



**KAPOOR & PAREKH ASSOCIATES**  
CHARTERED ACCOUNTANTS

The Board of Directors  
Wanbury Limited  
BSEL Tech Park  
B-Wing, 10<sup>th</sup> Floor, Sector-30A,  
Opp. Vashi Railway Station,  
Vashi, Navi Mumbai - 400 705

1. We have reviewed the accompanying statement of unaudited financial results of **Wanbury Limited** ("the Company") for the quarter and half year ended **30 September 2013** except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' and undisputed investor complaints, which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at the meeting held on 14 November 2013 and is based on the unaudited accounts of the Company for the period ended 30 September 2013. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements/ results are free of material mis-statements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is invited to:
  - a) Note No. 4 of the accompanied statement regarding inclusion of financials of erstwhile PPIL for the reasons stated therein; and
  - b) Note No. 10 of the accompanied statement regarding accounts being prepared on "going concern" basis for the reasons stated therein.

Our report is not qualified in respect of these matters.





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4. a) Note No. 6 of the accompanied statement regarding investments in two wholly owned subsidiaries and other company of ₹ 3,907.71 Lacs and amount recoverable of ₹ 19,059.84 Lacs from them and step down subsidiary, whose net worth is eroded/ significantly eroded and their accounts have been prepared on going concern basis, are considered good by the management for the reasons stated therein and our inability to comment on realisability/ recoverability thereof; and
- b) Note No. 9 of the accompanied statement regarding creditors, debtors and advances being subject to confirmation, reconciliation and adjustments, if any. Consequently, we are unable to comment on the carrying values of these balances as at the period end and accordingly the impact of the consequential adjustments, if any, on the loss for the period ended 30<sup>th</sup> September, 2013 and assets, liabilities and reserves as on that date can not be readily ascertained.

*Our reports on the financial results of the previous periods/ year were qualified in respect of these matters*

5. Subject to para 4 above, based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Company Affairs) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges, including the manner in which it is to be disclosed, or that it contains any material mis-statement.

For Kapoor & Parekh Associates  
 Chartered Accountants  
 ICAI FRN 104803W

Nikhil Patel  
 Partner

Membership No. 37032

Mumbai, 14 November 2013



| Wanbury Limited   |   |                  |                  |                  |                  |                  |            |
|---|---|------------------|------------------|------------------|------------------|------------------|------------|
| Unaudited financial results for the quarter and half year ended 30 September 2013 |   |                  |                  |                  |                  |                  |            |
| (₹ in Lacs)   |   |                  |                  |                  |                  |                  |            |
| Sr. No.   | Particulars   | Quarter ended    |                  |                  | Half Year ended  |                  |            |
|   |   | 30-09-2013       | 30-06-2013       | 30-09-2012       | 30-09-2013       | 30-09-2012       | Year ended |
|   |   | Unaudited        | Unaudited        | Unaudited        | Unaudited        | Unaudited        | Audited    |
| 1   | <b>Income from Operations</b>   |                  |                  |                  |                  |                  |            |
|   | (a) Net Sales (Net of excise duty)  | 11,022.34        | 10,310.66        | 10,473.92        | 21,333.00        | 20,040.15        |            |
|   | (b) Other operating income  | 29.41            | 35.31            | 57.54            | 64.72            | 159.23           |            |
|   | <b>Total Income from Operations</b>   | <b>11,051.75</b> | <b>10,345.97</b> | <b>10,531.46</b> | <b>21,397.72</b> | <b>20,199.38</b> |            |
| 2   | <b>Expenditure</b>  |                  |                  |                  |                  |                  |            |
|   | (a) Cost of materials consumed  | 3,652.07         | 2,708.41         | 4,537.97         | 6,360.48         | 8,450.06         |            |
|   | (b) Purchase of stock-in-trade  | 1,176.22         | 1,359.48         | 1,244.03         | 2,535.70         | 2,318.27         |            |
|   | (c) Change in inventories of finished goods, work-in-progress and stock in trade                    | (165.84)         | 492.77           | (198.27)         | 326.93           | (326.45)         |            |
|   | (d) Employee benefit expense  | 1,807.84         | 1,727.13         | 1,752.60         | 3,534.97         | 3,238.12         |            |
|   | (e) Depreciation and amortisation expense   | 370.36           | 376.03           | 390.80           | 746.39           | 711.27           |            |
|   | (f) Other expense   | 3,621.33         | 3,126.91         | 3,063.84         | 6,748.24         | 5,658.35         |            |
|   | <b>Total expenses</b>   | <b>10,461.98</b> | <b>9,790.73</b>  | <b>10,790.97</b> | <b>20,252.71</b> | <b>20,049.62</b> |            |
| 3   | <b>Profit (Loss) from Operations before other income, finance costs and exceptional items (1-2)</b> | <b>589.77</b>    | <b>555.24</b>    | <b>(259.51)</b>  | <b>1,145.01</b>  | <b>149.76</b>    |            |
| 4   | Other Income  | (64.69)          | 255.02           | 66.08            | 190.33           | 268.13           |            |
| 5   | <b>Profit (Loss) before Interest &amp; Exceptional Items (3+4)</b>                                  | <b>525.08</b>    | <b>810.26</b>    | <b>(193.43)</b>  | <b>1,335.34</b>  | <b>417.89</b>    |            |
| 6   | Finance costs   | 699.80           | 1,482.32         | 114.25           | 2,182.12         | 1,283.93         |            |
| 7   | <b>Profit (Loss) after Interest but before Exceptional Items (5-6)</b>                              | <b>(174.72)</b>  | <b>(672.06)</b>  | <b>(307.68)</b>  | <b>(846.78)</b>  | <b>(866.04)</b>  |            |
| 8   | Exceptional Items-Income/(Expense)  | -                | -                | -                | -                | -                |            |
| 9   | <b>Profit(Loss) from Ordinary Activities before Tax (7-8)</b>                                       | <b>(174.72)</b>  | <b>(672.06)</b>  | <b>(307.68)</b>  | <b>(846.78)</b>  | <b>(866.04)</b>  |            |
| 10  | Tax Expense   | 84.34            | -                | -                | 84.34            | -                |            |
| 11  | <b>Net Profit(Loss) from Ordinary Activities after Tax (9-10)</b>                                   | <b>(259.06)</b>  | <b>(672.06)</b>  | <b>(307.68)</b>  | <b>(931.12)</b>  | <b>(866.04)</b>  |            |
| 12  | Extraordinary Items   | -                | -                | -                | -                | -                |            |
| 13  | <b>Net Profit(Loss) for the Period (11-12)</b>  | <b>(259.06)</b>  | <b>(672.06)</b>  | <b>(307.68)</b>  | <b>(931.12)</b>  | <b>(866.04)</b>  |            |
| 14  | Paid up Equity Share Capital<br>(face value of ₹ 10 each)   | 1,737.93         | 1,737.93         | 1,737.93         | 1,996.93         | 1,737.93         |            |
| 15  | Reserves excluding Revaluation Reserves   | -                | -                | -                | -                | 5,199.80         |            |
| 16  | Dividend Per Share (of ₹ 10/- each) (not annualised):   | (0.87)           | (3.87)           | (1.77)           | (4.98)           | (4.98)           |            |
| A   | <b>Particulars of Shareholding</b>  |                  |                  |                  |                  |                  |            |
|   | Public Shareholding   |                  |                  |                  |                  |                  |            |
|   | Number of shares  | 10,190,556       | 10,190,356       | 10,190,556       | 10,190,556       | 10,190,556       |            |
|   | Percentage of shareholding  | 51.03%           | 58.64%           | 58.64%           | 51.03%           | 58.64%           |            |
|   | Promoters and promoter group shareholding   |                  |                  |                  |                  |                  |            |
|   | (a) Pledged / Encumbered  |                  |                  |                  |                  |                  |            |
|   | - Number of shares  | 825,742          | 825,742          | 825,742          | 825,742          | 825,742          |            |
|   | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)            | 8.44%            | 11.49%           | 11.49%           | 8.44%            | 11.49%           |            |
|   | - Percentage of shares (as a % of the total share capital of the Company)                           | 4.14%            | 4.75%            | 4.75%            | 4.14%            | 4.75%            |            |
|   | (b) Non-encumbered  |                  |                  |                  |                  |                  |            |
|   | - Number of shares  | 8,952,988        | 6,362,988        | 6,362,988        | 8,952,988        | 6,362,988        |            |
|   | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)            | 91.56%           | 88.51%           | 88.51%           | 91.56%           | 88.51%           |            |
|   | - Percentage of shares (as a % of the total share capital of the Company)                           | 44.83%           | 36.61%           | 36.61%           | 44.83%           | 36.61%           |            |
| B   | <b>Investors Complaints</b>   |                  |                  |                  |                  |                  |            |
|   | Pending at the beginning of the quarter   |                  | Nil              |                  |                  |                  |            |
|   | Received during the quarter   |                  | 5                |                  |                  |                  |            |
|   | Resolved during the quarter   |                  | 5                |                  |                  |                  |            |
|   | Remaining unresolved at the end of the quarter  |                  | Nil              |                  |                  |                  |            |



| Statement of Assets and Liabilities |   | (₹ in Lacs)      |                  |
|-------------------------------------|---|------------------|------------------|
|                                     |   | As at            | As at            |
|                                     |   | 30-09-13         | 31-03-13         |
|                                     |   | Unaudited        | Audited          |
| <b>A</b>                            | <b>EQUITY AND LIABILITIES</b>             |                  |                  |
| 1                                   | <b>Shareholders' funds</b>                |                  |                  |
|                                     | (a) Share capital                         | 1,996.93         | 1,737.93         |
|                                     | (b) Reserves and surplus                  | 9,278.87         | 9,684.32         |
|                                     | <b>Sub-total: Shareholders' funds</b>     | <b>11,275.80</b> | <b>11,422.25</b> |
| 2                                   | <b>Non-current liabilities</b>            |                  |                  |
|                                     | (a) Long-term borrowings                  | 30,382.53        | 31,033.28        |
|                                     | (b) Other long term liabilities           | 3,409.02         | 2,929.78         |
|                                     | (c) Long term provisions                  | 726.74           | 715.89           |
|                                     | <b>Sub-total: Non-current liabilities</b> | <b>34,518.29</b> | <b>34,678.95</b> |
| 3                                   | <b>Current liabilities</b>                |                  |                  |
|                                     | (a) Short-term borrowings                 | 6,502.58         | 6,488.84         |
|                                     | (b) Trade payables                        | 8,178.54         | 6,339.30         |
|                                     | (c) Other current liabilities             | 8,726.76         | 8,430.83         |
|                                     | (d) Short-term provisions                 | 255.85           | 285.77           |
|                                     | <b>Sub-total: Current liabilities</b>     | <b>23,663.73</b> | <b>21,544.74</b> |
|                                     | <b>TOTAL EQUITY AND LIABILITIES</b>       | <b>69,457.82</b> | <b>67,645.94</b> |
| <b>B</b>                            | <b>ASSETS</b>                             |                  |                  |
| 1                                   | <b>Non-current assets</b>                 |                  |                  |
|                                     | (a) Fixed assets                          | 21,382.32        | 21,927.52        |
|                                     | (b) Non-current investments               | 10,681.06        | 10,606.65        |
|                                     | (c) Long term loans and advances          | 17,764.30        | 16,788.81        |
|                                     | (d) Other non-current assets              | 5.35             | 0.86             |
|                                     | <b>Sub-total: Non-current assets</b>      | <b>49,833.03</b> | <b>49,323.84</b> |
| 2                                   | <b>Current assets</b>                     |                  |                  |
|                                     | (a) Inventories                           | 3,657.53         | 3,703.62         |
|                                     | (b) Trade receivables                     | 9,328.26         | 8,360.35         |
|                                     | (c) Cash and bank balances                | 1,706.80         | 1,674.75         |
|                                     | (d) Short-term loans and advances         | 4,915.85         | 4,566.88         |
|                                     | (e) Other current assets                  | 16.35            | 16.50            |
|                                     | <b>Sub-total: Current assets</b>          | <b>19,624.79</b> | <b>18,322.10</b> |
|                                     | <b>TOTAL ASSETS</b>                       | <b>69,457.82</b> | <b>67,645.94</b> |



**Notes :-**

- 1) The above financial results have been reviewed by the Audit Committee and have been taken on record at the meeting of the Board of Directors of the Company held on 14 November 2013.
- 2) The Company has only one segment of activity namely "Pharmaceuticals".
- 3) The market price of the equity shares of the Company being less than the exercise price in respect of various outstanding options to subscribe to equity shares, the options are considered to be anti dilutive.
- 4) Erstwhile The Pharmaceutical Products of India Limited (PPIL) merged with the Company pursuant to the Scheme of Revival cum Merger (the Scheme) approved vide order dated 24 April 2007 by the Board for Industrial and Financial Reconstruction (BIFR) u/s 18 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) w.e.f. 1 April 2006, being the appointed date.

Subsequently in response to a suit filed by one of the unsecured creditors of erstwhile PPIL, challenging the Scheme, the Hon'ble Supreme Court vide its order dated 16 May 2008, has set aside the above referred BIFR order and remitted the matter back to BIFR for considering afresh as per the provisions of SICA.

The matter is now under BIFR's reconsideration. BIFR has directed IDBI Bank, which is an Operating Agency, to prepare the Draft Rehabilitation Scheme. In the meanwhile, the Company has sought legal opinion and has been advised to maintain status quo ante with respect to the merger under the said Scheme and that it should take further steps only on the basis of the fresh BIFR order.

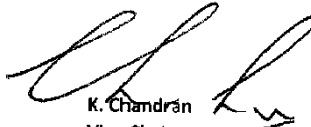
In view of the above, the Company has maintained a status quo. However, all actions taken by the Company pursuant to the sanctioned scheme shall remain subject to and without prejudice to the orders that may be passed by the BIFR while considering the case afresh pursuant to the directions of the Hon'ble Supreme Court in its order dated 16 May 2008.

- 5) 248 FCCB 'A' Bonds have matured on 23 April 2012. The Company has renegotiated terms with the Bondholders holding 218 bonds and have been accounted accordingly. For the balance 30 FCCB 'A' Bonds, pending renegotiation, effect given in the financial statements are as per the terms at the time of issue of the bonds. 700 FCCB 'B' Bonds have matured on 17 December 2012. Part of the bonds were converted into term loan from State Bank of India and the company has negotiated terms with remaining bondholders. Effect in the accounts have been given as per sanction letter from State Bank of India and terms of settlement with the remaining bondholders.
- 6) The Company has equity investments of ₹ 3,907.71 Lacs in two wholly owned subsidiaries and other company and has amount recoverable of ₹ 19,059.84 Lacs from them and Cantabria Pharma SL, Spain ("CP"), a step down subsidiary. Upon expiry of the statutory period of four months from the date of filing pre-insolvency, CP has filed for voluntary insolvency in the Commercial Court of Madrid on 4 November 2013. CP is in the process of negotiations/settlement with its principle creditors, including restructuring of debts. Further, CP continues to explore various options including monetising some of its assets to meet the liabilities. Since these initiatives are on going and are in an advanced stage and the Company's involvement in the aforesaid entities being of strategic importance and for long term, hence, no provision is considered necessary by the Company at this stage in respect of its investments and amounts recoverable as stated above.

This was a subject matter of qualification in our reports on the financial results of the previous periods/year.

- 7) Exim Bank has subscribed to 4,511 Preference Shares of Euro 1,000/- each of Wanbury Holding B. V., a subsidiary company pursuant to the Preference Share Subscription Agreement dated 7 December 2006. Pursuant to the said agreement, Exim Bank has exercised Put Option vide letter dated 8 November, 2011 and company is required to pay USD 60 Lacs (₹ 3,766.62 Lacs) to acquire aforesaid preference shares. Further, State Bank of India, London vide its letter dated 11 July 2012, has demanded repayment of Euro 32.60 Lacs (₹ 2,760.39 Lacs) together with interest till the date of repayment from the Company in terms of Guarantee & Loan agreement dated 27 September 2007 vide which aforesaid credit facilities was granted to Cantabria Pharma S L, the step down subsidiary of the Company. Both the above mentioned dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement with the respective parties.
- 8) IDBI Bank vide its letter dated 4 August 2012 has invoked guarantee of Wanbury Limited in respect of dues from Bravo Limited of Rs. 1,870.11 Lacs. Since Bravo Limited is in the process of one time settlement with IDBI out of sales proceeds of its assets, the Company does not expect any liability at this stage.
- 9) Creditors, debtors & advances are subject to confirmation, reconciliation and adjustments, if any.  
This was a subject matter of qualification in our reports on the financial results of the previous periods/year.
- 10) The Company has incurred losses during the last three years and networth of the Group (Company and its subsidiaries), based on consolidated financial statements for the year ended on 31 March, 2013, is negative. The Company has initiated various measures, including restructuring of debts/business and infusion of funds etc. Consequently, in the opinion of the management, operations of the Company will continue without interruption. Hence, financial statements are prepared on a "going concern" basis.
- 11) The Company has allotted 25,90,000 equity shares of ₹ 10 each to Expert Chemicals (I) Private Limited, the promoter company, at a premium of ₹ 27.50 per equity share on 5 August 2013 pursuant to the Corporate Debt Restructuring Scheme.
- 12) The figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.

Place : Mumbai  
Date: 14 November 2013

  
K. Chandran  
Vice Chairman

