12	336.38	336.38
(f) Other non-current assets	13	16.34	10.88
		18,789.44	19,502.24
Current Assets			
(a) Inventories	14	1,933.29	1,307.07
(b) Financial Assets			
(i) Trade receivables	15	4,440.87	2,945.82
(ii) Cash and cash equivalents	16	270.78	283.74
(iii) Bank balances other than (ii) above	17	250.78	334.16
(iv) Loans	18	-	-
(v) Other financial assets	19	57.46	32.13
(c) Other current assets	20	2,345.28	2,346.77
		9,298.46	7,249.69
Non-Current Assets classified as held for sale	45b	373.59	373.59
		9,672.05	7,623.28
		28,461.49	27,125.52
Total Assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	21	2,372.01	2,372.01
(b) Other Equity	22	(20,730.73)	(18,273.66)
		(18,358.72)	(15,901.65)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	23	12,303.16	9,901.11
(b) Provisions	24	1,069.36	1,014.38
		13,372.52	10,915.49
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	8,520.54	8,266.92
(ii) Trade payables	26		
Total outstanding dues of micro enterprise and small enterprise (Refer Note 55)		9.67	
Total outstanding dues of creditors other than micro enterprise and small enterprise		11,169.07	8,267.43
(iii) Other financial liabilities	27	11,902.94	14,175.45
(b) Other current liabilities	28	1,498.40	1,016.43
(c) Provisions	29	272.59	304.71
(d) Current Tax Liabilities (Net)	30	74.48	80.74
		33,447.69	32,111.68
		28,461.49	27,125.52
Total Equity and Liabilities			

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

For and on behalf of the Board

K.Chandran
Vice Chairman
(DIN: 00005868)

N. K. Puri
Director
(DIN : 00002226)

Rasesh V. Parekh
Partner
Membership No. 038615

Jitendra J. Gandhi
Company Secretary

Vinod Verma
Chief Financial Officer

Mumbai, 14 August 2019

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Income :			
Revenue from operations	31	39,137.41	37,360.81
Other Income	32	932.63	7,670.49
Total Income		40,070.04	45,031.30
EXPENSES			
(a) Cost of materials consumed	33	16,499.40	12,844.86
(b) Purchases of Stock-in-trade		3,626.75	3,795.44
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(506.23)	769.47
(d) Employee benefits expense	35	7,589.22	8,732.08
(e) Finance costs	36	3,988.46	3,086.28
(f) Depreciation and amortisation expense	37	996.91	1,030.20
(g) Other expenses	38	10,374.12	18,009.24
Total Expenses		42,568.63	48,267.57
Profit/(loss) before tax		(2,498.59)	(3,236.49)
Tax Expense	52		
- Current tax (net)		0.19	(28.13)
- Deferred tax (net)		(13.85)	(9.63)
Total tax expense		(13.66)	(37.76)
Profit/(Loss) for the year		(2,484.93)	(3,198.73)
Other Comprehensive Income/(Loss)			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial gain/ loss on defined benefit obligation		44.38	30.87
(ii) Income tax effect on above		(13.85)	(9.63)
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax on items that may be reclassified to profit or loss		-	-
Other Comprehensive Income/(Loss) for the year, net of tax		30.53	21.24
Total comprehensive Income/(Loss) for the year		(2,454.40)	(3,177.49)
There are no exceptional items and discontinued operations			
Earnings per equity share (Face value of ₹ 10/-)	39		
(1) Basic		(10.48)	(13.49)
(2) Diluted		(10.48)	(13.49)

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

Mumbai, 14 August 2019

6

For and on behalf of the Board

K.Chandran
Vice Chairman
(DIN: 00005868)

Jitendra J. Gandhi
Company Secretary

N. K. Puri
Director
(DIN : 00002226)

Vinod Verma
Chief Financial Officer

WANBURY LIMITED

31st Annual Report 2018-2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

Particulars	31March 2019	31March 2018
A Cash flows from Operating Activities		
Net Profit /(Loss) before Tax	(2,498.59)	(3,236.49)
Adjustments for:		
Depreciation and amortisation	996.91	1,030.20
(Profit)/ Loss on Sale /discard of Property, Plant & Equipments (Net)	33.62	24.23
Allowances/(Reversal) for Doubtful debts (Net)	(217.38)	1,313.42
Allowances/(Reversal) for Doubtful Loans & advances (Net)	88.29	1,001.57
Allowance/(Reversal) for Corporate guarantee (Net)	244.64	
Amounts Written Off	-	4,707.60
Finance Cost	3,988.46	3,086.28
Unrealised Exchange (Gain)/ Loss (Net)	56.10	235.99
Interest Income	(61.20)	(50.39)
Gain on Extinguishment of Financial Liability	(790.32)	(5,296.02)
Amount Written Back	(46.07)	(2,108.17)
Fair value gain on financial asset measured at fair value	(0.01)	0.65
Share based payment expenses	(2.67)	25.80
Operating Profit/(Loss) before Working Capital Changes	1,791.78	734.67
Changes in Working Capital:		
Decrease/(Increase) in Trade Receivable	(1,376.68)	4,031.36
Decrease /(Increase) in Non Current Financial Assets-Loans	(5.15)	(3.75)
Decrease/(Increase) in Other Non Current Assets	5.33	(0.50)
Decrease/(Increase) in Other current financial assets	(25.35)	176.34
Decrease/(Increase) in Other Current Assets	(86.80)	(680.48)
Decrease/(Increase) in Inventories	(626.22)	2,115.69
Increase/(Decrease) in Other Non Current-Financial Liabilities	(220.82)	(283.46)
Increase/(Decrease) in Other Current Liabilities	481.96	296.01
Increase/(Decrease) in Non Current Provisions	99.36	89.91
Increase/(Decrease) in Current Provisions	(32.12)	90.12
Increase/ (Decrease) in Trade Payables	2,974.05	(3,227.62)
Cash Generated from (Used in) Operations	2,979.31	3,338.32
Direct Taxes Paid (Net of Refunds/Prior Years Adjustments)	(6.45)	(88.50)
Net Cash generated from (Used in) Operating Activities	2,972.89	3249.82
Cash flows from Investing Activities		
Capital Expenditure on Property, Plant & Equipment including Capital Advances	(471.55)	(284.43)
Proceeds from sale of Property, Plant & Equipment	1.45	-
Interest Income Received	50.53	43.52
Bank Balance not considered as Cash and Cash Equivalents (Net)	112.15	102.08
Net Cash generated from (Used in) Investing Activities	(307.42)	(138.83)
C. Cash flows from Financing Activities		
Interest and Other Finance Cost	(1,137.99)	(673.10)
Repayment of Borrowings	(1,540.44)	(2,648.56)
Unpaid dividend transfer to Investor Education Protection Fund	-	(4.15)
Net Cash generated from (Used in) Financing Activities	(2,678.43)	(3,325.81)
Net Increase (Decrease) in Cash & Cash Equivalents	(12.96)	(214.82)
Cash and Cash equivalents as at the beginning of the Year	283.74	498.56
Cash and Cash Equivalents as at the end of the Year (Refer Note 16)	270.78	283.74
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

Rasesh V. Parekh
Partner
Membership No. 038615

K.Chandran
Vice Chairman
(DIN: 00005868)

N. K. Puri
Director
(DIN : 00002226)

Jitendra J. Gandhi
Company Secretary

Vinod Verma
Chief Financial Officer

Mumbai, 14 August 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019
A. Equity Share Capital

(₹ in Lakhs)

Particulars	1 April 2017	Changes in Equity Share Capital during the year	31 March 2018	Changes in Equity Share Capital during the year	31 March 2019
Authorised					
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
	5,000.00	-	5,000.00	-	5,000.00
Issued, Subscribed and Paid-up (Refer Note 21)	2,322.01	50.00	2,372.01		2,372.01

B. Other Equity

(₹ in Lakhs)

Particulars	Other Equity						Total Other Equity
	Reserves and Surplus						
	Capital reserve	Securities Premium	Debenture Redemption Reserve	General reserve	Employee stock option outstanding	Retained earnings	
Balance as at 1 April 2017	683.41	5,000.25	412.25	1,323.52	-	(23,491.40)	(15,071.97)
Loss for the year	-	-	-	-	-	(3,198.73)	(3,198.73)
Other comprehensive income/(loss) for the year (net of tax)	-	950.00	-	-	-	21.24	21.24
Conversion of compulsory convertible debentures into Equity Shares	-	-	-	-	-	-	-
Share based payments of employees	-	-	-	-	25.80	-	(1,000.00)
Balance as at 31 March 2018	683.41	5,950.25	412.25	1,323.52	25.80	(26,668.89)	(18,273.66)
Profit/(Loss) for the year	-	-	-	-	-	(2,484.93)	(2,484.93)
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	-	-	30.53	30.53
Total comprehensive income/(loss) for the year	-	-	-	-	-	(2,454.40)	(2,454.40)
Share based payments of employees	-	-	-	-	11.16	-	11.16
Amortisation during the year	-	-	-	-	(13.83)	-	(13.83)
Balance as at 31 March 2019	683.41	5,950.25	412.25	1,323.52	23.13	(29,123.29)	(20,730.73)

WANBURY LIMITED

31st Annual Report 2018-2019

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

Mumbai, 14 August 2019

For and on behalf of the Board

K.Chandran
Vice Chairman
(DIN: 00005868)

Jitendra J. Gandhi
Company Secretary

N. K. Puri
Director
(DIN : 00002226)

Vinod Verma
Chief Financial Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**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, 10th 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 2019 are approved for issue by the Company’s Board of Directors on 14 August 2019.

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 Cenvat / value added tax/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. Premium on Leasehold lands are amortised over the period of lease. 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 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 / 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 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 the financial assets and credit risk exposure.

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

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 & 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 CENVAT/VAT/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 (except for consideration paid/received in advance), 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.

A receivable is recognised when the goods are delivered as this is the point in 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 determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

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 Conditions.

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 is 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. **Recent accounting pronouncements**

Ind AS 116:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right to use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have insignificant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 - Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar

to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the Remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any such long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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.

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. Intangible Assets :

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

c. 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.

d. 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.

e. 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.

f. Arrangement containing lease :

At the inception of an arrangement, Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

Company has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

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 their normal value 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 an 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 2019

8.1 PROPERTY, PLANT & EQUIPMENTS

Current Year

₹ in Lakhs

Description	Gross Block			Accumulated Depreciation/Amortisation			Net Block		
	As at 1 April 2018	Addition	Deduction/Adjustment	As at 31 March 2019	As at 1 April 2018	for the Period		Deduction/Adjustment	
	(1)	(2)	(3)	(4)=(1+2-3)	(5)	(6)	(7)	(8)=(5+6-7)	(9)=(4-8)
A									
Property, Plant & Equipments									
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	8.86	1,614.35	7,428.30
Furniture & Fixtures	300.31	2.28	0.40	302.19	82.33	33.57	0.19	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	2.24	91.46	50.11
Electrical Installations	102.24	-	0.30	101.94	29.72	12.04	0.16	41.60	60.34
Laboratory Equipments	613.22	2.61	10.99	604.84	129.53	60.82	10.40	179.95	424.89
Computers	80.33	9.55	2.09	87.79	53.57	18.95	1.94	70.58	17.21
Leasehold Improvement	15.84	-	15.84	-	13.11	2.73	15.84	-	-
Total	19,732.42	433.85	74.71	20,091.56	1,976.74	975.68	39.63	2,912.79	17,178.77
B									
Other Intangible Asset									
Software	129.04	1.12	-	130.16	51.27	21.24	-	72.51	57.65
Total	129.04	1.12	-	130.16	51.27	21.24	-	72.51	57.65
C									
Capital Work In Progress									
Total (A+B+C)	19,861.46	434.97	74.71	20,221.72	2,028.01	996.91	39.63	2,985.30	18,132.96

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
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)
A <u>Property, Plant & Equipments</u>								
Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	4,739.81
Lease Hold Land	440.24	-	-	440.24	6.31	6.31	-	427.62
Factory Building	4,113.26	9.15	-	4,122.41	214.30	232.18	-	3,675.93
Plant & Machinery	8,908.21	151.35	13.01	9,046.55	522.92	549.82	1.39	7,975.20
Furniture & Fixtures	293.60	7.66	0.95	300.31	48.16	34.52	0.35	217.98
Vehicles	127.78	-	-	127.78	39.29	34.61	-	53.88
Office Equipments	135.70	9.90	1.91	143.69	34.42	30.83	1.12	79.56
Electrical Installations	102.27	-	0.03	102.24	14.54	15.21	0.03	72.52
Laboratory Equipments	565.32	54.66	6.76	613.22	72.71	58.47	1.65	483.69
Computers	68.35	12.01	0.03	80.33	27.12	26.48	0.03	26.76
Leasehold Improvement	51.13	-	35.29	15.84	21.16	21.12	29.17	2.73
Total	19,545.67	244.73	57.98	19,732.42	1,000.93	1,009.55	33.74	1,976.74
B <u>Other Intangible Asset</u>								
Software	119.70	9.34	-	129.04	30.63	20.64	-	51.27
Total	119.70	9.34	-	129.04	30.63	20.64	-	51.27
C <u>Capital Work In Progress</u>								
Total (A+B+C)	19,665.37	254.07	57.98	19,861.46	1,031.56	1,030.20	33.74	2,028.01

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 Lakhs (31 March 2018 - ₹ 896.54 Lakhs) of erstwhile PPIL (Refer Note 45 a).

8.5 Addition includes ₹ Nil (31 March 2018 - ₹ 4.33 Lakhs) used for Research & Development

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
9 Non Current Investments		
9.1 Investment in Equity Instruments		
(i) In Subsidiary Companies - Unquoted (at cost/deemed cost)		
Ningxia Wanbury Fine Chemicals		
13,260 (Pr. Yr. - 13,260) Share of USD 1 each fully paid up		
Wanbury Holding B. V.		
6,489 (Pr. Yr. - 6,489) Ordinary Share of Euro 1,000 each fully paid up (Pledged with Banks against loan given to the Cantabria Pharma S.L.)		
Advance for Pending Allotment of ordinary shares		
Wanbury Global FZE		
5 (Pr. Yr. - 5) Shares of AED 1,00,000 each fully paid up Quasi Share Capital		
(ii) In Others -Unquoted (Fair Value through Profit & Loss)		
The Saraswat Co-op. Bank Ltd.		
706 (Pr. Yr. - 706) Equity Share of ₹ 10 each fully paid up	0.07	0.07
The Shamrao Vithal Co-op. Bank Ltd.		
100 (Pr. Yr. - 100) Equity Share of ₹ 25 each fully paid up	0.03	0.03
Bravo Healthcare Limited		
12,71,250 (Pr. Yr. - 12,71,250) Equity Share of ₹ 10 each fully paid up		
(iii) In Others - Quoted (Fair Value through Profit & Loss)		
Bank of India		
1,800 (Pr. Yr. - 1,800) Equity Share of ₹ 10 each fully paid up	1.88	1.86
	1.98	1.96
9.2 Aggregate carrying value of quoted investments	1.88	1.86
9.3 Aggregate market value of quoted investments	1.88	1.86
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:		
Ningxia Wanbury Fine Chemicals		
13,260 (Pr. Yr. - 13,260) Share of USD 1 each fully paid up	5.29	5.29
Wanbury Holding B. V.		
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
Wanbury Global FZE		
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
Bravo Healthcare Limited		
12,71,250 (Pr. Yr. - 12,71,250) Equity Share of ₹ 10 each fully paid up	53.40	53.40
	15,234.85	15,234.85

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
10 Non Current Financial Assets - Loans (Unsecured, unless otherwise stated)		
Security Deposits- Considered Good	295.03	279.19
Other Loans		
- Credit Impaired	1,471.78	1,471.78
	1,471.78	1,471.78
Less: Allowance for Doubtful Other Loans	1,471.78	1,471.78
	-	-
	295.03	279.19
11 Non Current Financial Assets - Others (Unsecured, considered good, unless otherwise stated)		
In Deposit Accounts with Banks (Under Lien)		
-with original maturity of more than 12 months from balance sheet date	6.71	35.48
Interest Accrued on fixed deposit with Banks	0.04	0.05
	6.75	35.53
12 Deferred Tax Assets		
MAT Credit Entitlement	336.38	336.38
	336.38	336.38
13 Non Current Assets - Others		
Capital Advances	15.99	5.20
Prepaid Expenses	0.35	5.68
	16.34	10.88
14 Inventories		
Raw Materials and Packing Materials	473.18	357.02
Work-in-Progress	296.89	131.01
Finished Goods (including in transit ₹ 517.56 Lakhs, Pr.Yr.- ₹ Nil)	625.34	247.23
Stock-in-Trade	527.74	565.50
Fuel	10.14	6.31
	1,933.29	1,307.07
15 Trade Receivables		
- Considered Good - Unsecured	4,440.87	2,945.82
- Which have significant Increase in Credit Risk	1,705.04	1,922.43
	6,145.91	4,868.25
Less: Allowance for doubtful trade receivables	1,705.04	1,922.43
	4,440.87	2,945.82

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.

The relevant carrying amounts are as follows:

Total transferred receivables	428.85	256.37
Associated secured borrowing (Note 25)	374.49	200.92

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
16 Cash and Cash Equivalents	261.45	274.45
Balances with Banks:	5.78	5.44
- In Current Account		
- In EEFC Account	3.55	3.85
Cash on Hand		
	270.78	283.74
17 Bank Balances other than Cash and Cash Equivalents		
In Deposit Accounts with Banks (Under Lien)		
-with original maturity of more than 3 months and upto 12 months	207.38	316.06
-with original maturity of more than 12 months)	43.40	18.10
	250.78	334.16
During the year ended 31 March 2018, company has transferred ₹ 4.15 lakhs to Investor Education and Protection Fund within the due date		
18 Current Financial Assets - Loans		
Unsecured		
Other Loans		
- Credit Impaired	56.54	56.54
	56.54	56.54
Less: Allowance for Doubtful Other Loans	56.54	56.54
	-	-
19 Current Financial Assets - Others		
Interest Accrued on fixed deposit with Banks	0.18	0.19
Other Interest Receivable		
- Considered Good	-	-
- Considered Doubtful	313.49	313.49
	313.49	313.49
Less: Allowance for Doubtful Other Interest Receivable	313.49	313.49
	-	-
Export Benefit Receivable	28.06	6.22
Mark to market derivative assets	-	25.72
Net settlement gain receivable on Derivative Assets	29.22	-
	57.46	32.13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
20 Other Current Assets- Non Financial		
(Unsecured, considered good, unless otherwise stated)		
Advances to Related Parties (Refer Note 58):		
- Considered Good	-	-
- Considered Doubtful	8,809.00	8,809.00
	8,809.00	8,809.00
Less: Allowance for Doubtful Advances to related parties	8,809.00	8,809.00
	-	-
Advance to Employees:		
- Considered Good*	87.31	186.50
- Considered Doubtful	304.76	204.76
	392.07	391.27
Less: Allowance for Doubtful Advances to Employees	304.76	204.76
	87.31	186.49
Advance to Suppliers other than Capital Advances		
- Considered Good	41.74	296.85
- Considered Doubtful	207.17	218.88
	248.91	515.73
Less: Allowance for Doubtful Advances to Suppliers	207.17	218.88
	41.74	296.85
Prepaid Expenses	99.07	122.18
Export Benefit Receivable	212.06	290.19
Balance with Statutory/Government Authorities:		
- VAT Receivable	104.20	371.92
- GST Receivable	1,800.90	1,079.13
	2,345.28	2,346.77
	2,345.28	2,346.77
*Includes excess remuneration receivable from Directors- ₹ Nil (31 March 2018 - ₹ 137.31 Lakhs) (Refer Note 53)		
21 Share Capital		
<u>Authorised</u>		
20,00,000 Preference shares of ₹ 100/- each	2,000.00	2,000.00
3,00,00,000 Equity Shares of ₹ 10/- each	3,000.00	3,000.00
	5,000.00	5,000.00
	5,000.00	5,000.00
<u>Issued, Subscribed and Paid-Up</u>		
2,37,20,117 (Pr. Yr. - 2,32,20,117) Equity Shares of ₹ 10/- each fully paid up	2,372.01	2,372.01
Total Share Capital	2,372.01	2,372.01
	2,372.01	2,372.01

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

21.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	31 March 2019		31 March 2018	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	2,37,20,117	2,372.01	2,32,20,117	2,322.01
Add: Shares allotted as fully paid up during the year	-	-	5,00,000	50.00
Shares outstanding at the end of the period	2,37,20,117	2,372.01	2,37,20,117	2,372.01

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 2019		31 March 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	30,24,000	12.75%	30,24,000	12.75%
Expert Chemicals (India) Pvt. Ltd.	1,00,05,561	42.18%	1,00,05,561	42.18%

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.

21.5 Equity Shares reserved for issuance:

Particulars	31 March 2019	31 March 2018
	No of Shares of FV ₹ 10	No of Shares of FV ₹ 10
Under Employee Stock Options Plan 2016.	9,98,464	9,98,464

21.6 During the year ended 31 March 2017, the Company had allotted 5,00,000 numbers of Zero % Compulsorily Convertible Debentures (CCDs) of face value of ₹ 200/- each at par aggregating to ₹ 1,000 lakhs and during the current year ended 31 March 2018, CCDs has been converted into 5,00,000 equity shares of Face value of ₹ 10 each at premium of ₹ 190 per share.

21.7 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.

21.8 The Company is not a subsidiary company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

22 Other Equity

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
Capital Reserves	683.41	683.41
Securities Premium	5,950.25	5,950.25
Debenture Redemption Reserve	412.25	412.25
General Reserve	1,323.52	1,323.52
Employee Stock Option Outstanding	23.13	25.80
Retained Earnings	(29,123.29)	(26,668.89)
Total other equity	(20,730.73)	(18,273.66)

23 Non-current Financial Liabilities - Borrowings

Term loans (Secured)

From Banks (Rupee)	869.35	1,854.28
From Others (Rupee)	11,433.81	8,046.01

Vehicle Loans (Secured)

From Others (Rupee)	-	0.82
---------------------	---	------

12,303.16	9,901.11
------------------	-----------------

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 2019	31 March 2018
Cash and cash equivalents	270.78	283.74
Non-current Borrowings	(12,303.16)	(9,901.11)
Current Borrowings	(8,520.54)	(8,266.92)
Current maturities of long term borrowings	(2,475.34)	(3,858.54)
Interest accrued	(881.02)	(1,271.59)
Unpaid dues	(2,802.65)	(3,191.13)
Net Debt	(26,711.93)	(26,205.55)

₹ in Lakhs

Particulars	Cash and cash equivalent	Liability from financing activities	Total
Balance as on 1 April 2018	283.74	(26,489.29)	(26,205.55)
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
Closing balance as on 31 March 2019	270.78	(26,982.71)	(26,711.93)

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars	Cash and cash equivalent	Liability from financing activities	Total
Balance as on 1 April 2017	498.56	(31,549.21)	(31,050.65)
Cash outflows	(214.82)	2,648.55	2,433.73
Interest expense for the year	-	(3,073.93)	(3,073.93)
Interest payment	-	660.76	660.76
Gain on extinguishment of loan liability	-	5,296.02	5,296.02
Write back	-	1,738.27	1,738.27
Non-fund based loan	-	(2,164.13)	(2,164.13)
Revaluation of foreign currency borrowings	-	(45.62)	(45.62)
Closing balance as on 31 March 2018	283.74	(26,489.29)	(26,205.55)

23.2 Nature of Security	Term of Interest and Repayment	As at 31 March 2019	As at 31 March 2018
<p>Working Capital Term Loan I :</p> <p>First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant & 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 & 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 17 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>	1,022.78	1,394.71
<p>Funded Interest Term Loan :</p> <p>First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant & 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 & 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>IDBI & EXIM: The loan is repayable in 32 quarterly instalments starting from 31 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</p> <p>Interest rate of 3% p.a. for Fy 10-11 which shall be increased by 1% each year till it reaches a level of 5% in Fy 12-13 and thereafter will remain constant.</p>	483.03	1,063.19

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

<p>Term loan EARC -Edelweiss :</p> <p>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 & 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>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>	12,886.70	8,938.30
<p>Working Capital Term Loan II:</p> <p>First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant & 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 & 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 17 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 13-14 , to 5% in FY 2015-16 and to 8% in FY 2018-19 and thereafter it will remain same</p>	882.03	1,148.30
<p>Term Loan</p> <p>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.</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>	1,451.04	3,103.96

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

<p>Corporate Loan :</p> <p>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, Personal Guarantee of Mr. K Chandran, director of the company.</p>		-	296.17
<p>Capex Loan</p> <p>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.</p>	<p>Loan is repayable in five years from F.Y. 2011-12 to F.Y. 2016-17</p>	-	70.80
<p>Vehicle Loan</p> <p>First charge on vehicles against which loan is disbursed.</p>		0.82	1.92
<p>Total Non-Current Borrowings</p> <p>Less: Current Maturities of Long Borrowings and Vehicle Loan (Refer Note 27)</p> <p>Less: Unpaid Dues of Long term Borrowings (Refer Note 27)</p> <p>Less: Interest Accrued (Refer Note 27)</p> <p>Non-Current Borrowings (as per Balance Sheet)</p>		16,726.40 2,330.42 1,676.78 416.04 12,303.16	16,017.35 3,716.13 1,991.41 408.70 9,901.11

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
24 Non-Current Provisions		
Provision for employee benefits (Net) (Refer Note 55)		
Provision for Gratuity	611.39	543.86
Provision for Leave Benefits	457.97	470.52
	1,069.36	1,014.38
25 Current Financial Liabilities - Borrowings (Secured unless otherwise stated)		
Working Capital Loans repayable on demand (Refer Note 25.1)		
From Banks (Rupee)	8,095.80	7,200.44
From Others (Rupee)	-	815.31
Factored Receivables (Refer Note 25.2 and 15)		
From Others (Foreign Currency)	374.49	200.92
Loans repayable on demand (Unsecured) (Refer Note 45a)		
From Banks (Rupee)	29.94	29.94
From Others (Rupee)	20.31	20.31
	8,520.54	8,266.92

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.

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
26 Current Financial Liabilities - Trade Payables		
Total outstanding dues of micro enterprise and small enterprise (Refer Note 50)	9.67	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	11,169.07	8,267.43
	11,178.74	8,267.43

Refer Note 59 for Payables to Related Party

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
27 Current Financial Liabilities - Others		
(Unsecured unless otherwise stated)		
Current maturities of:		
-Long Term Borrowings- Banks (Secured) (Refer Note 23)	1,079.60	1,122.48
-Long Term Borrowings- Others (Secured) (Refer Note 23)	1,250.00	2,592.55
-Vehicle Loan (Secured) (Refer Note 23)	0.82	1.10
-Dues of FCCB Holders	144.92	142.41
Interest accrued but not due on:		
-Long Term Borrowings- Banks (Secured) (Refer note 23)	-	400.93
-Dues to FCCB Holders	22.68	17.28
-Debentures (Secured)	328.98	328.98
Interest accrued and due on (Refer Note 27.3)		
-Long Term Borrowings- Banks (Secured) (Refer Note 23)	413.13	209.01
-Long Term Borrowings- Others (Secured) (Refer Note 23)	2.91	199.69
-Dues of FCCB Holders	108.39	115.70
-Liability against Corporate Guarantee (Refer Note 43)	4.93	-
Unpaid Dues of:		
-Long Term Borrowings- Banks (Secured) (Refer Note 27.3, 23)	1,476.78	904.47
-Long Term Borrowings- Others (Secured) (Refer Note 27.3, 23)	200.00	1,086.94
-FCCB Holders (Refer Note 27.3)	323.20	397.04
-Liability against Corporate Guarantee (Refer Note 27.3 & 43)	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 (NCD) (Secured) (Refer Note 27.1 & 27.5)	152.67	152.67
-Optionally Fully Convertible Debentures (OFCD) (Secured) (Refer Note 27.2 & 27.5)	581.99	581.99
Other Payables:		
- Capital Creditors	121.50	255.59
- Others (Includes Inland bills payable, stale cheques, dues of PPIL etc)	177.91	134.61
- Security Deposit	444.50	464.00
- Liability against Corporate Guarantees issued (Refer Note 43)	3,679.06	5,000.00
	11,902.94	14,175.45

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 ₹ 1,476.78 Lakhs (Pr. Yr. - ₹ 904.47 Lakhs) ranging from 1 to 821 days (Pr. Yr. - 1 to 366 days).
- (ii) term loan from other aggregating to ₹ 200.00 Lakhs (Pr. Yr. - ₹ 1086.94 Lakhs) by 1 to 17 day (Pr. Yr. - 1 to 640 days).
- (iii) amount payable to FCCB Holders aggregating to ₹ 323.20 Lakhs (Pr. Yr. - ₹ 397.04 Lakhs) ranging from 1 to 2533 days (Pr. Yr. -1 to 2168 days).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- (iv) interest on secured borrowings aggregating to ₹ 416.04 Lakhs (Pr. Yr. - ₹ 408.70 Lakhs) ranging from 1 to 731 days (Pr. Yr. - 1 to 731 days) in respect of dues to banks/ financial institutions.
- (v) interest on FCCB aggregating to ₹ 108.39 Lakhs (Pr. Yr. - ₹ 115.70 Lakhs) ranging from 1 to 2832 days (Pr. Yr. - 1 to 2467 days).
- (vi) amount payable against Corporate guarantee to ₹ 1325.87 Lakhs (Pr. Yr. - Nil) by 1 day (Pr. Yr. - ₹ Nil).

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 2019	31 March 2018
	₹ in Lakhs	₹ in Lakhs
28 Other Current Liabilities		
- Advance received from customers	463.00	342.32
- Statutory Dues Payable	1,035.40	674.11
	1,498.40	1,016.43
29 Current Provisions		
Provision for employee benefits (Net) (Refer Note 55)		
Provision for Gratuity	101.17	126.45
Provision for Leave Benefits	39.34	46.89
Bonus Provision	132.08	131.37
	272.59	304.71
30 Current Tax Liabilities (Net)		
Provision for Income Tax (Net of Payment) (Refer Note 52)	74.48	80.74
	74.48	80.74
31 Revenue From Operations		
<u>Sale of products:</u>		
- Finished Goods*	27,382.67	24,955.69
- Traded Goods	11,308.28	12,106.61
<u>Other Operating Revenue:</u>		
- Export Incentive	417.24	261.01
- Sale of Scrap	29.22	37.50
	39,137.41	37,360.81

* Revenue from operations up to 30 June 2017 was reported inclusive of excise duty which is now subsumed in Goods and Service Tax(GST). Post implementation of GST, revenue from operations is reported exclusive of GST. Accordingly, figures of revenue from operation for the year ended 31 March 2019 are not comparable with the figures of the previous period.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
32 Other Income		
Interest on Bank Deposits	18.99	23.52
Other Interest	42.21	26.87
Exchange Difference (Net)	-	150.21
Insurance Claim	29.68	4.00
Amounts written back (Net)	46.07	2,108.17
Miscellaneous Income	5.35	61.48
Gain on Measurement of Equity Instrument at Fair Value	0.01	-
Gain on Extinguishment of Financial Liability (Net) (Refer Note for 47)	790.32	5,296.02
	932.63	7,670.27
33 Cost of Materials Consumed		
Raw Materials & Packing Materials Consumed	16,499.40	12,844.86
	16,499.40	12,844.86
34 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories at the beginning of the year		
- Finished Goods	247.23	430.47
- Work-in-Progress	131.01	535.28
- Stock-in-Trade	565.50	747.46
	(A) 943.74	1,713.21
Inventories at the end of the year		
- Finished Goods	625.34	247.23
- Work-in-Progress	296.89	131.01
- Stock-in-Trade	527.74	565.50
	(B) 1,449.97	943.74
Changes in Inventories		
- Finished Goods	(378.11)	183.24
- Work-in-Progress	(165.88)	404.27
- Stock-in-Trade	37.76	181.96
Total changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(A-B) (506.23)	769.47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
35 Employee Benefits Expense		
Salaries, Wages, Bonus and Allowances	6,841.45	7,879.30
Contribution to Provident and Other Funds	569.07	620.76
Expense on Employee Stock Option Scheme	(2.67)	25.80
Staff Welfare Expenses	181.37	206.22
	7,589.22	8,732.08
36 Finance Cost		
Interest expense	3,988.46	3,086.28
	3,988.46	3,086.28
37 Depreciation and amortization expense (Refer Note 8)		
Depreciation and amortization expense of Tangible Asset (Refer Note 8A)	975.66	1,009.55
Amortization expense of Intangible Asset (Refer Note 8B)	21.25	20.65
	996.91	1,030.20
38 Other Expenses		
Advertisement & Sales Promotional Expenses	1,471.67	1,625.33
Travelling & Conveyance	1,159.78	1,415.60
Power & Fuel	1,446.24	1,525.80
Allowances /(Reversal) for Doubtful Loans & advances (Net)	88.29	1,001.57
Allowances/(Reversal) for doubtful debts (Net)	(217.38)	1,313.42
Allowance/(Reversal) for Corporate guarantee (Net)	244.64	-
Amounts written off	-	4,707.60
Breakages & Expiry	600.00	552.80
Carriage Outward	689.69	814.34
Legal & Professional Charges	1,270.77	989.99
Commission On Sales	544.00	399.04
Consumption of Stores, Spares & Consumables	285.20	346.75
Rent	310.75	320.40
Exchange Difference (Net)	28.18	-
Loss on Measurement of Equity Instrument at Fair Value	-	0.65
Repairs to Plant & Machineries	253.31	336.48
Repairs to Buildings	36.19	154.07
Repairs- Others	223.30	183.26
Rates & Taxes	95.93	83.72
License Fees	126.31	71.45
Insurance	66.05	61.73
Loss on sale/discard of Property, Plant & Equipments (Net)	33.62	24.23
Sales Tax & Service Tax	35.50	109.97
Excise duty expense	-	250.51
Miscellaneous Expenses	1,582.08	1,720.53
	10,374.12	18,009.24

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

39. Earnings Per Share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars		31 March 2019	31 March 2018
Basic and Diluted Earnings Per Share:			
Profit/ (loss) attributable to Equity shareholders- for Basic EPS (₹ in Lakhs)	(A)	(2,484.93)	(3,198.73)
Add: Dilutive effect on profit (₹ in Lakhs)	(B)	-	-
Profit/ (loss) attributable to Equity shareholders for Diluted EPS (₹ in Lakhs)	(C=A+B)	(2,484.93)	(3,198.73)
Weighted Average Number of Equity Shares outstanding-for Basic EPS	(D)	2,37,20,117	2,37,20,117
Add: Dilutive effect of Employee Stock options/other options outstanding -Number of Equity Shares	(E)	-	-
Weighted Average Number of Equity Shares for Diluted EPS	(F=D+E)	2,37,20,117	2,37,20,117
Face Value per Equity Share (₹)		10	10
Basic Earnings/ (Loss) Per Share (₹)	(A/D)	(10.48)	(13.49)
Diluted / (Loss) Earnings Per Share (₹) *	(C/F)	(10.48)	(13.49)

* Since there is loss, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

40. Commitments:

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 39.72 Lakhs (Pr. Yr. ₹ 21.63 Lakhs).
- Other Commitments- Non Cancellable operating leases (Refer Note 57).

41. Contingent Liabilities:

Sr. No.	Particulars	₹ in Lakhs	
		31 March 2019	31 March 2018
a)	Contract of take out undertaking executed in favour of bank/financial institution for loans given to step down subsidiary-Cantabria Pharma SL.	26,418.82 (Euro 340.00 Lakhs)	27,411.55 (Euro 340.00 Lakhs)
	Loans outstanding at the year end for undertaking as above.(Refer note 43)	16,430.06 (Euro 208.45 Lakhs)	17,193.99 (Euro 213.27 Lakhs)
b)	Disputed demands by Income Tax Authorities. Amount paid under protest and shown as advance.	617.15 115.93	663.34 113.43
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	382.13 68.33
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	2,687.65	2,687.65
h)	Custom Duty on import under Advance License Scheme, pending fulfillment of Export obligation.	3325.26	2,986.92

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 Company is required to pay USD 60 Lakhs (Pr. Yr. USD 60 Lakhs) [₹ 4,150.28 Lakhs (Pr. Yr. ₹ 3,902.65 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) [₹ 2,970.56 Lakhs (Pr. Yr. ₹ 2,647.43 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 company has paid 3 Lacs Euro during the year. The Company has provided for interest on the amount payable as on 31 March 2019. Further the Company's request for extension of time for payment of amount due is under consideration by State Bank of India, London. (Refer note 43)
43. The Company expects to settle 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 ₹ 50 crores. Aforesaid Liability for Corporate guarantee is shown under Other Current Financial Liabilities- Other Payables.
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 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 asset held for sale

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Details of the assets held for sale are as under:

(₹ in Lakhs)

Description	31 March 2019	31 March 2018
Office Premises	196.54	196.54
Building	177.05	177.05
Total	373.59	373.59

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 previous 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, 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 year ended 31 March 2019, the Company’s request for extension of time for payment of balance outstanding amount has been considered and approved by BOI vide letter dated 26 July 2019. As per the terms of settlement, the 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 has been recognised during the year and gain recognized in earlier year to the extent of ₹ 1,011.86 has been reversed and included in “other income”. The outstanding liability at the year end is shown under “Current Financial Liabilities- Borrowings”.
- 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 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”. The outstanding liability at the 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, Company has agreed to pay the agreed value in structured installments. During the year ended 31 March 2019, EARCL vide agreement dated 29 January 2019, has agreed revised repayment schedule in respect of dues payable by the Company. Accordingly, effect of aforesaid agreement has been given in the Financial Statements. The 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. 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 2019

50. 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 2019	31 March 2018
a)The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year Principal Interest	8.19 0.00	Nil Nil
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.	1.47	Nil
d)The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.48	Nil
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.	Nil	Nil

51. 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 ₹ 883.62 lakhs (Pr. Yr. ₹ 1,230.82 lakhs).

52. 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 2019	31 March 2018
Current tax on profit for the year	-	-
Adjustment for current tax on prior periods	0.19	(28.13)
Total Current Tax expenses	0.19	(28.13)
Deferred tax expense / (benefits)	-	-
Origination and reversal of timing difference	(13.85)	(9.63)
Total Deferred Tax expenses	(13.85)	(9.63)
Income tax expense for the year recognised in the statement of profit & loss.	(13.66)	(37.76)

B. Reconciliation of Effective Tax Rate:

The Company has incurred loss during the year ended 31 March 2019 & 31 March 2018. In both the years, there are book loss and tax loss and hence no tax is 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):

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Deferred Tax Liabilities	(6,469.51)	(7,255.56)
Deferred Tax Assets (restricted to deferred tax liabilities above)	6,469.51	7,255.56
MAT credit entitlement	336.38	336.38
Deferred tax assets/ (liabilities)	336.38	336.38

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 2019	31 March 2018
Deferred Tax Liabilities		
Property, Plant and Equipment	2,229.01	2,477.85
Borrowing at amortised cost	4,240.50	4,777.71
Financial Instrument at Fair Value through Profit and Loss (FVTPL)	-	-
Total Deferred Tax Liabilities	6,469.51	7,255.56
Deferred Tax Assets		
Employee Benefit Expenses	418.69	460.94
Provision for Doubtful Debts/Receivable	4,014.75	4,541.63
Unabsorbed depreciation	2,198.63	2,673.21
Unabsorbed tax losses	509.65	220.96
Bank Gurantee Invoked	1,560.00	1,747.20
Expenses deductible on payment basis	2,280.96	1,848.98
IND -AS Adjustments	296.80	332.42
Total Deferred Tax Assets	11,279.47	11,825.34
Total Deferred Tax Assets Resticted to	6,469.51	7,255.56

Note: No deferred tax assets have been recognised on unused tax losses.

53. (a) Managerial Remuneration:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Salary & Allowances	Nil	Nil
Contribution of P.F. & Other Funds	3.92	5.23

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

The Company has applied to the Central Government on 18 January 2016 for the approval of excess remuneration 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 has been recovered during the F.Y 2018-19.

(b) Sitting fees to directors ₹ 13.80 Lakhs (Pr. Yr. ₹ 17.10 Lakhs).

54. Details of Auditors Remuneration:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Statutory Auditors Remuneration :		
- Audit Fees	12.50	14.00
- Certification & Other Matters	6.40	6.15
- Out of Pocket Expenses	0.16	0.03
Branch Auditors Remuneration :		
- Certification & Other Matters	Nil	0.50
- Out of Pocket Expenses	Nil	0.37
Cost Auditors Remuneration :		
- Cost Auditor Fees	1.75	1.75

Note: Above figures are exclusive of service tax / GST, wherever applicable.

55. 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 2019	31 March 2018
Provident Fund, Employee's Pension Scheme and MLWF	332.12	373.82
Employees State Insurance	65.42	76.65
Super Annuation Fund	4.36	4.15
TOTAL	401.90	454.62

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 2019	31 March 2018
(i)	Changes in Defined Benefit Obligation		
	Opening defined benefit obligation	684.91	564.26
	Current service cost	113.23	101.63
	Interest cost	49.78	41.25
	Actuarial loss / (gain)		
	-changes in financial assumptions	-	(17.61)
	-experience adjustments	(51.37)	(17.58)

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	Past service Cost*	6.57	58.86
	Benefit (paid)	(75.19)	(45.89)
	Closing defined benefit obligation	727.93	684.91
(ii)	<u>Changes in Value of Plan Assets</u>		
	Opening value of plan assets	24.08	22.38
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Interest Income	4.36	1.64
	Return on plan assets excluding amounts included in Interest Income	(6.99)	(4.32)
	Contributions by employer	3.42	4.38
	Benefits (paid)	Nil	Nil
	Closing value of plan assets	24.87	24.08
(iii)	<u>Amount recognised in the Balance Sheet</u>		
	Present value of funded obligations as at year end	727.94	684.91
	Fair value of the plan assets as at year end	(24.87)	(24.08)
	Net (asset) / liability recognised as at the year end	703.07	660.83
(iv)	<u>Expenses recognised in the Statement of Profit and Loss</u>		
	Current service cost	113.23	101.63
	Past service cost *	6.57	58.86
	Net Interest cost	45.42	39.61
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year	(44.38)	(30.87)
	-changes in financial assumptions	-	(17.61)
	-experience adjustments	(51.37)	(17.58)
	Return on plan assets excluding amounts included in Interest Income	6.99	4.32
(v)	<u>Asset information</u>		
	Policy of Insurance	100%	100%
(vi)	<u>Principal actuarial assumptions used</u>		
	Discount rate (p.a.)	7.60%	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	7.60%	7.60%
	Mortality rate	Based on Indian Assured Lives Mortality2006-08 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	698.88	759.16	629.60	749.00
Salary growth rate (1% movement)	750.45	706.65	741.07	632.85
Withdrawal rate (10% movement)	730.23	725.45	684.76	684.99

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 8.97 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 ₹ 497.31 Lakhs (Pr. Yr. ₹ 517.40 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.

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.

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:

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

56. 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 2019 (FV ₹ 10)	31 March 2018 (FV ₹ 10)
Options outstanding as at the beginning of the Year	3,00,000	Nil
Add: Options granted during the Year	Nil	3,00,000
Less: Options lapsed during the Year	2,00,000	Nil
Less: Options Exercised during the Year	Nil	Nil
Options outstanding as at the End of the year	1,00,000	3,00,000

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

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%

57. Disclosure for operating leases under Ind AS 17 - "Leases":

The Company has taken various premises under operating lease. These are generally cancellable and ranges from 11 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 restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. The lease rent of ₹ 310.75 Lakhs (Pr. Yr. ₹ 320.40 Lakhs) are recognised in the Statement of Profit

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

and Loss under "Rent" under Note 38.

The Company does not have non-cancellable operating leases during the current and previous financial year.

58. Disclosure required by regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements, 2015):

Interest free Advances to:

(₹ in Lakhs)

Particulars	Outstanding as on 31 March 2019	Maximum Balance Outstanding during the period
Bravo Healthcare Ltd.	7,589.67 (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)

59. 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 Gandhi – Company Secretary

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)

Sr. No.	Transactions	Category	31 March 2019	31 March 2018
1)	Information Technology Services taken:			
	Wanbury Infotech Pvt. Ltd.	IV	216.00	216.27
2)	Key Management Compensation			
	Short Term Employee Benefits			
	Mr. Vinod Verma	III	145.76	120.00
	Mr. Jitendra Gandhi	III	32.91	28.33
	Share Based Payments	III	11.16	11.99
	Post-Employment Benefits	III	7.69	14.50
3)	Excess Remuneration to Director treated as Receivable (Refer Note 53):			
	Mr. K. Chandran	III	Nil	45.77

C. Balances due from/to related parties:

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

Sr. No.	Particulars	Category	31 March 2019	31 March 2018
1)	Advances given:			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo Healthcare Ltd.	IV	7,589.67	7,589.67
2)	Provision for doubtful advances:			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo Healthcare Ltd.	IV	7,589.67	7,589.67
3)	Trade Payable – Others:			
	Wanbury Infotech Pvt. Ltd.	IV	80.18	56.25
4)	Excess Remuneration Receivable:			
	Mr. K. Chandran	III	Nil	137.31
6)	For Investments and impairment in value of investments: (Refer Note 9.6)			
7)	For corporate guarantee given by the Company:(Refer Note 41(a))			
8)	For guarantee issued on behalf of the company: (Refer Note 23.2 & 26.1)			

60. Net-worth of the Company as on 31 March 2019 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. 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.

61. 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.

In compliance with the terms of the Corporate Debt Restructuring Scheme, during the year ended 31 March 2017, the Company has allotted 32,50,831 equity shares of Face value of ₹ 10 each at a premium of ₹ 27.60 per equity share to the promoter company Expert Chemicals (India) Pvt. Ltd., on preferential basis.

During the year ended 31 March 2017, the Company has allotted 5,00,000 numbers of Zero % Compulsorily Convertible Debentures (CCDs) of face value of ₹ 200/- each at par aggregating to ₹ 1,000 lakhs. Further, during the previous year ended 31 March 2018, the company has converted the CCD’s into 5,00,000 Equity shares of face value of ₹ 10/- at premium of ₹ 190/-

For the purpose of the Company’s capital management, 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 2019	31 March 2018
Equity Share Capital	2,372.01	2,372.01
Other Equity	(20,730.73)	(18,273.66)
Total Equity	(18,358.72)	(15,901.65)
Debt(including all other liabilities)	46,820.21	43,027.17
Less: Cash and Cash Equivalents	270.78	283.74
Net Debt(including all other liabilities)	46,549.43	42,743.43

62. Financial Instrument – Fair values and risk management

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

A. Category of Financial Instruments

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investment in equity instruments	1.98	-	1.96	-
Mark To Market -Derivative asset	-	-	25.72	-
Security deposits given	-	295.03	-	279.19
Loans	-	-	-	-
Trade Receivables	-	4,440.87	-	2,945.82
Cash and cash equivalents	-	270.78	-	283.74
Bank balances other than Cash and cash equivalents	-	250.78	-	334.16
Other financial assets	-	64.21	-	41.94
Total Financial Assets	1.98	5,321.67	27.68	3,884.85
Financial Liabilities				
Borrowings	-	26,101.70	-	25,217.69
Interest accrued on borrowings	-	876.09	-	1,271.59
Trade payables	-	11,178.74	-	8,267.43
Capital creditors	-	121.50	-	255.59
Security deposits received	-	444.50	-	464.00
Other financial liabilities	-	5,182.85	-	5,134.61
Total Financial Liabilities	-	43,905.38	-	40,610.91

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

- 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.

(₹ in Lakhs)

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Financial Assets and Liabilities measured at fair value	31 March 2019			31 March 2018		
	Level			Level		
	1	2	3	1	2	3
Financial Assets						
Recurring fair value measurements						
Investment in equity instruments	1.88	-	0.10	1.86	-	0.10
Mark To Market -Derivative asset	-	-	-	-	25.72	-
Total financial assets	1.88	-	0.10	1.86	25.72	0.10
Financial Liabilities						
Recurring fair value measurements	-	-	-	-	-	-
Total Financial liabilities	-	-	-	-	-	-

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

Company's board of directors has overall responsibility for the establishment and oversight of Company's risk management framework. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Audit Committee.

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 Company's activities. 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 obligations

Company's Audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

Expected Credit Loss on trade receivable under simplified approach

Particulars	(₹ in Lakhs)	
	31 March 2019	31 March 2018
Balance as at the beginning of the year	1,922.43	609.01
Additional provision charged to statement of Profit and Loss during the year	70.55	1,313.42
Utilised during the year	(287.94)	-
Balance as at the end of the year	1,705.04	1,922.43

(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)

Particulars	(₹ in Lakhs)	
	31 March 2019	31 March 2018
Balance as at the beginning of the year	6,841.83	6,178.90
Additional provision charged to statement of Profit and Loss during the year	244.64	1,226.20
Utilised during the year	(244.64)	(563.27)
Balance as at the end of the year	6,841.83	6,841.83

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)

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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
Total	43,905.38	31,718.02	17,715.08	-	49,433.10

Particulars	As at 31 March 2018				
	Carrying Amount	Cash Outflow			
		Within 1 Year	1 to 5 Years	More than 5 Year	Total
Borrowings and Interest thereon	26,489.29	17,078.49	14,154.35	-	31,232.84
Trade payables and other Payables	8,523.01	8,523.01	-	-	8,523.01
Other Financial liabilities	5,598.61	5,598.61	-	-	5,598.61
Total	40,610.91	31,200.11	14,154.35	-	45,354.46

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.

Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. 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.

The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2018 and 31 March 2017.

(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.

Company uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date.

During the period, the Company has entered into forward exchange contract, being derivative instrument to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables.

Details of the forward contract outstanding at the period end are as under:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Currency	Buy or Sell	Cross Currency	Amount in US \$	
			31 March 2019	31 March 2018
US \$	Sell	INR	Nil	16.25 Lakhs

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-19	31-Mar-18	31-Mar-19	31-Mar-18
Amount Receivable	EURO	7.81	5.02	607.14	404.61
	US \$	42.14	7.22	2,914.86	469.94
	GBP	-	0.15	-	14.01
	CNY	0.04	0.14	0.38	1.41
Amount Payable*	EURO	8.18	10.56	635.95	851.29
	US \$	25.37	4.90	1,755.21	318.92
	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-19	31-Mar-18	31-Mar-19	31-Mar-18
EURO	0.29	4.47	(0.29)	(4.47)
US \$	(11.61)	(1.15)	11.61	1.15
GBP	-	(0.14)	-	0.14
CNY	-	(0.01)	0.00	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.

63. Revenue (Ind As 115)

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

Disaggregation of Revenue

(₹ In Lakhs)

Particulars	31 March 2019	31 March 2018
Primary geographical market:		
- India	21,935.38	22,003.38
- Outside India	16,755.57	15,058.92
Total revenue from contracts with customers	38,690.95	37,062.30
Timing of the revenue recognition:		
- Goods transferred at a point in time	38,690.95	37,062.30
- Services transferred over time	-	-
Total revenue from contracts with customers	38,690.95	37,062.30

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 2019	31 March 2018
Revenue as per contracted price	41,140.11	39,425.82
Adjusted for:		
- Sales returns	(553.13)	(536.65)
- Discounts / Rebates/Incentives	(1,895.79)	(1,689.55)
- Others	(0.24)	(137.32)
Net Revenue	38,690.95	37,062.30

64. 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.
65. 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)

N. K. Puri
Director
(DIN : 00002226)

Jitendra J. Gandhi
Company Secretary

Vinod Verma
Chief Financial Officer

Place : Mumbai, 14 August 2019

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 2019, 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 2019, 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 we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. 61 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.

Our opinion is not qualified in respect of these matters.

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 .

WANBURY LIMITED

31st Annual Report 2018-2019

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of Provisions and Contingent liabilities</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 & 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"> • Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls; • 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; • Reading recent orders and/ or communication received from the tax authorities and with certain other parties, and management replies to such communication; • Evaluating independence, objectivity and competence of the management's tax / legal consultants (internal/ external); • Understanding the current status of the tax assessments/ litigations; • Obtaining direct written confirmations from legal/ tax consultants (internal/ external) to confirm the facts and circumstances and assessment of the likely outcome. • Assessing the likelihood of the potential financial exposure; • We did not identify any material exceptions as a result of above procedures relating to management's assessment of provisions and contingent liabilities.
<p>Appropriateness of the Expected credit loss ("ECL").</p> <p>The Holding Company applies simplified approach for trade receivable and general approach for corporate guarantee contracts and financial assets other than trade receivable to recognise ECL.</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 consolidated financial statements)</p>	<p>Our procedures, in relation to testing of ECL, includes the following:</p> <ul style="list-style-type: none"> • We have verified managements calculations in respect of estimate made by the management towards ECL. We have examined the methodology and the judgements/assumptions made by the management while making ECL.

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 Board of Directors is 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 Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 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)(j) 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.
- Conclude on the appropriateness of management'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 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.

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.

WANBURY LIMITED

31st Annual Report 2018-2019

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 / financial information of three subsidiaries whose financial statements / financial information reflect total assets of ₹ 143.22 Lakhs as at 31 March 2019, total revenues of ₹ 0.25 Lakhs and net cash outflow amounting to ₹ 0.22-Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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 is based solely on the 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, 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 2019 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 2019 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".
 - a) 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:

Excess remuneration to whole time director of the Holding Company for the current year paid/ provided of ₹ 34.4 Lakhs as per provision of section 197 read with Schedule V to the Companies Act, 2013 has been recovered during the year.
 - g) 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 consolidated financial statements disclose the impact of pending litigations 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 2019.

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

Mumbai, 14th August, 2019
UDIN: 19038615AAAAIR7747

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

WANBURY LIMITED

31st Annual Report 2018-2019

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 2019.)

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 2019, 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 2019, 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**

Mumbai, 14th August, 2019
UDIN: 19038615AAAAIR7747

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

WANBURY LIMITED

31st Annual Report 2018-2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(₹ in Lakhs)

	Note No.	31 March 2019	31 March 2018
A			
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	9	17,178.77	17,755.68
(b) Capital work-in-progress	9	896.54	1,004.84
(c) Other Intangible assets	9	57.65	77.78
(d) Financial Assets			
(i) Investments	10	1.98	1.96
(ii) Loans	11	295.03	279.19
(iii) Other financial assets	12	6.75	35.53
(e) Deferred tax assets (net)	13	336.38	336.38
(f) Other non-current assets	14	16.35	10.88
		18,789.45	19,502.24
Current Assets			
(a) Inventories	15	1,933.30	1,307.07
(b) Financial Assets			
(i) Trade receivables	16	4,440.87	2,945.82
(ii) Cash and cash equivalents	17	274.00	286.75
(iii) Bank balances other than (ii) above	18	250.78	334.16
(iv) Loans	19	-	-
(v) Other financial assets	20	57.46	32.13
(c) Other current assets	21	2,485.28	2,490.18
		9,441.69	7,396.11
Non-Current Assets classified as held for sale	47b	373.59	373.59
		9,815.28	7,769.70
	Total Assets	28,604.73	27,271.94
B			
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	22	2,372.01	2,372.01
(b) Other Equity	23	(23,299.58)	(20,840.30)
		(20,927.57)	(18,468.29)
Liabilities			
Non controlling Interest			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	24	12,303.16	9,901.11
(b) Provisions	25	1,069.37	1,014.38
		13,372.53	10,915.49
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	8,520.53	8,266.92
(ii) Trade payables	27		
Total outstanding dues of micro enterprise and small enterprise (Refer Note 55)		9.67	-
Total outstanding dues of creditors other than micro enterprise and small enterprise		11,213.93	8,313.38
(iii) Other financial liabilities	28	14,569.15	16,841.70
(b) Other current liabilities	29	1,499.42	1,017.31
(c) Provisions	30	272.59	304.69
(d) Current Tax Liabilities (Net)	31	74.48	80.74
		36,159.77	34,824.74
	Total Equity and Liabilities	28,604.73	27,271.94

Significant Accounting Policies

7

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

As per our report of even date

For and on behalf of the Board

For M/s. V. Parekh & Associates.

Chartered Accountants
Firm Reg. No: 107488W

K.Chandran
Vice Chairman
(DIN: 00005868)

N. K. Puri
Director
(DIN : 00002226)

Rasesh V. Parekh

Partner
Membership No. 038615

Jitendra J. Gandhi
Company Secretary

Vinod Verma
Chief Financial Officer

Mumbai, 14 August 2019

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2019

		(₹ in Lakhs)	
	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Income :			
Revenue from operations	32	39,137.41	37,360.81
Other Income	33	932.63	7,670.49
Total Income		40,070.04	45,031.30
EXPENSES			
(a) Cost of materials consumed	34	16,499.40	12,844.86
(b) Purchases of Stock-in-trade		3,626.75	3,795.44
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(506.23)	769.47
(d) Employee benefits expense	36	7,589.22	8,732.08
(e) Finance costs	37	3,988.46	3,086.28
(f) Depreciation and amortisation expense	38	996.91	1,030.20
(g) Other expenses	39	10,373.96	18,011.52
Total Expenses		42,568.47	48,269.85
Profit/(loss) before tax		(2,498.43)	(3,238.55)
Tax Expense			
	58		
-Current tax (net)		0.19	(28.13)
-Deferred tax (net)		(13.85)	(9.63)
Total tax expense		(13.66)	(37.76)
Profit/(Loss) for the year		(2,484.77)	(3,200.79)
Other Comprehensive Income/(Loss)			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial gain/ loss on defined benefit obligation		44.38	30.87
(ii) Income tax effect on above		(13.85)	(9.63)
B (i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(2.37)	13.21
(ii) Income tax on items that may be reclassified to profit or loss		-	-
Other Comprehensive Income/(Loss) for the year, net of tax		28.16	34.45
Total comprehensive Income/(Loss) for the year		(2,456.61)	(3,166.34)
There are no exceptional items and discontinued operations			
Earnings per equity share (Face value of ₹ 10/-)			
	40		
(1) Basic		(10.48)	(13.49)
(2) Diluted		(10.48)	(13.49)

The accompanying notes are an integral part of these 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

Mumbai, 14 August 2019

For and on behalf of the Board

K.Chandran
Vice Chairman
(DIN: 00005868)

Jitendra J. Gandhi
Company Secretary

N. K. Puri
Director
(DIN : 00002226)

Vinod Verma
Chief Financial Officer

WANBURY LIMITED

31st Annual Report 2018-2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(₹ IN LAKHS)

	31 March 2019	31 March 2018
A Cash flows from Operating Activities		
Net Profit (Loss) before Tax	(2,498.43)	(3,238.55)
Adjustments for:		
Depreciation and amortisation	996.91	1,030.20
(Profit) Loss on Fixed Assets Sold (Net)	33.62	24.23
Allowances/(Reversals) for Doubtful debts (Net)	(217.38)	1,313.42
Allowances/(Reversal) for Doubtful Loans & advances (Net)	88.29	1,001.57
Allowance/(Reversal) for Corporate guarantee (Net)	244.64	-
Amounts Written Off	-	4,707.60
Finance Cost	3,988.46	3,086.28
Unrealised Exchange (Gain) Loss (Net)	56.10	235.99
Interest Income	(61.20)	(50.39)
Gain on Extinguishment of Financial Liability	(790.32)	(5,296.02)
Amount Written Back	(46.07)	(2,108.17)
Amounts Written Off (Net)	(0.01)	0.65
Fair value gain on financial asset measured at fair value	(2.67)	25.80
Share based payment expenses	(2.66)	25.80
Operating Profit (Loss) before Working Capital Changes	1,791.94	732.61
Changes in Working Capital:		
Decrease (Increase) in Trade Receivable	(1,376.68)	4,031.36
Decrease (Increase) in Non Current Financial Assets-Loans	(5.15)	(3.75)
Decrease (Increase) in Other Non Current Assets	5.32	(0.50)
Decrease (Increase) in Other current financial assets	(25.35)	176.34
Decrease (Increase) in Other Current Assets	(83.39)	(699.69)
Decrease (Increase) in Inventories	(626.23)	2,115.69
Increase (Decrease) in Other Non Current-Financial Liabilities	(220.85)	(283.46)
Increase (Decrease) in Other Current Liabilities	482.11	296.04
Increase (Decrease) in Non Current Provisions	99.37	89.91
Increase (Decrease) in Current Provisions	(32.12)	90.12
Increase (Decrease) in Trade Payables	2,972.92	(3,220.57)
Increase (Decrease) in Foreign Currency Translation Reserve	(2.37)	13.21
Cash Generated from (Used in) Operations	2,979.53	3,337.31
Direct Taxes Paid (Net of Refunds/Prior Years Adjustments)	(6.45)	(88.50)
Net Cash generated from (Used in) Operating Activities	2,973.07	3,248.81
B Cash flows from Investing Activities		
Capital Expenditure on Property, Plant & Equipment including Capital Advances	(471.54)	(284.43)
Proceeds from Sale of Property, Plant & Equipment	1.45	-
Interest Income Received	50.53	43.52
Bank Balance not considered as Cash and Cash Equivalents (Net)	112.15	102.08
Net Cash generated from (Used in) Investing Activities	(307.41)	(138.83)
C Cash flows from Financing Activities		
Interest and Other Finance Cost	(1,137.99)	(673.10)
Repayment of Borrowings	(1,540.43)	(2,648.52)
Unpaid dividend transfer to Investor Education Protection Fund	-	(4.15)
Net Cash generated from (Used in) Financing Activities	(2,678.42)	(3,325.77)
Net Increase (Decrease) in Cash & Cash Equivalents	(12.75)	(215.79)
Cash and Cash equivalents as at the beginning of the Year	286.75	502.54
Cash and Cash Equivalents as at the end of the Year (Refer Note 17)	274.00	286.75

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

Rasesh V. Parekh

Partner

Membership No. 038615

Mumbai, 14 August 2019

For and on behalf of the Board

K.Chandran

Vice Chairman

(DIN: 00005868)

Jitendra J. Gandhi

Company Secretary

N. K. Puri

Director

(DIN : 00002226)

Vinod Verma

Chief Financial Officer

Consolidated Statement of changes in equity for the year ended 31 March 2019
A. Equity Share Capital (refer note 15)

Particulars	(₹ in Lakhs)				
	1 April 2017	Changes in Equity Share Capital during the year	31 March 2018	Changes in Equity Share Capital during the year	31 March 2019
Authorised					
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
	5,000.00	-	5,000.00	-	5,000.00
Issued, Subscribed and Paid-up (Refer Note 22)	2,322.01	50.00	2,372.01	-	2,372.01

B. Other Equity

Particulars	Other Equity							Total Other Equity	
	Reserves and Surplus								
	Capital reserve	Securities Premium	Debt Redemption Reserve	General reserve	Employee stock option outstanding	Exchange Fluctuation Reserve	Retained earnings		Compulsory Convertible Debentures
Balance as at 1 April 2017	683.41	5,000.25	412.25	1,323.52	-	(7.35)	(26,061.84)	1,000.00	(17,649.76)
Profit/(Loss) for the year	-	-	-	-	-	-	(3,200.79)	-	(3,200.79)
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	-	-	13.21	21.24	-	34.45
Total comprehensive income/(loss) for the year	-	-	-	-	-	13.21	(3,179.55)	-	(3,166.34)
Share based payments of employees	-	-	-	-	25.80	-	-	-	25.80
Conversion of compulsory convertible debentures into Equity shares	-	950.00	-	-	-	-	-	(1,000.00)	(50.00)
Balance as at 31 March 2018	683.41	5,950.25	412.25	1,323.52	25.80	5.86	(29,241.39)	-	(20,840.30)
Profit for the year	-	-	-	-	-	-	(2,484.77)	-	(2,484.77)
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	-	-	(2.37)	30.53	-	28.16
Total comprehensive income/(loss) for the year	-	-	-	-	-	(2.37)	(2,454.23)	-	(2,456.61)
Share based payments of employees	-	-	-	-	11.16	-	-	-	11.16
Employee Stock Option Lapsed	-	-	-	-	(13.83)	-	-	-	(13.83)
Balance as at 31 March 2019	683.41	5,950.25	412.25	1,323.52	23.13	3.49	(31,695.63)	-	(23,299.58)

WANBURY LIMITED

31st Annual Report 2018-2019

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 these 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

Mumbai, 14 August 2019

For and on behalf of the Board

K.Chandran
Vice Chairman
(DIN: 00005868)

Jitendra J. Gandhi
Company Secretary

N. K. Puri
Director
(DIN : 00002226)

Vinod Verma
Chief Financial Officer

Notes to Financial Statements

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, 10th 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 2019 were authorized for issue by Holding Company’s Board of Directors on 14 August 2019.

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 2019.

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

WANBURY LIMITED

31st Annual Report 2018-2019

- 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 Cenvat / value added tax/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. Premium on Leasehold lands are amortised over the period of lease. 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 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 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 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 and credit risk exposure.

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

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 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:

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 CENVAT/VAT/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 (except for consideration paid/received in advance), 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.

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 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 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.

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 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 determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

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. Recent accounting pronouncements:

Ind AS 116:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group is currently evaluating the impact on account of implementation of Ind AS 116 which might have insignificant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 - Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Group is in the process of evaluating the requirements of the standard and its impact on its financial statements.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment,

curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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.

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. Intangible Assets :

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

c. 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.

d. 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.

e. 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.

f. Arrangement containing lease :

At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

WANBURY LIMITED

31st Annual Report 2018-2019

The Group has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

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 at their normal value 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 there is reasonable certainty of recovery.

j. **Impairment Reviews :**

An impairment exists when the carrying value of an 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2019
9.1 PROPERTY, PLANT & EQUIPMENTS

Current Year

₹ in Lakhs

Description	Gross Block			Accumulated Depreciation/Amortisation			Net Block As at 31 March 2019	
	As at 1 April 2018 (1)	Addition (2)	Deduc- tion/ Adjust- ment (3)	As at 31 March 2019 (4)=(1+2-3)	As at 1 April 2018 (5)	for the Period (6)		Deduction/ Adjustment (7)
Property, Plant & Equipments								
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	-	-
Total	19,732.42	433.85	74.71	20,091.56	1,976.74	975.68	39.63	2,912.79
Other Intangible Asset								
Software	129.04	1.12	-	130.16	51.27	21.24	-	72.51
Total	129.04	1.12	-	130.16	51.27	21.24	-	72.51
Capital Work In Progress								
Total (A+B+C)	19,861.46	434.97	74.71	20,221.72	2,028.01	996.91	39.63	2,985.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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/ Adjust- ment (7)
Property, Plant & Equipments								
Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	4,739.81
Lease Hold Land	440.24	-	-	440.24	6.31	-	12.62	427.62
Factory Building	4,113.26	9.15	-	4,122.41	214.30	232.18	446.48	3,675.93
Plant & Machinery	8,908.21	151.35	13.01	9,046.55	522.92	549.82	1,071.35	7,975.20
Furniture & Fixtures	293.60	7.66	0.95	300.31	48.16	34.52	0.35	217.98
Vehicles	127.78	-	-	127.78	39.29	34.61	-	53.88
Office Equipments	135.70	9.90	1.91	143.69	34.42	30.83	1.12	79.56
Electrical Installations	102.27	-	0.03	102.24	14.54	15.21	0.03	72.52
Laboratory Equipments	565.32	54.66	6.76	613.22	72.71	58.47	1.65	483.69
Computers	68.35	12.01	0.03	80.33	27.12	26.48	0.03	26.76
Leasehold Improvement	51.13	-	35.29	15.84	21.16	21.12	29.17	2.73
Total	19,545.67	244.73	57.98	19,732.42	1,000.93	1,009.55	33.74	1,976.74
B Other Intangible Asset								
Software	119.70	9.34	-	129.04	30.63	20.64	-	51.27
Total	119.70	9.34	-	129.04	30.63	20.64	-	51.27
C Capital Work In Progress								
Total (A+B+C)	19,665.37	254.07	57.98	19,861.46	1,031.56	1,030.20	33.74	2,028.01

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 Lacs (Pr. Yr. - ₹896.54 Lacs) of erstwhile PPII (Refer Note 47a).

9.5 Addition includes ₹ Nil (31 March 2018 - ₹ 4.33 Lakh) used for Research & Development

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 in Lakhs	31 March 2018 in Lakhs
10 Non Current Investments		
10.1 Investment in Equity Instruments		
(i) In Subsidiary Companies - Unquoted (at cost/deemed cost)		
Cantabria Pharma S.L.		
1000(Pr. Yr. - 1000) Shares of Euro 60 each of Cantabria Pharma SL, Spain fully paid up	-	-
(ii) In Others - Unquoted (Fair Value through Profit & Loss)		
The Saraswat Co-op. Bank Ltd.		
706 (Pr. Yr. - 706) Equity Share of ₹ 10 each fully paid up	0.07	0.07
The Shamrao Vithal Co-op. Bank Ltd.		
100 (Pr. Yr. - 100)Equity Share of ₹ 25 each fully paid up	0.03	0.03
Bravo Healthcare Limited		
12,71,250 (Pr. Yr. - 12,71,250) Equity Share of ₹ 10 each fully paid up	-	-
(iii) In Others - Quoted (Fair Value through Profit & Loss)		
Bank of India		
1,800 (Pr. Yr. - 1,800)Equity Share of ₹10 each fully paid up	1.88	1.86
	1.98	1.96
10.2 Aggregate carrying value of quoted investments	1.88	1.86
10.3 Aggregate market value of quoted investments	1.88	1.86
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:		
Cantabria Pharma S.L.		
1000(31 March 2018 - 1000) Shares of Euro 60 each of Cantabria Pharma SL, Spain fully paid up	381.28	381.28
Bravo Healthcare Limited		
12,71,250 (31 March 2018 - 12,71,250) Equity Share of ₹ 10 each fully paid up	53.40	53.40
	434.68	434.68
11 Non Current Financial Assets - Loans (Unsecured, unless otherwise stated)		
Security Deposits- Considered Good	295.03	279.19
Other Loans		
- Credit Impaired	2,934.57	2,934.57
	2,934.57	2,934.57
Less: Allowance for Doubtful Other Loans	2,934.57	2,934.57
	-	-
	295.03	279.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
18 Bank Balances other than Cash and Cash Equivalents		
In Deposit Accounts with Banks (Under Lien)		
-with original maturity of more than 3 months and upto 12 months	207.38	316.06
-with original maturity of more than 12 months	43.40	18.10
	250.78	334.16
<p>During the year ended 31 March 2018, company has transferred ₹ 4.15 lacs to Investor Education and Protection Fund within the due date</p>		
19 Current Financial Assets - Loans		
Unsecured		
Other Loans		
- Credit Impaired	56.54	56.54
	56.54	56.54
Less: Allowance for Doubtful Other Loans	56.54	56.54
	-	-
20 Current Financial Assets - Others		
Interest Accrued on fixed deposit with Banks	0.18	0.19
Other Interest Receivable		
- Considered Good	-	-
- Considered Doubtful	313.49	313.49
	313.49	313.49
Less: Allowance for Doubtful Other Interest Receivable	313.49	313.49
	-	-
Export Benefit Receivable	28.06	6.22
Mark to market derivative assets	-	25.72
Net settlement gain receivable on Derivative Assets	29.22	-
	57.46	32.13

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
21 Other Current Assets- Non Financial		
(Unsecured, considered good, unless otherwise stated)		
Advances to Related Parties (Refer Note 60):		
- Considered Doubtful	8,809.00	8,809.00
	<u>8,809.00</u>	<u>8,809.00</u>
Less: Allowance for Doubtful Advances to related parties	8,809.00	8,809.00
	<u>-</u>	<u>-</u>
Advance to Employees:		
- Considered Good*	87.31	186.50
- Considered Doubtful	304.76	204.76
	<u>392.07</u>	<u>391.27</u>
Less: Allowance for Doubtful Advances to Employees	304.76	204.76
	<u>87.31</u>	<u>186.50</u>
Advance to Suppliers other than Capital Advances		
- Considered Good	181.74	440.26
- Considered Doubtful	326.01	337.72
	<u>507.75</u>	<u>777.98</u>
Less: Allowance for Doubtful Advances to Suppliers	326.01	337.72
	<u>181.74</u>	<u>440.26</u>
Prepaid Expenses	99.07	122.18
Export Benefit Receivable	212.06	290.19
Balance with Statutory/Government Authorities:		
- VAT Receivable	104.20	371.92
- GST Receivable	1,800.90	1,079.13
	<u>2,485.28</u>	<u>2,490.18</u>
	<u><u>2,485.28</u></u>	<u><u>2,490.18</u></u>
*Includes excess remuneration receivable from Directors- ₹ Nil (31 March 2018 - ₹ 137.31 Lakhs) (Refer Note 55)		
22 Share Capital		
Authorised		
20,00,000 Preference shares of ₹ 100/- each	2,000.00	2,000.00
3,00,00,000 Equity Shares of ₹ 10/- each	3,000.00	3,000.00
	<u>5,000.00</u>	<u>5,000.00</u>
	<u><u>5,000.00</u></u>	<u><u>5,000.00</u></u>
Issued, Subscribed and Paid-Up		
2,37,20,117 (31 March 2018 - 2,32,20,117) Equity Shares of ₹ 10/- each fully paid up	2,372.01	2,372.01
Total Share Capital	<u>2,372.01</u>	<u>2,372.01</u>
	<u><u>2,372.01</u></u>	<u><u>2,372.01</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

Particulars	31 March 2019		31 March 2018	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	2,37,20,117	2,372.01	2,32,20,117	2,322.01
Add: Shares allotted as fully paid up during the year	-	-	5,00,000	50.00
Shares outstanding at the end of the period	2,37,20,117	2,372.01	2,37,20,117	2,372.01

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 2019		31 March 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	30,24,000	12.75%	30,24,000	12.75%
Expert Chemicals (India) Pvt. Ltd.	1,00,05,561	42.18%	1,00,05,561	42.18%

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 2019	31 March 2018
	No of Shares of FV ₹ 10	No of Shares of FV ₹ 10
Under Employee Stock Options Plan 2016.	9,98,464	9,98,464

22.6 During the year ended 31 March 2017, the Company had allotted 5,00,000 numbers of Zero % Compulsorily Convertible Debentures (CCDs) of face value of ₹ 200/- each at par aggregating to ₹ 1,000 lakhs and during the current year ended 31 March 2018, CCDs has been converted into 5,00,000 equity shares of Face value of ₹ 10 each at premium of ₹ 190 per share.

22.7 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.

22.8 The Company is not a subsidiary company.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

23 Other Equity

Particulars	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
Capital Reserves	683.41	683.41
Securities Premium	5,950.25	5,950.25
Debenture Redemption Reserve	412.25	412.25
General Reserve	1,323.52	1,323.52
Employee Stock Option Outstanding	23.13	25.80
Retained Earnings	(31,695.63)	(29,241.39)
Exchange Fluctuation Reserve	3.49	5.86
Total other equity	(23,299.58)	(20,840.30)

24 Non-current Financial Liabilities - Borrowings

Term loans (Secured)

From Banks (Rupee)	869.35	1,854.28
From Others (Rupee)	11,433.81	8,046.01

Vehicle Loans (Secured)

From Others (Rupee)	-	0.82
---------------------	---	------

12,303.16	9,901.11
------------------	-----------------

24.1 Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 March 2019	31 March 2018
Cash and cash equivalents	274.00	286.75
Non-current Borrowings	(12,303.16)	(9,901.11)
Current Borrowings	(8,520.54)	(8,266.92)
Current maturities of long term borrowings	(2,475.35)	(3,858.55)
Interest accrued	(881.02)	(1,271.59)
Unpaid dues	(4,123.62)	(3,191.13)
Net Debt	(28,029.69)	(26,202.54)

Particulars	Cash and cash equivalent	Liability from financing activities	Total
Balance as on 1 April 2018	286.75	(26,489.29)	(26,202.54)
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
Interest payment	-	1,137.99	1,137.99
Revaluation of foreign currency borrowings	-	26.28	26.28
Closing balance as on 31 March 2019	274.00	(26,982.70)	(26,708.70)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Cash and cash equivalent	Liability from financing activities	Total
Balance as on 1 April 2017	502.54	(31,549.21)	(31,046.67)
Cash outflows	(215.79)	2,648.55	2,432.76
Interest expense for the year	-	(3,073.93)	(3,073.93)
Gain on extinguishment of loan liability	-	5,296.02	5,296.02
Write back	-	1,738.27	1,738.27
Interest payment	-	660.76	660.76
Revaluation of foreign currency borrowings	-	(45.62)	(45.62)
Non-fundbased loan		(2,164.13)	(2,164.13)
Closing Balance as on 31 March 2018	286.75	(26,489.29)	(26,202.54)

24.2

		As at 31 March 2019	As at 31 March 2018
<p>Working Capital Term Loan I : First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant & 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 & 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 17 to 30th Sept 2020 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>	1,022.78	1,394.71
<p>Funded Interest Term Loan : First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant & 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 & 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>IDBI & EXIM: The loan is repayable in 32 quarterly instalments starting from 31 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</p> <p>Interest rate of 3% p.a. for Fy 10-11 which shall be increased by 1% each year till it reaches a level of 5% in Fy 12-13 and thereafter will remain constant.</p>	483.03	1,063.19

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2019

<p>Term loan EARC -Edelweiss : 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 & 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>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>	<p>12,886.70</p>	<p>8,938.30</p>
<p>Working Capital Term Loan II: First pari passu charge on all the present and future fixed assets of the company excluding Tanuku plant & 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 & 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 instalments from 30th Sept 17 to 30th Sept. 2010</p> <p>All other lenders : The loan is repayable in 4 equal annual instalments from 31st March 2018 to 31st March 2021</p> <p>Ballooning interest 1% to 4% in Fy 13-14 , to 5% in Fy 2015-16 and to 8% in Fy 2018-19 and thereafter it will remain same</p>	<p>882.03</p>	<p>1,148.30</p>
<p>Term Loan 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.</p>	<p>The Loan is repayable in 32 quarterly instalments from 31.12.12 to 30.09.2020</p> <p>Interest @ 9.50% p.a.</p>	<p>1,451.04</p>	<p>3,103.96</p>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2019

<p>Corporate Loan : 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, Personal Guarantee of Mr. K Chandran, director of the company.</p>	<p>Loan is repayable in five years from Fy 2011-12 to Fy 2016-17</p>		296.17
<p>Capex Loan 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.”</p>	<p>Loan is repayable in five years from Fy 2011-12 to Fy 2016-17</p>	-	70.80
<p>Vehicle Loan First charge on vehicles against which loan is disbursed.</p>		0.82	1.92
<p>Total Non-Current Borrowings</p>		16,726.40	16,017.35
<p>Less: Current Maturities of Long term Borrowings and Vehicle Loan (Refer Note 28)</p>		2,330.42	3,716.13
<p>Less: Unpaid Dues of Long term Borrowings (Refer Note 28)</p>		1,676.78	1,991.41
<p>Less: Interest Accrued (Refer Note 28)</p>		416.04	408.70
<p>Non-Current Borrowings (as per Balance Sheet)</p>		12,303.16	9,901.11

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
25 Non-Current Provisions		
Provision for employee benefits (Net) (Refer Note 55)		
Provision for Gratuity	611.39	543.86
Provision for Leave Benefits	457.98	470.52
	1,069.37	1,014.38
26 Current Financial Liabilities - Borrowings (Secured unless otherwise stated)		
Working Capital Loans repayable on demand (Refer Note 25.1)		
From Banks (Rupee)	8,095.79	7,200.44
From Others (Rupee)	-	815.31
Factored Receivables (Refer Note 26.2 and 16)		
From Others (Foreign Currency)	374.49	200.92
Loans repayable on demand (Unsecured) (Refer Note 47a)		
From Banks (Rupee)	29.94	29.94
From Others (Rupee)	20.31	20.31
	8,520.53	8,266.92
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.		
27 Current Financial Liabilities - Trade Payables		
Total outstanding dues of micro enterprise and small enterprise (Refer Note 52)	9.67	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	11,213.93	8,313.38
	11,223.60	8,313.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Refer Note 60 for Payables to Related Party

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
28 Current Financial Liabilities - Others		
(Unsecured unless otherwise stated)		
<u>Current maturities of:</u>		
-Long Term Borrowings- Banks (Secured) (Refer Note 24)	1,079.60	1,122.48
-Long Term Borrowings- Others (Secured) (Refer Note 24)	1,250.00	2,592.55
-Vehicle Loan (Secured) (Refer Note 24)	0.82	1.10
-Dues of FCCB Holders	144.92	142.41
Interest accrued but not due:		
-Long Term Borrowings- Banks (Secured) (Refer note 24)	-	400.93
-Dues to FCCB Holders	22.68	17.28
-Debentures (Secured)	328.98	328.98
Interest accrued and due (Refer Note 28.3)		
-Long Term Borrowings- Banks (Secured) (Refer note 24)	413.13	209.01
-Long Term Borrowings- Others (Secured) (Refer note 24)	2.91	199.69
-Liability against Corporate Guarantee (Refer note 45)	4.93	-
-Dues of FCCB Holders	108.39	115.70
Unpaid Dues:		
-Long Term Borrowings- Banks (Secured) (Refer Note 28.3, 24)	1,476.78	904.47
-Long Term Borrowings- Others (Secured) (Refer Note 28.3, 24)	200.00	1,086.94
-FCCB Holders (Refer Note 28.3)	323.20	397.04
-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)	1,320.94	-
Other Payables:		
- Capital Creditors	121.50	255.59
- Others	177.93	134.65
(Includes Inland bills payable, stale cheques, dues of PPIL etc)		
- Security Deposit	444.50	464.00
- Liability against Corporate Guarantees issued (Refer note 45)	3,679.06	5,000.00
- Redeemable preference shares (4,511 Preference Shares of Euro 1000 each)	2,666.20	2,666.20
	11,902.94	14,175.45

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.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

28.2 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 47a.

28.3 There is delay in repayment of

- (i) term loan from banks aggregating to ₹ 1,476.78 Lakhs (Pr. Yr. - ₹ 904.47 Lakhs) ranging from 1 to 821 days (Pr. Yr. - 1 to 366 days).
- (ii) term loan from other aggregating to ₹ 200.00 Lakhs (Pr. Yr.- ₹ 1086.94 Lakhs) by 1 to 17 day (Pr. Yr. - 1 to 640 days).
- (iii) amount payable to FCCB Holders aggregating to ₹ 323.20 Lakhs (Pr. Yr. - ₹ 397.04 Lakhs) ranging from 1 to 2533 days (Pr. Yr. -1 to 2168 days).
- (iv) interest on secured borrowings aggregating to ₹ 416.04 Lakhs (Pr. Yr. - ₹ 408.70 Lakhs) ranging from 1 to 731 days (Pr. Yr. - 1 to 731 days) in respect of dues to banks/ financial institutions.
- (v) interest on FCCB aggregating to ₹ 108.39 Lakhs (Pr. Yr. - ₹ 115.70 Lakhs) ranging from 1 to 2832 days (Pr. Yr. - 1 to 2467 days).
- (vi) amount payable against Corporate guarantee to ₹ 1325.87 Lakhs (Pr. Yr. - Nil) by 1 day (Pr. Yr. -Nil).

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 45a.

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
29 Other Current Liabilities		
- Advance received from customers	464.02	343.20
- Statutory Dues Payable	1,035.40	674.11
	1,499.36	1,017.31
30 Current Provisions		
Provision for employee benefits (Net) (Refer Note 57)		
Provision for Gratuity	101.17	126.45
Provision for Leave Benefits	39.34	46.89
Bonus Provision	132.08	131.35
	272.59	304.69
31 Current Tax Liabilities (Net)		
Provision for Income Tax (Net of Payment) (Refer Note 54)	74.48	80.74
	74.48	80.74
32 Revenue From Operations		
<u>Sale of products:</u>		
- Finished Goods*	27,382.67	24,955.69
- Traded Goods	11,308.28	12,106.61
<u>Other Operating Revenue:</u>		
- Export Incentive	417.24	261.01
- Sale of Scrap	29.22	37.50
	39,137.41	37,360.81

* Revenue from operations up to 30 June 2017 was reported inclusive of excise duty which is now subsumed in Goods and Service Tax(GST). Post implementation of GST, revenue from operations is reported exclusive of GST. Accordingly, figures of revenue from operation for the year ended 31 March 2019 are not comparable with the figures of the previous period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
33 Other Income		
Interest on Bank Deposits	18.99	23.52
Other Interest	42.21	26.87
Exchange Difference (Net)	-	150.43
Insurance Claim	29.68	4.00
Amounts written back (Net)	46.07	2,108.17
Miscellaneous Income	5.35	61.48
Gain on Measurement of Equity Instrument at Fair Value	0.01	-
Gain on Extinguishment of Financial Liability (Net) (Refer Note for 49)	790.32	5,296.02
	932.63	7,670.49
34 Cost of Materials Consumed		
Raw Materials & Packing Materials Consumed	16,499.40	12,844.86
	16,499.40	12,844.86
35 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories at the beginning of the year		
- Finished Goods	247.23	430.47
- Work-in-Progress	131.01	535.28
- Stock-in-Trade	565.50	747.46
	(A) 943.74	1,713.21
Inventories at the end of the year		
- Finished Goods	625.34	247.23
- Work-in-Progress	296.89	131.01
- Stock-in-Trade	527.74	565.50
	(B) 1449.97	943.74
Changes in Inventories		
- Finished Goods	(378.11)	183.24
- Work-in-Progress	(165.88)	404.27
- Stock-in-Trade	37.76	181.96
Total changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(A-B) (506.23)	769.47

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
36 Employee Benefits Expense		
Salaries, Wages, Bonus and Allowances	6,841.45	7,879.30
Contribution to Provident and Other Funds	569.07	620.76
Expense on Employee Stock Option Scheme	(2.67)	25.80
Staff Welfare Expenses	181.37	206.22
	7,589.22	8,732.08
37 Finance Cost		
Interest expense	3,988.46	3,086.28
	3,988.46	3,086.28
38 Depreciation and amortization expense (Refer Note 8)		
Depreciation and amortization expense of Tangible Asset (Refer Note 8A)	975.66	1,009.55
Amortization expense of Intangible Asset (Refer Note 8B)	21.25	20.65
	996.91	1,030.20
39 Other Expenses		
Advertisement & Sales Promotional Expenses	1,471.67	1,625.33
Travelling & Conveyance	1,159.78	1,415.60
Power & Fuel	1,446.24	1,525.80
Allowances /(Reversal) for Doubtful Loans & advances (Net)	88.29	1,001.57
Allowances/(Reversal) for doubtful debts (Net)	(217.38)	1,313.42
Allowance/(Reversal) for Corporate guarantee (Net)	244.64	-
Amounts written off	-	4,707.60
Breakages & Expiry	600.00	552.80
Carriage Outward	689.69	814.34
Legal & Professional Charges	1,270.77	991.07
Commission On Sales	544.00	399.04
Consumption of Stores, Spares & Consumables	285.20	346.75
Rent	310.75	320.40
Exchange Difference (Net)	27.94	-
Loss on Measurement of Equity Instrument at Fair Value	-	0.65
Repairs to Plant & Machineries	253.31	336.48
Repairs to Buildings	36.19	154.07
Repairs- Others	223.30	183.26
Rates & Taxes	95.93	83.72
License Fees	126.31	71.45
Insurance	66.05	61.73
Loss on sale/discard of Property, Plant & Equipments (Net)	33.62	24.23
Sales Tax & Service Tax	35.50	109.97
Excise duty expense	-	250.51
Miscellaneous Expenses	1,582.16	1,721.73
	10,373.96	18,011.52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

40. Earnings Per Share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars			
Basic and Diluted Earnings Per Share:			
Profit/ (loss) attributable to Equity shareholders- for Basic EPS (₹ in Lakhs)	(A)	(2,484.77)	(3,200.79)
Add: Dilutive effect on profit (₹ in Lakhs)	(B)	-	-
Profit/ (loss) attributable to Equity shareholders for Diluted EPS (₹ in Lakhs)	(C=A+B)	(2,484.77)	(3,200.79)
Weighted Average Number of Equity Shares outstanding-for Basic EPS	(D)	2,37,20,117	2,37,20,117
Add: Dilutive effect of Employee Stock options/other options outstanding -Number of Equity Shares	(E)	-	-
Weighted Average Number of Equity Shares for Diluted EPS	(F=D+E)	2,37,20,117	2,37,20,117
Face Value per Equity Share (₹)		10	10
Basic Earnings/ (Loss) Per Share (₹)	(A/D)	(10.48)	(13.49)
Diluted / (Loss) Earnings Per Share (₹) *		(10.48)	(13.49)

* Since there is loss, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

41. Consolidated Financial Statements present the consolidated accounts of Wanbury Limited (“the Holding Company” or “the Company”) and the following Subsidiaries(collectively referred as “the Group”)

Name of the Company	Country of Incorporation	% of voting power and beneficial ownership as at	
		31 March 2019	31 March 2018
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 2018 to 31 March 2019 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.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

42. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 39.72 Lakhs (Pr.Yr - ₹ 21.63 Lakhs).
- b) Other Commitments- Non Cancellable operating leases (Refer Note 59).

43. Contingent Liabilities:

(₹ in Lakhs)

	Particulars	31 March 2019	31 March 2018
a)	Contract of take out undertaking executed in favour of bank/financial institution for loans given to step down subsidiary-Cantabria Pharma SL.	26,418.82 (Euro 340.00 Lakhs)	27,411.55 (Euro 340.00 Lakhs)
	Loans outstanding at the year end for undertaking as above.(Refer note 44)	16,430.06 (Euro 208.45 Lakhs)	17,193.99 (Euro 213.27 Lakhs)
b)	Disputed demands by Income Tax Authorities. Amount paid under protest and shown as advance.	617.15 115.93	663.34 113.43
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	382.13 68.33
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	2,687.65	2,687.65
h)	Custom Duty on import under Advance License Scheme, pending fulfillment of Exports obligation.	3,325.26	2,986.92

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.

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 Holding company is required to pay USD 60 Lakhs (Pr. Yr. USD 60 Lakhs) [₹ 4,150.28 Lakhs (Pr. Yr. ₹ 3,902.65 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) [₹ 2,970.56 Lakhs (Pr. Yr. ₹ 2,647.43 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 during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The Holding Company has provided for interest on the amount payable as on 31 March 2019. Further the Holding Company's request for extension of time for payment of amount due is under consideration by State Bank of India, London. (Refer note 45)

45. The Holding Company expects to settle liability of Cantabria Pharma SL & Wanbury Holding B.V. (Refer note 43(a) & 44), at approximately ₹ 50 crores.

Aforesaid Liability for Corporate guarantee is shown under "Other Current Financial Liabilities".

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 2019	Year ended 31 March 2018
Within India	21,935.37	22,003.38
Outside India	16,755.57	15,058.92

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.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 Holding Company is not charging any depreciation on asset held for sale.

Details of the assets held for sale are as under:

(₹ in Lakhs)

Description	31 March 2019	31 March 2018
Office Premises	196.54	196.54
Building	177.05	177.05
Total	373.59	373.59

48. 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.
49. a. During the previous 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, 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 year ended 31 March 2019, the Company’s request for extension of time for payment of balance outstanding amount has been considered and approved by BOI vide letter dated 26 July 2019. As per the terms of settlement, the 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 has been recognised during the year and gain recognized in earlier year to the extent of ₹ 1,011.86 has been reversed and included in “other income”. The outstanding liability at the year end is shown under “Current Financial Liabilities- Borrowings”.
- 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 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”.

The outstanding liability at the year end is shown under “Non-Current Financial Liabilities-Borrowings” & Current maturities is shown under “Other Current Financial Liabilities” respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

50. 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, Company has agreed to pay the agreed value in structured installments.

During the year ended 31 March 2019, EARCL vide agreement dated 29 January 2019, has agreed revised repayment schedule in respect of dues payable by the Company. Accordingly, effect of aforesaid agreement has been given in the Financial Statements.

The outstanding liability at the year end is shown under “Non-Current Financial Liabilities-Borrowings” & Current maturities is shown under “Other Current Financial Liabilities” respectively.Delete VPA)

51. The balances of trade receivables, trade payables, loans and advances are subject to confirmation/reconciliation and adjustments, if any.

52. **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 2019	31 March 2018
a)The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year Principal Interest	8.19 0.00*	Nil Nil
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.	1.47	Nil
d)The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.48	Nil
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.	Nil	Nil

* ₹ 340

53. **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 ₹ 883.62 lakhs (Pr. Yr. ₹ 1,230.82 lakhs).

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

54. 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 2019	31 March 2018
Current tax on profit for the year	-	-
Adjustment for current tax on prior periods	0.19	(28.13)
Total Current Tax expenses	0.19	(28.13)
Deferred tax expense / (benefits)	-	-
Origination and reversal of timing difference	(13.85)	(9.63)
Total Deferred Tax expenses	(13.85)	(9.63)
Income tax expense for the year recognised in the statement of profit & loss.	(13.66)	(37.76)

B. Reconciliation of Effective Tax Rate:

The Company has incurred loss during the year ended 31 March 2019 & 31 March 2018. In both the years, there are book loss and tax loss and hence no tax is 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 2019	31 March 2018
Deferred Tax Liabilities	(6,469.51)	(7,255.56)
Deferred Tax Assets (restricted to deferred tax liabilities above)	6,469.51	7,255.56
MAT credit entitlement	336.38	336.38
Deferred tax assets/ (liabilities)	336.38	336.38

The tax effects of significant temporary difference that resulted in deferred tax assets & liabilities and a description of these differences are as given below:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Deferred Tax Liabilities		
Property, Plant and Equipment	2,229.01	2,477.85
Borrowing at amortised cost	4,240.50	4,777.71
Financial Instrument at Fair Value through Profit and Loss (FVTPL)	-	-
Total Deferred Tax Liabilities	6,469.51	7,255.56
Deferred Tax Assets		
Employee Benefit Expenses	418.69	460.94
Provision for Doubtful Debts/Receivable	4,014.75	4,541.63
Unabsorbed depreciation	2,198.63	2,673.21
Unabsorbed tax losses	509.65	220.96
Bank gurantee invoked	1,560.00	1,747.20
Expenses deductible on payment basis	2,280.96	1,848.98
Ind-AS Adjustments	296.80	332.42
Total Deferred Tax Assets	11,279.47	11,825.34
Total Deferred Tax Assets restricted to	6,469.51	7,255.56

Note: No deferred tax assets have been recognised on unused tax losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

55. (a) Managerial Remuneration:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Salary & Allowances	Nil	Nil
Contribution of P.F. & Other Funds	3.92	5.23

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

The Holding Company has applied to the Central Government on 18 January 2016 for the approval of excess remuneration 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 has been recovered during the F.Y 2018-19.

(b) Sitting fees to directors' ₹ 13.80 Lakhs (Pr. Yr. ₹ 17.10 Lakhs).

56. Details of Auditors Remuneration:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Statutory Auditors Remuneration :		
- Audit Fees	12.50	14.00
- Certification & Other Matters	6.40	6.15
- Out of Pocket Expenses	0.16	0.03
Branch Auditors Remuneration :		
- Certification & Other Matters	Nil	0.50
- Out of Pocket Expenses	Nil	0.37
Cost Auditors Remuneration :		
- Cost Auditor Fees	1.75	1.75

Note: Above figures are exclusive of service tax / GST, wherever applicable.

57. 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:

Particulars	31 March 2019	31 March 2018
Provident Fund, Employee's Pension Scheme and MLWF	332.12	373.82
Employees State Insurance	65.42	76.65
Super Annuation Fund	4.36	4.15
TOTAL	401.90	454.62

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 2019	31 March 2018
(i)	Changes in Defined Benefit Obligation		
	Opening defined benefit obligation	684.91	564.26
	Current service cost	113.23	101.63
	Interest cost	49.78	41.25
	Actuarial loss / (gain)		
	-changes in financial assumptions	-	(17.61)
	-experience adjustments	(51.37)	(17.58)
	Past service cost	6.57	58.86
	Benefit (paid)	(75.19)	(45.89)
	Closing defined benefit obligation	727.93	684.91
(ii)	Changes in Value of Plan Assets		
	Opening value of plan assets	24.08	22.38
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Interest Income	4.36	1.64
	Return on plan assets excluding amounts included in Interest Income	(6.99)	(4.32)
	Contributions by employer	3.42	4.38
	Benefits (paid)	Nil	Nil
	Closing value of plan assets	24.87	24.08
(iii)	Amount recognised in the Balance Sheet		
	Present value of funded obligations as at year end	727.94	684.91
	Fair value of the plan assets as at year end	(24.87)	(24.08)
	Net (asset) / liability recognised as at the year end	703.07	660.83
(iv)	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	113.23	101.63
	Past service cost *	6.57	58.86
	Net Interest cost	45.42	39.61
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year	(44.38)	(30.87)
	-changes in financial assumptions	-	(17.61)
	-experience adjustments	(51.37)	(17.58)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	Return on plan assets excluding amounts included in Interest Income	6.99	4.32
(v)	<u>Asset information</u>		
	Policy of Insurance	100%	100%
(vi)	<u>Principal actuarial assumptions used</u>		
	Discount rate (p.a.)	7.60%	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	7.60%	7.60%
	Mortality rate	Based on Indian Assured Lives Mortality2006-08 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.

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 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	698.88	759.16	629.60	749.00
Salary growth rate (1% movement)	750.45	706.65	741.07	632.85
Withdrawal rate (10% movement)	730.23	725.45	684.76	684.99

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 period.

The Average outstanding terms of obligations(years) as at valuation date is 8.97 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 ₹ 497.31 Lakhs (Pr. Yr. ₹ 517.40 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

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

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.

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 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.

58. 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 2019 (FV ₹ 10)	31 March 2018 (FV ₹ 10)
Options outstanding as at the beginning of the Year	3,00,000	Nil
Add: Options granted during the Year	Nil	3,00,000
Less: Options lapsed during the Year	2,00,000	Nil
Less: Options Exercised during the Year	Nil	Nil
Options outstanding as at the End of the year	1,00,000	3,00,000

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

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%

59. Disclosure for operating leases under Ind AS 17 - "Leases":

The Group has taken various premises under operating lease. These are generally cancellable and ranges from 11 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 restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. The lease rent of ₹ 310.75 Lakhs (Pr. Yr. ₹ 320.40 Lakhs) are recognised in the Statement of Profit and Loss under "Rent" under Note 42.

The Group does not have non-cancellable operating leases during the current and previous financial year.

60. Related Party Disclosure:
A. Relationship:

Category I: Entity having significant influence over the 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 Gandhi – Company Secretary

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)

Sr. No.	Transactions	Category	31 March 2019	31 March 2018
	Information Technology Services taken:			
	Wanbury Infotech Pvt. Ltd.	IV	216.00	216.27
1)	Key Management Compensation			
	Short Term Employee Benefits			
	Mr. Vinod Verma	III	145.76	120.00
	Mr. Jitendra Gandhi	III	32.91	28.33
	Share Based Payments	III	11.16	11.99
	Post-Employment Benefits	III	7.69	14.50
4)	Excess Remuneration to Director treated as Receivable (Refer Note 55):			
	Mr. K. Chandran	III	Nil	45.77

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

D. Balances due from/to related parties:

(₹ in Lakhs)

Sr. No.	Particulars	Category	31 March 2019	31 March 2018
1)	Advances given:			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo Healthcare Ltd.	IV	7,589.67	7,589.67
2)	Provision for doubtful advances:			
	Cantabria Pharma S. L.	II	1,219.33	1,219.33
	Bravo Healthcare Ltd.	IV	7,589.67	7,589.67
3)	Trade Payable – Others:			
	Wanbury Infotech Pvt. Ltd.	IV	80.18	56.25
4)	Excess Remuneration Receivable: (Refer Note 55)			
	Mr. K. Chandran	III	Nil	137.31
5)	For Investments and impairment in value of investments: (Refer Note 10.6)			
6)	For corporate guarantee given by the Holding Company: (Refer Note 43(a))			
7)	For guarantee issued on behalf of the Holding Company: (Refer Note 24.2 & 26.1)			

61. Net-worth of the Group as on 31 March 2019, based on Consolidated Financial Statement 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. 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.

62. 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.

In compliance with the terms of the Corporate Debt Restructuring Scheme, during the year ended 31 March 2017, the Holding Company has allotted 32,50,831 equity shares of Face value of ₹ 10 each at a premium of ₹ 27.60 per equity share to the promoter company Expert Chemicals (India) Pvt. Ltd., on preferential basis.

During the year ended 31 March 2017, the Holding Company has allotted 5,00,000 numbers of Zero % Compulsorily Convertible Debentures (CCDs) of face value of ₹ 200/- each at par aggregating to ₹ 1,000 lakhs. Further, during the previous year ended 31 March 2018, the Holding Company has converted the CCD’s into 5,00,000 Equity shares of face value of ₹ 10/- at premium of ₹ 190/-

For the purpose of the Group’s capital management, 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 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 2019	31 March 2018
Equity Share Capital	2,372.01	2,322.01
Other Equity	(23,299.58)	(20,840.30)
Total Equity	(20,927.57)	(18,468.29)
Debt(including all other liabilities)	49,532.20	45,740.18
Less: Cash and Cash Equivalents	274.00	286.75
Net Debt(including all other liabilities)	49,258.20	45,453.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

63. Financial Instrument – Fair values and risk management

A. Category of Financial Instruments

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investment in equity instruments	1.98	-	1.96	-
Mark To Market -Derivative asset	-		25.72	-
Security deposits given		295.03	-	279.19
Loans		-	-	-
Trade Receivables		4,440.87	-	2,945.82
Cash and cash equivalents		274.00	-	286.75
Bank balances other than Cash and cash equivalents		250.78	-	334.16
Other financial assets		64.21	-	41.94
Total Financial Assets	1.98	5,324.89	27.68	3,887.86
Financial Liabilities				
Borrowings	-	26,101.72	-	25,217.70
Interest accrued on borrowings	-	881.02	-	1,271.59
Trade payables	-	11,223.63	-	8,313.42
Capital creditors	-	121.50	-	255.59
Security deposits received	-	444.50	-	464.00
Other financial liabilities	-	7,844.07	-	7,800.81
Total Financial Liabilities	-	46,616.44	-	43,323.11

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.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

Financial Assets and Liabilities measured at fair value	31 March 2019			31 March 2018		
	Level			Level		
	1	2	3	1	2	3
Financial Assets						
Recurring fair value measurements						
Investment in equity instruments	1.88	-	0.10	1.86	-	0.10
Mark To Market -Derivative asset	-	-	-	-	25.72	-
Total financial assets	1.88	-	0.10	1.86	25.72	0.10
Financial Liabilities						
Recurring fair value measurements						
Total Financial liabilities	-	-	-	-	-	-

C. Financial Risk Management

The Group 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 Company's risk management framework. Management is responsible for developing and monitoring Company'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 Company's activities. 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 obligations

The Group's Audit committee oversees how management monitors compliance with Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by 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. 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 Group'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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 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.

Expected Credit Loss on trade receivable under simplified approach

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	1,922.43	609.01
Additional provision charged to statement of Profit and Loss during the year	70.55	1,313.42
Utilised during the year	(287.94)	-
Balance as at the end of the year	1,705.04	1,922.43

(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 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)

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	8304.60	7641.66
Additional provision charged to statement of Profit and Loss during the year	244.64	1,226.20
Utilised during the year	(244.64)	(563.27)
Balance as at the end of the year	8304.60	8304.60

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.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

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	26,982.74	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
Total	46,616.44	34,424.13	17,715.08		52,139.21

Particulars	As at 31 March 2018				
	Carrying Amount	Cash Outflow			
		Within 1 Year	1 to 5 Years	More than 5 Year	Total
Borrowings and Interest thereon	26,489.29	17,078.49	14,154.35	-	31,232.84
Trade payables and other Payables	8,569.01	8,569.01	-	-	8,569.01
Other Financial liabilities	8,264.81	8,264.81	-	-	8,264.81
Total	43,323.11	33,912.31	14,154.35	-	48,066.66

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.

The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2019 and 31 March 2018.

(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.

The Holding Company uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date.

During the previous year ended 31 March 2018, the Holding Company has entered into forward exchange contract, being derivative instrument to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Details of the forward contract outstanding at the period end are as under:

Currency	Buy or Sell	Cross Currency	Amount in US \$	
			31 March 2019	31 March 2018
US \$	Sell	INR	Nil	16.25 Lakhs

Foreign Currency Risk Exposures:

The 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-19	31-Mar-18	31-Mar-19	31-Mar-18
Amount Receivable	EURO	7.81	5.02	607.14	404.61
	US \$	42.14	7.22	2,914.86	469.94
	GBP	-	0.15	-	14.01
	CNY	0.04	0.14	0.38	1.41
Amount Payable*	EURO	8.18	10.56	635.95	851.29
	US \$	25.37	4.90	1,755.21	318.92
	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:

Particulars	1% strengthening in INR		1% weakening in INR	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
EURO	0.29	4.47	(0.29)	(4.47)
US \$	(11.61)	(1.15)	11.61	1.15
GBP	-	(0.14)	-	0.14
CNY	-	(0.01)	0.00	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.

WANBURY LIMITED

31st Annual Report 2018-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

64. Revenue (Ind As 115)

The operations of the Group is 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. Credit limits for the trade receivables are established based on a credit evaluation policy. There is no significant financing component as the credit period is not significant.

Disaggregation of Revenue

(₹ In Lakhs)

Particulars	31 March 2019	31 March 2018
Primary geographical market:		
- India	21,935.38	22,003.38
- Outside India	16,755.57	15,058.92
Total revenue from contracts with customers	38,690.95	37,062.30
Timing of the revenue recognition:		
- Goods transferred at a point in time	38,690.95	37,062.30
- Services transferred over time	-	-
Total revenue from contracts with customers	38,690.95	37,062.30

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 2019	31 March 2018
Revenue as per contracted price	41,140.11	39,425.82
Adjusted for:		
- Sales returns	(553.13)	(536.65)
- Discounts / Rebates/Incentives	(1,895.79)	(1,689.55)
- Others	(0.24)	(137.32)
Net Revenue	38,690.95	37,062.30

There are no material operations in subsidiary companies.

65. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

66. 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 2019:

	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 total comprehensive income	₹ in Lakhs
Parent								
Wanbury Limited	87.73	(18,358.72)	100.01	(2,484.93)	100.00	28.16	100.01	(2,454.40)
Foreign Subsidiary								
Wanbury Holdings B.V	12.28	(2,570.85)	-	-	-	-	-	-
Ningxia Wanbury Fine Chemicals Company Limited	-	(0.10)	-	-	-	-	-	-
Wanbury Global FZE	(0.01)	2.10	(0.01)	0.15	-	-	(0.01)	0.15
Total	100.00	(20,927.57)	100.00	(2,484.78)	100.00	28.16	100.00	(2,454.25)

As at 31 March 2018:

	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 total comprehensive income	₹ in Lakhs
Parent								
Wanbury Limited	55.61	(15,901.65)	99.94	(3,198.73)	100.00	34.45	99.93	(3,164.28)
Foreign Subsidiary								
Wanbury Holdings B.V	43.97	(2,568.50)	0.04	(1.35)	-	-	0.04	(1.35)
Ningxia Wanbury Fine Chemicals Company Limited	-	(0.10)	0.02	(0.66)	-	-	0.02	(0.66)
Wanbury Global FZE	(0.01)	1.95		0.05	-	-	0.01	0.05
Total	100.00	(18,468.29)	100.00	(3,200.79)	100.00	34.45	100.00	(3,166.34)

The above figures are after eliminating intra group transactions and intra group balances.

67. 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)

N. K. Puri
Director
(DIN : 00002226)

Jitendra J. Gandhi
Company Secretary

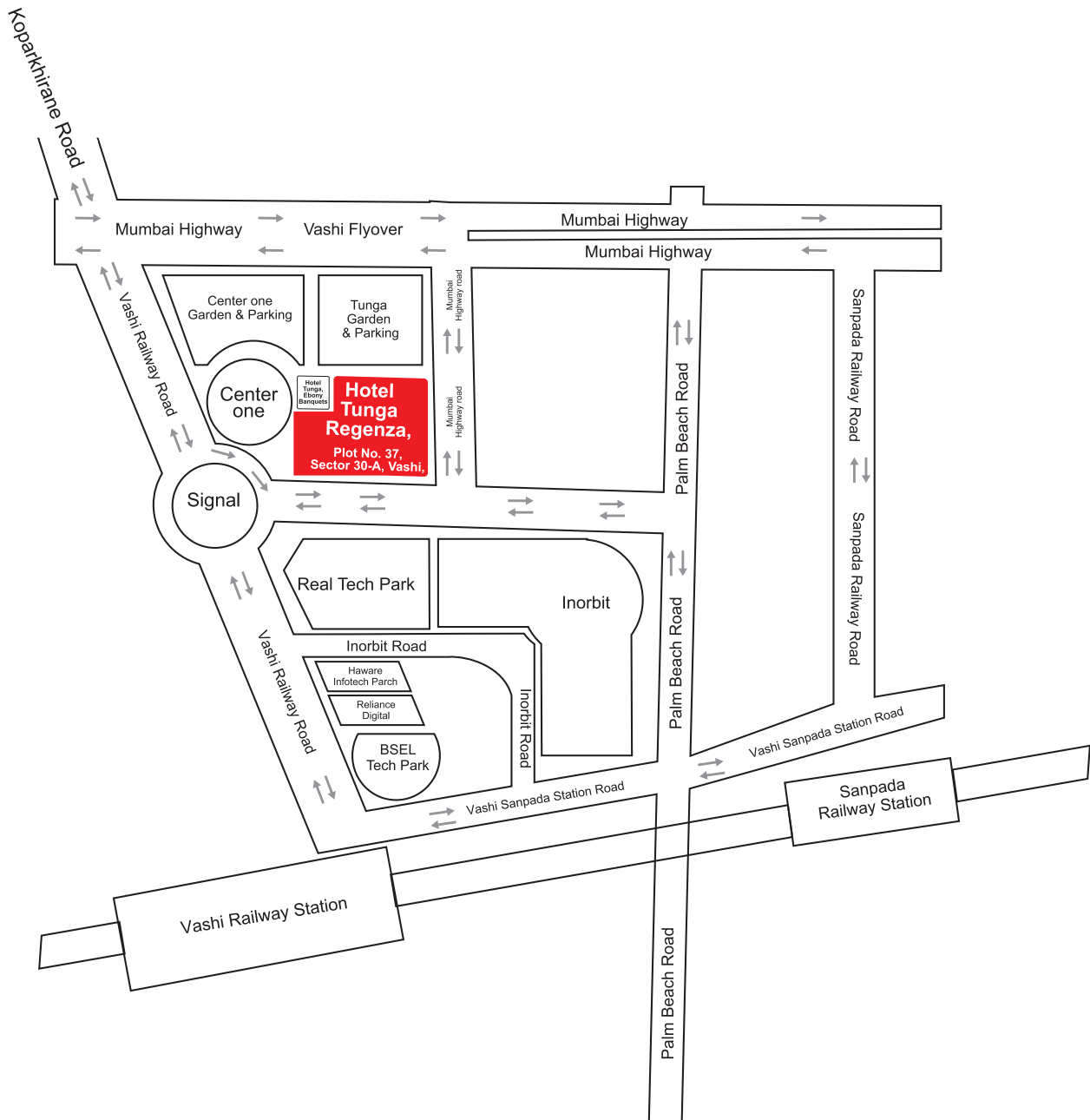
Vinod Verma
Chief Financial Officer

Place : Mumbai, 14 August 2019

WANBURY LIMITED

31st Annual Report 2018-2019

Route Map for 31th Annual General Meeting to be held on Monday, 30th day of September, 2019 at 11:30 A.M. at Ebony Hall, Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai- 400703.



WANBURY LIMITED

Address: BSEL Tech Park, B - Wing, 10th Floor, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400 703.
CIN: L51900MH1988PLC048455 www.wanbury.com

**PROXY FORM
FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____

Folio No. / DP ID and Client ID: _____

I/We, being the Member(s) holding _____ shares of the above named

Company, hereby appoint:

1. Name: _____ E-mail ID: _____

Address: _____

Signature of Proxy holder: _____ or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

Signature of Proxy holder: _____ or failing him/her

3. Name: _____ E-mail ID: _____

Address: _____

Signature of Proxy holder: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31th Annual General Meeting, to be held on **Monday, 30th September, 2019 at 11:30 A.M., Ebony Hall, Hotel Tunga Regenza, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 703** and at any adjournment thereof in respect of such resolutions as are indicated below:

Registration No.	Description	For	Against
1.	Ordinary Resolution for adoption of: a) the Standalone Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2019 along with the Reports of Directors and Auditors thereon. b) the Consolidated Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2019.		
2.	Ordinary Resolution for Re-appointment of Mr. K. Chandran (DIN-00005868), Director of the Company liable to retire by rotation.		
3.	Ordinary Resolution for Re-appointment of M/s. V. Parekh & Associates, Chartered Accountants, (Firm Registration No. 107488W), Mumbai as Statutory Auditors of the Company.		
4.	Ordinary Resolution for Ratification of Remuneration payable to M/s Manish Shukla & Associates Cost Auditor, Mumbai, for conducting cost audit for the Financial Year 2019-20.		
5.	Special Resolution for the re-appointment of Mr. K. Chandran for a period of 3 years as Whole-time Director of the Company.		

Signed this _____ day of _____ 2019.

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

NOTES:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



www.wanbury.com

Registered office and Head Office:
Wanbury Limited, BSEL Tech Park, B-Wing, 10th Floor, Sector - 30A,
Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400 703. Maharashtra, India