ANNUAL REPORT 2013-2014

WANBURY

Towards Better Healthcare

WANBURY LIMITED

26th Annual Report 2013-2014

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Board of Directors

Mr. A.L. Bongirwar	Non-Executive Independent Director
Mr. N.K. Puri	Non-Executive Independent Director
Dr. P.L. Tiwari	Non-Executive Independent Director
Mr. Manish Joshi	EXIM Bank Nominee (From 30 May 2013)
Mr. P.R. Dalal	EXIM Bank Nominee (Upto 30 May 2013)
Mr. S.K. Bhattacharyya	Additional Director (From 30 May 2013)
Mr. K. Chandran	Vice Chairman

Company Secretary

Mr. Mangesh Bhosale (Upto 26 November 2014)

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
Email: shares@wanbury.com
Website: www.wanbury.com

Plants at Patalganga, Turbhe, Tarapur, Mazgaon (Mah) and Tanaku (AP)

Auditors

Kapoor & Parekh Associates
Chartered Accountants, Mumbai

Bankers

Bank of India
State Bank of India
EXIM Bank
State Bank of Mysore
Axis Bank
Andhra Bank
IDBI Bank

Registrar and Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai-400 072, India
Telephone: +91-22-28516338, 28528087
Fax: +91-22-28512885

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Wanbury Limited will be held on Monday, 23 March 2015 at 12:00 Noon at Hotel Tunga Regency, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 705, to transact the following business, with or without modifications.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30 September 2014 and the Profit & Loss Account for the year ended on that date, along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. Chandran – Director of the Company, 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 the following resolutions as Ordinary Resolutions relating to the appointment of Auditors of the Company:

(a) "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, Kapoor & Parekh Associates, Chartered Accountants (Firm Registration No. 104803W) be and are hereby re-appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this AGM to the conclusion of the third consecutive AGM i.e. Twenty Ninth AGM (subject to ratification of appointment by the members at every AGM held after this AGM) at a remuneration to be decided by the Board of Directors."

(b) "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Kolath & Co., Chartered Accountants, Chennai, be and are hereby appointed as Branch Auditors of the Company, to audit the accounts of the Company's Plant Situated at Tanaku, West Godavari District, Andhra Pradesh, to hold the office from the conclusion of this AGM to the conclusion of the third consecutive AGM i.e. Twenty Ninth AGM (subject to ratification of appointment by the members at every AGM held after this AGM) at a remuneration to be decided by the Board of Directors."

SPECIAL BUSINESS:

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

   "RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Board of Directors of the Company for payment of remuneration of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31 March, 2015, to M/s. Hemant Shah & Associates, Cost Accountants, for conducting audit of cost accounts for Pharmaceutical Business of the Company, be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

   "RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Mr. A. L. Bongirwar (DIN: 00046738), who was appointed as Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office upto 31 March 2019."

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

   "RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Mr. N. K. Puri (DIN: 00002226), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office upto 31 March 2019."

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

   "RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Dr. P. L. Tiwari (DIN: 00917603), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office upto 31 March 2019."

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

   "RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Mr. S. K. Bhattacharyya (DIN: 01924770), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office upto 31 March 2019."

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

   "RESOLVED THAT, in supersession of the Ordinary Resolution passed by the Members through Postal Ballot on 11th September, 2006 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 1000 Crore (Rupees One Thousand Crore only) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

   RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper, desirable or expedient to give effect to this resolution."

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

    "RESOLVED THAT, in supersession of the Ordinary Resolution passed by the Members through Postal Ballot on 11th September, 2006 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to mortgage / charge / hypothecate / encumber any of its movable and / or immovable properties wherever situated both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create mortgage / charge / hypothecate / encumber, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any Bank(s) or Financial Institution(s) or Body(ies) Corporate or Person(s), whether the Members of the Company or not, together with interest, cost, charges and expenses thereon for an amount not exceeding ₹ 1000 Crore (Rupees One Thousand Crore only).

    RESOLVED FURTHER THAT mortgage / charge / hypothecate / encumber to be created by the Company aforesaid may rank prior / pari-passu /subservient with/to the mortgage / charge / hypothecation / encumbrance already created or to be created by the Company as may be agreed to between the concerned parties.

    RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt relating thereto that may arise in regard to creating mortgage / charge as aforesaid."

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

    "RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and subject to the provisions of the Memorandum of Association & Articles of Association of the Company and the Listing Agreements entered into with the Stock Exchanges where the Equity Shares of the Company are listed and in accordance with the applicable guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI") {including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Issue of Capital and Disclosure Requirements)

Regulations, 2009 ("ICDR Regulations") } and subsequent amendment(s) thereof and subject to the approvals, consents, permissions and/or sanctions, as may be necessary of the appropriate authorities, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them while granting such approvals, consents, permissions and/or sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which terms shall be deemed to include the Day-to-Day Affairs Committee of the Board or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution) be and is hereby authorised to accept and subject to such conditions and modifications as may be considered appropriate by the Board of the Company, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot Equity Shares upto an aggregate amount of ₹ 2 Crore (Rupees Two Crore Only) in one or more tranches to Expert Chemicals (I) Pvt. Ltd., a Promoter Group Company, on preferential allotment basis at a price of ₹ 37.50 (Rupees Thirty Seven and Paise Fifty only) {Face Value ₹ 10/- and Premium ₹ 27.50/-} per Equity Share or at a price, which will be in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment(s) thereof.

RESOLVED FURTHER THAT the "Relevant Date" for the preferential issue of aforesaid Equity Shares will be the date of approval of the Corporate Debt Restructuring Scheme by Corporate Debt Restructuring Cell, under the Corporate Debt Restructuring framework of Reserve Bank of India, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment(s) thereof.

RESOLVED FURTHER THAT the Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company;

RESOLVED FURTHER THAT the Equity Shares to be allotted to Expert Chemicals (I) Pvt. Ltd., a Promoter Group Company shall be locked in as per the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment(s) thereof.

RESOLVED FURTHER THAT for the purpose of issue and allotment of the Equity Shares and listing thereof with the Stock Exchanges, the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity Shares of the Company, as in the absolute discretion, deem fit and proper."

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

"RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act 2013, the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including any Director of the Company, whether whole time or otherwise, options exercisable into 700,000 (Seven Lacs) Equity Shares of the Company, of face value ₹ 10 each, either directly and / or through a Trust, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10 per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company and any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable and also to settle any question or difficulties that may arise in such manner and the Board / such authorised person in its/ his absolute discretion may deem fit and take steps which are incidental and ancillary in this connection."

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi - Mumbai – 400 705
Date: 26 November 2014
Place: Vashi, Navi - Mumbai

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

K Chandran
Vice Chairman

NOTES:

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING AND 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 SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless Compliances by the Companies pursuant to the applicable provisions of Information Technology Act, 2000. The members are requested to notify their e-mail addresses to Company and enable the Company to send notices, annual report and other documents through electronic mode (e-mail). The members can notify their e-mail addresses to the Company by sending a request on e-mail ID shares@wanbury.com or by sending a letter addressed to the Company Secretary.
3. 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., Unit – 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072, in respect of the Shares held in Physical Form, and (ii) to their Depository Participants (DPs) in respect of Shares held in Dematerialized Form.
4. In case the mailing address mentioned on this Annual Report is without the PINCODE, shareholders are requested to kindly inform their PINCODE immediately to their DP or the Company's Registrar & Share Transfer Agent, M/s Sharex Dynamic (India) Pvt. Ltd., as mentioned above.
5. 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 Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.
6. The Share Transfer Books and the Register of Members will remain closed from Monday, 16 March 2015 to Monday, 23 March 2015 (both days inclusive) for the purpose of Annual General Meeting.
7. Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant of Clause 49 of the Listing Agreement with Stock Exchanges :

Name	Mr. K. Chandran
Age	56 Years
Qualification	Graduate
Expertise in Specific Area	Pharmaceutical Industry
Date of First Appointment on the Board of the Company	23.01.2001
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:** 1) Magnum Equifin Pvt. Ltd. 2) Cantabria Pharma S.L., Spain **Committee Membership:** NIL **Committee Chairmanship:** NIL

Name	Mr. A. L. Bongirwar
Age	71 Years
Qualification	IAS
Expertise in Specific Area	Administration
Date of First Appointment on the Board of the Company	24.06.2005
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:** JSW Green Pvt. Ltd. **Committee Membership:** NIL **Committee Chairmanship:** NIL

Name	Mr. N. K. Puri
Age	71 Years
Qualification	M. Sc. (Physics)
Expertise in Specific Area	Banking
Date of First Appointment on the Board of the Company	09.03.2005
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:** NIL **Committee Membership:** NIL **Committee Chairmanship:** NIL

Name	Dr. P. L. Tiwari
Age	69 Years
Qualification	M. D. (Med.), MRCP (London, Glasgow), FRCP (Edin.)
Expertise in Specific Area	Cardiology
Date of First Appointment on the Board of the Company	09.03.2005
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:** Astec Lifesciences Limited **Committee Membership:** NIL **Committee Chairmanship:** NIL

Name	Mr. S. K. Bhattacharyya
Age	64 Years
Qualification	BA (Hons.) in Economics, CAIIB
Expertise in Specific Area	Banking
Date of First Appointment on the Board of the Company	30.05.2013
No. of Shares held in the Company	NIL
Name of the other public limited companies in which Directorship held and Committee Membership/ Chairmanship held.	**Director:**

1) Persistent Systems Ltd. (PSL)
2) Dabur India Ltd. (DIL)
3) C&S Electric Ltd. (CSEL)
Committee Membership:
Audit Committee – PSL
Remuneration & Compensation Committee – PSL
Committee Chairmanship:
Shareholders Grievance Committee – PSL

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. Section 109A of the Companies Act,1956 provides for nomination by the Shareholders of the Company in the prescribed Form No. 2B. Shareholders are requested to avail this facility.
10. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members the facility to exercise their right to vote at the Annual General Meeting by electronic means. The business may be transacted through E-voting Services provided by Central Depository Services Limited (CDSL).

The instructions for Members for voting electronically are as under:-

(i) The voting period begins on Tuesday, 17 March 2015 (10:00 a.m.) and ends on Thursday, 19 March 2015 (06.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20 February 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat 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.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
	• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant “WANBURY LIMITED” on which you choose to vote.

(xii) 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.

(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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) 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 Corporates.
- 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 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.

(xix) 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.

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi - Mumbai – 400 705
Date: 26 November 2014
Place: Vashi, Navi - Mumbai

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

K Chandran
Vice Chairman

ANNEXURE TO THE NOTICE DATED 26 NOVEMBER 2014

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

Item No. 4:

In pursuance of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors (Board) shall appoint an Individual who is Cost Accountant in practice, or a firm of Cost Accountants in practice, as Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for such auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the Members.

On recommendation of Audit Committee, the Board has considered and approved appointment of M/s. Hemant Shah & Associates, Cost Accountants, (the firm) for conducting of the Cost Audit of “all applicable products and group of products” at a remuneration of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand only) plus service tax as applicable and reimbursement of actual travel and out-of pocket expenses for the Financial Year ending 31 March, 2015 in place of Mr. Hemant Shah, Cost Accountant (Individual) since Mr. Hemant Shah has informed the Company that he would like to provide services from his firm instead of individual capacity.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above mentioned resolution.

Item Nos. 5 to 8:

Section 149 of Companies Act, 2013 provides that Independent Directors shall hold office for a term upto 5 (Five) consecutive years. The Board of Directors has decided to appoint all the Independent Directors for a term of 5 (Five) consecutive years.

Further, pursuant to the provisions of Section 149 of Companies Act, 2013, Independent Directors are not liable to retire by rotation. Therefore, considering the provisions of Companies Act, 2013, all the Independent Directors shall not be liable to retire by rotation.

Copy of the draft letters for respective appointments of Directors as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office between 10.30 a.m. and 01.00 p.m. on all working days of the Company upto and including the day of the Meeting.

The Board is of the opinion that the Directors possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have their association with the Company as Directors.

Further, in the opinion of the Board, the proposed appointment of Independent Directors, fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Independent Directors is independent of the management.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution, except the appointee Director(s) and their relatives.

Item No. 9:

The Members through Postal Ballot on 11 September 2006 by an Ordinary Resolution had delegated the powers to the Board of Directors of the Company to borrow for the purpose of the business of the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), an amount not exceeding ₹ 800 Crore (Rupees Eight Hundred Crore only) over and above the aggregate of the paid-up capital and free reserves of the Company.

Section 180 (1) (c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up capital and free reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, except with the consent of the members accorded by way of special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013 as set out at Item No. 8 of the Notice, to enable the Board of Directors to borrow an amount not exceeding ₹ 1000 Crore (Rupees One Thousand Crore only) over and above the aggregate of the paid-up capital and free reserves of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution.

Item No. 10:

The Members through Postal Ballot on 11 September 2006 by Ordinary Resolution had delegated the powers to the Board of Directors of the Company to mortgage / charge / hypothecate / encumber any of its movable and / or immovable properties wherever situated both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) in favour of any Bank(s) or Financial Institution(s) or Body(ies) Corporate or Person(s), whether the Members of the Company or not, for an amount not exceeding ₹ 800 Crore (Rupees Eight Hundred Crore only) over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company.

Section 180 (1) (a) of the Companies Act, 2013 requires that the Board of Directors shall not create mortgage or charge or lease or otherwise dispose of the Company's movable or immovable properties or the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, except with the consent of the members accorded by way of special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180 (1) (a) and other applicable provisions of the Companies Act, 2013 as set out at Item No. 9 of the Notice, to enable the Board of Directors to create mortgage or charge or lease or otherwise dispose of the Company's movable or immovable properties or whole or substantially the whole of the undertaking.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution.

Item No. 11:

Bank of India as the lead bank of the consortium of bankers of the Company had referred the Company for restructuring of its debt to the Corporate Debt Restructuring (CDR) Cell. The Corporate Debt Restructuring Cell has approved Corporate Debt Restructuring Scheme and has issued letter of approval (LOA) dated 23rd May, 2011.

As per the terms and conditions of the Corporate Debt Restructuring of the Company, the Promoters of the Company are required to contribute specified amount in the Capital of the Company from time to time. Therefore, Expert Chemicals (I) Private Limited has contributed till date ₹ 19.80 Crores and the Company has allotted 52,80,000 Equity Shares to Expert Chemicals (I) Pvt. Ltd. pursuant to the provisions of Corporate Debt Restructuring Scheme.

Expert Chemicals (I) Pvt. Ltd. has further contributed ₹ 2 Crore. The Company will therefore be required to allot Equity Shares of the

Company on preferential allotment basis to Expert Chemicals (I) Pvt. Limited at a price of ₹ 37.50 (Rupees Thirty Seven and Paise Fifty only) {Face Value ₹ 10/- and Premium ₹ 27.50/-} per Equity Share or at a price, which will be in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment(s) thereof.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except Mr. K. Chandran being the promoter director of the Company.

The Board of Directors recommends the resolution for approval of the Shareholders.

The other information prescribed under SEBI ICDR Regulations is as under:

(a) The Object of the Preferential Allotment:

To meet the terms and conditions of the Corporate Debt Restructuring Scheme.

(b) The proposal of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer:

The Indian Promoter, Expert Chemical (I) Pvt. Ltd. has indicated its intention to subscribe to the offer. No shares are being offered to the directors or key managerial personnel.

(c) The pricing of the Equity Shares to be allotted to Expert Chemical (I) Pvt. Ltd., on preferential basis shall not be lower than the price determined in accordance with the SEBI ICDR Regulations. Currently, SEBI ICDR Regulations provides that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

a. The average of the weekly high and low of the closing prices of the related Equity Shares quoted on the recognised stock exchange during the six months preceding the relevant date; OR

b. The average of the weekly high and low of the closing prices of the related Equity Shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

The “Relevant Date” for the preferential issue of aforesaid Equity Shares is 23rd May, 2011, the date of approval of the Corporate Debt Restructuring Scheme by Corporate Debt Restructuring Cell, under the Corporate Debt Restructuring framework of Reserve Bank of India, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment(s) thereof.

‘Stock Exchange’ for this purpose shall mean any of the recognised stock exchanges and on which the highest trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the Relevant Date.

(d) The Shareholding Pattern before and after the preferential issue:

Shareholders Category	Pre Issue		Post Issue*	
	Number of shares held	%	Number of shares held	%
Promoters				
Indian:				
Expert Chemicals (I) Pvt. Ltd.	67,54,730	33.83	72,88,063	35.55
Foreign:				
Kingsbury Investment Inc.	30,24,000	15.14	30,24,000	14.75
Total Shareholding of Promoter and Promoter Group	**97,78,730**	**48.97**	**1,03,12,063**	**50.30**
Public shareholding				
Institutions	750,729	3.83	768,357	3.73
Non-institutions	94,26,087	47.20	9,422,199	45.97
Total Public Shareholding	**1,01,90,556**	**51.03**	**10,190,556**	**49.70**
Total	**1,99,69,286**	**100.00**	**2,05,02,619**	**100.00**

* For the purpose of calculation the price of ₹ 37.50 (Rupees Thirty Seven and Paise Fifty only) {Face Value ₹ 10/- and Premium ₹ 27.50/-} per Equity Share has been taken.

(e) The time within which the preferential issue shall be completed

The allotment of Equity Shares will be completed within 15 days from the date of announcement of the result of this Postal Ballot or as per the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment(s) thereof. In case where the approvals from any regulatory authorities and/or Central Govt., if any required, are pending the allotment shall be completed within 15 days from the date of such approval.

(f) The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

There will be no change in the management/control of the Company consequent to preferential allotment of equity shares to the aforementioned proposed allottees. The existing promoters/management will continue to be in control of the Company.

(g) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provisions of these regulations where it is required to do so

The Company gives an undertaking that it shall re-compute the price of the specified securities in terms of the provisions of these regulations, where it is required to do so.

(h) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees

The Company gives an undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

Item No. 12:

The Company recognises and appreciates the critical role played by the employees of the Company in bringing about growth of the organisation. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for issue of stock options to the employees of the Company.

The main features of the employee stock option schemes are as under:

1. Total number of options to be granted:

Employee Stock Options exercisable into 700,000 (Seven Lacs) Equity Shares of the Company, of face value ₹ 10 each, would be available for being granted to eligible employees of the Company, either directly and / or through a Trust, under one or more Employee Stock Option Schemes. Each option when exercised would be converted into one Equity Share of ₹10 each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

All permanent employees of the Company including Directors in Wholetime employment (excluding promoters and independent Directors) as may be decided by the Compensation Committee, from time to time, would be entitled to participate in the Employee Stock Option Scheme.

3. Transferability of employee stock options

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

4. Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company, its subsidiaries and the holding company, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest (subject to the maximum vesting period as specified below).

The options would vest not later than five years from the date of grant of options with a minimum vesting period of one year from the date of grant. The exact proportion in which and the exact period over which the options would vest would be determined by the Board.

5. Exercise Price:

The options will be granted at an exercise price equal to the latest available closing price, prior to the date of the meeting of the Board in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

6. Exercise Period and the process of Exercise:

The Exercise period shall commence from the date of vesting of Options and would expire not later than two years from the date of vesting. The exact Exercise period shall be decided by the Board subject to a maximum period of two years from the date of vesting of options.

The options will be exercisable by the employees by a written application to the Company / Trust to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board of the Company from time to time. The options will lapse if not exercised within the specified exercise period.

7. Appraisal Process for determining the eligibility of the employees to ESOP:

The appraisal process for determining the eligibility of the employees will be specified by the Board of the Company, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and / or such other criteria that may be determined by the Board of the Company at its sole discretion.

8. Maximum number of options to be issued per employee and in aggregate:

The total number of options that may be granted to any specific employee under one or more Schemes during any one year shall not exceed 1% of the Paid-up capital at the time of grant and in aggregate shall not exceed 700,000 (Seven Lacs) Equity Shares.

9. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines, Companies Act, 2013 and those issued by Institute of Chartered Accountants of India.

10. Method of option valuation

To calculate the employee compensation cost, the Company shall use Intrinsic Value Method for valuation of the options granted.

The difference between the employee compensation cost so computed and the cost that shall have been recognised if it had used the Fair Value of the options shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to the applicable provisions, if any, of the Companies Act, 2013.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the scheme.

Registered Office:
BSEL Tech Park, B Wing,
10th Floor, Sector 30-A, Vashi
Navi - Mumbai – 400 705
Date: 26 November 2014
Place: Vashi, Navi - Mumbai

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

K Chandran
Vice Chairman

DIRECTORS' REPORT

Your Directors present the Twenty-Sixth Annual Report together with the Audited Accounts of the Company for the year ended 30 September 2014.

FINANCIAL HIGHLIGHTS:

(₹ in Lac)

Particulars	2013-14 (From 01.04.2013 to 30.09. 2014)	2012-13 (From 01.04.2012 to 31.03. 2013)
Revenue from Operations (Net)	66,185.72	41,413.69
Other Income	546.39	454.92
Total Income	**66,732.11**	**41,868.61**
Total Cost	**69,271.06**	**44,401.77**
Profit/(Loss) before exceptional items and tax	(2,538.95)	(2,533.16)
Exceptional Items-Income(Expense)	(24,176.32)	0.00
Profit /(Loss) before tax	(26,715.27)	(2,533.16)
Tax	285.66	13.70
Profit/ (Loss) after tax	**(27,000.93)**	**(2,546.86)**

OPERATIONAL REVIEW:

The figures of Financial Year 2013-14 being 18 months are not strictly comparable with Financial Year 2012-13 being 12 months. However, the financial highlights are as under:

The Total Revenue for the financial year under review was ₹ 66,732.11 Lacs as against ₹ 41,868.61Lacs in the previous year. The Total Expenditure incurred in the current financial year was ₹ 69,271.06 Lacs as against ₹ 44,401.77 Lacs in the previous year. Exceptional expenses during the year under review were ₹ 24,176.32 Lacs against ₹ Nil in the previous year.

The Loss After Tax for the financial year under review was ₹ 27,000.93 Lacs as against a Loss After Tax of ₹ 2,546.86 Lacs for the previous financial year.

Increase in Loss is mainly on account of provision for doubtful investments, loans and advances, which are of exceptional nature and which are provided in compliance with directives of SEBI.

The Company has incurred losses during the last four financial years and the net-worth of the Company, based on audited financial statement for the year ending 30 September 2014 is negative to the extent of ₹ 16,615.41 Lacs. The losses incurred by the Company in past four years are mainly due to the acquisition of the overseas asset namely, Cantabria S. L.

The Company entered into a Corporate Debt Restructuring (CDR) in 2011 with its lenders. Post CDR also, the Bankers have reposed faith in the Company's business model and have continuously supported the Company with additional working capital facilities and term loans.

Your Company continues to do well on the operational parameters like Sales increasing over by 40 % and operating profit growing over 4 times since FY2010-2011. Your Company has a healthy order book. Your Company has met with debt repayment obligations during this period and is confident to continue the same in future as well.

Considering the above factors, in the opinion of the management, operations of the Company will continue in future years without any interruption.

DIVIDEND

The Board of Directors of the Company has not recommended any dividend for the financial period 2013-2014 on account of negative performance.

MERGER OF THE PHARMACEUTICAL PRODUCTS OF INDIA LIMITED (PPIL) WITH THE COMPANY:

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) is considering the Rehabilitation and Revival cum Merger of the Pharmaceutical Products of India Limited (PPIL) with the Company afresh, pursuant to the Order of Hon'ble Supreme Court of India dated 16 May 2008.

The PPIL has submitted proposal for rehabilitation cum merger of PPIL with Wanbury Limited, with Operating Agency, IDBI and after considering the same in the joint meeting of all concerned, Operating Agency, IDBI has submitted "Draft Rehabilitation Proposal" with Hon'ble BIFR for their consideration. The Hon'ble BIFR is considering the "Draft Rehabilitation Proposal" submitted by the

IDBI, Operating Agency and we expect that the “Draft Rehabilitation Proposal” will be circulated by Hon’ble BIFR shortly for the consideration of the all concerned.

FOREIGN CURRENCY CONVERTIBLE BONDS:

248 FCCB A Bonds have matured on 23-4-2012. The Company has negotiated terms with the bondholder holding 218 bonds. Balance 30 FCCB A Bonds are pending for settlement.

700 FCCB B Bonds have matured on 17-12-2012. Out of this, 556 bonds are repaid and the Company has negotiated terms with remaining bondholder holding 144 bonds.

SUBSIDIARY COMPANIES

The Company does not have a material non listed Indian subsidiary. However, the Company had 5 foreign subsidiaries as on 30 September 2014. Members may kindly refer to the Statement pursuant to the provisions of Section 212 (1) (e) of the Companies Act, 1956 and information on the financials of the subsidiary companies appended thereto, which forms part of this Annual Report. In Compliance with Clause 32 of Listing Agreement, audited consolidated financial statements also form part of this Annual Report. Cantabria Pharma S.L., a company incorporated in Spain is under liquidation by the court receiver. Hence the Company is not in a position to consolidate the financial results of that company and its subsidiary Laboratories Wanbury S.L.

Pursuant to the exemption given by the Central Government, Ministry of Corporate Affairs, vide its General Circular No. 2/2011 dated 8 February 2011, the Company is not attaching along with its Annual Report, detailed financial statement of accounts comprising of Balance Sheet, Profit & Loss Account, reports of Directors & the Auditors and other information of its subsidiary companies.

Any Shareholder interested in obtaining the Balance Sheet, Profit & Loss Account, Directors’ Report and Auditors’ Report of the subsidiaries of the Company may write to the Company for the same.

DIRECTORS:

The Companies Act, 2013 provides that independent directors shall not be liable to retire by rotation. Accordingly, all the independent directors of your Company shall not retire by rotation pursuant to the provisions of Section 149 of Companies Act, 2013 and are proposed to be appointed for 5 (Five) consecutive years for a term upto 31 March 2019.

Mr. K. Chandran, Vice Chairman retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of Companies Act, 2013 and being eligible, offers himself for re-appointment.

PERSONNEL:

Statement of particulars of employees required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, in terms of the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all shareholders of the Company excluding the aforesaid statement of particulars of employees. Any Shareholder interested in obtaining a copy of the statement may write to the Company for the same.

None of the employee of the Company holds (by himself / herself or along with his / her spouse and dependent children) more than 2% of the Paid-up Equity Share Capital of the Company.

AUDITORS AND AUDITORS’ REPORT:

M/s. Kapoor & Parekh Associates, Chartered Accountant, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, by the Company for the years 2014-15 to 2016-17 will be within the limit prescribed under Section 141(3)(g) of the Companies Act, 2013. The Board of Directors recommends their appointment.

The Board recommends M/s. Kolath & Co., Chartered Accountants, Chennai as Branch Auditors of the Company to audit the accounts of the Company’s Plant Situated at Tanaku, West Godavari District, Andhra Pradesh. M/s. Kolath & Co. have confirmed their eligibility and willingness to accept the office of the Branch Auditor, if appointed.

The observations made in the Standalone Auditors’ 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 Section 217 of the Companies Act, 1956.

The qualification made in consolidated financial statements by Auditors’ is as under:

“Auditors of consolidated financial statements of Wanbury Holding BV (WHBV) and its subsidiaries has qualified their opinion for non inclusion of the consolidated financial statements of Cantabria Pharma S.L. (CP), a wholly owned subsidiary of WHBV, for the period from 1 April 2013 to 26 February 2014 for the reason stated in note 32(b) of the consolidated financial statements.

The impact, if any, on the consolidated financial statements are not ascertainable.

Our audit opinion on the consolidated financial statements has been qualified accordingly.

<u>**Management response to the aforesaid qualification:**</u>

The management response to the qualification made in consolidated financial statements by Auditors is given in note 32(b) of consolidated financial statement, which is as under:

The Company has taken following steps to resolve the qualification:

Cantabria Pharma S.L. (CP) has filed for voluntary insolvency in the Commercial Court of Madrid, Spain on 4 November 2013 and as per Court's Order, Receiver has taken the control of CP on 26 February 2014.

Consequently, Wanbury Holding BV, Netherland, the holding company, and Wanbury Limited, India, the ultimate holding company ceases to have control effective from aforesaid date as required by AS-21 "Consolidated Financial Statements". However, we are unable to have access the books of accounts from 1 April 2013 to 26 February 2014 and consequently unable to prepare the financial statements as required by AS-21 "Consolidated Financial Statements".

However the said investment is being fully provided for in the books of Wanbury Holding BV, and in the Consolidated Financial Statements of Wanbury Limited and in the opinion of the management full effect has been captured in Consolidated Financial Statements.

COST AUDITOR:

The report of Mr. Hemant Shah, Cost Accountant, in respect of audit of cost accounts for Pharmaceutical Business of the Company for the year ended on 30 September 2014, will be submitted to the Cost Audit Department, Central Government in due course.

The report of Mr. Hemant Shah, Cost Accountant, in respect of audit of cost accounts for Pharmaceutical Business of the Company for the year ended on 31 March 2013, has been submitted by the Company on 1 October 2013 to the Cost Audit Department, Central Government.

The Board of Directors of the Company has approved the appointment of M/s Hemant Shah & Associates, Cost Accountant (the Firm) for conducting audit of cost accounts for Pharmaceutical Business of the Company for the financial year 2014-2015 i.e. from 1 October 2014 to 31 March 2015 in place of Mr. Hemant Shah, Cost Accountant (Individual) since Mr. Hemant Shah has informed the Company that he would like to provide services from his firm instead of individual capacity.

FIXED DEPOSITS:

The Company has not invited / accepted / renewed any fixed deposits as per the provisions of Section 58 A of the Companies Act, 1956 from the public during the year under review.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Report on Corporate Governance along with Auditors' Certificate, confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges also forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217 (2AA) of the Companies Act, 1956, the directors of the Company would like to state that:

i) In the preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors have prepared the Accounts on a going concern basis.

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

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is set out in the separate statement, attached to this report and forms part of it.

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 & guidance and also expect the same in the future.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
VICE CHAIRMAN

DR. P. L. TIWARI
DIRECTOR

Mumbai, 26 November 2014

ANNEXURE TO DIRECTORS' REPORT

Information in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

(1) (A) CONSERVATION OF ENERGY

Company has taken below mentioned measures for conservation of energy during the year under review: -

(i) Coal usage reduced with Briquette which is a agro based fuel which will have a good impact on the reduction of non-renewable energy sources.

(ii) We are targeting to reduce Distillation time cycle of major product thereby reducing boiler fuel and power consumption in vacuum pumps.

(iii) Serious technology and process improvement on for other major products like Tramadol and Sertraline which should reduce the product cost.

(iv) Usage of CFL lamps instead of normal lamps.

(v) Continuous centrifuge in place of batch centrifuge to conserve energy.

INFORMATION AS PER PRESCRIBED FORM A:

	For the period ended on 30.09.2014	For the year ended on 31.03.2013
1. Electricity		
(a) Purchased		
Unit (KWH)	1,86,59,312	1,01,56,328
Total Amount (in Rupees)	13,85,40,476	6,86,53,813
Rate / Unit (in Rupees)	7.42	6.76
(b) Own Generation		
Unit (KWH)	12,42,990	19,94,990
Total Amount (in Rupees)	2,24,07,184	2,82,44,550
Rate / Unit (in Rupees)	18.03	14.16
2. Furnace Oil & LDO		
Quantity (Liters)	298,660	5,51,700
Total Amount (in Rupees)	1,71,92,209	2,70,87,042
Average Rate (₹ per Liter)	57.56	49.10
3. Briquette		
Quantity (MT)	13,540	8,412
Total Amount (in Rupees)	8,74,32,624	5,41,25,806
Average Rate (₹ per MT)	6,457.13	6,434.30
4. Coal		
Quantity (MT)	3,621	2,827
Total Amount (in Rupees)	1,41,66,500	1,52,19,125
Average Rate (₹ per MT)	3,912.31	5,384.18

(B) CONSUMPTION PER UNIT OF PRODUCTION

The Company manufactures APIs having varied product cycles. It is therefore, impractical to apportion the consumption and cost of utilities to each product.

NOTE: There are no specific standards, as the consumption per unit depends upon the product mix. Variations in consumption are due to different product mix.

(2) ABSORPTION OF TECHNOLOGY AND RESEARCH & DEVELOPMENT

Research and Development Centre is situated at Mhape, Navi Mumbai and has strength of 29 dedicated scientist. They are engaged in process development in new products, cost improvement projects as well scale up of the newly developed products in the factory. This effort of R and D has also been reinforced by setting up a Technical Services Dept at Tanuku whose role relating to smooth transfer of technology of new products, trouble shooting issues in regular production and working on New Technologies has been of a high order.

In the last year, R & D has mainly concentrated on enhancement of capacity and cost improvement. Cost improvement of products along with five new product process developments were successfully completed in labs and some of there were executed in manufacturing plants.

R & D has also filed two patent applications last year to protect the intellectual assets of the Company.

R & D Centre has launched innovative fixed dose combination: Chymonac MR tablets (Fast Dispersing Tablets)

New oral formulation Collage P (Collagen Peptide sachet) launched.

Unique Myo- Inositol Chewable tablets with Strawberry flavour (Small Chicklet shaped tablet) has been developed first time in India to replace the big Myotol F soft gelatin capsules currently been marketed. This innovative development will give edge to marketing for boosting the sale of Myotol F brand.

EXPENDITURE ON R & D

(₹ in Lacs)

Capital	66.83
Recurring	1399.32
Total	**1466.15**
Total R&D expenditure as a percentage of Total Revenue	2.19%

(3) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lacs)

Particulars	For the period ended on 30.09.2014	For the year ended on 31.03.2013
Income:		
Foreign Exchange earned by the Company:		
F.O.B. Value of Exports	25,789.97	21,436.19
Freight, Insurance Etc.	756.33	447.87
Total Income	**26,546.30**	**21,884.06**
Expenditure:		
C.I.F. Value of Imports		
Raw Material (including High Seas purchases)	8,440.75	7,525.45
Capital Goods	72.98	191.51
Interest	645.04	448.77
Commission Paid	92.79	126.08
Legal & Professional Fees	184.91	49.70
Other Expenses(including travelling and business promotion)	549.93	218.70
Total Expenditure	**9,986.40**	**8,560.21**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. CHANDRAN
VICE CHAIRMAN

DR. P. L. TIWARI
DIRECTOR

Mumbai, 26 November 2014

STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Financial year / period of the subsidiary company	Date from which it became subsidiary	Extent of Interest of the holding Company in the Capital and Reserve of the subsidiary company at the end of the financial year / period of the subsidiary company		Net aggregate amount of the subsidiary company's profit / (loss) not dealt with in the holding Company's accounts		Net aggregate amount of the subsidiary company's profit / (loss) dealt with in the holding Company's accounts	
			a) Number of shares held	b) extent of holding	Current year / period	Previous year/ period	Current year / period Rs in Lacs	Previous year / period Rs in Lacs
Wanbury Holdings B. V., Nertherlands	1st April, 2013 to 30th September, 2014	15th September, 2006	6,489 Ordinary Equity Shares of Face Value of Euro 1000 each.	100%	NIL	NIL	(18,789.34)	(28.35)
Cantabria Pharma S. L., Spain (Refer Note 6)	1st April, 2013 to 30th September, 2014	2nd October, 2006	1000 shares of Face Value of Euro 60 each. (Refer Note 1)	100%	NIL	NIL	-	(6,063.37)
Laboratories Wanbury S. L., Spain (Refer Note 6)	1st April, 2013 to 30th September, 2014	28th September, 2007	2709 shares of Face Value of Euro 1 each. (Refer Note 2)	100%	NIL	NIL	-	-
Ningxia Wanbury Fine Chemicals Co. Ltd., China	1st April, 2013 to 30th September, 2014	24th October, 2007	13,260 shares of Face Value of US$ 1 each.	100%	NIL	NIL	(126.97)	(14.91)
Wanbury Global FZE	1st April, 2013 to 30th September, 2014	6th April, 2009	5 shares of Face Value of AED 1,00,000/- each.	100%	NIL	NIL	(1,476.69)	(69.72)

Notes:

(1) Shares are held by Wanbury Holdings B. V., Nertherlands, a wholly owned subsidiary of the Company.

(2) Shares are held by Cantabria Pharma S. L., Spain.

(3) There is no change in holding company's interest in the subsidiaries between the end of the financial year of the subsidiaries and the end of the holding company's financial year.

(4) No material changes have been occurred between the end of finanical year of the subsidiaries and end of the holding company's financial year in respect of - (a) the subsidiary's fixed assets (b) the subsidiary's investment (c) the moneys lent by subsidiary (d) the money borrowed by subsidiary for any purpose other than that of meeting current liabilities.

(5) Pursuant to the exemption given by the Central Government, Ministry of Corporate Affairs, vide its General Circular No. 2/2011 dated 8th February, 2011, the Company has not attached along with its Annual Report, detailed financial statement of accounts comprising of Balance Sheet, Profit & Loss Account, reports of Directors & the Auditors and other information of its subsidiary companies. Any Shareholder interested in obtaining a copy of the Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report of said subsidiaries, may write to the Company Secretary at the Registered Office of the Company.

(6) Cantabria Pharma S.L. (CP) has 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. Consequently, Wanbury Holding BV, Netherland, the holding company, and Wanbury Limited, India, the ultimate holding company ceases to have control effective from aforesaid date as required by AS-21 "Consolidated Financial Statements". Due to the non availability of consolidated financial statement of CP for the period 1 April 2013 to 26 February 2014, the same have not been incorporated in consolidated financial statement of the current period. Further no statements of accounts for the period ending on 30 September 2014 have been received from the Receiver and hence, no effect has been given in the consolidated financial statements.

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mumbai, 26 November 2014

INFORMATION ON THE FINANCIAL OF THE SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 30 SEPTEMBER, 2014

Name of the Subsidiary Company	Wanbury Holdings B. V., Nertherlands	Ningxia Wanbury Fine Chemicals Co. Ltd., China	Wanbury Global FZE, Ras Al Khaimah, UAE
The finanical year / period ended on	**30 SEPTEMBER 2014**	**30 SEPTEMBER 2014**	**30 SEPTEMBER 2014**
	(Rs. In Lacs)	**(Rs. In Lacs)**	**(Rs. In Lacs)**
Capital	6,515.26	5.29	68.33
Ordinary Share Application Money	10,004.46	-	-
Quasi Share Capital	-	-	1,254.35
Reserves	(16,422.67)	(118.82)	(1,320.06)
Total Liabilities	140.92	10.58	3.46
Total Assets	140.92	10.58	3.46
Turnover (net)	-	-	2.36
Profit / (Loss) before Tax	(18,789.34)	(126.97)	(1,476.69)
Provision for Tax	-	-	-
Profit / (Loss) after Tax	(18,789.34)	(126.97)	(1,476.69)

For and on behalf of the Board of Directors

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mumbai, 26 November 2014

Management Discussion and Analysis Report

Industry Overview

Introduction:

The Indian pharmaceutical market is currently sized at US$ 13 billion growing at 10%. As per the IMS Prognosis report this market is expected to grow in a range of 11-13% over the next 5 years. The estimated market size will be to the tune of $ 30 Bn by 2020. Historically this sector has outperformed many other industries in its growth. Over the last 2 decades the industry growth has been in a range of 1.8 times to 2 times the GDP growth. The key growth drivers to the industry are primarily volumes and new introductions. The Indian Pharma Market is dominated by local Indian Pharma companies which currently account for 70% of the market. However given the industry consolidation MNCs have increased their share to 30% over the last few years through the M&A route. Reports from leading consulting firms indicate that the Indian pharmaceutical market will be amongst the top 10 pharmaceutical markets in the world by 2020.

The rise of pharmaceutical outsourcing and investments by multinational companies (MNCs), allied with the country's growing economy, committed health insurance segment and improved healthcare facilities, is expected to drive the market's growth.

India is today one of the top emerging markets in the global pharmaceutical scene. The sector is highly knowledge-based and its steady growth is positively affecting the Indian economy. The organised nature of the Indian pharmaceutical industry is attracting several companies that are finding it viable to increase their operations in the country.

Industry Characteristics:

The industry is dominated by the Indian companies controlling 70% of the market. Indian drug makers of all sizes have become attractive targets for acquisition by larger companies interested in backward integration or diversification as they have been aggressively investing in building manufacturing facilities to cater to the growing demand of low-cost drugs in developed markets.

The industry has recently seen increased M&A activity where large companies have made big ticket acquisitions with an aim to increase their footprint in the country. Some examples of such acquisitions include Abbot's-Piramal merger and Sun Pharma-Ranbaxy merger.

The industry outlook remains positive given the following:

- Demand of low-cost drugs in the developed markets and Indian companies' ability to do so.
- All sectors of Healthcare are growing in double digits – Health Insurance, Healthcare delivery, Contract Research, Pharmaceuticals (API, Drug Intermediates, Finished Formulations)
- Improved healthcare awareness among the citizens and increasing purchasing power
- Increase in overall access given the urbanization and companies investing in penetrating the markets.

Government Initiatives:

As per extant policy, FDI upto 100 per cent, under the automatic route, is permitted in the pharmaceutical sector for Greenfield investment. Hundred per cent FDI is also permitted for investments in existing companies under the government approval route. Further, the Government of India has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

The Department of Pharmaceuticals has prepared a 'Pharma Vision 2020' document for making India one of the leading destinations for end-to-end drug discovery and innovation and for that purpose, the department provides requisite support by way of world class infrastructure, internationally competitive scientific manpower for Pharma Research and Development (R&D), venture fund for research in the public and private domain and such other measures.

In order to encourage production of drugs by indigenous industries, the 12th Five Year Plan (2012-17) has recommended capacity building of private sector to meet WHO-GMP standards and other international manufacturing standards. The overall focus on healthcare has increased given the overall outlay of 3% in the 12th Five Year Plan.

Some of the major initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- India plans to set up industrial parks in the pharmaceutical and information technology (IT) sectors in China to strengthen India-China trade and investment ties.
- Govt has launched RSBY (Rashtriya Seva Bima Yojana) to expand Health insurance cover by cutting on out-of-pocket expenses for BPL families.
- Increased focus on driving access to healthcare by increasing the numbers of Primary and Secondary Healthcare Centers.

Challenges facing the industry

Some of the key challenges facing the Indian Pharmaceutical Industry include:

- Margin pressure from Pharma generics

- Complex regulatory policies
- Low R&D Productivity
- Low insurance penetration resulting in a self-pay market with considerable non-affordability and access barriers
- Lack of consumer awareness and education
- Heavy market fragmentation
- Debate over compulsory licensing remains a contentious issue
- Government thought process on linking patented drug prices to the country's per-capita income in relation to certain developed markets could result in delayed patented drug entry into India.

Road Ahead:

The growth in Indian domestic market will be boosted by increasing consumer spending, rapid urbanization, and increasing healthcare insurance and so on. The lifestyle segments such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers will continue to be lucrative and fast growing owing to increased urbanization and change in lifestyle patterns. Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards these chronic therapies as these diseases are on the rise.

In various global markets, governments have been taking several cost-effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharma companies.

For the US market, Indian companies are developing niche portfolios in various segments. High margin injectables, dermatology, respiratory, biogenerics, complex generics, etc., have become areas of interest. Most of the Indian pharma companies have been working on these niche drugs in order to optimize growth and margins. Moreover, generic penetration in the US is expected to peak out at 86-87 per cent over the next couple of years from 83 per cent currently.

Exchange rate used INR 1= US$ 0.0165 as on August 26, 2014

References: Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council.

Company Overview

(A) Domestic Formulations Business

Your Company currently stands at 56th rank in India as per ORG-IMS and growing parallel to the market at 9%. All the divisions and focus brands have contributed to this growth. In a period of 18 months, all the divisions have registered growth in double digits. Pharma Main division registered 28% growth, while the key focus brands under Formulations Division such as Folinine, Adtrol Plus, Etosafe and Coriminic registered 20-30% growth over the last year.

Your Company undertook various initiatives which would help the Formulation business grow significantly over the mid-long term. Some of the key initiatives are as follows:

Set-up new Product Development Team

Your Company set up an NPD (New Product Development) Committee in April-2013. The committee will be responsible for clearing new product launches after ensuring that the set process is followed. The team will ensure that the Product selection is based on therapy gap with clear innovation and differentiation. It will also ensure that, proper market research is done to identify the therapy and Test marketing is undertaken before launching a new product.

Strengthen Leadership and Team Stability:

- Top Leadership was strengthened by hiring SBU / Marketing Heads
- Large scale promotions (35) were announced to increase motivation of the force field across all levels.
- L&D initiative along with leadership workshop were undertaken across all division.
- Structured appraisal and promotion program, LEVNEX launched in 2013.

Because of the aforesaid initiatives the Company could reduce attrition by 20% compared to last year.

Sales Hygiene Improved:

Various initiatives were undertaken to ensure that the Health of the business is unaffected by unanticipated challenges:

- Breakage and Expiry was reduced from 5% in FY13 to 2.5% in FY14
- Salable Returns was reduced from 3.5% in FY13 to 1.38% in FY14
- Converting the Discount rate schemes to free goods schemes thereby reducing the overall Scheme amount.
- Fixing of Credit limit for each Stockest.

Robust Internal Control Systems and Processes

Your Company has undertaken a number of steps to establish best in class systems such as:

- Launch of SFA (Sales Force Automation) – an online daily reporting platform. From an on-paper weekly reporting to a new real time online reporting system has been put in place by your Company, which helps in tracking the performance of the sales force on a real time basis.
- Introduced specialized cell to establish HO connect with core customers enabling better monitoring as well as engagement and validating the business of the core prescribers through chemist and stockist audits.
- Tracker system was introduced for individual doctor.

Other Strategic initiatives

Various initiatives to improve the mid-long term business health of the organisation were introduced during the year including:

- Price increases were initiated to improve the profitability of the products
- Clubbed 33 HQs with low productivity to improve productivity and profitability of the formulation division.
- Expanding the prescriber base 3 times with structured approach
- Various Scientific initiatives to develop corporate image among the doctors.
- Incentive plan for field force encompassing the best incentive practices across the industry.
- Broadening promotional focus to non-core customers by four times

The Company continues to focus on Gynecology, Orthopedics, Gastrointestinal, and Surgery therapeutic segments.

Some of the key brands with unique differentiation include:

- **Cpink:** An iron supplement with revolutionized IIC (Integrated Iron Complexation) technology which offers maximum absorption and compliance to the patients. Ranked among the top 4 brands in the respective segment.
- **Adtrol Plus:** The only calcium supplement which addresses the missing link in osteoporosis that is Hyperhomocysteinemia. The brand is ranked 7th in its respective segment.
- **Rabiplus:** Prepared with unique Optimally Stabilized Tri-layered enteric coated pallet technology which ensures 100% availability of drug at the site of absorption, offers faster onset of action as compared to competitors.
- **Folinine:** Wanbury was first to launch this combination in Indian market. Wanbury launched the concept of Hyperhomocysteinemia being an independent causal factor for pregnancy complication and proposed usage of this formulation for all 9 months which was a unique and highly successful concept. The product is currently Ranked No. 1 in the respective segment.

(B) Active Pharmaceutical Ingredients (API) Business:

The API division has continued its good run with sustainable Sales growth. Key revenue drivers of this success have been higher offtake from leading customers of the key product Metformin. Besides Metformin, Sertraline was another successful product with higher offtake from key customers. While price realisation was key factor last year, this year they remained either flat or marginally declined on fixed exchange rate basis.

Profitability growth has been higher than revenue growth due to lower cost of materials on account of booking advance purchases of materials taking advantage of low price points in a fluctuating market. While holding onto prices to the extent possible, the Company managed to achieve its lowest COGS in past 3 years. While cost reduction initiatives were the recurrent theme last year, this year it has been QUALITY initiatives. Besides augmenting manpower & strengthening the QA/QC processes, the Company also invested in capital expenditure to comply with quality requirements of the regulated markets. The culmination of these efforts resulted in main API plant in Tanuku being audited and approved by USFDA without a single 483 audit observation, which is benchmark for the best in class facility for API manufacturing. The strengthening of API R&D that was begun last year with increased R&D hiring has resulted in five new API product developments which were successfully completed in Labs and some of them have also been scaled up in the manufacturing plants. With R&D delivering a steady pipeline of new products and the Company reaching a stable financial & operation condition, the platform has been set for aggressive marketing & business development activities to expand customer reach to new geographies, improve customer traction & promoting new products. In order to strengthen the marketing capability, a seasoned industry veteran has been brought on board to implement the best in class marketing practices in the Company.

(C) International Formulations Business – Cantabria Pharma

Micro economic situation in Spain has been very challenging and is expected to be same in the near future. Spanish government in order to curtail the fiscal deficit has been reducing healthcare spend for the last three years. The government is achieving the same by severely cutting the prices of the medicines.

Due to continuous price cuts and the current economic scenario, Cantabria had continued to incur losses and the business had become unviable. Therefore the Company has filed for voluntary insolvency in the commercial courts of Madrid, Spain. Said court has appointed receiver for the Company and liquidation is under progress.

(D) Research & Development (R & D)

The Company's R & D is recognised by DSIR (Department for Scientific & Industrial Research) – India and its team of dedicated Scientists and Research Doctors are into:

- **Process Research:** APIs for Regulated Markets / Emerging Markets and Custom Synthesis
- **Pharma Research:** Development of ANDAs and finished dosages for Regulated Markets
- **NDDS:** Development of Novel platforms for Speciality Generics and IPR

Your Company's Research and Development Centre is situated in Mhape, Navi Mumbai and has strength of 29 dedicated scientists. They are engaged in process development in new API's, Cost improvement projects as well as to scale up of the newly developed API's in the factory. In the last year, R & D has mainly concentrated on enhancement of capacity and cost and yield improvements of the existing products. Cost improvement of products along with five new API process developments were successfully completed in Labs and some of them were executed in the manufacturing plants. R & D has also filed two patent applications last year to protect the intellectual assts of the Company.

In light of the no. of New Products getting introduced the need for ensuring strong and improved systems, there is an imperative need to keep pace with the regulatory demands. Necessary steps are being taken to beef up the QA and QC wings to take care of these above needs.

(E) Cost Reduction Initiatives:

Over the last year your Company has extended its efforts to reduce costs as a whole to increase profits thereby increasing the cash available for investment in business and provide higher returns for the investor. The focus of the cost reduction strategy has been largely on Energy cost savings. Major energy saving areas included fuel input, boiler operation, steam transmission, lighting & power distribution, Motors & Pumps & cooling towers. Some of the significant cost reduction initiatives undertaken by the Company are as follows:

- Furnace Oil based boiler converted to agro waste based boiler thereby non renewable resource usage has stopped besides providing a significant cost saving in the times of high crude price.
- Furnace Oil based non IBR inefficient boilers (efficiency 65 %) converted to IBR based efficient boilers (80 – 85 %) hence the reduction in fuel quantity required for operations
- Process improvement related to Distillation time reduction in crystallizer of Metformin to save fuel as well power reduction in vacuum pumps
- Pump efficiency improvement by providing coating to the pumps – 2 % efficiency improvement
- Continuous centrifuge in place of batch centrifuge to conserve energy of 210 HP per batch
- Regular cleaning of cooling towers with descaling agents to improve efficiency thereby reduction in timecycle of batches.

(F) Human Resource (HR) Initiatives at Wanbury

Human Resources at your Company are valued as the number one asset and accordingly all efforts and perspective focus on "Employee First". It is these motivated and passionate employees who serve our customers better, bring in new customers and execute our strategy with commitment and drive that would take your Company to scale newer and greater heights. Innovation, creativity, responsiveness, execution orientation, professional commitment, their belief in Company vision, values and leadership are the important levers that enable employees to create and build the tangible and intangible assets for you.

Last year, there was lot of focus towards building a strong talent pool for the Company. While on one side, we hired number of industry veterans across the Board to help Wanbury to strengthen the culture of meritocracy and superlative performance, we have also hired professionals with relevant background and expertise in Pharma and API division.

Our approach on employee development is based on holistic approach having an equal emphasis on enhancing knowledge and skills capability that helps us to build strong leaders and talent pipeline. There has been a continued effort to build leaders across all levels of the organisation. Employees are regularly coached by leaders and professional experts in a direction that would help them to achieve their individual and business objectives.

The organisation continued to invest in build talent capability through structured programs and initiatives like Flag Off and LevNex. Flag Off is an induction program for first line field managers aimed to help them to gain a quick understanding about their job, work culture and related outcomes. This program is co-ordinated jointly by Training, Business and HR Team. LevNex has been introduced for field managers wherein they are assessed on their leadership potential and are groomed to take next higher roles. Apart from regular training interventions, there is annual meet for all leaders wherein they participate to identify the areas of improvement and accordingly, build their business strategies.

Employee engagement continues to be focus for the Company. Numbers of activities are conducted across the year that promotes culture of togetherness and employee well-being. Some of the unique steps include providing free employee counselling by professional experts on psychological areas such as managing stress and conflicts, parenting, mental and sexual harassment etc.

(G) Process Improvement

To create a sustainable and healthy business it is important to have efficient and robust internal processes to support the business owners. Your Company has taken a number of steps to improve and establish best-in-class support systems.

Some of the key steps taken by your Company across areas are:-

- Sales Administration – A dedicated sales admin team has been assigned for each of the formulations division to support and ensure quick response time.
- Distribution – Industry best practices have been implemented to focus on reducing breakage and expiry returns by tightening supply chain management. Other initiatives benchmarking with "best-in-class" companies are currently underway.
- IT – Several initiatives have been undertaken to ensure technology as a key driver to business. Business tools such as "E-CRM" have been implemented to support various business processes and bring in greater focus on internal customers. In addition there have been technology enabled solutions to drive the people agenda such as LEVNEX.
- HR – HR processes have been revamped to reduce the TAT (turnaround time) for recruitment and induction. Structured appraisal and promotion program, LEVNEX launched in 2013.

(H) Threats, Risk and Concern

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

Competition

Your Company operates in a highly competitive environment with pricing being one of the key determining factors of success. In the API business, your Company has been able to overcome this risk by influencing the prices as it is the largest manufacturer of Metformin in the world with over 30% market share. Another product Tramadol has also been in high demand especially in American 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.

Patents / IPR

The success of your Company depends largely on its ability to obtain patents, protect trade secrets and other proprietary information and operate without infringing on the proprietary rights of others. Your Company has a dedicated Research and Development team that continuously innovates and remains competitive by developing / acquiring ability to sort out simple and effective solutions to practical problems. The Company has a team of highly competitive scientists supported by excellent instrumentation.

Regulatory

Manufacturing of pharmaceutical products is heavily 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.

Foreign Exchange Fluctuations

As the share of exports to total sales made by your Company is considerable, it is prone to losses due to exchange rate fluctuations; however, the Company has hedged its exposure to a large extent thereby reducing the risk.

Human Resource Risk

Your Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talents. These abilities have to be developed across the Company's rapidly expanding operations. Your Company continuously benchmarks HR policies and practices with the best in the industry and carries out the necessary improvements to attract and retain the best talent.

(I) Internal Control Systems and Adequacy

Your Company has made special efforts to improve its internal control systems by improving the information flow and automating the processes in support systems. Support functions are now monitored through a Quarterly Shared Services Survey for the field employees to ensure that we are able to provide the best services to our internal customers.

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

(J) Financial Review:

(₹ In Lacs)

Particulars	**2013-14**	**2012-13**
Revenue from Operations (Net)	66,185.72	41,413.69
Other Income	546.39	454.92
Total Income	**66,732.11**	**41,868.61**
Total Cost	**69,271.06**	**44,401.77**
Profit (Loss) before exceptional items and tax	(2,538.95)	(2,533.16)
Exceptional Items-Income(Expense)	(24,176.32)	0.00
Profit (Loss) before tax	(26,715.27)	(2,533.16)
Tax	285.66	13.70
Profit (Loss) after tax	**(27,000.93)**	**(2,546.86)**

Your Company has generated Net Revenue from operations of ₹ 66,185.72 Lacs in the current financial period as against ₹ 41,413.69 Lacs of last financial year.

Your Company incurred a loss of ₹ 27,000.93 Lacs in the current financial period as against ₹ 2,546.86 Lacs of last financial year.

(K) 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

DR. P. L. TIWARI
DIRECTOR

Mumbai, 26 November 2014

CORPORATE GOVERNANCE REPORT

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

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

Your Company is fully compliant with all the mandatory provisions of Clause 49 of the Listing Agreement of Stock Exchanges. 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 Director	Category	No. of Outside Directorship(s) Held *	No. of Outside Committee Position Held #	
			Member	Chairman
Mr. K. Chandran	Promoter Whole-time Director	NIL	NIL	NIL
Dr. P. L. Tiwari	Independent Director	1	NIL	NIL
Mr. N. K. Puri	Independent Director	NIL	NIL	NIL
Mr. A. L. Bongirwar	Independent Director	NIL	NIL	NIL
Mr. Manish Joshi **	Nominee Director of Export Import Bank of India	NIL	NIL	NIL
Mr. S. K. Bhattacharyya ***	Independent Director	3	2	2

* Excluding Directorship in private limited and foreign companies.

** Mr. Manish Joshi is a Nominee Director of Export Import Bank of India from 30 May, 2013.

*** Mr. S. K. Bhattacharyya is Director of the Company from 30 May, 2013.

Includes only Audit Committee & Stakeholders Relationship Committee (earlier known as Shareholders' Grievance Committee).

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 being made at the Board / Committee Meetings in relation to the matters like Financial / Business Plans, Financial Results, etc. The Board/Committee Members are free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

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

During the period under review i.e. financial year 2013-2014 (from 1 April, 2013 to 30 September, 2014), 8 Board Meetings were held on 30 May 2013, 12 August 2013, 24 September 2013, 14 November 2013, 11 February 2014, 8 April 2014, 12 May 2014 and 7 August 2014. The gap between two Board Meetings has not exceeded four months.

Directors Attendance Record

Name of Director	No. of Board Meetings attended during the period	Whether last AGM attended
Mr. K. Chandran	8	YES
Mr. A. L. Bongirwar	8	YES
Mr. N. K. Puri	7	YES
Dr. P. L. Tiwari	7	YES
Mr. Manish Joshi *	8	YES
Mr. S. K. Bhattacharyya **	7	YES

* Mr. Manish Joshi is Nominee Director of Export Import Bank of India from 30 May, 2013.

** Mr. S. K. Bhattacharyya is Director of the Company from 30 May, 2013.

(3) BOARD COMMITTEES:

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

(A) AUDIT COMMITTEE

Your Company's Audit Committee has been constituted in accordance with the provisions of Clause 49 of Listing Agreement and Section 177 of the Companies Act, 2013.

During the period under review, the Audit Committee met 6 times on 30 May 2013, 12 August 2013, 14 November 2013, 11 February 2014, 12 May 2014 and 7 August 2014.

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

Name of Director	No. of Meetings Attended
Mr. N. K. Puri – Chairman	5
Mr. A. L. Bongirwar – Member	6
Dr. P. L. Tiwari – Member	5
Mr. Manish Joshi – Member *	5
Mr. S. K. Bhattacharyya – Member **	5

* Mr. Manish Joshi is a member of the Committee from 30 May, 2013.

** Mr. S. K. Bhattacharyya is a member of the Committee from 30 May, 2013.

Mr. Mangesh Bhosale, Vice President Finance & Company Secretary acts as Secretary of the Audit Committee.

Terms of Reference:

The terms of reference to the Audit Committee include:

(1) 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.

(2) 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 of 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 CFO (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.

(3) 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 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) STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company's Stakeholders Relationship Committee (earlier known as Investors' Grievance Committee) has been constituted in accordance with the provisions of Clause 49 of Listing Agreement and Section 178 of Companies Act, 2013. The Committee consists of 5 Directors. The Chairman of the Committee is an independent director. The Committee met 6 times during the period under review on 30 May 2013, 12 August 2013, 14 November 2013, 11 February 2014, 12 May 2014 and 7 August 2014. The attendance record of the members at the meeting is as under:

Name of Director	No. of Meetings Attended
Mr. N. K. Puri – Chairman	5
Mr. A. L. Bongirwar – Member	6
Dr. P. L. Tiwari – Member	5
Mr. S. K. Bhattacharyya – Member *	5
Mr. K. Chandran – Member	6

* Mr. S. K. Bhattacharyya is a member of the Committee from 30 May, 2013.

Total 16 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 period i.e. on 1 April 2013 and at the end of the period i.e. 30 September 2014.

(C) NOMINATION AND REMUNERATION COMMITTEE:

Following are the members of Nomination and Remuneration Committee:

Name of Director	Category
Mr. N. K. Puri – Chairman	Independent Director
Mr. A. L .Bongirwar – Member	Independent Director
Dr. P. L. Tiwari – Member	Independent Director
Mr. S. K. Bhattacharyya - Member	Independent Director

The terms of reference of the Nomination & Remuneration Committee are as under:

(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.

The Company did not have a scheme of Stock Options till the financial year ended on 30 September, 2014 for the Directors of the Company. None of the directors of the Company holds any equity share of the Company as on 30 September, 2014.

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

Name of Non-Executive Director	Sitting Fee (₹)
Mr. N. K. Puri	1,66,000/-
Mr. A. L. Bongirwar	1,88,000/-
Dr. P. L. Tiwari	1,60,000/-
Mr. S. K. Bhattacharyya	1,64,000/-
Mr. Manish Joshi *	1,74,000/-

* Sitting Fees has been paid to Export Import Bank of India.

Remuneration to Executive Directors:

(₹ in Lacs)

Name of Director	Salary & Perquisites	Performance Linked Bonus	Total	Service Tenure
Mr. K. Chandran	27.84	-	27.84	Upto 31 August, 2016

(D) RISK MANAGEMENT COMMITTEE:

Risk Management Committee (earlier known as Risk 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. The Committee met twice during the period under review on 14 November 2013 and 11 February 2014. The attendance record of the members at the meeting is as under:

Name of Director	No. of Meetings attended
Mr. N. K. Puri	2
Mr. A. L. Bongirwar	1
Mr. S. K. Bhattacharyya *	2
Mr. Manish Joshi **	2
Mr. K. Chandran	2

* Mr. S. K. Bhattacharyya is a member of Committee from 30 May, 2013.

** Mr. Manish Joshi is a member of Committee from 30 May, 2013.

(E) DAY-TO-DAY AFFAIRS COMMITTEE:

The Day-to-Day Affairs Committee comprises of following members:

Mr. K. Chandran - Chairman

Mr. P. V. Pasupathy - Member

Mr. Indranil Chakravartty - Member

Mr. Mangesh Bhosale – Member *

* Mr. Mangesh Bhosale is a member of Committee from 30 May, 2013.

The Day-to-Day Affairs Committee meets to take decisions on the matters delegated by the Board of Directors. During the period under review 9 meetings of the Committee were held on 4 April 2013, 10 June 2013, 5 August 2013, 10 October 2013, 6 February 2014, 18 February 2014, 24 March 2014, 4 April 2014 and 20 May 2014.

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

(i) To take decisions relating to Bank Accounts i.e. opening of Account, change of authorisation, closing of account, availing any facility (internet banking, at par facility) etc.

(ii) To undertake borrowings and give guarantees to the extent of ₹ 5 Crore and to decide terms & conditions of such borrowings and guarantees.

(iii) Giving Power of Attorney to personnel of the Company to deal with 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, Maharashtra Pollution Control Board, etc.

(iv) 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.

(v) To authorise the persons to represent the Company in the general meeting of the other company, in which the Company is member.

(vi) To obtain manufacturing license or any other license on loan license basis or any other basis.

(vii) To issue and allot Equity Shares of the Company upon conversion request from the FCCB Holders.

(viii) To issue and allot Equity Shares of the Company to the OFCD Holders, as and when the OFCD holders exercise conversion option.

(ix) To issue and allot Equity Shares of the Company to the Warrant Holders, as and when the Warrant Holders exercise conversion option.

(x) 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.

(4) GENERAL BODY MEETING

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

Financial Year	Date	Time	Venue
2012-13	24 September 2013	12:00 Noon	Hotel Four Points, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai
2011-12	24 September 2012	12:00 Noon	Hotel Tunga Regency, Plot No. 37, Sector 30A, Vashi, Navi Mumbai
2010-11	27 September 2011	12:00 Noon	Hotel Tunga Regency, Plot No. 37, Sector 30A, Vashi, Navi Mumbai

(b) Postal Ballot:

During the year under review, the Company has passed below mentioned 3 special resolutions through Postal Ballot.

S. No.	Particulars of Resolution	Type of Resolution	Date of Passing Resolution	Number of votes in Favour of Resolution (% of Vote In Favour of Resolution)	Number of Vote Against the Resolution (% of Vote Against the Resolution)
01	Allotment of Equity Shares of the Company on preferential allotment basis to Expert Chemicals (I) Pvt. Limited.	Special Resolution	05/07/2013	45,82,486 & 99.87%	5,825 & 0.13%
02	Rehabilitation cum Merger Scheme of the Pharmaceutical Products of India Limited with the Company.	Special Resolution	05/07/2013	45,82,081 & 99.87%	5,875 & 0.13%
03	Allotment of Equity Shares, Warrants and Optionally Fully Convertible Debentures pursuant to Rehabilitation cum Merger Scheme of the Pharmaceutical Products of India Limited with the Company.	Special Resolution	05/07/2013	45,82,081 & 99.87%	5,875 & 0.13%

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

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

S. No.	Date of AGM	Subject matter
01	24 September 2013	Appointment of and remuneration to be paid to Mr. K. Chandran as Whole-time Director of the Company

(d) Subsidiaries:

The Company does not have material non-listed Indian Subsidiary. However the Company has below mentioned 5 foreign subsidiaries:

(i) Wanbury Holdings B. V, Netherlands;

(ii) Cantabria Pharma S. L., Spain; #

(iii) Laboratories Wanbury S. L., Spain; *

(iv) Ningxia Wanbury Fine Chemicals Co. Ltd., China; and

(v) Wanbury Global FZE, Ras Al Khaimah, UAE.

Subsidiary of Wanbury Holdings B. V, Netherlands

* Subsidiary of Cantabria Pharma S. L., Spain

(e) Means of Communication:

The Quarterly (un-audited financial results) and Annual Audited Financial Results of the Company are submitted through e-mail & fax to the Stock Exchanges immediately after approval of the Board, pursuant to the provisions of Clause 41 of Listing Agreement with Stock Exchanges. The same results are published in Newspapers in accordance with the provisions of Listing Agreement with Stock Exchanges and also posted on the Website of the Company (www.wanbury.com).

(5) GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

Day & Date	:	Monday, 23 day of March 2015
Venue	:	Hotel Tunga Regency, Plot No. 37, Sector 30A, Vashi, Navi Mumbai – 400 705
Time	:	12:00 Noon

(b) Financial Calendar

For quarter ending on 31 December 2014	Unaudited Result within 45 days from the end of the quarter.
For quarter ending on 31 March 2015	Audited Result within 60 days from the end of Financial Year 2014-15.
Annual General Meeting for the year ending on 31 March 2015	On or before 30 September 2015.

(c) Book Closure

The Share Transfer Books and the Register of Members will remain closed from Monday, 16 March 2015 to Monday, 23 March 2015 (both days inclusive) for the purpose of Annual General Meeting.

(d) Listing in Stock Exchanges & Stock Codes

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

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

The ISIN Number of Company is “INE107F01022”.

The Company has paid listing fee to BSE & NSE for the financial year 2014-15.

Global Depository Receipts (GDRs) & Foreign Currency Convertible Bonds (FCCBs) issued by the Company are listed on Luxembourg Stock Exchange. One GDR represents 3 underlying Equity Shares of the Company.

The Scrip Code for GDRs is “WANBURY GDR ne”.

The Company has paid custody fee to National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL) for the financial year 2014-15.

(e) Corporate Identity Number (CIN):

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

(f) Equity History:

Equity Shares of the Company of face value of ₹ 10/- each have been issued as under:

Particulars	No. of Equity Shares Allotted	Cumulative Total	Date of Allotment
Upon amalgamation (Refer Note 1)	94,86,358	94,86,358	15 October 2004
GDR Issue (Refer Note 2)	32,61,000	1,27,47,358	3 October 2005
Merger (Refer Note 3)	64,668	1,28,12,026	2 June 2007
Merger (Refer Note 3)	5,62,618	1,33,74,644	27 June 2007
FCCB Conversion	2,06,674	1,35,81,318	3 September 2007
FCCB Conversion	95,070	1,36,76,388	1 November 2007
FCCB Conversion	103,337	1,37,79,725	13 December 2007
FCCB Conversion	1,24,004	1,39,03,729	16 January 2008

Merger (Refer Note 4)	7,85,557	1,46,89,286	17 March 2008
Preferential Allotment (Refer Note 5)	26,90,000	1,73,79,286	30 March 2012
Preferential Allotment (Refer Note 6)	25,90,000	1,99,69,286	5 August 2013

Note 1: Amalgamation of Wander Private Limited with Pearl Organics Limited, whose name was changed to Wanbury Limited.

Note 2: The Company had issued 32,61,000 Equity Shares of face value of ₹ 10/- each, the Global Depository Receipt Holders. {Distinctive Number From 09486359 to 12747358}.

Note 3: The Board for Industrial and Financial Reconstruction (BIFR) had approved the merger of the Pharmaceutical Products of India Limited (PPIL) with the Company vide its Order dated 24 April 2007. As per the Order of BIFR 64,668 Equity Shares of face value of ₹ 10/- each had been issued to the Secured Creditors of erstwhile PPIL and 5,62,618 Equity Shares of face value of ₹ 10/- each had been issued to the Equity Shareholders of erstwhile PPIL.

Note 4: The Board for Industrial and Financial Reconstruction (BIFR) had approved the merger of Doctors Organic Chemical Limited (DOCL) with the Company vide its Order dated 30 April 2007. As per the Order of BIFR 7,85,557 Equity Shares of face value of ₹ 10/- each had been issued to the Equity Shareholders of erstwhile DOCL.

Note 5: The Corporate Debt Restructuring proposal of the Company has been approved by Corporate Debt Restructuring Cell vide its letter dated 23 May 2011. Pursuant to the provisions of Corporate Debt Restructuring Scheme, the Company has on 30 March 2012 allotted 26,90,000 (Twenty Six Lac Ninety Thousand) Equity Shares at a price of ₹ 37.50 (Rupees Thirty Seven and Paise Fifty only) {Face Value ₹ 10/- and Premium ₹ 27.50/-} per Equity Share to Expert Chemicals (I) Pvt. Limited, a promoter group company.

Note 6: The Corporate Debt Restructuring proposal of the Company has been approved by Corporate Debt Restructuring Cell vide its letter dated 23 May 2011. Pursuant to the provisions of Corporate Debt Restructuring Scheme, the Company has on 5 August 2013 allotted 25,90,000 (Twenty Five Lac Ninety Thousand) Equity Shares at a price of ₹ 37.50 (Rupees Thirty Seven and Paise Fifty only) {Face Value ₹ 10/- and Premium ₹ 27.50/-} per Equity Share to Expert Chemicals (I) Pvt. Limited, a promoter group company.

(g) Stock Data:

Monthly Volume and High, Low & Close of Market price of Company's Equity Shares traded on the Bombay Stock Exchange Limited, Mumbai during the period ended on 30 September 2014 were as under:

Month	High (₹)	Low (₹)	Close (₹)	BSE Sensex Close	Volume (No. of Shares)
April 2013	25.55	20.10	21.55	19,504.18	1,02,888
May 2013	30.65	21.25	23.20	19,760.30	3,00,328
June 2013	23.40	19.10	20.00	19,395.81	91,961
July 2013	22.90	17.80	17.90	19,345.70	85,666
August 2013	20.70	15.65	17.45	18,619.72	62,695
September 2013	25.90	16.40	23.75	19,379.77	2,30,798
October 2013	29.40	20.00	23.75	21,164.52	6,68,385
November 2013	27.05	22.40	23.55	20,791.93	1,48,006
December 2013	28.40	21.80	25.05	21,170.68	1,37,405
January 2014	26.85	20.95	22.60	20,513.85	1,10,802
February 2014	25.90	21.60	22.50	21,120.12	67,729
March 2014	24.20	21.30	22.90	22,386.27	1,27,773
April 2014	27.45	22.05	25.60	22,417.80	1,71,948
May 2014	26.25	21.50	23.00	24,217.34	1,87,730
June 2014	30.50	22.30	27.85	25,413.78	3,72,086
July 2014	28.50	23.65	26.00	25,894.97	1,60,985
August 2014	44.15	25.25	44.15	26,638.11	5,07,019
September 2014	51.05	39.50	42.50	26,630.51	7,20,637

Source: BSE Website

Monthly Volume and High, Low & Close of Market price of Company's Equity Shares traded on the National Stock Exchange Limited, Mumbai during the period ended on 30 September 2014 were as under:

Month	High (₹)	Low (₹)	Close (₹)	S & P CNX Nifty Close	Volume (No. of Shares)
April 2013	25.70	19.50	21.50	5,930.20	1,36,407
May 2013	30.65	20.90	23.25	5,985.95	4,46,631
June 2013	23.45	19.00	19.75	5,842.20	1,03,294
July 2013	22.40	17.60	17.95	5,742.00	1,33,612
August 2013	20.95	15.60	17.25	5,471.80	1,42,832
September 2013	25.95	16.20	23.65	5,735.30	4,70,233
October 2013	29.30	19.45	23.80	6,299.15	13,94,848
November 2013	26.65	22.00	23.95	6,176.10	1,18,956
December 2013	29.10	21.70	25.10	6,304.00	1,93,038
January 2014	26.30	20.65	22.50	6,089.50	92,584
February 2014	25.80	21.50	22.30	6,276.95	73,123
March 2014	24.05	21.00	22.40	6,704.20	1,07,307
April 2014	27.65	21.70	25.15	6,696.40	1,45,549
May 2014	26.55	20.80	22.55	7,229.95	2,60,774
June 2014	30.30	22.45	27.30	7,611.35	2,39,081
July 2014	28.30	23.05	26.05	7,721.30	1,47,122
August 2014	43.35	25.05	43.35	7,954.35	4,55,684
September 2014	50.10	38.80	42.25	7,964.80	4,65,586

Source: NSE Website

(h) Distribution Schedule on number of Shares as on 30 September 2014

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 100	11,126	61.00	6,30,105	3.16
101 to 200	2,671	14.64	4,73,872	2.37
201 to 500	2,354	12.91	8,62,918	4.32
501 to 1000	1,040	5.70	8,69,357	4.35
1001 to 5000	838	4.60	18,85,177	9.44
5001 to 10000	109	0.60	7,82,696	3.92
10001 to 100000	91	0.50	19,18,982	9.61
100001 & above	10	0.05	1,25,46,179	62.83
Total	**18,239**	**100.00**	**1,99,69,286**	**100.00**

(i) Distribution Schedule on scrip value as on 30 September 2014:

Share of Nominal Value in ₹	No. of Share – holders	% of Share – holders	Total Amount in ₹	% of Amount
Upto 5000	16,151	88.55	1,96,68,950	9.85
5001 to 10000	1,040	5.70	86,93,570	4.35
10001 to 20000	501	2.75	77,79,930	3.90
20001 to 30000	186	1.02	48,55,290	2.43
30001 to 40000	86	0.47	31,51,460	1.58
40001 to 50000	65	0.36	30,65,090	1.53
50001 to 100000	109	0.60	78,26,960	3.92
100001 & above	101	0.55	14,46,51,610	72.44
Total	**18,239**	**100.00**	**19,96,92,860**	**100.00**

(j) Shareholding Pattern as on 30 September 2014 was as under:

Category	No. of Shares Held	% of Holding
(A) Promoter Holding		
Indian Promoter	67,54,730	33.83
Foreign Promoter	30,24,000	15.14
Person acting in Concert	-	-
Sub Total (A)	**97,78,730**	**48.97**
Non – Promoters Holding		
(B) Institutional Investors		
Mutual Funds and UTI	10,117	0.05
Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions / Non - government Institutions)	7,54,352	3.78
FIIs	-	-
Sub – Total (B)	**7,64,469**	**3.83**
(C) Others		
Bodies Corporate	16,96,091	8.49
Individual Shareholders Holding Nominal Capital upto ₹ 1 Lac.	49,95,746	25.02
Individual Shareholders Holding Nominal Capital in excess of ₹ 1 Lac	18,24,352	9.14
Clearing Members	1,17,647	0.59
OCB	94,680	0.47
NRI	1,30,571	0.65
Bank of New York (GDR issue)	5,67,000	2.84
Sub – Total (C)	**94,26,087**	**47.20**
GRAND TOTAL (A+B+C)	**1,99,69,286**	**100.00**

(k) Dematerialization of shares and liquidity:

81.96% representing 1,63,65,845 Equity Shares were held in dematerialized form and the balance 18.04 % were in physical form as on 30 September 2014.

(l) Outstanding GDRs

1,89,000 GDRs were Outstanding as on 30 September 2014, representing 5,67,000 Equity Shares, constituting 2.84% of the paid-up Equity Share Capital of the Company.

(m) Outstanding Warrants

11,25,236 Warrants of the face value of ₹ Nil were allotted to the shareholders of erstwhile PPIL pursuant to the order dated 24 April 2007 of Hon'ble BIFR, which were exercisable upto 27 June 2012. The matter is under fresh consideration of Hon'ble BIFR pursuant to the order dated 16 May 2008 of Hon'ble Supreme Court.

(n) Optionally Fully Convertible Debentures

58199 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) of face value of ₹ 1,000/- each (Rupees One Thousand each) of the aggregate nominal value of ₹ 5,81,99,000/- (Rupees Five Crore Eighty One Lac Ninety Nine Thousand only) were have remained unpaid as on 30 September 2014.

Zero Coupon Optionally Fully Convertible Debenture Holders had a right to convert the same into Equity Shares of the Company between 1 November 2008 and 30 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) a price of ₹ 125 per share

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

The aforesaid OFCD were issued pursuant to the Order of Hon'ble BIFR dated 24 April 2007. The matter is under fresh consideration of Hon'ble BIFR pursuant to the order dated 16 May 2008 of Hon'ble Supreme Court.

(o) Rights of Lenders under Corporate Debt Restructuring (CDR) Scheme

Pursuant to CDR Scheme, lenders have right to convert at their option, the whole of 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.

(p) 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.

Your Company is on a regular basis submitting Reconciliation of Share Capital Audit Report, as per the circular issued by Security and Exchange Board of India (SEBI) and Compliance Certificate, pursuant to the provisions of Clause 47 (C) of the Listing Agreement prepared by Practicing Company Secretary to Stock Exchanges.

(q) Dividend Profile

Financial Year	Book Closure / Record Date	Dividend declared	Date of Declaration	Date of Payment of Dividend
2006-2007	17.09.2007 to 27.09.2007	20%	27.09.2007	06.10.2007
2007-2008 (18 Months)	16.03.2009 to 23.03.2009	5%	23.03.2009	31.03.2009
2009-2010	02.08.2010 to 12.08.2010	10%	12.08.2010	20.08.2010

The Company had not declared any dividend for the financial years 2010-11, 2011-12 & 2012-13. Further, the Board of Directors of the Company has not recommended any dividend for the 18 months period starting from 1 April 2013 to September 2014.

Status of unclaimed dividends:

Unclaimed dividend for the year 2006-2007 onwards shall be transferred to the Investor Education Protection Fund (IEPF) as under:

Year of dividend	Date of Declaration of dividend	Date of transfer to unpaid / unclaimed dividend account	Due date for transfer to IEPF
2006-2007	27.09.2007	30.10.2007	29.10.2014
2007-2008	23.03.2009	30.04.2009	29.03.2016
2009-2010	12.08.2010	15.09.2010	14.09.2017

Shareholders are advised to confirm their records and claim the amount well before due date, if not encashed earlier.

(r) 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) Plot No. N-24, M.I.D.C. Tarapur, Maharashtra (erstwhile PPIL)

d) Plot No. D-312 & 313, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Maharashtra (erstwhile PPIL)

e) K. Illindalaparru Village, Tanuku, Dist. - West Godavari, Andhra Pradesh

(s) Compliance Officer:

The Board has designated Mr. Mangesh Bhosale – Vice President Finance & Company Secretary as the Compliance Officer of the Company.

(t) Address for Correspondence:

Wanbury Limited

Secretarial Department

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

Shareholders of the Company can lodge their complaints on E-Mail ID: shares@wanbury.com

(u) Address of Registrar & Share Transfer Agents:

M/s Sharex Dynamic (India) Pvt. Ltd.
Unit – 1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (E)
Mumbai – 400 072, India
Telephone No.: +91-22-28516338, 28528087
Fax No.: +91-22-28512885

(v) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is part of Annual Report.

(w) Disclosures:

(1) The Company has not entered into any transaction / agreement of a material nature with the promoters, the directors or the management, their relatives, etc. that may have any potential conflict with the interests of the Company.

(2) Disclosure of Accounting Treatment: In the preparation of the financial statements, the Company has followed the Accounting Standard issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied, are set out in the Notes to the Accounts.

(3) Risk Management: Business risk evaluation and management is an ongoing process within the Company.

(4) No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

K. CHANDRAN	**DR. P. L. TIWARI**
VICE CHAIRMAN	**DIRECTOR**

Mumbai, 26 November 2014

DECLARATION

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct for the period ended as on 30 September 2014.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

K. CHANDRAN	**DR. P. L. TIWARI**
VICE CHAIRMAN	**DIRECTOR**

Mumbai, 26 November 2014

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF WANBURY LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **WANBURY LIMITED** ("the Company"), for the period ended on 30 September 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

4. 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.

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

Nikhil Patel
Partner
Membership No.37032

Mumbai, 26 November 2014

INDEPENDENT AUDITORS' REPORT

To the Members of

Wanbury Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Wanbury Limited** ("the Company"), which comprise the Balance Sheet as at 30 September 2014, and the Statement of Profit & Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and read with matter described in the Emphasis of Matter paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30 September 2014;

(b) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter

1. Financial Statements are prepared on a "going concern" basis as stated in note 56.
2. The Company has given guarantee in respect of Exim Bank's investments of USD 60 Lacs (₹ 3,696.81 Lacs) in Wanbury Holding B.V., a subsidiary of the Company and State Bank of India's loan of Euro 32.60 Lacs (₹ 2,549.52 Lacs) to Cantabria Pharma S.L., the step down subsidiary of the Company, which have been invoked by the respective parties. The said dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement with the respective parties as stated in note 38 of the financial statements.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the report of the Branch Auditor as required by clause (c) of sub-section (3) of Section 228 have been forwarded to us and appropriately dealt with in preparing the report;

   d) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   e) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   f) on the basis of written representations received from the directors as on 30 September 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 30 September 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Nikhil Patel
Partner
Membership No. 37032

Mumbai, 26 November 2014

ANNEXURE TO THE AUDITORS' 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 financial statements for the period ended **30 September 2014**)

1 In respect of its fixed assets:

a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets have been physically verified by the management during the period as per the phased programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there was no material discrepancies noticed on such verification which were accounted in the financial statements.

c) In our opinion and according to the information and explanations given to us, the Company has not disposed of substantial part of fixed assets during the period and going concern status of the Company is not affected.

2 In respect of inventories:

a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the period except for stocks with third parties for which most of the confirmation certificates have been obtained by the Company and stocks in transit.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records have been adequately dealt with in the books of account.

3 In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause (iii) (b) (c), (d), (f) and (g) of Paragraph 4 of the Order are not applicable to the Company.

4 In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5 Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that needs to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly provision of clause 4(v) (b) of the Order is not applicable to the Company.

6 As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

7 According to the information and explanations given to us and on the basis of internal audit reports broadly reviewed by us, we are of the opinion that the internal audit system commensurate with the size of the Company and nature of its business.

8 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 209(1)(d) of the Act 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.

9 According to the information and explanations given to us in respect of statutory and other dues:

a) *Except in some cases where there have been delays*, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the period. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at 30 September 2014 for a period of more than six months from the date they became payable *except in respect of income tax deducted at source of ₹ 0.23 Lac, profession tax of ₹ 4.09 Lacs, NMMC Cess of ₹ 7.20 Lacs, wealth tax of ₹ 1.46 Lacs and statutory dues of erstwhile PPIL referred to in note 36 of the financial statements.*

b) There were no unpaid disputed amounts in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess during the period 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 ₹ In Lacs*	Period to which amounts relate	Forum where dispute is Pending
The Income Tax Act, 1961	Income Tax / TDS / Interest / Penalty	46.20	AY 1997-98	Bombay High Court
		96.32	AY 2010-11	Deputy Commissioner of Income Tax, Mumbai
The Central Sales Tax Act, 1956	Sales Tax / Interest / Penalty	19.95	FY 2002-03	Sales Tax Appellate Tribunal Andhra Pradesh
		220.39	FY 2006-07	Sales Tax Appellate Tribunal Visakhapatnam
		60.35	FY 2007-08	
		2,972.28	FY 1992-93 FY 1994-95 FY 1996-97 FY 1997-98 & 2000-01 to 2004-05	Bombay High Court
Service Tax under Finance Act, 1994	Service Tax/ Interest/ Penalty	632.13	FY 2004-05 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	25.31	FY 2009-10 to FY 2010-11	Central, Excise and Service Tax Appellate Tribunal, Bangalore
		2.97	Apr 2011 to Dec 2011	Central, Excise and Service Tax Appellate Tribunal, Bangalore
		9.61	Apr 2005 to Sept 2007	Central, Excise and Service Tax Appellate Tribunal, Bangalore
		21.07	Apr 2011 to Feb 2012	The Commissioner of Central Excise (Appeals), Guntur, Andhra Pradesh
		26.10	Mar 2013 to Dec 2013	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.

10 The Company has accumulated losses exceeding fifty percent of the net worth as at the period end and has not incurred cash losses in the current financial period but has incurred cash losses in the immediately preceding financial year.

11 Based on our audit procedures and on the basis of information and explanations given to us, *Non Convertible Debentures of ₹152.67 Lacs and Optionally Fully Convertible Debenture of ₹ 581.99 Lacs have remained unpaid from due dates as referred to in note 10.1 and 10.2 respectively of the financial statements, pending fresh order of BIFR (refer note 36 of the financial statements). There is a delay in payment of principal amount to Foreign Currency Convertible Bond-Holders aggregating to ₹ 457.67 Lacs of 890 days and interest of ₹ 46.25 Lacs of 1189 days. Term Loans of ₹ 68.02 Lacs taken by erstwhile PPIL from banks /financial institutions have remained unpaid from due dates as referred to in note 10.4 and 10.5 of the financial statements, pending fresh order from BIFR (refer note 36 of the financial statements). Further, except for delay in payment of principal aggregating to ₹ 4,481.18 Lacs ranging from 1 to 179 days and interest of ₹ 2,833.50 Lacs ranging from 1 to 149 days (out of which amount of principal and interest aggregating to ₹ 3,695.36 Lacs and ₹ 2,270.71 Lacs respectively have been made good before the period end),* there is no delay in respect of term loans due to banks/financial institutions.

12 The Company has not granted any loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.

13 In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.

14 According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15 According to the information and explanations given to us, the Company has given guarantees for loans taken by the subsidiaries, from bank and financial institutions, and the terms and conditions thereof are, prima facie, not prejudicial to the interest of the Company.

16 To the best of our knowledge and belief and according to the information and explanations given to us, the term loans taken by the Company were, prima facie, applied for the purposes for which they were obtained.

17 According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, funds raised on short term basis have, prima facie, not been used during the period for long term investment.

18 As per the terms of Master Restructuring Agreement dated 19 September 2011, during the period, the Company has made preferential allotment of shares to party covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not, prima facie, prejudicial to the interest of the Company.

19 The Company has not created security or charge in respect of the debentures issued during the earlier years.

20 The Company has not raised any money by public issue during the period.

21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kapoor & Parekh Associates
Chartered Accountants
ICAI FRN 104803W

Nikhil Patel
Partner
Membership No. 37032

Mumbai, 26 November 2014

BALANCE SHEET AS AT 30 SEPTEMBER 2014

₹ In Lacs

	Note No.	30 Sept 2014	31 Mar 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,996.93	1,737.93
Reserves and Surplus	4	(18,612.34)	9,684.32
		(16,615.41)	11,422.25
Non-Current Liabilities			
Long-term borrowings	5	27,934.54	31,033.28
Other Long-term liabilities	6	2,557.73	2,929.78
Long-term provisions	7	675.13	715.89
		31,167.40	34,678.95
Current Liabilities			
Short-term borrowings	8	7,417.79	7,381.10
Trade payables	9	9,325.45	5,442.43
Other current liabilities	10	8,915.91	8,435.44
Short-term provisions	11	239.22	285.77
		25,898.37	21,544.74
	TOTAL	**40,450.36**	**67,645.94**
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		16,913.72	19,347.99
Intangible assets		79.20	119.78
Fixed Asset held for sale		373.59	373.59
Capital work-in-progress		1,296.09	2,086.15
		18,662.60	21,927.51
Non-current investments	13	0.91	10,606.65
Long-term loans and advances	14	3,062.24	16,788.81
Other non-current assets	15	72.63	0.86
		21,798.38	49,323.83
Current assets			
Inventories	16	3,516.03	3,703.62
Trade receivables	17	10,318.89	8,360.35
Cash and Bank Balances	18	654.31	1,674.75
Short-term loans and advances	19	3,115.18	4,566.89
Other current assets	20	1,047.57	16.50
		18,651.98	18,322.11
	TOTAL	**40,450.36**	**67,645.94**

Significant Accounting Policies 2

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

For and on behalf of the Board

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 26 November 2014

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mangesh Bhosale
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

₹ In Lacs

	Note No.	18 months period ended 30 Sept 2014	Year ended 31 Mar 2013
REVENUE:			
Revenue from operations (Gross)	21	67,532.16	42,252.63
Less:Excise duty		1,346.44	838.94
Revenue from operations (Net)		66,185.72	41,413.69
Other Income	22	546.39	454.92
Total Revenue		**66,732.11**	**41,868.61**
EXPENSES:			
Cost of materials consumed	23	22,665.60	16,300.38
Purchase of Stock in Trade	24	7,476.17	4,051.41
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	115.94	744.46
Employee benefits expense	26	11,189.43	6,607.80
Finance costs	27	4,826.37	3,106.99
Depreciation and amortisation expense	28	2,337.03	1,478.02
Other expenses	29	20,660.52	12,112.71
Total Expenses		**69,271.06**	**44,401.77**
Profit (Loss) before exceptional items and tax		**(2,538.95)**	**(2,533.16)**
Exceptional Items-Income/(Expense)	30	(24,176.32)	-
Profit (Loss) before tax		**(26,715.27)**	**(2,533.16)**
Tax expense:			
- Current tax expenses		-	-
- Tax expenses/(benefits) for prior years			4.32
- Add: Reversal of MAT Credit for prior years		285.66	9.38
Net Current Tax Expense		285.66	13.70
- Deferred tax(net)		-	-
Profit (Loss) for the year from Continuing Operations		**(27,000.93)**	**(2,546.86)**
There are no Extra Ordinary Items and Discontinuing Operations.			
Basic & Diluted Earning /(Deficit) Per Share in ₹ [Face Value of Equity Share ₹ 10/-]	31	(139.37)	(14.65)

Significant Accounting Policies 2

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

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 26 November 2014

For and on behalf of the Board

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mangesh Bhosale
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

₹ In Lacs

		30 Sept 2014	31 Mar 2013
A	**Cash flows from Operating Activities**		
	Net Profit/(Loss) before Tax	(26,715.27)	(2,533.16)
	Adjustments for:		
	Depreciation and amortisation	2,337.03	1,478.02
	(Profit)/Loss on Fixed Assets Sold	39.12	21.78
	Provision for Doubtful Trade Receivables	554.00	75.58
	Provision for Doubtful Advances	8,951.66	42.03
	Provision for Diminution in value of investments	15,234.84	-
	Wealth Tax (Included in Other Expenses)	1.97	1.74
	Interest Expenses	4,826.37	3,106.99
	Unrealised Exchange (Gain) Loss	563.42	133.94
	Interest Income	(471.45)	(275.17)
	Amount written back (Sacrifice by FCCB Holders)	(25.58)	-
	Amounts Written Off(Net)	822.57	378.17
	Operating Profit/(Loss) before Working Capital Changes	**6,118.68**	**2,429.92**
	Changes in Working Capital:		
	Decrease (Increase) in Trade Receivable	(2,156.16)	(183.87)
	Decrease (Increase) in Long term Loans & Advances	(550.33)	(795.58)
	Decrease (Increase) in Short term Loans & Advances	618.95	(1,444.09)
	Decrease (Increase) in Inventories	187.58	713.97
	Increase (Decrease) in Other Long term Liabilities	(1,290.00)	2,296.93
	Increase (Decrease) in Other Current Liabilities	674.26	(1,634.61)
	Increase (Decrease) in Long term provisions	(40.75)	163.98
	Increase (Decrease) in Short term provisions	(25.29)	61.11
	Increase (Decrease) in Trade Payables	3,855.61	218.58
	Cash Generated from (Used in) Operations	**7,392.56**	**1,826.34**
	Direct Taxes Paid (Net of Refunds)	(22.96)	(3.53)
	Net Cash generated from (Used in) Operating Activities	**7,369.60**	**1,822.81**
B	**Cash flows from Investing Activities**		
	Capital Expenditure on Fixed Assets including Capital Advances	(1,177.40)	(2,111.06)
	Proceeds from Sale of Fixed Assets	5.76	16.32
	Interest Income Received	474.22	264.05
	Bank Balances not considered as cash & cash equivalents	82.46	121.79
	Advance to Subsidiary -pending allotment of shares	(124.09)	(27.00)
	Net Cash generated from (Used in) Investing Activities	**(739.05)**	**(1,735.90)**

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

₹ In Lacs

		30 Sept 2014	31 Mar 2013
C	**Cash flows from Financing Activities**		
	Proceeds from Long Term Borrowings	6,406.67	2,196.35
	Repayment of Long Term Borrowings	(9,765.02)	(1,191.21)
	Proceeds (Repayment) of Short Term Borrowings	33.25	828.45
	Interest paid	(4,369.70)	(2,560.90)
	Advance received for allotment of equity shares	200.00	972.00
	Unpaid dividend transfer to Investor Education Protection Fund	(5.58)	(6.40)
	Net Cash generated from (Used in) Financing Activities	**(7,500.38)**	**238.29**
	Net Increase /(Decrease) in Cash & Cash Equivalents	**(869.83)**	**325.20**
	Cash and Cash Equivalents as at the beginning of the Period	953.78	628.58
	Cash and Cash Equivalents as at the end of the Period (Refer Note 18.1)	**83.95**	**953.78**

1. Figures in brackets indicates outflow.
2. Previous year's figures are regrouped & recasted wherever required.

Significant Accounting Policies (Refer Note 2)
The accompanying notes are an integral part of these financial statements.

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 26 November 2014

For and on behalf of the Board

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mangesh Bhosale
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

1. GENERAL INFORMATION:

Wanbury Limited (“the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). The Company is engaged in the business of pharmaceutical and related activities, including research.

2. SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1. Basis of Accounting:

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified). The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

2.2. Use of Estimates:

Preparation of financial statements in conformity with Indian GAAP, requires estimates and assumption to be made, that affect reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the period in which results are known / materialised.

2.3. Inventories:

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable) and is arrived at on moving weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis.

Cost of finished products and work-in-progress includes material cost, labour, direct expenses production overheads and excise duty, where applicable.

2.4. Cash Flow Statements :

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of the non-cash 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 are segregated.

2.5. Cash and Cash Equivalents :

Cash and Cash Equivalents for the purpose of cash flow statement comprise of cash on hand, cheques on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

2.6. Fixed Assets:

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation / amortization / impairment losses, if any, and adjusted by revaluation of certain fixed assets. Assets held for disposal are stated at the lower of net book value and net realisable value.

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets except some of the brands which are revalued, are recorded at cost and are carried at cost / revalued amount less accumulated amortisation / impairment losses, if any.

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.

2.7. Expenditure During Construction Period:

All identifiable revenue expenses including interest incurred in respect of various projects/expansions are allocated to capital cost of respective assets on their completion/installation.

2.8. Depreciation and Amortization:

i) Cost of leasehold land is being amortized over the period of lease.

ii) Brands and Technical Know-how are amortized over a period of ten and five years respectively.

iii) Softwares are amortised @ 16.21% p.a. based on useful life.

iv) On all other assets, depreciation is provided on straight-line basis in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956.

v) Depreciation is not provided in respect of assets held for sale.

vi) In case of revalued assets, the difference between depreciation based on revaluation and depreciation charged on historical cost is recouped out of the revaluation reserve.

2.9. Revenue Recognition:

Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. The amount recognised as revenue is exclusive of sales tax, value added tax (“VAT”),and is net off returns, applicable trade discounts and allowances.

Excise duty collected on sales is shown by way of deduction from sales.

Dividend income is recognised when the right to receive dividend is established.

Interest income is recognised on time proportion basis.

Export benefits available under prevalent schemes are accrued in the period in which the goods are exported.

Revenue is recognised when there is reasonable certainty of its realisation.

2.10. Excise and Custom Duty:

Excise and custom duty is accounted on the basis of payment made in respect of goods cleared and provision is made for goods lying in bonded warehouse.

2.11. Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions and / or restatement are dealt with in the Statement of Profit and Loss as income or expenses of the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the statement of profit and loss.

In respect of the Forward Exchange contracts with underlying transaction, the premium or discount arising at the inception of such contracts are recognised as expenses or income over the life of the contract. Exchange difference on derivative contracts is recognised in the statement of profit and loss to the extent amount paid / payable under such contracts during the period.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

2.12. Investments:

i) Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

ii) Long term Investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments.

iii) Current investments are carried individually at lower of cost and fair value.

iv) Cost of investments includes expenses directly incurred on acquisition of investments.

v) Investments in foreign currency are stated at cost by converting at exchange rate prevailing, at the time of acquisition/remittance.

2.13. Employee Benefits:

i) Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

ii) Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to statement of profit and loss.

Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the balance sheet date.

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the period-end in accordance with Company's policies.

2.14. Borrowing Costs:

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which these are incurred.

2.15. Operating Leases:

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with respective lease agreements.

2.16. Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17. Accounting for Tax:

Tax expense comprises of Current and Deferred tax.

Current tax is accounted on the basis provisions of the Income Tax Act, 1961.

Deferred tax resulting from timing differences between the book and tax profits for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtualy certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Deferred tax assets are recognised to the extent of deferred tax liabilities, if any, as a matter of prudence.

MAT Credit Entitlement as per the provisions of the Income Tax Act, 1961 is treated as an asset by credit to the Statement of Profit & Loss.

2.18. Impairment of Assets:

The fixed assets are reviewed for impairment at each Balance Sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.19. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates.

Contingent liabilities are disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) 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 amount of the obligation cannot be made. Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent Assets are neither recognised nor disclosed in the financial statements.

2.20. Research and Development:

Research and Development expenditure of a revenue nature is charged to the revenue in the period in which it is incurred and expenditure of a capital nature is added to respective fixed assets.

2.21. Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

2.22. CENVAT, Service Tax and VAT Credit:

CENVAT, service tax and VAT credit receivable/availed are treated as an asset when there is reasonable certainty in availing/utilising the credits and relevant expenses being accounted net of such credit. Further the said assets are reduced to the extent of their utilisation.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
3	**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
		5,000.00	**5,000.00**
	Issued, Subscribed and Paid-Up		
	1,99,69,286 (Pr.Yr. 1,73,79,286) Equity Shares of ₹ 10/- each fully paid-up	1,996.93	1,737.93
	Total Share Capital	**1,996.93**	**1,737.93**

3.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period:

Particulars	30 Sept 2014		31 Mar 2013	
	Number	₹ In Lacs	Number	₹ In Lacs
Shares outstanding at the beginning of the period	17,379,286	1,737.93	17,379,286	1,737.93
Add: Shares allotted as fully paid up during the period	2,590,000	259.00	-	-
Shares outstanding at the end of the period	19,969,286	1,996.93	17,379,286	1,737.93

3.2 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. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting.

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.

3.3 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. Also refer note 36.

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. The matter is under fresh consideration of BIFR pursuant to the order dated 16 May 2008 of Hon'ble Supreme Court.

Refer Note 37 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.

3.4 Details of Equity Shares held by each shareholders holding more than 5%

Name of Shareholder	30 Sept 2014		31 Mar 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	3,024,000	15.14%	3,024,000	17.40%
Expert Chemicals (India) Pvt. Ltd.	6,754,730	33.83%	4,164,730	23.96%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

3.5 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.

3.6 Out of the above Equity Shares 5,67,000 (Pr. Yr. 5,67,000) shares are represented by 1,89,000 (Pr. Yr. 1,89,000) Global Depository Receipts.

3.7 Pursuant to the Corporate Debt Restructuring Scheme, the Company has allotted 25,90,000 (Pr. Yr. Nil) Equity Shares of ₹ 10/- each at the premium of ₹ 27.50 per Equity Shares to Expert Chemicals (India) Private Limited on 5 August 2013 on preferential basis.

3.8 The Company is not a subsidiary company.

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
4	**Reserves & Surplus**		
	Capital Reserves	683.41	683.41
	Securities Premium Account		
	Balance as at beginning	3,489.16	3,086.09
	Add : Sacrifice by FCCB Holder Written Back	15.93	617.22
	Add : On allotment of Equity Shares	712.25	-
		4,217.34	3,703.31
	Less : Exchange Loss on Premium payable on FCCB	-	94.94
	Pro rata Premium on FCCB	114.32	119.21
	Balance as at the end	**4,103.02**	**3,489.16**
	Debenture Redemption Reserve	412.25	412.25
	Revaluation Reserve		
	Balance as at beginning	4,484.52	4,959.60
	Less: Amortisation during the period	1,909.59	475.08
	Balance as at the end	**2,574.93**	**4,484.52**
	General Reserve	1,070.56	1,070.56
	Surplus in the Statement of Profit and Loss		
	Balance as at beginning	(455.58)	2,091.28
	Loss for the period	(27,000.93)	(2,546.86)
	Balance as at the end	**(27,456.51)**	**(455.58)**
	Total Reserves and Surplus	**(18,612.34)**	**9,684.32**
5	**Long Term Borrowings**		
	Term Loans (Secured)		
	From Banks (Rupee)	25,370.14	23,377.23
	From Banks (Foreign Currency)	2,539.28	7,566.32
	Vehicle & Other Loans (Secured)		
	From Banks (Rupee)	-	14.71
	From Others (Rupee)	25.12	62.05
	Deferred Sales Tax Loan (Unsecured)	-	12.97
		27,934.54	**31,033.28**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

5.1 **(a) For the period ended 30 September 2014:**

Term Loans are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Company situated at Patalganga and Tarapur, few brands of the Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Company and pledge of entire holding of equity shares of the Company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd.,Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investment Inc and Mr. K. Chandran, Director of the Company.

(b) For the year ended 31 March 2013:

Term Loans are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Company situated at Patalganga and Tarapur, few brands of the Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Company and pledge of entire holding of equity shares of the Company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd.,Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investment Inc and Mr. K. Chandran, Director of the Company.

5.2 Vehicle & Other loans are secured by hypothecation of assets acquired against respective loans.

5.3 **Rate of Interest:**

(a) For the period ended 30 September 2014:

The rate of interest on term loans vary between 1% to 11.50%p.a. and on vehicle and other loans vary between 6.30% to 10.00%p.a.

(b) For the year ended 31 March 2013:

The rate of interest on term loans vary between 1% to 11.50%p.a., on vehicle and other loans vary between 8.62% to 12.65%p.a. and deferred sales tax loan is interest-free.

5.4

Repayment of Loans	**30 Sept 2014 ₹ in Lacs**	**31 Mar 2013 ₹ in Lacs**
Term Loan:		
Year of Repayment		
2014-15	-	3,428.27
2015-16 (01.04.2015 to 31.03.2016)	-	3,347.30
2015-16 (01.10.2015 to 31.03.2016)	1,180.53	-
2016-17	3,238.71	3,109.94
2017-18	5,986.76	5,616.33
2018-19	6,606.41	5,888.45
2019-20	6,799.72	5,459.74
2020-21	4,097.30	4,093.52
Vehicle & Other Loan:		
Year of Repayment		
2014-15	-	36.54
2015-16 (01.04. 2015 to 31.03.2016)	-	30.21
2015-16 (01.10.2015 to 31.03.2016)	14.83	-
2016-17	6.42	6.14
2017-18	3.87	3.87
Deferred Sales Tax Loan:		
Year of Repayment		
2014-15	-	12.97

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
6	**Other Long Term Liabilities**		
	Dues Payable to FCCB 'B' Bond Holder (Refer Note 39)	930.43	1,101.51
	Dues Payable to FCCB 'A ' Bond Holder (Refer Note 39)	1,101.66	1,293.44
	Security Deposits	525.64	534.83
		2,557.73	**2,929.78**
7	**Long Term Provisions**		
	Provision for employee benefits- (Refer Note 48)		
	Provision for Gratuity	321.19	265.90
	Provision for Leave Benefits	353.94	449.99
		675.13	**715.89**
8	**Short Term Borrowings**		
	Working Capital Loans repayable on demand (Secured)		
	From Banks (Rupee)	6,956.32	6,438.59
	From Others (Foreign Currency)	119.69	-
	Buyers Credit Arrangement from Banks (Foreign Currency)	291.53	892.26
	(Above loans are secured by a pari-passu first charge on current assets and few brands of the Company, second charge on fixed assets and pledge of entire holding of equity shares of the Company held by Expert Chemicals (I) Pvt. Ltd. & Kingsbury Investments Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd., Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investments Inc and Mr. K. Chandran, Director of the Company.)		
	(Factoring facilities are secured by first 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 due at anytime of its approved debtors and subservient charge on all present and future fixed asset and current assets of the Company.)		
	Loans repayable on demand (Unsecured) (Refer Note 36)		
	From Banks (Rupee)	29.94	29.94
	From Others (Rupee)	20.31	20.31
		7,417.79	**7,381.10**
9	**Trade Payables**		
	Micro, Small and Medium Enterprises (Refer Note 43)	44.10	35.64
	Others	9,281.35	5,406.79
		9,325.45	**5,442.43**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
10	**Other Current Liabilities**		
	(Unsecured unless otherwise stated)		
	Current maturities of:		
	-Term Loan(Secured) (Refer Note 5.1 & 5.3)	3,469.94	3,019.37
	-Vehicle & Other Loan (Secured) (Refer Note 5.2 & 5.3)	36.58	45.36
	-Deferred Sales Tax Loan	-	4.13
	Dues of FCCB Holders (Refer Note 39)	621.18	236.44
	Interest accrued but not due:		
	-On borrowings	193.46	133.33
	-On debentures (Secured) (Refer Note 10.1,10.2 & 10.5)	285.31	177.01
	Interest accrued and due (Refer Note 10.3)		
	-On Secured Borrowings	566.20	287.26
	-On Foreign Currency Convertible Bonds	46.25	36.94
	Advances from related party (Refer Note 52)	201.00	972.25
	(To be utilised for subscribing to equity share of the Company in terms of CDR Scheme Refer Note 37)		
	Unpaid dividends	13.65	19.22
	(Amount transferable to Investor Education & Protection Fund when due)		
	Unpaid Dues:		
	-Of FCCB Holders - Refer Note 10.3 & 39	457.67	462.81
	-Of Long Term Borrowings (Secured) (Refer Note 10.3 ,5.1 & 5.3)	1,366.36	903.71
	-Of Long Term Borrowings of erstwhile PPIL (Secured) (Refer Note 10.4 & 10.5)	68.02	68.02
	-Of Matured Zero Coupon Non-Convertible Redeemable Debentures (NCD) (Secured) (Refer Note 10.1 & 10.5)	152.67	152.67
	-Of Optionally Fully Convertible Debentures(OFCD) (Secured) (Refer Note 10.2 & 10.5)	581.99	581.99
	Other Payables:		
	-Payables for Fixed Assets	30.70	434.77
	-Statutory Dues Payable	585.00	515.88
	-Others	239.93	384.28
	(Includes Inland bills payable, stale cheques, dues of PPIL, etc)		
		8,915.91	**8,435.44**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

10.1 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 Lacs and ₹ 97 Lacs was due for repayment on 1 May 2009 and 1 May 2010 respectively. However, since the matter is under consideration of BIFR, the same will be paid as per the order of BIFR. Also Refer Note 36.

10.2 The OFCD are to be secured by a pari passu charge on the fixed assets of erstwhile PPIL situated at Plot No 24 at Tarapur and fixed assets at Mazgaon. OFCD are convertible between 1 November, 2008 and 30 April, 2012 into equity shares at a price being higher of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right amounting to ₹ 290.99 Lacs and ₹ 291 Lacs was due for repayment on 30 April 2010 and 30 April 2011 respectively. However, since the matter is under consideration of BIFR, the same will be paid as per the order of BIFR. Also Refer Note 36.

10.3 There is delay in repayment of

(i) term loan aggregating to ₹ 1,366.36 Lacs (Pr. Yr. ₹ 903.71 Lacs) of 1 day (Pr.Yr. 1 day).

(ii) amount payable to FCCB Holders aggregating to ₹ 457.67 Lacs (Pr. Yr. ₹ 462.81 Lacs) of 890 days (Pr.Yr. 342 days).

(iii) interest on secured borrowings aggregating to ₹ 566.20 Lacs (Pr. Yr. ₹ 287.26 Lacs) ranging from 1 to 93 days (Pr. Yr. 1 to 60 days) in respect of dues to banks /financial institutions.

(iv) interest on FCCB aggregating to ₹ 46.25 Lacs (Pr. Yr. ₹ 36.94 Lacs) of 1189 days (Pr. Yr. 641 days).

10.4 Term loans of erstwhile PPIL amounting to ₹ 68.02 Lacs (Pr. Yr. ₹ 68.02 Lacs) are secured by a pari-passu first charge on its fixed assets of erstwhile PPIL.

10.5 The said dues were payable as per Merger Cum Revival Scheme approved by the BIFR vide its order dated 24 April, 2007. However, since the matter is under fresh consideration of BIFR, the same will be paid as per the order of BIFR. Also Refer Note 36.

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
11	**Short Term Provisions**		
	Provision for employee benefits (Refer Note 48)		
	Provision for Gratuity	17.27	18.60
	Provision for Leave Benefits	29.93	69.52
	Bonus Provision	39.39	23.76
	Others		
	Provision for Income Tax (Net of Payment)	150.66	170.83
	Provision for Wealth Tax (Net of Payment)	1.97	3.06
		239.22	**285.77**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

12 FIXED ASSETS

12.1 Current Period

₹ In Lacs

	Description	Gross Block				Depreciation				Net Block
		01.04.2013	Additions	Deductions	30.09.2014	01.04.2013	for the period	Deductions	30.09.2014	30.09.2014
A	**Tangible Assets**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.53	-	-	485.53	25.89	9.92	-	35.81	449.72
	Factory Building	3,937.26	19.33	-	3,956.59	775.95	229.43	-	1,005.38	2,951.21
	Plant & Machinery	16,868.47	1,676.92	-	18,545.39	6,818.73	3,750.06	-	10,568.80	7,976.59
	Furniture & Fixtures - Others	467.10	6.41	-	473.51	223.63	37.62	-	261.25	212.26
	Vehicles	539.92	8.19	203.38	344.73	246.99	66.31	160.55	152.76	191.97
	Office Equipments	384.39	57.57	-	441.96	183.09	25.56	-	208.65	233.31
	Electrical Installations	143.50	0.60	-	144.10	49.94	10.13	-	60.07	84.03
	Computers - Others	468.38	32.89	-	501.27	362.13	64.31	-	426.44	74.83
	Total	**28,034.36**	**1,801.91**	**203.38**	**29,632.89**	**8,686.35**	**4,193.36**	**160.55**	**12,719.16**	**16,913.72**
B	**Intangible Assets**									
	Brand (Setcal)	370.00	-	-	370.00	370.00	-	-	370.00	0.00
	Software	415.37	14.72	105.69	324.40	295.59	53.26	103.65	245.20	79.20
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	0.00
	Total	**789.80**	**14.72**	**105.69**	**698.83**	**670.02**	**53.26**	**103.65**	**619.63**	**79.20**
C	**Asset held for Sale**									
	Office Premises PPIL	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work In Progress**									**1,296.09**
	Total Fixed Assets (A+B+C+D)									**18,662.60**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

12 FIXED ASSETS

12.2 Previous Year

₹ In Lacs

	Description	Gross Block				Depreciation/Amortisation				Net Block
		01.04.2012	Additions	Deductions	31.03.2013	01.04.2012	for the year	Deduction	31.03.2013	31.03.2013
A	**Tangible Assets**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.53	-	-	485.53	19.95	5.94	-	25.89	459.64
	Factory Building	3,722.88	214.38	-	3,937.26	662.57	113.39	-	775.96	3,161.30
	Plant & Machinery	16,389.19	479.36	-	16,868.55	5,220.85	1,597.88	-	6,818.73	10,049.82
	Furniture & Fixtures - Others	467.21	2.35	2.46	467.10	200.09	24.90	1.37	223.62	243.48
	Vehicles	544.78	41.69	46.55	539.92	217.16	44.40	14.57	246.99	292.93
	Office Equipments	378.33	6.05	-	384.38	148.38	34.71	-	183.09	201.29
	Electrical Installations	142.98	0.52	-	143.50	43.17	6.77	-	49.94	93.56
	Computers - Others	478.56	11.13	21.40	468.29	326.37	52.12	16.36	362.13	106.16
	Sub-Total	**27,349.27**	**755.48**	**70.41**	**28,034.34**	**6,838.54**	**1,880.11**	**32.30**	**8,686.35**	**19,347.99**
B	**Intangible Assets**									
	Brand (Setcal)	370.00	-	-	370.00	333.00	37.00	-	370.00	0.00
	Software	399.66	15.71	-	415.37	259.60	35.98	-	295.58	119.78
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	0.00
	Sub-Total	**774.09**	**15.71**	**-**	**789.80**	**597.03**	**72.98**	**-**	**670.01**	**119.78**
C	**Asset held for Sale**									
	Office Premises PPIL	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Sub-Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work In Progress**									**2,086.15**
	Total Fixed Assets (A+B+C+D)									**21,927.51**

12.3 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.

12.4 Capital Work-in-Progress includes Machinery under installation, Construction material purchases and other assets under errection. It includes ₹ 896.54 Lacs (Pr. Yr. ₹ 896.54 Lacs) of erstwhile PPIL (Also Refer Note 36).

12.5 As per the scheme of rehabilitation and merger approved by BIFR, erstwhile PPIL is required to sale 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 held for disposal and stated at cost since estimated realisable value is higher than cost. Also Refer Note 36.

12.6 Gross block of fixed assets include ₹ 5,426.34 Lacs (₹ 5,426.34 Lacs) on account of revaluation of fixed assets carried out on 31.03.2010.

12.7 Depreciation/amortisation for the current period includes Depreciation/amortisation on revalued fixed assets aggregating to ₹ 1,909.59 Lacs (Pr. Yr. ₹ 475.08 Lacs) which in turn includes depreciation/amortisation pertaining to prior periods amounting to ₹ 1,094.68 Lacs (Pr. Yr. ₹ Nil).

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
13	**Non Current Investments (Long Term Investment)**		
13.1	**Trade Investments**		
	In Subsidiaries (Unquoted)		
	Ningxia Wanbury Fine Chemicals		
	13,260 Shares of USD 1 each fully paid-up	5.29	5.29
13.2	**Other Investments**		
	In Subsidiaries (Unquoted)		
	Wanbury Holding B. V.		
	6,489 Ordinary Shares of Euro 1,000 each fully paid-up	3,849.02	3,849.02
	(Pledged with Banks against loan given to the Cantabria Pharma S.L.)		
	Advance for Investment Pending Allotment	10,004.46	5,375.35
	Wanbury Global FZE		
	5 Shares of AED 1,00,000 each fully paid-up	68.33	68.33
	Quasi Share Capital	1,254.35	1,254.35
	In Other Entities		
	Unquoted		
	The Saraswat Co-op. Bank Ltd. (Refer Note 13.7)		
	706 Equity Shares of ₹ 10 each fully paid-up	0.07	0.07
	The Shamrao Vithal Co-op. Bank Ltd. (Refer Note 13.7)		
	100 Equity Shares of ₹ 25 each fully paid-up	0.03	0.03
	Bravo Healthcare Limited		
	12,71,250 Equity Shares of ₹ 10 each fully paid-up	53.40	53.40
	Quoted		
	Bank of India (Refer Note 13.7)		
	1,800 Equity Shares of ₹ 10 each fully paid-up	0.81	0.81
	Less: Provision for diminution in value of investments (Refer Note 13.6)	15,234.85	-
		0.91	**10,606.65**
13.3	Aggregate amount of quoted investments-Gross		
	- Cost	0.81	0.81
	- Market Value	4.17	5.45
13.4	Aggregate amount of unquoted investments (Cost/Book value)- Gross	15,234.94	10,605.83
13.5	Aggregate amount of provision for diminution in value of investments	15,234.85	-
13.6	Provision for diminution in value of investments for:		
	Ningxia Wanbury Fine Chemicals		
	13,260 Shares of USD 1 each fully paid-up	5.29	-
	Wanbury Holding B. V.		
	6,489 Ordinary Shares of Euro 1,000 each fully paid-up	3,849.02	-
	Advance for Investment Pending Allotment	10,004.46	-
	Wanbury Global FZE		
	5 Shares of AED 1,00,000 each fully paid-up	68.33	-
	Quasi Share Capital	1,254.35	-
	Bravo Healthcare Limited		
	12,71,250 Equity Shares of ₹ 10 each fully paid-up	53.40	-
		15,234.85	**-**
13.7	Pending transfer of shares in the name of the Company		

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
14	**Long Term Loans & Advances**		
	(Unsecured, considered good, unless otherwise mentioned)		
	Capital Advances	33.85	287.10
	Security Deposits	386.87	374.52
	Loans and Advances to related parties (Refer Note 51)		
	Considered Good	-	12,534.46
	Considered Doubtful	8,941.48	-
		8,941.48	12,534.46
	Less: Provision for Doubtful Advances	8,941.48	-
		-	12,534.46
	Mat Credit Entitlement	453.63	739.55
	Other Loans and Advances	2,187.89	2,853.18
		3,062.24	**16,788.81**
15	**Other Non-Current Assets**		
	Fixed Deposit with Bank (Under Lien) (With Original Maturity of more than 12 months)	68.93	0.77
	Interest Accrued on fixed deposit	3.70	0.09
		72.63	**0.86**
16	**Inventories**		
	(As certified by the management)		
	Raw Materials and Packing Materials	817.21	874.99
	Work-in-Progress	981.40	1,517.91
	Finished Goods	836.83	384.50
	Stock-in-Trade	865.64	897.40
	Fuel	14.95	28.82
		3,516.03	**3,703.62**
	Above Includes in Transit:		
	Finished Goods	-	27.04
	Stock-in-Trade	7.99	188.24
17	**Trade Receivables (Unsecured)**		
	-Over Six months from the date they are due for payment		
	Considered good	2,309.82	2,008.79
	Considered doubtful	892.29	338.29
		3,202.11	2,347.08
	-Others from the date they are due for payment		
	Considered good	8,009.07	6,351.56
		11,211.18	8,698.64
	Less: Provision for doubtful trade receivables	892.29	338.29
		10,318.89	**8,360.35**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
18	**Cash and Bank Balances**		
18.1	**Cash & Cash Equivalents (As per AS-3)**		
	Cash on Hand	13.43	21.90
	Cheques on Hand	-	646.89
	Balances with Banks		
	In Current Account	62.52	281.91
	In EEFC Account	2.52	3.08
	Deposits having original Maturity upto three months	5.48	-
		83.95	953.78
18.2	**Other Bank Balances**		
	Earmarked balances with banks-Unpaid Dividend	13.65	19.22
	(Amount transferable to Investor Education & Protection Fund when due)		
	Fixed Deposits with Banks (Under Lien)*	556.71	701.75
		570.36	720.97
		654.31	**1,674.75**
	*Includes deposits with original maturity of		
	- more than 3 months and upto 12 months	516.44	665.67
	-more than 12 months	40.27	36.08
19	**Short-term Loans and Advances**		
	(Unsecured, Considered Good)		
	Loans to Employees	1.13	13.06
	Advances to Employees		
	Considered Good*	959.68	620.94
	Considered Doubtful	52.21	42.03
		1,011.89	662.97
	Less: Provision for Doubtful Advances	52.21	42.03
		959.68	620.94
	Advance to Creditors	854.15	1,938.58
	Prepaid Expenses	134.62	30.42
	Export Benefit Receivable	143.03	357.74
	Balance with Statutory/Government Authorities		
	Balances with Excise Authorities	336.79	1,042.45
	VAT Receivable	685.78	563.70
		3,115.18	**4,566.89**
	*Includes excess remuneration receivable from Directors- ₹ 132.50 Lacs (Pr. Yr. ₹ 38.99)		
20	**Other Current Assets**		
	Interest Accrued on fixed deposit	10.12	16.50
	Other Interest Receivable	1,037.45	-
		1,047.57	**16.50**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

			30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
21	**Revenue From Operation**			
	Sale of products- Gross			
	Finished Goods		42,190.27	29,507.86
	Traded Goods		24,102.95	12,090.37
	Processing Charges		693.34	390.56
	Other Operating Revenue			
	Sale of Scrap		224.81	134.43
	Export Incentive		320.79	129.41
			67,532.16	**42,252.63**
22	**Other Income**			
	Interest on Bank Deposits		100.00	63.63
	Interest on Income Tax Refund		-	17.18
	Other Interest		371.45	211.54
	Foreign Exchange Gain- Net		-	161.11
	Insurance Claim		47.96	0.96
	Amount written back (Sacrifice by FCCB Holders)		25.58	-
	Miscellaneous Income		1.40	0.50
			546.39	**454.92**
23	**Cost of Materials Consumed (Refer Note 53)**			
	Raw Materials & Packing Materials			
	Opening Stock		874.99	852.70
	Add: Purchases		22,607.82	16,322.67
			23,482.81	17,175.37
	Less: Closing Stock		817.21	874.99
			22,665.60	**16,300.38**
24	**Purchase of Stock in Trade**			
	Purchase of Stock in Trade		7,476.17	4,051.41
			7,476.17	**4,051.41**
25	**Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**			
	Inventories at the beginning of the period			
	- Finished Goods		384.50	435.95
	- Work-in-Progress		1,517.91	2,115.79
	- Stock-in-Trade		897.40	992.53
		(A)	2,799.81	3,544.27
	Inventories at the end of the period			
	- Finished Goods		836.83	384.50
	- Work-in-Progress		981.40	1,517.91
	- Stock-in-Trade		865.64	897.40
		(B)	2,683.87	2,799.81
	Net (Increase)/Decrease in Inventories (A-B)		**115.94**	**744.46**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
26	**Employee Benefits Expense**		
	Salaries, Wages, Bonus and Allowances	10,250.61	6,022.64
	Contribution to Provident and Other Funds	648.15	387.56
	Staff Welfare Expenses	290.67	197.60
		11,189.43	**6,607.80**
27	**Finance Cost**		
	Interest expense	4,704.67	2,844.61
	Applicable net (gain)loss on foreign currency transactions and translation	121.70	262.38
		4,826.37	**3,106.99**
28	**Depreciation and Amortization Expense (Refer Note 12)**		
	Depreciation and amortization expense	4,246.62	1,953.10
	Less: Transferred from Revaluation Reserve	1,909.59	475.08
		2,337.03	**1,478.02**
29	**Other Expenses**		
	Advertisement & Sales Promotional Expenses	3,361.11	2,109.20
	Travelling & Conveyance	2,644.24	1,703.46
	Power & Fuel	2,807.46	1,797.90
	Breakages & Expiry	955.82	666.28
	Carriage Outward	1,590.46	967.52
	Legal & Professional Charges	1,193.83	651.67
	Commission on Sales	1,220.79	496.29
	Consumption of Stores,Spares & Consumables	574.45	313.53
	Rent	475.97	322.08
	Foreign Exchange Loss- Net	439.48	-
	Repairs to Plant & Machineries	606.38	404.43
	Repairs to Buildings	61.64	34.40
	Repairs- Others	219.45	72.60
	Amounts Written Off (Net)	822.57	378.17
	Rates & Taxes	235.22	66.62
	Provision for Doubtful Trade Receivables	554.00	75.58
	Provision for Doubtful Advances	10.18	42.03
	Insurance	104.30	41.68
	Loss on sale/discard of Fixed Assets-(Net)	39.12	21.78
	Excise Duty*	150.23	(48.59)
	Sales Tax & Service Tax	73.78	68.64
	Miscellaneous Expenses	2,520.04	1,927.44
		20,660.52	**12,112.71**
	*Net Impact of the excise duty provision on opening stock and closing of finished goods- debit (credit)	110.62	(14.37)
30	**Exceptional Items (Refer Note 41)**		
	Provision for Doubtful Advances	8,941.48	-
	Provision for Diminution in value of investments	15,234.84	-
		24,176.32	**-**
31	**Earning Per Share:**		
	Profit/ (loss) after Tax - ₹ In Lacs	(27,000.93)	(2,546.86)
	Weighted Average Number of Equity Shares	19,373,775	17,379,286
	Nominal Value of Equity Shares in ₹	10.00	10.00
	Basic & Diluted Earning /(Deficit) Per Share in ₹	(139.37)	(14.65)

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 outstanding options as at the period end are considered to be anti-dilutive.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

32. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 154.06 Lacs (Pr. Yr. ₹ 390.92 Lacs)

b) Other Commitments- Non Cancellable operating leases (Refer Note 50)

33. Contingent Liabilities:

Sr. No.	Particulars	30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
a)	Contract of take out undertaking executed in favour of bank/ financial institution for loans given to subsidiaries. Loans outstanding at the period end.	26,590.04 (Euro 340.00 Lacs) 19,995.38 (Euro 255.68 Lacs)	23,643.60 (Euro 340.00 Lacs) 16,545.94 (Euro 237.93 Lacs)
b)	Disputed demands by Income Tax Authorities. Amount paid under protest and shown as advance.	201.53 59.01	105.21 59.01
c)	Disputed demands by Sales Tax Authorities. Amount paid under protest and shown as advance.	3,299.27 26.30	3,360.28 26.30
d)	Disputed demands by Service Tax Authorities. Amount paid under protest and shown as advance.	724.93 61.37	589.04 48.50
e)	Disputed demands by Excise Authorities.	85.06	37.89
f)	Claims against the Company not acknowledged as debts.	1,531.35	1,702.59

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 (f) are dependent on decisions by relevant authorities of respective disputes.

34. The Company has received notice of demand of ₹ 190.58 Lacs from the National Pharmaceutical Pricing Authority (NPPA), Government of India on account of alleged overcharging in respect of certain products under the Drug Price Control Order. This was contested before the jurisdictional Bombay High Court and the said court vide its order dated 20 September 2010 has granted interim relief by granting stay on the implementation and /or enforcement of the aforesaid order of NPPA.

35. The Company operates solely in the pharmaceuticals segment and hence no separate disclosure for segment wise information is required.

36. 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, has 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 has directed IDBI Bank, which has been 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 has sought legal opinion and the Company 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.

As per BIFR Order dated 24 April 2007, statutory dues of erstwhile PPIL comprising of income tax ₹ 250.36 Lacs, profession tax ₹ 6.06 Lacs, custom duty ₹ 230 Lacs, sales tax ₹ 8.50 Lacs and excise duty ₹ 15.62 Lacs 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 Lacs and Optionally Fully Convertible Debentures (OFCDs) of ₹ 581.99 Lacs, to some of the lenders of erstwhile PPIL, out of which dues amounting to ₹ 152.67 Lacs and ₹ 581.99 Lacs in respect of NCDs and OFCDs respectively, remains payable at the period end. Since BIFR is considering the matter afresh, pending fresh directives from the BIFR, aforesaid dues have not been paid.

37. 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

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Restructuring Agreement (MRA) dated 19 September 2011, effect of CDR Scheme has been given in the financial statements as per the MRA.

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; and

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.

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.

38. 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 (₹ 3,696.81 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 (₹ 2,549.52 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.

39. a) The Company had issued on 20 April 2007, 800 Nos. 1% Unsecured Foreign Currency Convertible A Bonds ("**A Bonds**") and 700 Nos. 1% Unsecured Foreign Currency Convertible B Bonds (**"B Bonds"**) of face value of Euro 10,000 each maturing on 23 April 2012 and 17 December 2012 respectively.

The **A Bonds** were convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of face value of ₹ 10 each at a premium of ₹ 128.43, being conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to Euro 1 and such option being exercisable till 9 March 2012.

The **B Bonds** were convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of ₹ 10 each at a premium of ₹ 128.43, being reset conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to Euro 1 and such option being exercisable till 5 November 2012.

The Company may, at the option of any holders of any Bonds, repurchase at the early redemptions amount, together with accrued and unpaid interest.

The A Bonds and the B Bonds are bearing interest @ 1% p.a. payable semi annually and Yield to Maturity of 7.5% p.a. compounded semi annually.

b) The pro-rata premium payable on redemption, exchange gain/loss on premium payable and issue expenses is charged to Securities Premium Account.

c) During the year ended on 31 March 2010 the Company bought back and cancelled 424 Foreign Currency Convertible "A" Bonds of face value of Euro 10,000 each.

d) During the period under review the Company has not received any application for conversion of FCCB into Equity Shares of the Company. However till date 5,29,085 fully paid Equity Shares of face value of ₹ 10/- each have been issued at a conversion price of ₹ 138.43 per Equity Share upon conversion of 128 Foreign Currency Convertible "A Bonds" of face value of Euro 10,000 each.

e) 248 FCCB "A Bonds" have matured on 23 April 2012. The Company has negotiated terms with bond holders holding 218 bonds and have been accounted for accordingly. For the balance 30 FCCB A Bonds, pending negotiation effect given in the financial statements are as per the terms at the time of issue of the bonds.

f) 700 FCCB B Bonds have matured on 17 December 2012. Out of this, 556 bonds are repaid on 31st March 2014 and the Company has negotiated terms with 144 bondholder. Effects in the accounts have been given as per the terms of settlement with remaining bondholder.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

40. Advance for investment to Wanbury Holding B.V, a subsidiary company, amounting to ₹ 10,004.46 Lacs (Pr. Yr. ₹ 5,375.35 Lacs) are intended to be adjusted against the value of the Ordinary Shares to be issued by the aforesaid subsidiary.

41. The Company has invested ₹ 53.40 Lacs in equity shares of Bravo Healthcare Limited (BHL) and also given loan and advances aggregating to ₹7,598.04 Lacs. Net worth of BHL has been negative as per audited accounts for the year ended 31 March 2014.

The Company has invested ₹ 5.29 Lacs in shares of Ningxia Wanbury Fine Chemicals Company Limited ("Ningxia"), a wholly-owned subsidiary and net amount recoverable as at the period end is ₹124.11 Lacs. Net worth of Ningxia has been negative as per audited accounts for the period ended 30 September 2014.

The Company has invested ₹ 68.33 Lacs in shares of Wanbury Global FZE ("FZE"), a wholly-owned subsidiary and ₹ 1,254.35 Lacs in quasi share capital of FZE.

The Company has invested ₹ 3,849.02 Lacs in ordinary share of Wanbury Holding B.V.("WHBV"), a wholly-owned subsidiary, which is created for making investment in step down subsidiaries and has given advances of ₹10,004.46 Lacs to be adjusted against shares which is pending allotment. WHBV has made investment in it's wholly-owned subsidiary, Cantabria Pharma S.L. ("CP") and given loans & advances to CP. The Company has also receivable from CP of ₹1,219.33 Lacs as at the period end. CP has incurred losses and net worth of CP has been negative. Further, CP has filed for voluntary insolvency in the Commercial Court of Madrid, Spain on 4 November 2013. CP is in the process of liquidations and Receiver has taken the control of CP as per the order of Commercial Court of Madrid, Spain.

Till last year, no provision had been considered necessary in respect of above mentioned investments and advances. However, during the Current period, provision has been made for Diminution in value of investments aggregating to ₹ 5,230.38 Lacs and for Doubtful Advances aggregating to ₹ 18,945.94 Lacs. The same has been considered as Exceptional Items (Refer Note 30).

42. IDBI Bank vide its letter dated 4 August 2012 has invoked guarantee of Wanbury Limited in respect of dues from Bravo Healthcare Limited ("BHL"). BHL has repaid the dues of IDBI Bank during the current period, pursuant to letter dated 25 March 2014 for one time settlement. Consequently, IDBI released the Company from the guarantee provided to IDBI against loan given to BHL. No further liability is envisaged towards the dues of BHL.

43. Disclosure of trade payable under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".

Amount outstanding as on 30 September 2014 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 44.10 Lacs (Pr. Yr. ₹ 35.64 Lacs) and interest due thereon is ₹ 8.31 Lacs (Pr. Yr. ₹ 20.12 Lacs) and interest paid during the period ₹ Nil (Pr. Yr. ₹ Nil). Since as per the terms/understanding with the parties, no interest is payable, hence no provision has been made for the aforesaid interest. (Refer Note 9).

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

(₹ in Lacs)

Particulars	30 Sept 2014	31 Mar 2013
Liabilities:		
Depreciation	(832.54)	(1,719.23)
Assets:		
43 B Disallowance and other deferments	8,001.08	1,296.89
Unabsorbed Depreciation	1,684.16	1,729.37
Total Assets	9,685.24	3,026.26
Deferred Tax Asset Restricted to	(832.54)	(1,719.23)
Net Deferred Tax Assets (Liabilities)	Nil	Nil

As a measure of prudence, deferred tax assets are recognised to the extent of deferred tax liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

45. (a) Managerial Remuneration:

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Salary & Allowances	20.00	28.63
Contribution of P.F. & Other Funds	7.84	5.23
TOTAL*	**27.84**	**33.86**

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

Excess remuneration of ₹ 19.37 Lacs pertaining to Financial Year ended 31 March 2012, ₹ 19.62 Lacs pertaining to Financial Year ended 31 March 2013 and ₹ 93.51 Lacs pertaining to Financial period ended 30 September 2014 together aggregating to ₹ 132.50 Lacs, being recoverable from director, is shown under "Short Term Loans & Advances "(Refer Note 19).

(b) Sitting fees to directors ₹ 8.52 Lacs (Pr. Yr. ₹ 4.36 Lacs).

46. Details of Auditors Remuneration:

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Statutory Auditors Remuneration :		
- Audit Fees	17.25	11.50
- Certification & Other Matters	19.78	6.02
- Out of Pocket Expenses	0.14	0.27
Branch Auditors Remuneration :		
- Branch Auditor Fees	2.25	1.00
- Out of Pocket Expenses	2.09	0.67
Cost Audit Fees	1.97	1.25

Note: Above figures are exclusive of service tax.

47. a) Earning in Foreign Currency :

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
FOB Value of Exports	25,789.97	21,436.19
Freight, Insurance etc.	756.33	447.87

b) CIF Value of Imports:

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Raw Materials [Including High Seas purchases ₹ 3,251.10 Lacs (Pr. Yr. ₹ 2,273.11 Lacs]	8,440.75	7,525.45
Capital Goods [Including High Seas purchases ₹ Nil (Pr. Yr ₹ 40.80 Lacs)]	72.98	191.51

c) **Expenditure in Foreign Currency:**

(₹in Lacs)

Particulars	30 Sept 2014	31 Mar 2013
Interest	645.04	448.77
Commission expense	92.79	126.08
Legal & Professional Fees	184.91	49.70
Other Expenses (including travelling and business promotion)	549.93	218.70

48. Employee Benefits

As required by Accounting Standard- 15 “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 workers. 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 period, the Company has recognised the following amounts in the Account:

(₹ in Lacs)

Particulars	30 Sept 2014	31 Mar 2013
Provident Fund, Employee’s Pension Scheme and MLWF	472.86	275.30
Employees State Insurance	53.82	12.37
Super Annuation Fund	4.57	2.51
TOTAL	**531.25**	**290.18**

Defined Benefit Plans

Gratuity:

The Company makes annual contributions to the Employees’ Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

a) **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.

b) **On the death in service:**

As per the provisions of Payments of Gratuity Act, 1972 without any vesting period.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Disclosures for defined benefit plans (i.e. Gratuity Funded Plan) based on actuarial reports as on 30 September 2014.

(₹ in Lacs)

	Particulars	30 Sept 2014	31 Mar 2013
a)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	289.40	247.55
	Current service cost	112.02	70.53
	Interest cost	39.07	20.42
	Actuarial loss / (gain)	(66.89)	(23.03)
	Benefit (paid)	(19.56)	(26.07)
	Closing defined benefit obligation	354.04	289.40
b)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	4.71	29.19
	Expected return on plan assets	1.16	1.32
	Actuarial gain / (loss)	0.98	0.27
	Contributions of employer	28.31	-
	Benefits (paid)	(19.56)	(26.07)
	Closing fair value of plan assets	15.60	4.71
c)	**Amount recognised in the Balance Sheet**		
	Present value of the obligations as at period end	354.04	289.40
	Fair value of the plan assets as at period end	15.60	4.71
	Net (asset) / liability recognised as at period end	338.44	284.69
d)	**Expenses recognised in the Statement of Profit and Loss Account**		
	Current service cost	112.02	70.53
	Interest on defined benefit obligation	39.07	20.42
	Expected return on plan assets	(1.16)	(1.32)
	Net actuarial loss / (gain) recognised in the current period	(67.87)	(23.30)
	Total expense	82.06	66.33
e)	**Asset information**		
	Government of India Securities	-	-
	Equity shares of listed companies	-	-
	Property	-	-
	Bank Balance	-	-
	Funds managed by Insurer	100%	100%
f)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	9.00%	8.25%
	Expected rate of return on plan assets (p.a.)	8.50%	8.15%
	Annual increase in salary cost (p.a.)	7.50%	7.00%

The estimates of future salary increase, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

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 ₹ 383.86 Lacs (Pr. Yr. ₹ 519.51 Lacs) being liability as at the period-end for compensated absences as per actuarial valuation has been provided in the accounts.

49. During the period, the Company has entered into forward exchange contract, being derivative instrument.

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

Currency	Buy or Sell	Cross Currency	Amount in US $	
			30 Sept 2014	31 Mar 2013
US $	Sell	INR	105.00 Lacs	Nil

The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	Foreign Currency	Foreign Currency Amt in Lacs		₹ in Lacs	
		30 Sept 2014	31 Mar 2013	30 Sept 2014	31 Mar 2013
Amount Receivable	EURO	6.93	8.15	541.97	566.97
	USD	0.04	62.45	2.53	3,396.58
	GBP	0.07	0.04	7.47	3.07
	JPY	Nil	15.10	Nil	8.61
Amount Payable	EURO	50.23	47.14	3,928.22	3,277.59
	USD	77.51	205.44	4,775.72	11,174.26
	GBP	0.05	0.05	5.05	4.47

50. Disclosure for operating leases under Accounting Standard 19-"Accounting for Leases":

The Company has taken various residential /godown / office premises (including furniture and fittings, therein as applicable) /cars under operating lease or leave and license agreements. These are generally cancellable and range from 24 months to 60 months under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest-free security deposits in accordance with the agreed terms. The lease payments of ₹ 475.97 Lacs (Pr. Yr. ₹ 322.08 Lacs) are recognised in the Statement of Profit and Loss under "Rent" under Note 29.

The future lease payments and payment profile of non-cancellable operating leases are as under:

(₹ in Lacs)

Particulars	30 Sept 2014	31 Mar 2013
Not later than one year	Nil	5.04
Later than one year but not later than five years	Nil	Nil
Later than five years	Nil	Nil

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

51. Disclosure required by clause 32 of the listing agreement (as certified by management):

a) Interest-free Loans/Advances in the nature of Loans/Loans & Advances to:

(₹ in Lacs)

Particulars	**Outstanding as on 30 Sept 2014**	**Maximum Balance Outstanding during the period**
Bravo Healthcare Ltd.	7,598.04 (Pr. Yr. 7,558.02)	7,598.04 (Pr. Yr. 7,558.02)
Cantabria Pharma S L - a subsidiary company	1,219.33 (Pr. Yr. 4,813.53)	5,975.98 (Pr. Yr. 4,974.02)

b) Investment by loanee:

Particulars	**Number of Shares**	**Amount**
-Cantabria Pharma S.L. in Laboratories Wanbury S.L.	3,010 (Pr. Yr. 3,010)	₹ 2.03 Lacs Equivalent to Euro 3,010 (Pr. Yr. ₹ 2.03 Lacs Equivalent to Euro 3,010)

52. Related Party Disclosure: (With whom the transactions have taken place during the period)

A. Relationship:

Category I: **Major Shareholders**:

- Expert Chemicals (India) Pvt. Ltd.

Category II: **Subsidiary Companies**:

- Wanbury Holding B. V. (Netherlands)
- Cantabria Pharma S. L. (Spain)
- 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. P. V. Pasupathy-President API (w.e.f. 12 May 2014)
- Mr. Indranil Chakravartthy-President Formulation (w.e.f. 12 May 2014)

Category IV: **Others (Enterprise owned or significantly influenced by key management personnel or their relatives)**

- Wanbury Infotech Pvt. Ltd
- Bravo Healthcare Limited

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

B. Transactions carried out with related parties:

(₹ In Lacs)

Sr. No.	Transactions	Related Party Relation	30 Sept 2014	31 Mar 2013
1)	**Advances Given:**			
	Wanbury Infotech Pvt. Ltd.	IV	Nil	34.36
2)	**Loans & Advances Given:**			
	Bravo Healthcare Ltd.	IV	Nil	161.97
3)	**Repayment of Loans & Advances Given:**			
	Bravo Healthcare Ltd.	IV	Nil	106.48
4)	**Advances Taken:**			
	Expert Chemicals (India) Pvt. Ltd.	I	200.00	972.00
5)	**Expenses Reimbursed from :**			
	Cantabria Pharma SL	II	58.42	44.28
	Bravo Healthcare Ltd.	IV	40.02	Nil
6)	**Remuneration paid:**			
	Mr. K. Chandran	III	27.84	33.86
	Mr. P. V. Pasupathy*	III	69.49	Nil
	Mr. Indranil Chakravartthy*	III	44.69	Nil
	*Salary from 12 May 2014 to 30 September 2014			
7)	**Excess Remuneration to Director treated as Receivable (Refer Note 45)**			
	Mr. K. Chandran	III	93.51	19.62
8)	**Purchase of Materials:**			
	Ningxia Wanbury Fine Chemicals Co. Ltd.	II	Nil	0.24
	Bravo Healthcare Ltd.	IV	Nil	0.06
9)	**Information Technology Services taken:**			
	Wanbury Infotech Pvt. Ltd.	IV	302.81	187.09
10)	**Preferential Share Allotment to:**			
	Expert Chemicals (India) Pvt. Ltd.	I	971.25	Nil
11)	**Advances given against allotment of shares:**			
	Wanbury Holding B. V.	II	4,629.10	27.00
12)	**Repayment of Loans & Advances given:**			
	Cantabria Pharma SL	II	4,505.00	Nil
13)	**Provision for Doubtful Advances:**			
	Bravo Healthcare Ltd.	IV	7,598.04	Nil
	Cantabria Pharma SL	II	1,219.33	Nil
	Ningxia Wanbury Fine Chemicals Co. Ltd.	II	124.11	Nil
14)	**Provision for Diminution in value of investments: Refer Note 13.6**			

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

C. Balances due from/to related parties

(₹ in Lacs)

Sr. No.	Particulars	Related Party Relation	30 Sept 2014	31 Mar 2013
1)	**Advances Taken:**			
	Expert Chemicals (India) Pvt. Ltd.	I	201.00	972.25
2)	**Loans and Advances Given:**			
	Ningxia Wanbury Fine Chemicals Co. Ltd.	II	124.11	124.11
	Cantabria Pharma SL	II	1,219.33	4,813.53
	Bravo Healthcare Ltd.	IV	7,598.04	7,558.02
	Wanbury Infotech Pvt. Ltd.	IV	Nil	38.80
3)	**Amount Payable:**			
	Wanbury Infotech Pvt. Ltd.	IV	34.81	Nil
4)	**Excess Remuneration Receivable:**			
	Mr. K. Chandran	III	132.50	38.99
5)	**For Investments and Diminution in value of investments: Refer Note 13**			

53. Consumption of Materials

a) Consumption of Raw Materials and Packing Materials:

(₹ in Lacs)

Item	30 Sept 2014	31 Mar 2013
DCDA	7,641.52	5,219.22
DMA Hcl	5,898.43	3,131.29
Methanol	1,221.24	512.79
Meta Bromo Anisole	1,217.28	840.55
Others	6,687.14	6,596.53
Total	**22,665.60**	**16,300.38**

Particulars	30 Sept 2014		31 Mar 2013	
	%	₹ in Lacs	%	₹ in Lacs
Imported(including High Sea purchases)	38.25	8,669.20	44.98	7,331.30
Indigenous	61.75	13,996.40	55.02	8,969.08
	100.00	**22,665.60**	**100.00**	**16,300.38**

b) Consumption of Stores & Spares:

Particulars	%	₹ in Lacs	%	₹ in Lacs
Imported	-	-	-	-
Indigenous	100.00	561.56	100.00	307.33
	100.00	**561.56**	**100.00**	**307.33**

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

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

(₹ In Lacs)

Class of Goods	30 Sept 2014	31 Mar 2013	31 Mar 2012
Finished Goods/Bulk Drugs	836.83	384.50	435.95
Traded Goods			
a) Formulations:			
Liquids	91.77	114.23	170.46
Tablets	510.62	399.63	447.32
Vials	67.68	127.24	140.17
Capsules	103.82	178.88	187.51
Ampoule	14.58	31.90	4.04
Others	10.91	23.65	20.48
b) Processed Food			
Powders	51.17	16.76	21.80
Liquids	15.09	5.11	0.75
Total	**1,702.47**	**1,281.90**	**1,428.48**

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

(₹ In Lacs)

Class of Goods	Purchase during the period		Sales during the period	
	30 Sept 2014	31 Mar 2013	30 Sept 2014	31 Mar 2013
Finished Goods/ Bulk Drugs	-	-	40,843.83	28,668.93
Traded Goods				
a) Formulations:				
Liquids	1,154.11	569.42	3,064.41	1,592.85
Tablets	3,905.97	1,637.36	12,459.14	5,546.19
Vials	161.35	443.76	593.88	464.76
Capsules	1,248.88	893.48	6,162.88	3,765.81
Ampoule	114.93	115.09	313.65	209.56
Others	132.90	185.17	42.64	174.93
b) Processed Food				
Powders	657.54	202.67	1,300.57	336.06
Liquids	100.49	4.47	165.78	0.20
Others	Nil	Nil	224.81	134.43
Total	**7,476.17**	**4,051.41**	**65,171.59**	**40,893.72**

Note -Sales excludes free replacements /offers

NOTES TO FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

56. Net-worth of the Company as on 30 September 2014 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.

57. Figures for the Current Period, being for eighteen months from 01 April 2013 to 30 September 2014, are not strictly comparable with those of the previous year which are for twelve months.

58. Figures of previous year are regrouped/ rearranged wherever necessary.

For and on behalf of the Board

K. Chandran	**Dr. P. L. Tiwari**	**Mangesh Bhosale**
Vice Chairman	Director	Company Secretary

Mumbai, 26 November 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
WANBURY LIMITED

We have audited the accompanying consolidated financial statements of **WANBURY LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the consolidated Balance Sheet as at 30 September 2014, the consolidated Statement of Profit & Loss and consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Auditors of consolidated financial statements of Wanbury Holding BV (WHBV) and its subsidiaries has qualified their opinion for non inclusion of the consolidated financial statements of Cantabria Pharma S.L. (CP), a wholly owned subsidiary of WHBV, for the period from 1 April 2013 to 26 February 2014 for the reason stated in note 32(b) of the consolidated financial statements.

The impact, if any, on the consolidated financial statements are not ascertainable.

Our audit opinion on the consolidated financial statements has been qualified accordingly.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, and based on the consideration of the reports of the other auditors on the financial statements/consolidated financial statements / financial information of the subsidiaries referred to below in the "Other Matter" paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 30 September 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the loss of the Group for the period ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

Emphasis of Matter

We draw attention to the following notes to the consolidated financial statements:

1. Consolidated Financial Statements are prepared on a "going concern" basis as stated in note 51; and

2. The Company has given guarantee in respect of Exim Bank's investments of USD 60 Lacs (₹ 3,696.81 Lacs) in Wanbury Holding B.V., a subsidiary of the Company, and State Bank of India's loan of Euro 32.60 Lacs (₹ 2,549.52 Lacs) to Cantabria Pharma S.L., the step down subsidiary of the Company, which have been invoked by the respective parties. The said dues being part of the CDR Scheme will be accounted upon arriving at mutually agreed terms of settlement with the respective parties as stated in note 36.

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements/consolidated financial statements of subsidiaries, whose financial statements/ consolidated financial statements reflect total assets (net) of ₹ 154.97 Lacs as at 30 September 2014, total revenues of ₹ 582.27 Lacs and net cash outflows of ₹ 0.39 Lac for the period then ended.

These financial statements/ consolidated financial statement have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W
Nikhil Patel
Partner
M. No. 37032

Mumbai, 26 November 2014

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2014

₹ In Lacs

	Note No.	30 Sept 2014	31 Mar 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,996.93	1,737.93
Reserves and Surplus	4	(21,168.32)	(6,533.71)
		(19,171.39)	(4,795.78)
Minority interest		2,666.24	2,666.24
Non-Current Liabilities			
Long-term borrowings	5	27,934.54	31,033.28
Other Long-term liabilities	6	2,557.73	2,929.78
Long-term provisions	7	675.13	715.89
		31,167.40	34,678.95
Current Liabilities			
Short-term borrowings	8	7,417.79	7,381.10
Trade payables	9	9,369.33	7,835.03
Other current liabilities	10	8,916.75	28,397.34
Short-term provisions	11	239.21	1,127.70
		25,943.08	44,741.17
	TOTAL	**40,605.33**	**77,290.58**
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		16,913.78	19,348.13
Intangible assets		79.20	22,609.54
Fixed Asset held for sale		373.59	373.59
Capital work-in-progress		1,296.09	2,505.00
		18,662.66	44,836.26
Non-current investments	13	0.91	54.31
Long-term loans and advances	14	3,202.50	13,403.20
Other non-current assets	15	72.63	0.86
		21,938.70	58,294.63
Current assets			
Inventories	16	3,516.02	4,284.33
Trade receivables	17	10,318.90	8,438.28
Cash and Bank Balances	18	669.02	1,689.94
Short-term loans and advances	19	3,115.13	4,566.90
Other current assets	20	1,047.56	16.50
		18,666.63	18,995.95
	TOTAL	**40,605.33**	**77,290.58**

Significant Accounting Policies 2

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

For and on behalf of the Board

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Nikhil Patel
Partner
Mumbai, 26 November 2014

Mangesh Bhosale
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

₹ In Lacs

	Note No.	18 months period ended 30 Sept 2014	Year ended 31 Mar 2013
REVENUE:			
Revenue from operations (Gross)	21	67,532.16	46,749.55
Less:Excise duty		1,346.44	838.94
Revenue from operations (Net)		66,185.72	45,910.61
Other Income	22	1,128.65	484.19
Total Revenue		**67,314.38**	**46,394.80**
EXPENSES:			
Cost of materials consumed	23	22,665.60	16,300.38
Purchase of Stock in Trade	24	7,476.17	7,077.98
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	115.94	1,634.73
Employee benefits expense	26	11,189.42	8,128.12
Finance costs	27	4,826.38	3,722.70
Depreciation and amortisation expense	28	2,337.16	2,258.92
Other expenses	29	22,318.23	15,981.21
Total Expenses		**70,928.90**	**55,104.04**
Profit / (Loss) before exceptional items and tax		**(3,614.52)**	**(8,709.24)**
Exceptional Items-Income/(Expense)	30	(8,870.77)	-
Profit / (Loss) before tax		**(12,485.28)**	**(8,709.24)**
Tax expense:			
- Current tax expenses			
- Tax expenses/(benefits) for prior years			4.32
- Add: Reversal of MAT Credit for prior years		285.66	9.38
Net Current Tax Expense		285.66	13.70
- Deferred tax (net)		-	-
Profit (Loss) for the year from Continuing Operations		**(12,770.95)**	**(8,722.94)**
There are no Extra Ordinary Items and Discontinuing Operations.			
Basic & Diluted Earning /(Deficit) Per Share in ₹ [Face Value of Equity Share ₹ 10/-]	31	(65.92)	(50.19)

Significant Accounting Policies 2

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

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 26 November 2014

For and on behalf of the Board

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mangesh Bhosale
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

₹ In Lacs

		30 Sept 2014	31 Mar 2013
A	**Cash flows from Operating Activities**		
	Net Profit/(Loss) before Tax	(12,485.28)	(8,709.24)
	Adjustments for:		
	Depreciation and amortisation	2,337.16	2,258.92
	(Profit)/Loss on Fixed Assets Sold	39.12	21.78
	Provision for Doubtful Trade Receivables	562.01	3,075.85
	Provision for Doubtful Advances	10,409.96	42.03
	Provision for Diminution in value of investments	53.40	-
	Wealth Tax (Included in Other Expenses)	1.97	1.74
	Interest Expenses	4,826.38	3,722.70
	Unrealised Exchange (Gain) Loss	563.42	133.94
	Interest Income	(471.45)	(275.17)
	Amount written back (Sacrifice by FCCB Holders)	(25.58)	-
	Amounts Written Off (Net)	822.57	378.17
	Operating Profit / (Loss) before Working Capital Changes	**6,633.67**	**650.72**
	Changes in Working Capital:		
	Decrease/(Increase) in Trade Receivable	(2,157.24)	136.07
	Decrease/(Increase) in Long Term Loans & Advances	(2,558.72)	(702.22)
	Decrease/(Increase) in Short Term Loans & Advances	619.01	(1,362.83)
	Decrease/(Increase) in Inventories	187.60	1,604.22
	Increase/(Decrease) in Other Long Term Liabilities	(1,290.01)	2,296.92
	Increase/(Decrease) in Other Current Liabilities	672.17	6,065.58
	Increase/(Decrease) in Long Term Provisions	(40.76)	163.98
	Increase/(Decrease) in Short Term Provisions	(25.30)	6.43
	Increase/(Decrease) in Trade Payables	3,879.00	334.18
	Increase/(Decrease) in Foreign Currency Translation Reserve	920.78	(445.91)
	Cash Generated from (Used in) Operations.	**6,840.20**	**8,747.14**
	Direct Taxes Paid (Net of Refunds)	(22.96)	(3.54)
	Net Cash generated from (Used in) Operating Activities	**6,817.24**	**8,743.60**
B	**Cash flows from Investing Activities**		
	Capital Expenditure on Fixed Assets including Capital Advances	(1,177.40)	(2,513.36)
	Proceeds from Sale of Fixed Assets	5.75	16.32
	Interest Income Received	474.23	264.05
	Bank Balances not considered as cash & cash equivalents (Net)	77.83	179.79
	Net Cash generated from (Used in) Investing Activities	**(619.59)**	**(2,053.20)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

₹ In Lacs

		30 Sept 2014	31 Mar 2013
C	**Cash flows from Financing Activities**		
	Proceeds from Long Term Borrowings	6,406.72	2,196.33
	Repayment of Long Term Borrowings	(9,332.49)	(4,663.24)
	Proceeds (Repayment) of Short Term Borrowings	33.25	(1,738.35)
	Interest paid	(4,369.77)	(3,176.57)
	Advance received for allotment of equity shares	200.00	972.00
	Unpaid dividend transfer to Investor Education Protection Fund	(5.58)	(6.40)
	Net Cash generated from (Used in) Financing Activities	**(7,067.87)**	**(6,416.23)**
	Net Increase /(Decrease) in Cash & Cash Equivalents	**(870.22)**	**274.17**
	Cash and Cash Equivalents as at the beginning of the Year	968.88	694.71
	Cash and Cash Equivalents as at the end of the Year (Refer Note 18.1)	**98.66**	**968.88**

1. Figures in brackets indicates outflow.
2. Previous year's figures are regrouped & recasted wherever required.

Significant Accounting Policies (Refer Note 2)
The accompanying notes are an integral part of these financial statements.

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

Nikhil Patel
Partner
Mumbai, 26 November 2014

For and on behalf of the Board

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mangesh Bhosale
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

1. GENERAL INFORMATION:

Wanbury Limited (“the Parent Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). The Parent Company is engaged in the business of pharmaceutical and related activities, including research.

2. SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1. Basis of Accounting

The consolidated financial statement (“CFS”) comprises the financial statements of the Parent Company and its Subsidiaries (hereinafter referred to as “the Group”). The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Company i.e. 30 September 2014.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in India (“Indian GAAP”) and to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified). The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

2.2. Principles of Consolidation:

i) The Financial statements of the Parent Company and its subsidiaries have been Consolidated in accordance with the Accounting Standard 21 (AS 21) “Consolidated Financial Statements”, 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 and unrealised profits/ losses.

ii) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

2.3. Use of Estimates:

Preparation of financial statements in conformity with Indian GAAP, requires estimates and assumption to be made, that affect reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the period in which results are known/ materialised.

2.4. Inventories:

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable) and is arrived at on moving weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis.

Cost of finished products and work-in-progress includes material cost, labour, direct expenses production overheads and excise duty, where applicable.

2.5. Cash Flow Statements :

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of the non-cash 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 are segregated.

2.6. Cash and Cash Equivalents :

Cash and Cash Equivalents for the purpose of cash flow statement comprise of cash on hand, cheques on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

2.7. Fixed Assets:

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation/ amortisation/ impairment losses, if any, and adjusted by revaluation of certain fixed assets. Assets held for disposal are stated at the lower of net book value and net realisable value.

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets except some of the brands which are revalued are recorded at cost and are carried at cost/ revalued amount less accumulated amortisation/ impairment losses, if any.

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.

2.8. Expenditure During Construction Period:

All identifiable revenue expenses including interest incurred in respect of various projects/ expansions are allocated to capital cost of respective assets on their completion/ installation.

2.9. Depreciation and Amortisation:

Parent Company

i) Cost of leasehold land is being amortised over the period of lease.

ii) Brands and Technical Know-how are amortised over a period of ten and five years respectively.

iii) Softwares are amortised @ 16.21% p.a. based on useful life.

iv) On all other assets, depreciation is provided on straight-line basis in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956.

v) Depreciation is not provided in respect of assets held for sale.

vi) In case of revalued assets, the difference between depreciation based on revaluation and depreciation charged on historical cost is recouped out of the revaluation reserve.

Subsidiary at China (Ningxia Wanbury Fine Chemical Company Limited)

i) Computers are depreciated @ 30% p.a. on SLM basis.

2.10. Revenue Recognition :

Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. The amount recognised as revenue is exclusive of sales tax, value added tax (“VAT”), and is net off returns, applicable trade discounts and allowances.

Excise duty collected on sales is shown by way of deduction from sales.

Dividend income is recognised when right to receive dividend is established.

Interest income is recognised on time proportion basis.

Export benefits available under prevalent schemes are accrued in the period in which the goods are exported.

Revenue is recognised when there is reasonable certainty of its realisation.

2.11. Excise and Custom Duty :

Excise and custom duty is accounted on the basis of payment made in respect of goods cleared and provision is made for goods lying in bonded warehouse.

2.12. Foreign Currency Transactions/ Translation :

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions and/ or restatement are dealt with in the Statement of Profit and Loss as income or expense of the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

In respect of the Forward Exchange contracts with underlying transaction, the premium or discount arising at the inception of such contracts are recognised as expenses or income over the life of the contract. Exchange difference on derivative contracts is recognised in the statement of profit and loss to the extent amount paid/ payable under such contracts during the period.

The financial statements of foreign subsidiaries, whose operations are non-integral foreign operations for the Parent Company, have been translated to Indian Rupees on the following basis :

i) All income and expenses are translated at the average rate of exchange prevailing during the period.

ii) Monetary and Non-monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.

iii) The resulting exchange difference is accounted in 'Foreign Currency Translation Reserve'.

2.13. Investments:

i) Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

ii) Long-term Investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments.

iii) Current investments are carried individually at lower of cost and fair value.

iv) Cost of investments includes expenses directly incurred on acquisition of investments.

v) Investments in foreign currency are stated at cost by converting at exchange rate prevailing, at the time of acquisition/ remittance.

2.14. Employee Benefits :

i) Short Term Employee Benefits :

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

ii) Post Employment Benefits :

Company's contribution for the period paid/ payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the Balance Sheet date.

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the period-end in accordance with Company's policy.

2.15. Borrowing Costs:

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which these are incurred.

2.16. Operating Leases :

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with respective lease agreements.

2.17. Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

2.18. Accounting for Tax :

Tax expense comprises of Current and Deferred tax.

Current tax is accounted on the basis of tax provisions of the respective countries.

Deferred tax resulting from timing differences between the book and tax profits for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

The carrying amount of deferred tax asset is written down to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Deferred tax assets are recognised to the extent of deferred tax liabilities, if any, as a matter of prudence.

In case of the Parent Company, MAT Credit Entitlement as per the provisions of the Income Tax Act, 1961 is treated as an asset by credit to the Statement of Profit & Loss.

2.19. Impairment of Assets:

The fixed assets are reviewed for impairment at each Balance Sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.20. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates.

Contingent liabilities are disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control or (ii) 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 amount of the obligation cannot be made. Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent Assets are neither recognised nor disclosed in the financial statements.

2.21. Research and Development :

Research & Development expenditure of a revenue nature is charged to the revenue in the period in which it is incurred and expenditure of a capital nature is added to respective fixed assets.

2.22. Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

2.23. CENVAT, Service Tax and VAT Credit :

CENVAT, service tax and VAT credit receivable/ availed are treated as an asset when there is reasonable certainty in availing/ utilising the credits and relevant expenses being accounted net of such credit. Further the said assets are reduced to the extent of their utilisation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
3	**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
		5,000.00	**5,000.00**
	Issued, Subscribed and Paid-Up		
	1,99,69,286 (Pr.Yr. 1,73,79,286) Equity Shares of ₹ 10/- each fully paid-up	1,996.93	1,737.93
	Total Share Capital	**1,996.93**	**1,737.93**

3.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period:

Particulars	30 Sept 2014		31 Mar 2013	
	Number	₹ In Lacs	Number	₹ In Lacs
Shares outstanding at the beginning of the period	17,379,286	1,737.93	17,379,286	1,737.93
Add: Shares allotted as fully paid-up during the period	2,590,000	259.00	-	-
Shares outstanding at the end of the period	19,969,286	1,996.93	17,379,286	1,737.93

3.2 Terms/Rights attached to Equity Shares

The Parent Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Parent Company declares & pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting.

In the event of liquidation of the Parent Company, the holders of Equity Shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of Equity Shares held by the shareholders.

3.3 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 27th June, 2007, being the date of allotment of the warrants. Also refer note 39.

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. The matter is under fresh consideration of BIFR pursuant to the order dated 16 May 2008 of Hon'ble Supreme Court.

Refer Note 40 for rights of lender under CDR scheme to convert dues into Equity Shares of the Parent Company under certain condition stipulated in Master Restructuring Agreement dated 19 September 2011.

3.4 Details of Equity Shares held by each shareholders holding more than 5%

Name of Shareholder	30 Sept 2014		31 Mar 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kingsbury Investments Inc	3,024,000	15.14%	3,024,000	17.40%
Expert Chemicals (India) Pvt. Ltd.	6,754,730	33.83%	4,164,730	23.96%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

3.5 The Parent 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.

3.6 Out of the above Equity Shares 5,67,000 (Pr. Yr. 5,67,000) shares are represented by 1,89,000 (Pr. Yr. 1,89,000) Global Depository Receipts.

3.7 Pursuant to the Corporate Debt Restructuring Scheme, the Parent Company has allotted 25,90,000 (Pr. Yr. Nil) Equity Shares of ₹ 10/- each at the premium of ₹ 27.50 per Equity Shares to Expert Chemicals (India) Private Limited on 5 August 2013 on preferential basis.

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
4	**Reserves & Surplus**		
	Capital Reserves	683.41	683.41
	Securities Premium Account		
	Balance as at beginning	3,489.16	3,086.09
	Add : Sacrifice by FCCB Holder Written Back	15.93	617.22
	Add : On allotment of Equity Shares	712.25	-
		4,217.34	3,703.31
	Less : Exchange Loss on Premium payable on FCCB	-	94.94
	Pro rata Premium on FCCB	114.32	119.21
	Balance as at the end	**4,103.02**	**3,489.16**
	Debenture Redemption Reserve	412.25	412.25
	Revaluation Reserve		
	Balance as at beginning	4,484.52	4,959.60
	Less: Amortisation during the period	1,909.59	475.08
	Balance as at the end	**2,574.93**	**4,484.52**
	General Reserve	1,070.56	1,070.56
	Statutory Reserve	**-**	**0.37**
	Foreign Currency Translation Reserve	**(90.34)**	**477.22**
	Surplus in the Statement of Profit and Loss		
	Balance as at beginning	(17,151.20)	(8,428.26)
	Loss for the period	(12,770.95)	(8,722.94)
	Balance as at the end	**(29,922.15)**	**(17,151.20)**
	Total Reserves and Surplus	**(21,168.32)**	**(6,533.71)**
5	**Long Term Borrowings**		
	Term Loans from Banks (Secured)		
	From Banks (Rupee)	25,370.14	23,377.23
	From Banks (Foreign Currency)	2,539.28	7,566.32
	Vehicle & Other Loans (Secured)		
	From Banks (Rupee)	-	14.71
	From Others (Rupee)	25.12	62.05
	Deferred Sales Tax Loan (Unsecured)	-	12.97
		27,934.54	**31,033.28**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

5.1 **(a) For the period ended 30 September 2014:**

Term Loans of the Parent Company are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Parent Company situated at Patalganga and Tarapur, few brands of the Parent Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Parent Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Parent Company and pledge of entire holding of Equity Shares of the Parent Company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd.,Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investment Inc and Mr. K. Chandran, Director of the Parent Company.

(b) For the year ended 31 March 2013:

Term Loans of the Parent Company are secured by pari passu first charge on all the present and future movable and immovable fixed assets of the Parent Company situated at Patalganga and Tarapur, few brands of the Parent Company and second charge, except in respect of Term Loans from State Bank of India which has a first charge, on all the present and future movable and immovable fixed assets of the Parent Company situated at Tanuku and second pari passu charge on entire present and future current assets of the Parent Company and pledge of entire holding of Equity Shares of the Parent Company held by Expert Chemicals (I) Private Limited & Kingsbury Investment Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd.,Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investment Inc and Mr. K. Chandran, Director of the Parent Company.

5.2 Vehicle & Other loans are secured by hypothecation of assets acquired against respective loans.

5.3 **Rate of Interest:**

(a) For the period ended 30 September 2014:

Parent Company's rate of interest on term loans vary between 1% to 11.50% p.a. and on vehicle and other loans vary between 6.30% to 10.00%p.a.

(b) For the year ended 31 March 2013:

Parent Company's rate of interest on term loans vary between 1% to 11.50% p.a., on vehicle and other loans vary between 8.62% to 12.65% p.a. and deferred sales tax loan is interest-free.

5.4

Repayment of Loans	30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
Term Loan:		
Year of Repayment		
2014-15	-	3,428.27
2015-16 (01.04.2015 to 31.03.2016)	-	3,347.30
2015-16 (01.10.2015 to 31.03.2016)	1,180.53	-
2016-17	3,238.71	3,109.94
2017-18	5,986.76	5,616.33
2018-19	6,606.41	5,888.45
2019-20	6,799.72	5,459.74
2020-21	4,097.30	4,093.52
Vehicle & Other Loan:		
Year of Repayment		
2014-15	-	36.54
2015-16 (01.04. 2015 to 31.03.2016)	-	30.21
2015-16 (01.10.2015 to 31.03.2016)	14.83	-
2016-17	6.42	6.14
2017-18	3.87	3.87
Deferred Sales Tax Loan:		
Year of Repayment		
2014-15	-	12.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
6	**Other Long Term Liabilities**		
	Dues Payable to FCCB 'B' Bond Holder - Refer Note 41	930.43	1,101.51
	Dues Payable to FCCB 'A ' Bond Holder- Refer Note 41	1,101.66	1,293.44
	Security Deposits	525.64	534.83
		2,557.73	**2,929.78**
7	**Long Term Provisions**		
	Provision for employee benefits- (Refer Note 47)		
	Provision for Gratuity	321.19	265.90
	Provision for Leave Benefits	353.94	449.99
		675.13	**715.89**
8	**Short Term Borrowings**		
	Working Capital Loans repayable on demand (Secured)		
	From Banks	6,956.32	6,438.59
	From Others	119.69	-
	Buyers Credit Arrangement from Banks	291.53	892.26
	(Above loans are secured by a pari-passu first charge on current assets and few brands of the Parent Company, second charge on fixed assets and pledge of entire holding of Equity Shares of the Parent Company held by Expert Chemicals (I) Pvt. Ltd. & Kingsbury Investments Inc, in addition to guarantee of Expert Chemicals (I) Pvt. Ltd., Bravo Healthcare Ltd. ,Wanbury Global FZE, Wanbury Holding BV, Kingsbury Investments Inc and Mr. K. Chandran, Director of the Parent Company.)		
	(Factoring facilities of Parent Company are secured by first 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 due at anytime of its approved debtors and sub-servient charge on all present and future fixed asset and current assets of the Parent Company.)		
	Loans repayable on demand (Unsecured) (Refer Note 39)		
	From Banks (Rupee)	29.94	29.94
	From Others (Rupee)	20.31	20.31
		7,417.79	**7,381.10**
9	**Trade Payables**		
	Micro, Small and Medium Enterprises (Refer Note 43)	44.10	35.64
	Others	9,325.23	7,799.39
		9,369.33	**7,835.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
10	**Other Current Liabilities**		
	(Unsecured unless otherwise stated)		
	Current maturities of:		
	-Term Loan(Secured) (Refer Note 5.1 & 5.3)	3,469.94	3,019.35
	-Vehicle & Other Loan (Secured) (Refer Note 5.2 & 5.3)	36.58	45.36
	-Deferred Sales Tax Loan		4.13
	Dues of FCCB Holders (Refer Note 41)	621.18	236.44
	Interest accrued but not due:		
	-On borrowings	193.46	133.33
	-On debentures (Secured) (Refer Note 10.1,10.2 & 10.5)	285.31	177.01
	Interest accrued and due (Refer Note 10.3)		
	-On Secured Borrowings	566.20	287.26
	-On Foreign Currency Convertible Bonds	46.25	36.94
	Advances from related party (Refer Note 50)	201.00	972.25
	(To be utilised for subscribing to equity share of the Parent Company in terms of CDR Scheme Refer Note 40)		
	Unpaid dividends	13.65	19.22
	(Amount transferable to Investor Education & Protection Fund when due)		
	Unpaid Dues:		
	-Of FCCB Holders - Refer Note 10.3 & 41)	457.67	462.81
	-Of Long Term Borrowings (Secured) (Refer Note 10.3 ,5.1 & 5.3)	1,366.36	19,001.47
	-Of Long Term Borrowings of erstwhile PPIL (Secured) (Refer Note 10.4 & 10.5)	68.02	68.02
	-Of Matured Zero Coupon Non-Convertible Redeemable Debentures (NCD) (Secured) (Refer Note 10.1 & 10.5)	152.67	152.67
	-Of Optionally Fully Convertible Debentures(OFCD) (Secured) (Refer Note 10.2 & 10.5)	581.99	581.99
	Other Payables:		
	-Payables for Fixed Assets	30.70	434.77
	-Statutory Dues Payable	585.00	1,685.88
	-Others	240.77	1,078.44
	(Includes Inland bills payable, stale cheques, dues of PPIL, etc)		
		8,916.75	**28,397.34**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

10.1 The NCD are to be secured by a pari passu charge on the fixed assets of the parent 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 Lacs and ₹ 97 Lacs was due for repayment on 1 May 2009 and 1 May 2010 respectively. However, since the matter is under consideration of BIFR, the same will be paid as per the order of BIFR. Also Refer Note 39.

10.2 The OFCD are to be secured by a pari passu charge on the fixed assets of erstwhile PPIL situated at Plot No 24 at Tarapur and fixed assets at Mazgaon. OFCD are convertible between 1 November, 2008 and 30 April, 2012 into Equity Shares at a price being higher of ₹ 125/- and 67% of the three months average weekly closing price prior to the date of exercise of such right amounting to ₹ 290.99 Lacs and ₹ 291 Lacs was due for repayment on 30 April 2010 and 30 April 2011 respectively. However, since the matter is under consideration of BIFR, the same will be paid as per the order of BIFR. Also Refer Note 39.

10.3 There is delay in repayment of

(i) term loan aggregating to ₹ 1,366.36 Lacs (Pr. Yr. ₹ 19,001.47 Lacs) of 1 day (Pr.Yr. ranging from 1 to 1370 days).

(ii) amount payable to FCCB Holders aggregating to ₹ 457.67 Lacs (Pr. Yr. ₹ 462.81 Lacs) of 890 days (Pr.Yr. 342 days).

(iii) interest on secured borrowings aggregating to ₹ 566.20 Lacs (Pr. Yr. ₹ 287.26 Lacs) ranging from 1 to 93 days (Pr. Yr. 1 to 60 days) in respect of dues to banks /financial institutions.

(iv) interest on FCCB aggregating to ₹ 46.25 Lacs (Pr. Yr. ₹ 36.94 Lacs) of 1189 days (Pr. Yr. 641 days).

10.4 Term loans of erstwhile PPIL amounting to ₹ 68.02 Lacs (Pr. Yr. ₹ 68.02 Lacs) are secured by a pari-passu first charge on its fixed assets of erstwhile PPIL.

10.5 The said dues were payable as per Merger Cum Revival Scheme approved by the BIFR wide its order dated 24 April, 2007. However, since the matter is under fresh consideration of BIFR, the same will be paid as per the order of BIFR. Also Refer Note 39.

10.6 In respect of previous year, term loan of the Subsidiary Company, Cantabria Pharma S. L. was secured by mortgage on all brands owned by the said Subsidiary Company, pledge on its current account with ABN Amro and also pledge on 900 shares of Cantabria Pharma S. L. held by Wanbury Holding B.V.

	30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
11 Short Term Provisions		
Provision for employee benefits (Refer Note 47)		
Provision for Gratuity	17.27	18.60
Provision for Leave Benefits	29.93	69.52
Bonus Provision	39.38	23.76
Severance	-	841.93
Others		
Provision for Income Tax (Net of Payment)	150.66	170.83
Provision for Wealth Tax (Net of Payment)	1.97	3.06
	239.21	**1,127.70**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

12 FIXED ASSETS

12.1 Current Period

₹ In Lacs

	Description	Gross Block				Depreciation				Net Block
		01.04.2013	Additions	Deduction/ Adjustment	30.09.2014	01.04.2013	for the period	Deduction/ Adjustment	30.09.2014	30.09.2014
A	**Tangible Assets**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.54	-	0.01	485.53	25.89	9.92	-	35.81	449.72
	Factory Building	3,937.26	19.33	-	3,956.59	775.98	229.43	0.03	1,005.38	2,951.21
	Plant & Machinery	16,868.53	1,676.92	0.07	18,545.38	6,818.81	3,750.06	0.08	10,568.79	7,976.59
	Furniture & Fixtures - Others	490.73	6.41	23.62	473.52	247.28	37.62	23.65	261.25	212.28
	Vehicles	539.92	8.19	203.38	344.73	246.90	66.31	160.46	152.75	191.98
	Office Equipments	484.53	57.57	100.14	441.96	283.20	25.56	100.11	208.65	233.31
	Electrical Installations	143.51	0.60	0.01	144.10	49.92	10.13	(0.02)	60.07	84.03
	Computers - Others	468.85	32.89	(0.08)	501.82	362.57	64.44	0.03	426.98	74.85
	Total	**28,158.68**	**1,801.91**	**327.15**	**29,633.44**	**8,810.55**	**4,193.47**	**284.34**	**12,719.68**	**16,913.78**
B	**Intangible Assets**									
	Brand (Setcal)	11,851.02	-	11,481.02	370.00	4,272.88	-	3,902.88	370.00	-
	Software	572.53	14.72	262.85	324.40	431.30	53.26	239.36	245.20	79.20
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	-
	Goodwill	18,076.25	-	18,076.25	-	3,186.08		3,186.08	-	-
	Total	**30,504.23**	**14.72**	**29,820.12**	**698.83**	**7,894.69**	**53.26**	**7,328.32**	**619.63**	**79.20**
C	**Asset held for Sale**									
	Office Premises PPIL	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work-in-Progress**									**1,296.09**
	Total Fixed Assets (A+B+C+D)									**18,662.66**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

12 FIXED ASSETS

12.2 Previous Year

₹ In Lacs

	Description	Gross Block				Depreciation/Amortisation				Net Block
		01.04.2012	Additions	Deductions	31.03.2013	01.04.2012	for the year	Deduction	31.03.2013	31.03.2013
A	**Tangible Assets**									
	Free Hold Land	4,739.81	-	-	4,739.81	-	-	-	-	4,739.81
	Lease Hold Land	485.54	-	-	485.54	19.95	5.94	-	25.89	459.65
	Factory Building	3,722.88	214.38	-	3,937.26	662.59	113.39	-	775.98	3,161.28
	Plant & Machinery	16,389.17	479.36	-	16,868.53	5,220.93	1,597.88	-	6,818.81	10,049.72
	Furniture & Fixtures - Others	490.44	2.35	2.06	490.73	221.68	26.58	0.98	247.28	243.45
	Vehicles	544.78	41.69	46.55	539.92	217.07	44.40	14.57	246.90	293.02
	Office Equipments	476.75	6.05	(1.73)	484.53	241.16	40.37	(1.67)	283.20	201.33
	Electrical Installations	142.99	0.52	-	143.51	43.15	6.77	-	49.92	93.59
	Computers - Others	478.93	11.13	21.21	468.85	326.79	52.13	16.35	362.57	106.28
	Sub-Total	**27,471.29**	**755.48**	**68.09**	**28,158.68**	**6,953.32**	**1,887.46**	**30.23**	**8,810.55**	**19,348.13**
B	**Intangible Assets**									
	Brand (Setcal)	11,652.90	-	(198.12)	11,851.02	3,604.39	606.10	(62.39)	4,272.88	7,578.14
	Brand - Formulation Revalued									
	Software	554.11	15.71	(2.71)	572.53	367.94	61.24	(2.12)	431.30	141.23
	Technical Knowhow	4.43	-	-	4.43	4.43	-	-	4.43	-
	Goodwill	17,764.32	-	(311.93)	18,076.25	2,953.46	179.20	(53.42)	3,186.08	14,890.17
	Sub-Total	**29,975.76**	**15.71**	**(512.76)**	**30,504.23**	**6,930.22**	**846.54**	**(117.93)**	**7,894.69**	**22,609.54**
C	**Asset held for Sale**									
	Office Premises PPIL	243.00	-	-	243.00	46.46	-	-	46.46	196.54
	BUILDING - R & D	400.22	-	-	400.22	223.17	-	-	223.17	177.05
	Sub-Total	**643.22**	**-**	**-**	**643.22**	**269.63**	**-**	**-**	**269.63**	**373.59**
D	**Capital Work-in-Progress**									**2,505.00**
	Total Fixed Assets (A+B+C+D)									**44,836.26**

Notes:

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

12.4. Capital Work-in-Progress includes Machinery under installation, Construction material purchases and other assets under errection. It includes ₹ 896.54 Lacs (Pr. Yr. ₹ 896.54 Lacs) of erstwhile PPIL (Also Refer Note No 39).

12.5 As per the scheme of rehabilitation and merger approved by BIFR, erstwhile PPIL is required to sale 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 held for disposal and stated at cost since estimated realisable value is higher than cost. Also Refer note 39 .

12.6 Gross block of fixed assets include ₹ 5,426.34 Lacs (₹ 5,426.34 Lacs) on account of revaluation of fixed assets carried out on 31.03.2010.

12.7 Depreciation/amortisation for the current period includes Depreciation/ Amortisation on revalued fixed assets aggregating to ₹ 1,909.59 Lacs(Pr. Yr.₹ 475.08 Lacs) which in turn includes depreciation/amortisation pertaining to prior periods amounting to ₹ 1,094.68 Lacs (Pr. Yr. ₹ Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
13	**Non Current Investments**		
13.1	**Other Investments**		
	In Subsidiaries		
	Unquoted		
	Investment in Equity instruments- Cantabria Pharma S.L. (Refer Note 32(b))		
	1000 Shares of Euro 60 each	381.28	-
	In Other Entities		
	Unquoted		
	The Saraswat Co-op. Bank Ltd. (Refer Note 13.6)		
	706 Equity Shares of ₹ 10 each	0.07	0.07
	The Shamrao Vithal Co-op. Bank Ltd. (Refer Note 13.6)		
	100 Equity Shares of ₹ 25 each	0.03	0.03
	Bravo Healthcare Limited		
	12,71,250 Equity Shares of ₹ 10 each	53.40	53.40
	Quoted		
	Bank of India (Refer Note 13.6)		
	1,800 Equity Shares of ₹ 10 each	0.81	0.81
	Less: Provision for diminution in value of investments (Refer Note 13.5)	434.68	-
		0.91	**54.31**
13.2	Aggregate amount of quoted investments-Gross		
	- Cost	0.81	0.81
	- Market Value	4.17	5.45
13.3	Aggregate amount of unquoted investments (Cost/Book value)- Gross	53.50	53.50
13.4	Aggregate amount of provision for diminution in value of investments	434.68	-
13.5	Provision for diminution in value of investments for:		
	Bravo Healthcare Limited		
	12,71,250 Equity Shares of ₹ 10 each	53.40	-
	Investment in Equity instruments- Cantabria Pharma S. L.		
	1000 Shares of Euro 60 each	381.28	-
		434.68	**-**
13.6	Pending transfer of shares in the name of the Parent Company		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
14	**Long Term Loans & Advances**		
	(Unsecured, considered good, unless otherwise mentioned)		
	Capital Advances	33.85	287.10
	Security Deposits	387.67	391.94
	Loans and Advances to related parties (Refer Note 50)		
	Considered Good	-	7,596.82
	Considered Doubtful	27,173.66	-
		27,173.66	7,596.82
	Less: Provision for Doubtful Advances	27,173.66	-
		(0.00)	7,596.82
	Mat Credit Entitlement	453.63	739.55
	Other Loans and Advances	3,909.77	4,387.79
	Less: Provision for Doubtful Loans & Advances	1,582.42	-
		2,327.35	4,387.79
		3,202.50	**13,403.20**
15	**Other Non-Current Assets**		
	Fixed Deposit with Bank (Under Lien) (With Original Maturity of more than 12 months)	68.93	0.77
	Interest Accrued on fixed deposit	3.70	0.09
		72.63	**0.86**
16	**Inventories**		
	(As certified by the management)		
	Raw Materials and Packing Materials	817.21	874.99
	Work-in-Progress	981.40	1,517.91
	Finished Goods	836.83	384.50
	Stock-in-Trade	865.64	1,478.11
	Fuel	14.94	28.82
		3,516.02	**4,284.33**
	Above Includes in Transit:		
	Finished Goods	-	27.04
	Traded Goods	7.99	188.24
17	**Trade Receivables (Unsecured)**		
	-Over Six months from the date they are due for payment		
	Considered good	2,309.82	2,008.79
	Considered doubtful	900.30	3,364.67
		3,210.12	5,373.46
	-Others from the date they are due for payment		
	Considered good	8,009.08	6,429.49
		11,219.20	11,802.95
	Less: Provision for doubtful trade receivables	900.30	3,364.67
		10,318.90	**8,438.28**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
18	**Cash and Bank Balances**		
18.1	**Cash & Cash Equivalents (As per AS-3)**		
	Cash on Hand	13.43	21.90
	Cheques on Hand	-	646.89
	Balances with Banks		
	In Current Account	77.23	297.01
	Deposits having original Maturity upto three months	5.48	
	In EEFC Account	2.52	3.08
		98.66	968.88
18.2	**Other Bank Balances**		
	Earmarked balances with banks-Unpaid Dividend	13.65	19.22
	(Amount transferable to Investor Education & Protection Fund when due)		
	Fixed Deposits with Banks (Under Lien)*	556.71	701.84
		570.36	721.06
		669.02	**1,689.94**
	*Includes deposits with original maturity of		
	- more than 3 months and upto 12 months	516.44	665.67
	-more than 12 months	40.27	36.08
19	**Short-term Loans and Advances**		
	(Unsecured, Considered Good)		
	Loans to Employees	1.13	13.06
	Advances to Employees		
	Considered Good*	959.68	620.94
	Considered Doubtful	52.21	42.03
		1,011.89	662.97
	Less: Provision for Doubtful Advances	52.21	42.03
		959.68	620.94
	Advance to Creditors	854.15	1,938.59
	Prepaid Expenses	134.62	30.42
	Export Benefit Receivable	143.03	357.74
	Balance with Statutory/Government Authorities		
	Balances with Excise Authorities	336.81	1,042.44
	VAT Receivable	685.71	563.71
		3,115.13	**4,566.90**
	*Includes excess remuneration receivable from Directors- ₹ 132.50 Lacs (Pr. Yr. ₹ 38.99 Lacs)		
20	**Other Current Assets**		
	Interest Accrued on fixed deposit	10.12	16.50
	Other Interest Receivable	1,037.44	-
		1,047.56	**16.50**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

			30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
21	**Revenue From Operation**			
	Sale of products- Gross			
	Finished Goods		42,190.27	29,507.86
	Traded Goods		24,102.95	16,587.29
	Processing Charges		693.34	390.56
	Other Operating Revenue			
	Sale of Scrap		224.81	134.43
	Export Incentive		320.79	129.41
			67,532.16	**46,749.55**
22	**Other Income**			
	Interest on Bank Deposits		100.00	63.63
	Interest on Income Tax Refund		-	17.18
	Other Interest		371.45	211.54
	Foreign Exchange Gain- Net		-	93.60
	Insurance Claim		47.96	0.96
	Amount written back (Sacrifice by FCCB Holders)		25.58	-
	Miscellaneous Income		3.76	97.28
	Write back on account of desubsidarization (Refer Note 32(b))		579.91	-
			1,128.65	**484.19**
23	**Cost of Materials Consumed**			
	Raw Materials & Packing Materials			
	Opening Stock		874.99	852.70
	Add: Purchases		22,607.82	16,322.67
			23,482.81	17,175.37
	Less: Closing Stock		817.21	874.99
			22,665.60	**16,300.38**
24	**Purchase of Stock-in-Trade**			
	Purchase of Stock-in-Trade		7,476.17	7,077.98
			7,476.17	**7,077.98**
25	**Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade**			
	Inventories at the beginning of the period			
	- Finished Goods		384.50	435.95
	- Work-in-Progress		1,517.91	2,115.79
	- Stock-in-Trade		897.40	2,463.50
		(A)	2,799.81	5,015.24
	Inventories at the end of the period			
	- Finished Goods		836.83	384.50
	- Work-in-Progress		981.40	1,517.91
	- Stock-in-Trade		865.64	1,478.10
		(B)	2,683.87	3,380.51
	Net (Increase)/Decrease in Inventories	**(A-B)**	**115.94**	**1,634.73**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

		30 Sept 2014 ₹ in Lacs	31 Mar 2013 ₹ in Lacs
26	**Employee Benefits Expense**		
	Salaries, Wages, Bonus and Allowances	10,250.61	7,284.03
	Contribution to Provident and Other Funds	648.14	646.49
	Staff Welfare Expenses	290.67	197.60
		11,189.42	**8,128.12**
27	**Finance Cost**		
	Interest expense	4,704.67	3,460.32
	Applicable net (gain)loss on foreign currency transactions and translation	121.71	262.38
		4,826.38	**3,722.70**
28	**Depreciation and Amortization Expense (Refer Note 12)**		
	Depreciation and amortization expense	4,246.75	2,734.00
	Less: Transferred from Revaluation Reserve	1,909.59	475.08
		2,337.16	**2,258.92**
29	**Other Expenses**		
	Advertisement & Sales Promotional Expenses	3,361.11	2,279.20
	Travelling & Conveyance	2,644.24	1,703.46
	Power & Fuel	2,807.46	1,797.90
	Legal & Professional Charges	1,244.84	1,377.42
	Breakages & Expiry	955.82	666.28
	Carriage Outward	1,590.46	967.52
	Commission on Sales	1,220.79	496.29
	Rates & Taxes	235.22	66.62
	Consumption of Stores, Spares & Consumables	574.45	552.52
	Rent	475.97	338.28
	Repairs to Plant & Machineries	606.38	163.24
	Repairs to Buildings	61.64	34.40
	Repairs- Others	219.45	72.60
	Provision for Doubtful Advances	1,592.59	42.03
	Provision for Doubtful Trade Receivables	562.01	3,075.85
	Amounts Written Off (Net)	822.57	378.17
	Insurance	104.30	41.68
	Loss on sale/discard of Fixed Assets-(Net)	39.12	21.78
	Excise Duty*	150.23	(48.59)
	Foreign Exchange Loss- Net	454.78	-
	Sales Tax & Service Tax	73.78	-
	Miscellaneous Expenses	2,521.02	1,954.56
		22,318.23	**15,981.21**
	*Net Impact of the excise duty provision on opening stock and closing of finished goods- debit (credit)	110.62	(14.37)
30	**Exceptional Items (Refer Note 42)**		
	Provision for Doubtful Advances	8,817.37	-
	Provision for Diminution in value of investments	53.40	-
		8,870.77	**-**
31	**Earning Per Share:**		
	Profit/ (loss) after Tax - ₹ In Lacs	(12,770.95)	(8,722.94)
	Weighted Average Number of Equity Shares	19,373,775	17,379,286
	Nominal Value of Equity Shares in ₹	10.00	10.00
	Basic & Diluted Earning /(Deficit) Per Share in ₹	(65.92)	(50.19)

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 outstanding options as at the period-end are considered to be anti-dilutive.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

32. Consolidated Financial Statements present the consolidated accounts of Wanbury Limited ("the Parent Company") and the following Subsidiaries, (collectively referred as "the Wanbury Group") :

a)

Name of the Company	Country of Incorporation	% of voting power held as at 30 Sept 2014	% of beneficial ownership held as at 30 Sept 2014
Wanbury Holding B. V.	Netherland	100% (Pr. Yr. 100%)	100% (Pr. Yr. 100%)
Ningxia Wanbury Fine Chemicals Company Limited	China	100% (Pr. Yr. 100%)	100% (Pr. Yr. 100%)
Wanbury Global FZE	UAE	100% (Pr. Yr. 100%)	100% (Pr. Yr. 100%)

Accounts of the above subsidiary companies are for the period from 1 April 2013 to 30 September 2014 and are incorporated in the consolidated financial statement. Financial statement and other financial information of aforesaid subsidiaries have been audited by other auditor.

b)

Name of the Company	Country of Incorporation	% of voting power held as at 30 Sept 2014	% of beneficial ownership held as at 30 Sept 2014
Cantabria Pharma S.L. (Wholly owned subsidiary of Wanbury Holding B. V.)	Spain	100% (Pr. Yr. 100%)	100% (Pr. Yr. 100%)
Laboratories Wanbury S.L. (Wholly owned subsidiary of Cantabria Pharma S.L.)	Spain	100% (Pr. Yr. 100%)	100% (Pr. Yr. 100%)

Cantabria Pharma S.L. (CP) has 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. Consequently, Wanbury Holding BV, Netherland, the holding company, and Wanbury Limited, India, the ultimate holding company ceases to have control effective from aforesaid date as required by AS-21 "Consolidated Financial Statements". Due to the non availability of consolidated financial statement of CP for the period 1 April 2013 to 26 February 2014, the same have not been incorporated in consolidated financial statement of the current period.

Further no statements of accounts for the period ending on 30 September 2014 have been received from the Receiver and hence, no effect has been given in the consolidated financial statements.

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 step down subsidiary Laboratories Wanbury S.L., Spain. Accordingly, effect of desubsidarization has been given in the consolidated financial statements and in respect of investment in and amounts recoverable from aforesaid subsidiaries have been fully provided for.

33. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 154.06 Lacs (Pr.Yr. ₹ 390.92 Lacs)

b) Other Commitments - Non Cancellable operating leases (Refer Note 49)

34. Contingent Liabilities:

(₹ in Lacs)

Sr. No.	Particulars	30 Sept 2014	31 Mar 2013
a)	Disputed demands by Income Tax Authorities. Amount paid under protest and shown as advance.	201.53 59.01	105.21 59.01
b)	Disputed demands by Sales Tax Authorities. Amount paid under protest and shown as advance.	3,299.27 26.30	3,360.28 26.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Sr. No.	Particulars	30 Sept 2014	31 Mar 2013
c)	Disputed demands by Service Tax Authorities. Amount paid under protest and shown as advance.	724.93 61.37	589.04 48.50
d)	Disputed demands by Excise Authorities.	85.06	37.89
e)	Claims against the Company not acknowledged as debts.	1,531.35	1,702.59

Future cash flows in respect of above mentioned liabilities are dependent on decisions by relevant authorities of respective disputes.

35. The Parent Company has received notice of demand of ₹ 190.58 Lacs from the National Pharmaceutical Pricing Authority (NPPA), Government of India on account of alleged overcharging in respect of certain products under the Drug Price Control Order. This was contested before the jurisdictional Bombay High Court and the said court vide its order dated 20 September 2010 has granted interim relief by granting stay on the implementation and /or enforcement of the aforesaid order of NPPA.

36. Minority interest represents the 4,511 (Pr. Yr. 4,511) Preference Shares of Euro 1,000/- each of the 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 Parent Company is required to pay USD 60 Lacs (₹ 3,696.81 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 (₹ 2,549.52 Lacs) together with interest till the date of repayment from the Parent 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 Parent Company. Both the above mentioned dues being part of the CDR Scheme will be accounted in the Parent Company's books upon arriving at mutually agreed terms of settlement with the respective parties.

37. IDBI Bank vide its letter dated 4 August 2012 has invoked guarantee of Wanbury Limited in respect of dues from Bravo Healthcare Limited ("BHL"). BHL has repaid the dues of IDBI Bank during the current period, pursuant to letter dated 25 March 2014 for one time settlement. Consequently, IDBI released the Company from the guarantee provided to IDBI against loan given to BHL. No further liability is envisaged towards the dues of BHL.

38. The Wanbury Group operates solely in the pharmaceutical segment and hence no separate disclosure for segment wise information is required.

39. Erstwhile The Pharmaceutical Products of India Limited (PPIL) was merged with the Parent 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, has 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 has directed IDBI Bank, which has been appointed as 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 Parent Company has sought legal opinion and the Parent Company 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 Parent Company has maintained a status quo. However, all actions taken by the Parent 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.

As per BIFR Order dated 24 April 2007, statutory dues of erstwhile PPIL comprising of income tax ₹ 250.36 Lacs, profession tax ₹ 6.06 Lacs, custom duty ₹ 230 Lacs, sales tax ₹ 8.50 Lacs and excise duty ₹ 15.62 Lacs were required to be paid in six annual installments and the Parent Company has pursuant to the scheme, allotted Non Convertible Debentures (NCDs) of ₹ 242.50 Lacs to and Optionally Fully Convertible Debentures (OFCDs) of ₹ 581.99 Lacs, to some of the lenders of erstwhile PPIL out of which dues amounting to ₹ 152.67 Lacs and ₹ 581.99 Lacs in respect of NCD & OFCDs respectively, remains payable at the period-end. Since BIFR is considering the matter afresh, pending fresh directives from the BIFR, aforesaid dues have not been paid.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

40. The Corporate Debt Restructuring (CDR) proposal of the Parent Company, having 30 September 2010 as the cut off 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.

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 Parent Company; and

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 Parent Company at par, in case of certain defaults by the Parent Company.

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.

41. a) The Parent Company had issued on 20 April 2007, 800 Nos. 1% Unsecured Foreign Currency Convertible A Bonds (**"A Bonds"**) and 700 Nos. 1% Unsecured Foreign Currency Convertible B Bonds (**"B Bonds"**) of face value of Euro 10,000 each maturing on 23 April 2012 and 17 December 2012 respectively.

The **A Bonds** were convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into Equity Shares of face value of ₹ 10 each at a premium of ₹ 128.43, being conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to Euro 1 and such option being exercisable till 9 March 2012.

The **B Bonds** were convertible at the option of the holders of such bonds, unless previously redeemed or purchased and cancelled, into equity shares of face value of ₹ 10 each at a premium of ₹ 128.43, being reset conversion price of ₹ 138.43 at a fixed exchange rate of ₹ 57.22 to Euro 1 and such option is exercisable till 5 November 2012.

The Parent Company may, at the option of any holders of any Bonds, repurchase at the Early Redemptions Amount, together with accrued and unpaid interest.

The A Bonds and the B Bonds are bearing interest @ 1% p.a. payable semi annually and Yield to Maturity of 7.5 % p.a. compounded semi annually.

b) The pro-rata premium payable on redemption, exchange gain/loss on premium payable and issue expenses is charged to Securities Premium Account.

c) During the year ended on 31 March, 2010, the parent company bought back and cancelled 424 Foreign Currency Convertible "A" Bonds of face value of Euro 10,000 each.

d) During the period under review the Parent Company has not received any application for conversion of FCCB into Equity Shares of the Parent Company. However till date 5,29,085 fully paid Equity Shares of face value of ₹ 10/- each have been issued at a conversion price of ₹ 138.43 per Equity Share upon conversion of 128 Foreign Currency Convertible "A Bonds" of face value of Euro 10,000 each.

e) 248 FCCB "A Bonds" have matured on 23 April 2012. The Parent Company has negotiated terms with the bond holders holding 218 bonds and have been accounted for accordingly. For the balance 30 FCCB A Bonds, pending negotiation effect given in the financial statements are as per the terms at the time of issue of the bonds.

f) 700 FCCB B Bonds have matured on 17 December 2012. Out of this, 556 bonds are repaid on 31st March 2014 and the Company has negotiated terms with 144 Bondholder. Effect in the accounts have been given as per the terms of settlement with remaining bondholder.

42. The Parent Company has invested ₹ 53.40 Lacs in equity shares of Bravo Healthcare Limited (BHL) and also given loan and advances aggregating to ₹ 7,598.04 Lacs. Net worth of BHL has been negative as per audited accounts for the year ended 31 March 2014.

The Parent Company has also given loan and advances aggregating to ₹ 1,219.33 Lacs to Cantabria Pharma S.L.

Further, Wanbury Holding BV has invested ₹ 381.28 Lacs in Equity Shares and also given profit participative loans aggregating to ₹ 18,356.29 Lacs to Cantabria Pharma S.L.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Till last year, no provision had been considered necessary in respect of above mentioned investments and loans & advances. However, during the Current period, provision has been made for Diminution in value of investments aggregating to ₹ 434.68 Lacs and for Doubtful Advances aggregating to ₹ 27,173.66 Lacs. The same has been considered as Exceptional Items (Refer Note 30)

43. In Parent Company Disclosure of Trade Payable under Current Liabilities is based on the information available with the Parent Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".

Amount outstanding as on 30 September 2014 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 44.10 Lacs (Pr. Yr. ₹ 35.64 Lacs) and interest due thereon is ₹ 8.31 Lacs (Pr. Yr. ₹ 20.12 Lacs) and interest paid during the period ₹ Nil (Pr. Yr. ₹ Nil). Since as per the terms/ understanding with the parties, no interest is payable, hence no provision has been made for the aforesaid interest. (Refer Note 9).

44. The deferred tax assets / (liabilities) of the Parent Company arising out of timing differences comprise of the followings major components:

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Liabilities:		
Depreciation	(832.54)	(1,719.23)
Assets:		
43 B Disallowance and other deferments	8,001.08	1,296.89
Unabsorbed Depreciation	1,684.16	1,729.37
Total Assets	9,685.24	3,026.26
Deferred Tax Asset Restricted to	(832.54)	(1,719.23)
Net Deferred Tax Assets (Liabilities)	Nil	Nil

In case of Parent Company, as a measure of prudence, deferred tax assets are recognised to the extent of deferred tax liabilities.

45. (a) Managerial Remunerations in case of Parent Company :

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Salary & Allowances	20.00	28.63
Contribution of P.F. & Other Funds	7.84	5.23
TOTAL*	**27.84**	**33.86**

* Above excludes provision for the future liabilities in respect of retirement benefits, which are based on actuarial valuation done on overall basis. Excess remuneration of ₹ 19.37 Lacs pertaining to Financial Year ended 31 March 2012, ₹ 19.62 Lacs pertaining to Financial Year ended 31 March 2013 and ₹ 93.51 Lacs pertaining to Financial Period ended 30 September 2014 together aggregating to ₹ 132.50 Lacs, being recoverable from director, is shown under "Short Term Loans & Advances"(Refer Note 19).

(b) Sitting fees to directors ₹ 8.52 Lacs (Pr. Yr. ₹ 4.36 Lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

46. Details of Auditors Remuneration:

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Statutory Auditor		
Auditors' Remuneration		
- Audit Fees	17.25	18.53
- Certification & Other Matters	19.78	6.02
- Out of Pocket Expenses	0.14	0.27
Branch Auditors Remuneration		
- Branch Auditor Fees	2.25	1.00
- Out of Pocket Expenses	2.09	0.67
Cost Audit Fees	1.97	1.25

Note: Above figures are exclusive of service tax.

47. Employee Benefits

As required by Accounting Standard -15 "Employee Benefits" the disclosures are as under:

Defined Contribution Plans

The Parent 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 workers. Contributions are made to the Government's funds. While both the employees and the Parent Company pay predetermined contributions into the provident fund and the ESI Scheme, contributions into the pension fund is made only by the Parent Company. The contributions are normally based on a certain proportion of the employee's salary.

During the period, the Parent Company has recognised the following amounts in the Account:

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Provident Fund, Employee's Pension Scheme and MLWF	472.86	275.30
Employees State Insurance	53.82	12.37
Super Annuation Fund	4.57	2.51
TOTAL	**531.25**	**290.18**

During the previous year, Cantabria Pharma S. L., the step down subsidiary, had made Social Security Scheme contributions to the Government and had paid predetermined contribution into the Social Security Scheme and had recognised the following amounts in the Account:

(₹ in Lacs)

Particulars	**30 Sept 2014**	**31 Mar 2013**
Social Security Scheme	Nil	258.93
Total	**Nil**	**258.93**

Defined Benefit Plans

Gratuity:

The Parent Company makes annual contributions to the Employees' Group Gratuity - cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

a) 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.

b) On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Disclosures for defined benefit plans i.e. (Gratuity Funded Plan) based on actuarial reports as on 30 September 2014.

(₹ in Lacs)

	Particulars	30 Sept 2014	31 Mar 2013
a)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	289.40	247.55
	Current service cost	112.02	70.53
	Interest cost	39.07	20.42
	Actuarial loss / (gain)	(66.89)	(23.03)
	Benefit (paid)	(19.56)	(26.07)
	Closing defined benefit obligation	354.04	289.40
b)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	4.71	29.19
	Expected return on plan assets	1.16	1.32
	Actuarial gain / (loss)	0.98	0.27
	Contributions of employer	28.31	Nil
	Benefits (paid)	(19.56)	(26.07)
	Closing fair value of plan assets	15.60	4.71
c)	**Amount recognised in the Balance Sheet**		
	Present value of the obligations as at period end	354.04	289.40
	Fair value of the plan assets as at period end	15.60	4.71
	Net (asset) / liability recognised as at period end	338.44	284.69
d)	**Expenses recognised in the Statement of Profit and Loss Account**		
	Current service cost	112.02	70.53
	Interest on defined benefit obligation	39.07	20.42
	Expected return on plan assets	(1.16)	(1.32)
	Net actuarial loss / (gain) recognised in the current period	(67.87)	(23.30)
	Total expense	82.06	66.33
e)	**Asset information**		
	Government of India Securities	Nil	Nil
	Equity shares of listed companies	Nil	Nil
	Property	Nil	Nil
	Bank Balance	Nil	Nil
	Funds managed by Insurer	100%	100%
f)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	9.00%	8.25%
	Expected rate of return on plan assets (p.a.)	8.50%	8.15%
	Annual increase in salary cost (p.a.)	7.50%	7.00%

The estimates of future salary increase, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Death Benefit:

The Parent 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 Parent Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Parent Company's rule. The liability of compensated absences, which is non-funded, has been provided based on

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

report of independent actuary using the "Projected Unit Credit Method".

Accordingly ₹ 383.86 Lacs (Pr. Yr. ₹ 519.51 Lacs) being liability as at the period-end for compensated absences as per actuarial valuation has been provided in the accounts.

48. During the period, the Parent Company has entered into forward exchange contract, being derivative instrument.

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

Currency	Buy or Sell	Cross Currency	Amount in US $	
			30 Sept 2014	31 Mar 2013
US $	Sell	INR	105.00 Lacs	Nil

The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	Foreign Currency	Foreign Currency Amt in Lacs		₹ in Lacs	
		30 Sept 2014	31 Mar 2013	30 Sept 2014	31 Mar 2013
Amount Receivable	EURO	6.93	8.15	541.97	566.97
	USD	0.04	62.45	2.53	3,396.58
	GBP	0.07	0.04	7.47	3.07
	JPY	Nil	15.10	Nil	8.61
Amount Payable	EURO	50.23	47.14	3,928.22	3,277.59
	USD	77.51	205.44	4,775.72	11,174.26
	GBP	0.05	0.05	5.05	4.47

49. Disclosure for operating leases under Accounting Standard 19 "Accounting for Leases":

The Wanbury Group has taken various residential /godowns / office premises/cars (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally cancellable and ranges from 24 months to 60 months under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Wanbury Group has given refundable interest-free security deposits in accordance with the agreed terms. The lease payments of ₹ 475.97 Lacs (Pr. Yr. ₹ 338.28 Lacs) are recognised in the Statement of Profit and Loss under "Rent" under Note 29.

The future lease payments and payment profile of non-cancellable operating leases are as under:

(₹ in Lacs)

Particulars	30 Sept 2014	31 Mar 2013
Not later than one year	Nil	5.04
Later than one year but not later than five years	Nil	Nil
Later than five years	Nil	Nil

50. Related Party Disclosure: (With whom the transactions have taken place during the period)

A. Relationship:

Category I: Major Shareholders:

- Expert Chemicals (India) Pvt. Ltd.

Category II: Subsidiary Companies

- Cantabria Pharma S. L. (Spain) (Refer Note 32 (b))

Category III: Key Management Personnel and their relatives:

- Mr. K. Chandran- Vice Chairman
- Mr. P. V. Pasupathy- President API (w.e.f. 12 May 2014)
- Mr. Indranil Chakravartthy- President Formulation (w.e.f. 12 May 2014)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

Category IV: Others (Enterprise owned or significantly influenced by key management personnel or their relatives):

- Wanbury Infotech Pvt. Ltd.
- Bravo Healthcare Ltd.

B. Transactions carried out with related parties:

(₹ In Lacs)

Sr. No.	Transactions	Related Party Relation	30 Sept 2014	31 Mar 2013
1)	**Advances Given:**			
	Wanbury Infotech Pvt. Ltd.	IV	Nil	34.36
2)	**Loans and Advances Given:**			
	Bravo Healthcare Ltd.	IV	Nil	161.97
3)	**Repayment of Loans and Advances Given :**			
	Bravo Healthcare Ltd.	IV	Nil	106.48
4)	**Advances Taken:**			
	Expert Chemicals (India) Pvt. Ltd.	I	200.00	972.00
5)	**Expenses Reimbursed from:**			
	Bravo Healthcare Ltd.	IV	40.02	Nil
	Cantabria Pharma S.L.	II	58.42	N.A.
6)	**Remuneration paid:**			
	Mr. K. Chandran	III	27.84	33.86
	Mr. P. V. Pasupathy*	III	69.49	Nil
	Mr. Indranil Chakravartthy*	III	44.69	Nil
	*Salary from 12 May 14 to 30 September 14			
7)	**Excess Remuneration to Director treated as Receivable (Refer Note 45)**			
	Mr. K. Chandran	III	93.51	19.62
8)	**Purchase of Materials :**			
	Bravo Healthcare Ltd.	IV	Nil	0.06
9)	**Information Technology Services taken :**			
	Wanbury Infotech Pvt. Ltd.	IV	302.81	187.09
10)	**Preferential Share Allotment to :**			
	Expert Chemicals (India) Pvt. Ltd.	I	971.25	Nil
11)	**Repayment of Loans & Advances given:**			
	Cantabria Pharma S.L.	II	4,505.00	Nil
12)	**Provision for Doubtful Advances:**			
	Bravo Healthcare Ltd.	IV	7,598.04	Nil
	Cantabria Pharma S.L.	II	19,575.62	N.A.
13)	**Provision for Diminution in value of investments: Refer Note 13.5**			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 SEPTEMBER 2014

C. Balances due from/to related parties:

(₹ in Lacs)

Sr. No.	Particulars	Related party Relation	30 Sept 2014	31 Mar 2013
1)	**Loans and Advances Given:**			
	Wanbury Infotech Pvt. Ltd	IV	Nil	38.80
	Bravo Healthcare Ltd.	IV	7,598.04	7,558.02
2)	**Advances Taken :**			
	Expert Chemicals (India) Pvt. Ltd.	I	201.00	972.25
3)	**Amount Payable:**			
	Wanbury Infotech Pvt. Ltd.	IV	34.81	Nil
4)	**Excess Remuneration Receivable:**			
	Mr. K. Chandran	III	132.50	38.99
5)	**For Investments and Diminution in value of investments: Refer Note 13**			

51. Net-worth of the Wanbury Group (the Parent Company & its subsidiaries) as on 30 September 2014, based on consolidated financial statements is negative. The Parent Company has initiated various measures, including restructuring of debts/ business and infusion of funds etc. Consequently, in the opinion of the management, operations will continue without interruption. Hence, financial statements are prepared on a “going concern” basis.

52. Figures for the Current Period, being for eighteen months from 01 April 2013 to 30 September 2014, are not strictly comparable with those of the previous year which are for twelve months.

53. Figures of previous year are regrouped/ rearranged wherever necessary.

For and on behalf of the Board

K. Chandran
Vice Chairman

Dr. P. L. Tiwari
Director

Mangesh Bhosale
Company Secretary

Mumbai, 26 November 2014

WANBURY LIMITED
Registered Office : BSEL Tech Park, B-Wing, 10th Floor, Sector 30 A,
Opp.Vashi Railway Station, Vashi, Navi Mumbai - 400 703. Maharashtra

FORM OF PROXY

Twenty Sixth Annual General Meeting, 23 March 2015

[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. / Client ID*:____________________

DP ID*:____________________

I/ We being the Member(s) of the Company holding _______________ shares, hereby appoint;

1.: Name:	E-mail ID:
Address:	Signature:

or failing him

2.: Name:	E-mail ID:
Address:	Signature:

or failing him

3.: Name:	E-mail ID:
Address:	Signature:

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company, to be held on Monday, 23 March 2015 at 12.00 noon at Hotel Tunga Regency, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400 705 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote (Optional see Note 2)	
		For	Against
ORDINARY BUSINESS:			
1	Receive, consider and adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the Financial Year ended 30 September, 2014 together with the Directors' Report and the Auditors' Report thereon.		
2	Appointment of a Director in place of Mr. K. Chandran, who retires by rotation and being eligible, offers himself for re-appointment.		
3	(a) Appointment of Statutory Auditors for a period of 3 (Three) years commencing from conclusion of this Meeting until the conclusion of Twenty Ninth AGM and to fix their remuneration.		
3	(b) Appointment of Branch Auditors for a period of 3 (Three) years commencing from conclusion of this Meeting until the conclusion of Twenty Ninth AGM and to fix their remuneration.		
SPECIAL BUSINESS:			
4	Ratification and confirmation for payment of remuneration to Cost Accountants.		
5	Appointment of Mr. A. L. Bongirwar as an Independent Director up to 31 March, 2019.		
6	Appointment of Mr. N. K. Puri as an Independent Director up to 31 March, 2019.		
7	Appointment of Dr. P. L. Tiwari as an Independent Director up to 31 March, 2019.		
8	Appointment of Mr. S. K. Bhattacharyya as an Independent Director up to 31 March, 2019.		
9	Consent to borrow moneys upto Rs. 1,000 Crore (Rupees One Thousand Crore only).		
10	Consent to mortgage / charge / hypothecate / encumber any of the Company's movable and / or immovable properties wherever situated both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company.		
11	Issue and allot Equity Shares up to an aggregate amount of Rs. 2 Crore (Rupees Two Crore Only) in one or more tranches to Expert Chemicals (I) Pvt. Ltd., a Promoter Group Company, on preferential allotment basis.		
12	Employee Stock Option Schemes		

Signed this __________ day of _________ 2015.

Signature _________________

15 Paise Revenue Stamp

* Applicable to Members holding shares in electronic form.

NOTES:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

WANBURY
Towards Better Healthcare

Product Range

Formulations

APIs

- Metformin
- Glucosamine
- Methoxsalen
- Atenol
- Quetiapine
- Valacyclovir
- Mefenamic Acid
- Amitriptyline
- Tramadol
- Promethazine
- Paroxetine Hemihydrate
- Levetiracetam
- Sertraline
- Carvedilol
- Gabapentene
- Clopidogrel
- Diphenhydramine
- Pregabalin

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Registered Office and Head Office:
10th Floor, BSEL Tech Park, Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400 703, Maharashtra, India