Wanbury Limited

Unaudited financial results for the quarter and period ended 31 December 2013

(₹ in Lacs)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Operations**						
	(a) Net Sales /Income from operations (net of excise duty)	10,575.57	11,022.34	10,496.15	31,908.67	30,536.30	41,149.85
	(b) Other operating income	84.50	29.41	39.22	149.32	198.45	263.84
	Total income from operations (net)	**10,660.27**	**11,051.75**	**10,535.37**	**32,057.99**	**30,734.75**	**41,413.69**
2	**Expenditure**						
	(a) Cost of materials consumed	3,427.96	3,652.07	4,018.99	9,788.44	12,469.05	16,300.38
	(b) Purchase of stock-in-trade	1,089.31	1,176.22	928.31	3,625.01	3,246.57	4,051.41
	(c) Change in inventories of finished goods, work-in-progress and stock in trade	353.57	(165.84)	352.50	680.50	26.05	744.46
	(d) Employee benefit expense	1,726.34	1,807.84	1,733.95	5,261.31	4,972.07	6,607.80
	(e) Depreciation and amortisation expense	372.54	370.36	386.35	1,118.93	1,097.62	1,478.02
	(f) Other expense	3,202.20	3,621.33	2,973.50	9,950.45	8,631.84	12,112.71
	Total expenses	**10,171.92**	**10,461.98**	**10,393.60**	**30,424.64**	**30,443.20**	**41,294.78**
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	488.35	589.77	141.77	1,633.35	291.55	118.91
4	Other income	86.67	(64.69)	2.60	277.00	270.74	454.92
5	Profit/(Loss) from ordinary activities before finance costs & exceptional items (3+4)	**575.02**	**525.08**	**144.37**	1,910.35	562.29	**573.83**
6	Finance costs	439.94	699.80	964.10	2,622.06	2,248.03	3,106.99
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	**135.08**	**(174.72)**	**(819.73)**	**(711.71)**	**(1,685.74)**	**(2,533.16)**
8	Exceptional items-Income(Expense)	-	-	-	-	-	-
9	**Profit/(Loss) from ordinary activities before Tax (7-8)**	**135.08**	**(174.72)**	**(819.73)**	**(711.71)**	**(1,685.74)**	**(2,533.16)**
10	Tax expense	41.91	84.34	-	126.24	-	13.69
11	**Net Profit/(Loss) from ordinary activities after Tax (9-10)**	**93.17**	**(259.06)**	**(819.73)**	**(837.95)**	**(1,685.74)**	**(2,546.86)**
12	Extraordinary items	-	-	-	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**93.17**	**(259.06)**	**(819.73)**	**(837.95)**	**(1,685.74)**	**(2,546.86)**
14	Paid up Equity Share Capital (face value of ₹ 10 each)	1,996.93	1,996.93	1,737.93	1,996.93	1,737.93	1,737.93
15	Reserves excluding revaluation reserves as per the balance sheet of previous accounting year						5,199.80
16	Earning per share (EPS)- not annualised (in ₹) :						
	Basic and diluted EPS before and after extraordinary items	0.66	(1.25)	(4.72)	(4.46)	(9.70)	(14.65)
A	**Particulars of Shareholding**						
1	Public Shareholding						
	Number of shares	1,01,90,556	1,01,90,556	1,01,90,556	1,01,90,556	1,01,90,556	1,01,90,556
	Percentage of shareholding	51.03%	51.03%	58.64%	51.03%	58.64%	58.64%
2	Promoters and promoter group shareholding						
	(a) Pledged /Encumbered						
	- Number of shares	8,25,742	8,25,742	8,25,742	8,25,742	8,25,742	8,25,742
	- Percentage of shares (as a % of the total shareholding of promter and promoter group)	8.44%	8.44%	11.49%	8.44%	11.49%	11.49%
	- Percentage of shares (as a % of the total share capital of the Company)	4.14%	4.14%	4.75%	4.14%	4.75%	4.75%
	(b) Non-encumbered						
	Number of shares	89,52,988	89,52,988	63,62,988	89,52,988	63,62,988	63,62,988
	- Percentage of shares (as a % of the total shareholding of promter and promoter group)	91.56%	91.56%	88.51%	91.56%	88.51%	88.51%
	- Percentage of shares (as a % of the total share capital of the Company)	44.83%	44.83%	36.61%	44.83%	36.61%	36.61%
B	**Investors Complaints**	3 months ended 31 December 2013					
1	Pending at the beginning of the quarter	Nil					
2	Received during the quarter	2					
3	Resolved during the quarter	2					
4	Remaining unresolved at the end of the quarter	Nil					

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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 11 February 2014.

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 ₹ 19,157.76 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 principal creditors, including restructuring of debts. Further, CP continues to explore various options including monetising some of its assets to meet the liabilities. Since 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 Auditors' 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 (₹ 3,713.82 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 (₹ 2,782.85 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 of ₹ 1,870.11 Lacs from Bravo Limited. 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 Auditors' 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 figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.

K. Chandran
Vice Chairman

Place : Mumbai
Date: 11 February 2014

KAPOOR & PAREKH ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

KAPOOR & PAREKH ASSOCIATES
CHARTERED ACCOUNTANTS

The Board of Directors
Wanbury Limited
BSEL Tech Park
B-Wing, 10th Floor, Sector-30A,
Opp. Vashi Railway Station,
Vashi, Navi Mumbai - 400 703

1. We have reviewed the accompanying statement of unaudited financial results of **Wanbury Limited** ("the Company") for the quarter and nine months ended 31 December 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 11 February 2014 and is based on the unaudited accounts of the Company for the period ended 31 December 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.

701, Business Suites 9, S. V. Road, Santacruz (W), Mumbai - 400 054, India. Tel: +91 22 2600 7702 Fax:+91 22 2600 7706 Email : info@sskpa.com, Web : www.sskpa.com

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CHARTERED ACCOUNTANTS

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 ₹ 19,157.16 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 31 December 2013 and assets, liabilities and reserves as on that date cannot be readily ascertained.*

   Our reports on the financial results of the previous periods / years 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 misstatement.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W

KAPOOR & PAREKH ASSOCIATES CHARTERED ACCOUNTANTS * MUMBAI *

Nikhil Patel
Partner
Membership No. 37032

Mumbai, 11 February 2014

701, Business Suites 9, S. V. Road, Santacruz (W), Mumbai - 400 054, India. Tel: +91 22 2600 7702 Fax:+91 22 2600 7706 Email : info@sskpa.com, Web : www.sskpa.com