WANBURY LIMITED

Registered Office: BSEL Tech Park, B Wing, 10th Floor, Sector 30 A,
Opp. Vashi Railway Station, Vashi Navi Mumbai – 400 705
Phone No.: +91-22-67942222, Fax No.: +91-22-67942111/2333

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

Sub: Passing of resolutions by Postal Ballot

Dear Shareholders,

The Board of Directors of the Company at its meeting held on 30th May, 2011 has decided to obtain approval of the members of the Company for Preferential Allotment of Equity Shares to Expert Chemicals (I) Pvt. Ltd., promoter of the Company and has approved the Rehabilitation cum Merger of Pharmaceutical Product of India Limited with the Company and has decided to obtain approval of the Shareholders of the Company.

The approval of the Shareholders can be obtained either at a General Meeting or by way of Postal Ballot. The Board of Directors has decided to obtain the approval of Shareholders by way of Postal Ballot.

As per Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, Resolutions and the Explanatory Statements are being sent to you along with a Postal Ballot Form for your consideration. The Board has appointed M/s. A. Y. Sathe & Co., Company Secretaries, Mumbai as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

A Ballot Paper bearing unique serial number is attached to this Notice. We request you carefully read the instructions mentioned in the Postal Ballot Form and vote by placing a tick mark (✓) at the appropriate place your assent (for) or dissent (against) to the resolutions and return the Form duly completed, in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before Friday, 15th July, 2011. The Scrutinizer will submit his report to the Director / Company Secretary of the Company after completion of the scrutiny. The result of the Postal ballot shall be announced on Monday, 18th July, 2011 at 03:00 P.M., at the Registered Office of the Company at BSEL Tech Park, B Wing, 10th Floor, Sector 30 A, Opp. Vashi Railway Station, Vashi Navi Mumbai – 400 705.

Shareholders, who wish to be present at the time of declaration of result, may do so at the aforementioned venue and time.

Item No. 1: To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment(s), modification(s) and/or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Memorandum of Association and 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, 1997 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations")} (including any statutory amendment(s), modification(s) and/or re-enactment(s) thereof for the time being in force) 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 authorized 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 Rs. 15 Crore (Rupees Fifteen 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 Rs. 37.50 (Rupees Thirty Seven and Paisa Fifty only) {Face Value Rs. 10/- and Premium Rs. 27.50/-} per equity share, the price which is in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

AND THAT 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, as amended up to date.

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

AND 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 as amended from time to time;

AND THAT for the purpose of issue and allotment of the Equity Shares and listing thereof with the Stock Exchanges, the Board of Directors be and is hereby authorized 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."

Item No. 2: To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 18 of the SICK Industrial Companies (Special Provisions) Act, 1985 and other applicable provisions, if any and subject to the sanction of the Hon'ble Board for Industrial and Financial Reconstruction (the BIFR) or such other authority, as the case may be, the Rehabilitation cum Merger Scheme of the Pharmaceutical Products of India Limited with Wanbury Limited be and is hereby approved, in terms of the draft Rehabilitation cum Merger Scheme (the Scheme) attached herewith.

AND THAT 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 authorized to assent to such alterations, conditions and modifications, if any, in the said Scheme as may be prescribed and imposed by BIFR or such other authority, while sanctioning the Scheme, or effect any other modification or amendment which the Board may consider necessary or desirable to give effect to the Scheme.

AND THAT the Board be and is hereby authorized to amend/alter/modify the Scheme as may be deemed necessary in the interest of the Company.

AND THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable, appropriate or expedient and to settle any question, doubts or difficulties that may arise in connection with or in the working of the Scheme and to do all such acts, deeds and things necessary for carrying into effect the terms of the Scheme and to delegate all or any of the powers herein conferred to Day to Day Affairs Committee and/or such officers of the Company as it may deem fit."

Item No. 3: To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in terms of the Rehabilitation cum Merger Scheme of the Pharmaceutical Products of India Limited with Wanbury Limited (the Scheme) and pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment, thereof for the time being in force and enabling provisions of the Memorandum and Articles of Association of the Company and the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Reserve Bank of India, the Security and Exchange Board of India and/or prescribed by the Listing Agreement entered into by the Company with the Stock Exchange on which the Company's Shares are listed, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, permissions, consents and sanctions and subject also to such terms, conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, consents and sanctions, agreed to by 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), the consent, authority and approval of the Company be and is hereby accorded to the Board to issue and allot:

(1) Equity Shares of the Company to the Equity Shareholders of The Pharmaceutical Products of India Limited (PPIL), whose name appear on the Register of Members of PPIL on such date as may hereafter be fixed by the Board of Directors of the Company, in accordance with the Share Exchange Ratio to be approved by Hon'ble Board for Industrial and Financial Reconstruction, based on a price of Wanbury Limited's equity shares, which shall be in

accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations").

In addition to the above-mentioned equity shares, the Company will issue 2 transferable Warrants for every one equity share issued by the Company to the aforesaid Equity Shareholders of PPIL, subject to the following terms and conditions:

(a) Each Warrant would entitle the holder thereof to subscribe at any time from date of allotment but not later than 5 years from such date of allotment, one equity share of Rs. 10/- each, at a price, which shall be in accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations").

(b) The Warrant holder shall exercise the right to subscribed Equity Shares of the Company by intimating in writing to the Company along with the payment of requisite amount along with original warrant certificate duly discharged.

(c) The Company upon receiving the request as mentioned in (b) above, shall allot equity shares at the subsequent Board Meeting.

(d) The Warrants are transferable by endorsement and delivery.

(e) The Warrants shall automatically lapse upon expiry of five years from the date of allotment.

(f) The Equity shares allotted pursuant to (c) above shall rank pari- passu in respect of all rights, including dividend and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

AND THAT in the event of any member of PPIL becoming entitled to any fractional entitlements resulting from the consolidation/ swap of shares, such fractional entitlement shall be consolidated by issue and allotment of equity shares in lieu thereof to the Director/Employee or nominee the Company. The Director/Employee or nominee of the Company to whom such equity shares and warrants are allotted shall sell the same in the market at the prevailing listed price and pay to the shareholder having fractional rights in proportion to their fractional entitlements.

AND THAT the above mentioned number of Equity Shares and Warrants, may be increased or decreased, and other terms and conditions be modified, altered or amended as approved by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) or other appropriated authority and accepted by the Board.

(2) Equity Shares of the Company to the below mentioned Secured Creditors of PPIL of Rs. 97 Lacs, at a price, which shall be in accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations").

Name of Bank / Financial Institution	***Amount Rs.***
ARCIL	59,88,000
IIBI	5,84,000
Unit Trust of India	24,00,000
Bank of India	2,07,000
Bank of Baroda	4,43,000
Union Bank of India	78,000
Total	97,00,000

(3) 58,200 Zero Coupon Optionally Fully Convertible Debentures (hereinafter referred to as "OFCDs") having face value of Rs.1000/- each to the below mentioned Secured Creditors of PPIL, on terms and conditions mentioned herein below:

Name	Number of OFCDS
ARCIL	35,930
IIBI	3,499
UTI	14,402
BOI	1,244
BOB	2,655
UBI	469
Total	58,199

(a) The OFCDs shall be optionally convertible and the option may be exercised with-in 30 days after the sanction of the scheme.

(b) The price of Equity Shares of the Company at conversion of these OFCDs shall be in accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations").

(c) The Conversion Option shall only be exercised once and may be for a part of the OFCD, provided that such part shall not be less than 25% of the aggregate value of the OFCD. The unconverted part of the OFCD shall be repayable to the OFCD holder from the sale of PPIL's surplus land and buildings situated in Mazgaon, Khalpur (Patalganga area) which shall be specifically earmarked for the purpose of redemption of OFCDs.

(d) The OFCD holder shall exercise the right to subscribed Equity Shares of the Company by intimating in writing to the Company along with original OFCD certificate duly discharged.

(e) The Company upon receiving the request as mentioned in (d) above, shall allot equity shares at the subsequent Board Meeting at a rate to be determined as per (b) above on the date of receipt of the request as per (d) above.

(f) The OFCDs are transferable by endorsement and delivery.

(h) The Equity shares allotted pursuant to (d) above shall rank pari- pasu in respect of all rights, including dividend and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

AND THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable, appropriate, or expedient and to settle any question, doubts or difficulty that may arise in regard to the issue and allotment of the aforesaid equity shares and listing thereof with the stock exchange(s) where the existing equity shares of the Company are listed without being required to seek any further consent or approval of the members of the Company, who shall be deemed to have given, their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers herein conferred to such officers of the Company, as it may deem fit.

By order of the Board of Directors

Place: Mumbai
Dated: 30th May, 2011

Pankaj B. Gupta
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 1:

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 approved Corporate Debt Restructuring of the Company, the Promoters of the Company are required to contribute Rs. 15 Crore by way of subscribing to the equity share capital of the Company. Expert Chemicals (I) Pvt. Limited, a promoter group company has agreed to bring in the required sum of Rs. 15 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 Rs. 37.50 (Rupees Thirty Seven and Paisa Fifty only) {Face Value Rs. 10/- and Premium Rs. 27.50/-} per equity share, the price which is in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

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 approved by the Corporate Debt Restructuring Cell.

(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 recognized 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 recognized 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, as amended up to date.

'Stock Exchange' for this purpose shall mean any of the recognized 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.	1,471,551	10.02	5,471,551	29.28
Foreign:				
Kingsbury Investment Inc.	3,024,000	20.59	3,024,000	16.18
Total Shareholding of Promoter and Promoter Group	***4,495,551***	***30.60***	***8,495,551***	***45.46***
Public shareholding				
Institutions	773,357	5.26	773,357	4.14
Non-institutions	9,420,378	64.13	9,420,378	50.41
Total Public Shareholding	***10,193,735***	***69.40***	***10,193,735***	***54.55***
Total	***14,689,286***	***100.00***	***18,689,286***	***100.00***

(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. 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. 2 & 3:
The Shareholders had already approved the proposal for the merger of The Pharmaceutical Products of India Limited (PPIL) with the Company in their Extra Ordinary General Meeting held on 17th October, 2006 and PPIL merged with the Company pursuant to the Scheme of Revival cum Merger (the Scheme) approved vide order dated 24th April, 2007 by the Board for Industrial and Financial Reconstruction (BIFR) u/s 18 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985(SICA) w.e.f. 1st April, 2006.

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

In the hearing held on 23rd November, 2009 the Hon'ble BIFR has directed PPIL to submit the proposal to Industrial Development Bank of India (IDBI), Operating Agency (OA) for the rehabilitation of PPIL and also directed Operating Agency to consider PPIL's proposal in a joint meeting of all concerned and submit its report along with a fully tied up Draft Rehabilitation Scheme.

The PPIL has submitted the attached proposal to Operating Agency.

The Operating Agency has also submitted its report with full tied up Draft Rehabilitation Scheme to BIFR, for its consideration.

The Company had already taken the following steps pursuant to the Order dated 24th April, 2007 of Hon'ble BIFR, but before Order dated 16th May, 2008 of Hon'ble Supreme Court:

(A) The payment of Rs. 2,40,64,470/- has been made to the Secured Creditors of PPIL.

(B) Wanbury Limited had issued 64,668 Equity Shares to the Secured Creditors of PPIL.

(C) Wanbury Limited had issued 58,199 Optionally Fully Convertible Debentures (OFCDs) of face value of Rs. 1,000/- each to the Secured Creditors of PPIL.

(D) Wanbury Limited had issued 2,42,499 Non Convertible Debentures (NCDs) of face value of Rs. 100/- each to the Secured Creditors of PPIL.

(E) The payment of Rs. 1,50,02,966/- had been made to the Unsecured Creditors (Banks & Financial Institutions) of PPIL

(F) The Payment of Rs. 73,80,800/- had been made to the rest of Unsecured Creditors of PPIL including Tata Motors. Further Tata Motors had accepted the cheque and encased the same.

(G) The payment of Rs. 5,00,000/- had been made to the Preference Shareholders of PPIL.

(H) Wanbury Limited had issued 5,62,618 Equity Shares to the Equity Shareholders of PPIL.

(I) Wanbury Limited had issued 11,25,236 Equity Warrants to the Equity Shareholders of PPIL. The PPIL has been merged with the Company and necessary entries have been passed in the Books of Wanbury Limited. Further Wanbury Limited has taken the benefit of approx. Rs. 5 Crore of Income Tax on the basis of losses of merged entity i.e. PPIL.

(J) After the merger, Wanbury Limited has invested approx. Rs. 15 Crore for up-gradation of plant & machinery acquired through merger.

The nature of business of PPIL is the same as that of your Company. Your Company will be able to take benefit of carry forward losses and unabsorbed depreciation of PPIL u/s 72A of Income Tax Act, 1961. Further since the Company has already taken the aforesaid steps it would be in the interest of the Company to support the attached proposal.

None of the Directors of the Company are in any way, concerned or interested in the resolutions.

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

By order of the Board of Directors

Place: Mumbai
Dated: 30th May, 2011

Pankaj B. Gupta
Company Secretary

THE PHARMACEUTICAL PRODUCTS OF INDIA LTD. (PPIL)

(BIFR CASE NO 70/1998)

Draft Rehabilitation Scheme

(May 2011)

1. *Background*

1.1 The Pharmaceutical Products of India Ltd. (PPIL) was originally promoted by Mr. M. K. Rayana has facilities for manufacture of bulk drugs at Tarapur, Maharashtra & Turbhe, New Bombay. The main activity of the company was to manufacture, sell and distribute a wide range of pharmaceutical formulations like antibiotics, antibacterials, anti-inflammatory, anthelmintics, antamoebics, etc. The company undertook to set up a bulk drug unit with multipurpose plant and machinery and a formulations unit, which it acquired in Taluka Palghar, a notified backward area of Maharashtra. Besides manufacturing formulations, the company is also engaged in the marketing of bulk drugs. The expansion project undertaken by the company in 1993 at Patalganga, Dist Raigad, Maharashtra could not be completed due to inordinate delay in implementation.During same period (1996-97) company's operations were also affected suffered losses.

1.2 As the net worth of the company was eroded completely during financial year ended December 31, 1997, the company made a reference to the Hon'ble BIFR in 1998. BIFR at the hearing held on January 14, 1999 declared the company sick and appointed IDBI as the OA for preparing a revival scheme. As no workable scheme could be formulated even after considerable time, BIFR vide its order dated October 27, 2004 recommended winding up of the company. However, PPIL made an appeal before AAIFR against the BIFR's winding-up order.

1.3 During the pendency of the said appeal, PPIL filed two schemes of compromise and arrangement (SOA) u/s 391 of the Companies Act, 1956 with respect to settlement of dues of secured creditors and specified unsecured creditors before Hon'ble Bombay High Court (BHC). The two schemes were approved by BHC on February 13, 2006. AAIFR vide its order dated November 9, 2005 directed IDBI (OA) to examine the Rehabilitation and Revival cum Merger Scheme (RRMS) submitted by PPIL to AAIFR and submit its report. Accordingly, IDBI vide its letter dated December 3, 2005 forwarded a report on RRMS to AAIFR, indicating that the schemes of arrangement for settlement of dues of secured and unsecured creditors u/s 391 through 394 of the Companies Act, 1956 were approved by major secured creditors and specified unsecured creditors in the joint meeting under the aegis of an official appointed by the BHC and confirmed the viability of the scheme.

1.4 AAIFR, vide its order dated June 1, 2006 remanded back the case to BIFR to consider the scheme submitted by the company. The RRMS prepared in line with the SOA envisages inter alia merger of PPIL with Wanbury Ltd., sale of surplus assets of PPIL and settlement of dues of secured/unsecured creditors as per SOA approved by BHC. The company further requested BIFR to consider circulation of the scheme to all the concerned agencies.

1.5 BIFR vide its letter dated February 1, 2007 circulated the said draft rehabilitation scheme to all concerned. At the hearing held on March 29, 2007 to hear objections/suggestions to the scheme, representative of M/s Tata Motors Ltd. (TML), one of the unsecured creditors of PPIL informed that they have preferred an appeal before Hon'ble Supreme Court if India (SCI) against BHC's order dated February 13, 2006 sanctioning the SOA as the dues of TML were not included in the SOA approved by BHC for unsecured creditors. Hon'ble SCI vide its order dated December 15, 2006, directed PPIL not to alienate, transfer or create any charge over its property. It was further indicated by TML that as the matter was yet to come up for final hearing, TML sought deferment of sanction of the scheme till such time decision was given by Hon'ble SCI. The representative of Wanbury Ltd. indicated that they would infuse the required funds in case of delay in sale of surplus properties of PPIL due to Hon'ble Supreme Court order dated 15.12.2006.

1.6 After carrying necessary modifications in the RRMS and also considering the suggestions made by concerned agencies, at the BIFR hearing held on March 29, 2007 a scheme was sanctioned by BIFR's vide its order dated April 24, 2007 and appointed IDBI as Monitoring Agency (MA).

1.7 M/s Tata Finance Ltd. (TFL) who had extended financial assistance to PPIL and subsequently got merged with M/s Tata Motors Ltd. (TML). However, TML as a unsecured creditor of PPIL had not agreed with the Scheme of Arrangement approved by the Bombay High Court u/s 391 of Companies Act, 1956 for secured and specified unsecured creditors and filed an objection before BHC. However, BHC dismissed the said objection filed by TML. TML thereafter approached Division Bench, BHC on the appeal against the order of single judge of BHC, which was, however, dismissed. TML, subsequently had filed SLP before Hon'ble Supreme Court of India (SCI) mainly on the grounds, inter alia, that revival scheme has been considered by two independent judiciaries i.e. High Court of Bombay under section 391 of the Companies Act 1956 and BIFR under the provisions of SICA 1985 and that the sanction of Scheme of Arrangement (SoA) approved by Bombay High Court under Section 391 of the Companies Act 1956 is not under its jurisdiction.

1.8 The SLP filed by TML was heard by Hon'ble SCI on May 16, 2008 and issued final orders which are as under:

"We are, therefore, of the opinion that not only the judgment of the High Court but also the orders of BIFR as also the AAIFR should be set aside and the matter should be remitted to BIFR so as to enable it to proceed in accordance with the provisions of SICA afresh".

1.9 Pursuant to the orders issued by Hon'ble SCI, BIFR vide public notice dated October 21, 2008 directed that the SS-07 stands 'cancelled' and the promoters of both the sick company M/s PPIL & the transferee company M/s WL should take necessary action in terms of the said order dated May 16, 2008 of Hon'ble SCI and send their compliance reports to the Board within 21 days from the date of publication of the notification.

1.10 BIFR vide letter dated April 15, 2009 directed the company to submit the latest audited balance sheet along with the latest progress report to them with copy to MA and MA was directed to submit a comprehensive report on implementation of the sanctioned scheme. Pursuant to the directions of BIFR, the company vide its letter dated May 4, 2009 forwarded the requisite information to BIFR with copy to MA. The company has achieved considerable progress in implementation of the scheme envisaging merger of PPIL with Wanbury Ltd. (WL) with cut-off date from April 1, 2006.WL had already made payments/ issued equity shares/OFCD/ NCD to all secured creditors as per the terms of sanctioned scheme, redeemed preference shares of PPIL, equity capital of PPIL has been written down by 98% and WL has issued equity shares in WL to the shareholders of PPIL in the agreed ratio. WL had infused substantial funds towards implementation of the scheme and funds have been raised by WL through its own sources/internal accruals.

1.11 When Kotak Mahindra Bank Ltd. (KMBL) requested Hon'ble BIFR to represent TML as a assignee of TML/ TFL, PPIL objected that the KMBL has no locus standi and the Deed of Assignment executed between TML & KMBL is needs to examined in detail considering prevailing RBI guidelines and general practice being followed by banks while acquiring debts from other banks as per existing acts.

1.12 Subsequent to the directions of Hon'ble SCI, BIFR convened number of hearings i.e. on May 14, 2009, August 11, 2009, September 22, 2009, October 20, 2009 and November 23, 2009. BIFR at its hearing held on November 23, 2009 directed the company to submit a revival proposal to IDBI (OA) and OA to submit a DRS after convening joint meeting of all concerned. BIFR had further directed OA to convene a meeting of KMBL and the PPIL to examine validity of deed of assignment executed between KMBL &. TML keeping in view RBI guidelines in on assignment of debts.As directed by BIFR, OA had convened a meeting of the company and KMBL on December 22, 2009 and forwarded its report to BIFR.

1.13 As directed by BIFR, the PPIL has submitted a revival proposal on December 15, 2009 to OA and the same has been discussed to all concerned and convened a joint meeting on January 21, 2010. The present DRS is prepared by OA based on the revival proposal submitted by PPIL and also after incorporating the objections/ suggestions of all the participants.

2. Management & Shareholding pattern

2.1 Management

The company is being managed under the supervision and guidance of its Board of Directors, comprising the following as its Directors:

1	Shri Shashi Nambiar	Director
2	Shri Sunil V. Kotyankar	Director
3	Shri Pradeep U. Patil	Director

2.2 Shareholding Pattern:

The authorized share capital of PPIL as on March 31, 2006 was Rs.70 Crore consisting of 3 Crore equity shares of Rs. 10/- each and 40 Lakh preference shares of Rs.100/- each. The company's paid-up share capital was at Rs. 953.41 Lakh comprising 95,34,090 equity shares of Rs.10/- each and preference share capital of Rs. 250 Lakh comprising 2,50,000 preference shares of Rs.100/- each. The shareholding pattern of the company as on March 31, 2006, as under:

Particulars	Amount (Rs. lakh)	Holdings (in %)
EQUITY SHARE		
(A) Promoter Holding		
- Indian Promoter	294.76	30.92
- Foreign Promoter	0.00	0.00
(B) Mutual Funds and UTI	15.84	1.66
(C) Banks Financial Institutions, Insurance Company (Central / State Govt. Inst. / Non-Govt. Inst.)		
- IDBI Bank Ltd.	100.00	10.49
- Unit Trust of India	96.88	10.16
- Life Insurance Corporation of India	25.38	2.62
- General Insurance Corporation of India	5.00	0.52
- New India Assurance Company Ltd.	5.00	0.52
- United India Insurance Company Ltd.	5.00	0.53
- Other banks including BOB & BOI	0.16	0.03
Sub-Total (C)	237.10	24.87
(D) Others - Private Corporate Bodies	20.23	2.12
- Indian Public	359.02	37.66
- NRI/OCBs	26.46	2.77
Sub-Total (D)	405.71	42.55
Grand – Total	953.41	100%
PREFERENCE SHARE The New India Assurance Co. Ltd.	50.00	20.00
The Oriental Insurance Co. Ltd.	50.00	20.00
National Insurance Co. Ltd.	50.00	20.00
Other Companies	100.00	40.00
Total	250.00	100%

The equity shares of PPIL were listed on Hyderabad Stock Exchange Ltd., Madras Stock Exchange Ltd., NSE & BSE. These are presently de-listed and not traded. The Preference Shares were issued as Redeemable Cumulative Convertible Preference Shares and the entire shares were already due for redemption as on 10/09/1998.

3. *Exposure of institutions/banks*

The exposure of financial institutions and banks as on 31.03.2006 (Rs. in Lakh)

Sr. No.	Banks and Financial Institutions	Principal	Interest/ Other dues	Total Dues
1.	ARCIL	3,460	10538	13,998
2.	IIBI	180	782	962
3.	Unit Trust of India	800	3156	3956
4.	Bank of India	53	176	229
5.	Bank of Baroda	849	1795	2,644
6.	Union Bank of India	150	287	437
7.	LIC- Asset Management Company	200	909	1,109
8.	Life Insurance Corporation of India	250	1,000	1,250
9.	General Insurance Corporation of India	30	143	173
10.	New India Assurances	35	169	204
11.	United India Insurance	35	169	204
12.	GIC Mutual Fund	100	482	582
13.	LIC Housing Finance	50	214	264
14.	Army Group Insurance Fund	100	284	384
15.	ICICI Bank	267	496	763
16	Ind Bank Merchant Banking Services Limited	200	216	416
17.	Abhyudaya Cooperative Bank Limited	23	25	48
18.	Indusind Bank Limited	31	34	65
	Total	***6,813***	***20874***	***27,687***

4. *Working Results and Financial Position*

4.1 The Summary of analysis of PPIL's audited profit and loss account and balance sheets for the five years i.e. from March 31, 2002 to 2006 is given below:

A. *Working Results:*

(Rs. in Lakh)

For the year ended	***Mar. 31, 2006****	***Dec. 31, 2005***	***Dec. 31, 2004***	***Dec. 31, 2003***	***Dec. 31, 2002***
Sales of Products	-	-	-	-	51.36
Other Income	108.38	277.82	264.75	281.88	187.6
Total	108.38	277.82	264.75	281.88	238.96
Variable Costs	59.90	48.56	47.3	64.27	124.46
Marginal Contribution	48.48	229.26	217.45	217.61	114.50
Fixed Costs	636.62	210.01	211.18	153.70	132.75
Gross Profit/(Loss)	(588.14)	19.25	6.27	63.91	(18.25)
Interest	-@	659.8	659.81	661.73	662.82
Depreciation	15.29	106.55	105.43	105.28	106.81
Income Tax	245.61	-	-	-	-
Net Profit/ (Loss)	(849.03)	(747.09)	(758.97)	(703.10)	(787.88)

* The figures are of 3 months. @ Interest and other charges had not been provided.
The operations in the Company were stopped from the year 2002 due to unviable operations. However, the unit was run on job work basis.

B. *Financial Position*

(Rs. in Crores)

	Mar 2006*	***Dec 2005***	***Dec 2004***	***Dec 2003***	***Dec 2002***
Sources of Funds Share Capital	12.03	12.03	12.03	12.03	12.03
Reserves & Surplus	-122.51	-114.02	-106.55	-98.96	-91.93
Total Shareholders Funds	-110.48	-101.99	-94.52	-86.93	-79.90
Secured Loans	122.51	122.51	115.90	109.31	102.71
Unsecured Loans	20.76	20.76	21.28	21.84	22.55
Total Debt	143.27	143.27	137.18	131.15	125.25
Total Liabilities	32.79	41.28	42.66	44.22	45.35
Application of Funds					
Gross Block	43.33	63.10	62.93	62.90	62.89
Less: Accumulated Depreciation	7.50	13.68	12.61	11.56	10.51
Net Block	35.83	49.42	50.31	51.34	52.38
Capital Work in Progress	8.96	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans & Advances					
Inventories	0.00	0.12	0.12	0.08	0.12
Sundry Debtors	0.19	0.27	0.27	0.11	0.08
Cash and Bank Balance	0.11	0.07	0.26	0.24	0.19
Loans and Advances	0.90	1.27	0.93	0.56	0.54
Less: Current Liab. & Prov.					
Current Liabilities	6.84	8.37	10.21	9.11	8.99
Provisions	6.37	2.61	0.00	0.00	0.00
Net Current Assets	-12.00	-9.23	-8.63	-8.12	-8.06
Miscellaneous Expenses not w/o	0.00	1.09	0.98	1.00	1.03
Total Assets	32.79	41.28	42.66	44.22	45.35

* The figures are of 3 months

[redacted]

5. *Reasons for unsatisfactory performance*

5.1 PPIL incurred losses due to general recession in the industry. During 1995 and 1996 the recession in bulk drugs industry was high, with prices of all bulk drugs crashing by almost 25% to 50%. PPIL being one of the largest manufacturers of the bulk drug i.e. Trimethoprim (TMP), an anti-bacterial effected due to above recession. PPIL was selling TMP at $32 to $36 in 1994-95, but suddenly the prices started sliding down from 1996-97 onwards and crashed rapidly to $17 to $18 in 1997-98 and to $14 to $15 in 1998-99.

5.2 PPIL had undertaken a major expansion project in Patalganga for the manufacture of multi products non sterile Active Pharmaceutical Ingredients, which project remained un-commissioned due to crash in the prices of the products manufactured and deteriorating domestic bulk drugs scenario. During the year 1994-95, considering the change in the bulk drugs scenario, PPIL decided to take the support of external agency / management consultant to guide and advise PPIL about the rapidly changing bulk drugs scenario worldwide and also help the PPIL to formulate a sustainable bulk drugs strategy. In this direction, PPIL appointed renowned management consultant, McKinsey & Co. The salient feature of the strategy was to move away from the rest of the world market where PPIL concentrated for its business and shift to high premium markets, viz. Europe and USA. In view of this, PPIL decided to change its product mix and entered into a joint venture with a US-based firm, Wycoff Chemical Company. The change in product mix required modifications in the project, leading to an increase in project cost. PPIL approached banks for financial assistance. However, there were considerable delays in fructifying additional funds and resulted ultimately in the prolonged closure of the project. Prolonged closure in turn resulted in massive losses.

6. *Valuation of assets*

A fresh valuation of the assets proposed to be carried out as a part of the scheme. PPIL is advised for fresh valuation, as the scheme envisages sale of surplus assets situated at Andheri and Turbhe, Mumbai.

7. *Draft Rehabilitation Scheme*

7.1 The cut-off date for the scheme considered as March 31, 2006.

7.2 The DRS has been prepared on the basis of the revival proposal submitted by PPIL on December 15, 2009 which was discussed at the joint meeting of all concerned held on January 21, 2010. The scheme mainly envisages the financial reconstruction of PPIL by way of its merger with a healthy company viz. Wanbury Ltd. (WL). M/s Wanbury Limited will reorganize / restructure the share capital / net worth / reserves of PPIL in the mutual interest of both, which includes reduction of equity and preference share capital of PPIL, consolidation of equity shares of PPIL, fresh issue of equity shares of PPIL, fresh issue of equity shares and equity linked instruments of WL and swapping of the equity shares of PPIL with equity shares of WL.

7.3 The proposal envisages reliefs and concessions from institutions and banks as also from Government of Maharashtra, Income Tax, Customs and DGFT, Excise Department and Sales Tax Department etc. However, in view of the high level of debt which is unsustainable, substantial sacrifices from all the concerned are inevitable. By virtue of SCI order dated May 16, 2008, the merger with Wanbury Ltd., has been held to be ineffective and the original status of PPIL has been restored. PPIL's status as an existing Company has also been confirmed by the Registrar of Companies, Mumbai, Maharashtra, in its record. Even though the scheme will be considered a fresh, the reliefs and concessions sought from concerned agencies including merger of PPIL with Wanbury would be considered from the cut-off date i.e. March, 31, 2006.

7.4 The proposed revival of the PPIL is based on merger of PPIL with Wanbury Ltd., a healthy company, in similar line of activities. The brief background of the WL is as under:

7.4.1 Background of WL

Wanbury Ltd (WL) is a bulk drugs manufacturer, being the largest manufacturer of Metformin, an anti-diabetic bulk drug, in the world, providing almost 15% of the world's requirement. Promoted by Mr. K Chandran and professionally managed, WL also has a strong presence in the domestic branded formulations business, manufacturing leading brands in the therapeutic areas of respiratory diseases, pain management and anti-infectives. WL exports its products to over 40 countries and has API facilities approved by the US FDA and European EDQM (European FDA). WL is on the lookout for supplementing its production facilities and also expanding its product range.

7.4.2 WL is managed by six directors on its Board. The composition of present Board of Directors of WL is as under:

[redacted]

S. No.	Name of Director	Designation
1	Mr. K Chandran	Whole Time Director
2	Mr. Ashok Shinkar	Non Executive Director
3	Mr. Narinder Kumar Puri	Independent Director
4	Dr. Pyarelal Tiwari	Independent Director
5	Mr. Arun Laxman Bongirwar	Independent Director
6	Mr. P R Dalal	Exim Bank Nominee

7.4.3 WL also has a strong presence in the domestic branded formulations business, manufacturing leading brands in the therapeutic areas of respiratory diseases, pain management and anti-infectives.WL exports its products to over 40 countries and has API facilities approved by the US FDA and European EDQM (European FDA).WL is on the lookout for supplementing its production facilities and also expanding its product range.

7.4.4 The financial performance of WL is as follows:

(Rs. in Lakh)

For the Year ended on	Total Income	Profit	Dividend (%)
31.03.2005	7524.31	701.25	10%
31.03.2006	11492.54	1073.03	20%
31.03.2007	15263.52	2082.63	20%
30.09.2008 (for 18 months)	40278.60	2977.60	5%
31.03.2009 (for 6 months)	17205.23	(3128.50)	-
31.03.2010	37587.47	2992.15	10%

7.5 Cost of the Scheme and Means of Finance:

7.5.1 Cost of the Scheme:

The cost of the scheme has been estimated at Rs.5504 lakh. The details are as under:

(Rs. in Lakh)

Particulars	Amount
Capital Expenditure	2500
One Time Settlement of the dues of the banks and financial institutions	1312
One Time Settlement of Unsecured Creditors	83
and Statutory/Quasi/Semi Government bodies	
Payment to statutory creditors	650
Margin Money for Working Capital	959
Total Cost of the Scheme	***5504***

7.5.2 Means of Finance

The above cost of the scheme is proposed to be financed as under:

(Rs. in Lakh)

Particulars	Amount
Additional Equity at premium	847
Issuance of OFCD	582
Issuance of NCD	243
Internal Resources of Wanbury including envisaged tax benefits under various sections	3832
Total Means of Finance	***5504***

7.5.3 WL would provide the financial assistance over a period of 2 years to the tune of Rs.2500 lakh for part financing the revival scheme. Wanbury/Group Company of Wanbury would provide financial assistance to PPIL to settle the cash consideration payable to specified Banks/FIs/unsecured creditors and statutory dues, preference shareholders as the case may be as per this present Rehabilitation and Revival Scheme. The settlement has considered in the scheme from para 7.6 to 7.8.2 envisages payment proposals only to lenders who are banks/financial institutions and not general trade creditors and their assignees. The settlement proposals for such general trade creditors and their assignees are envisaged in para 7.9 and 7.10. The proposals take into consideration the large amount of debts payable to the secured banks/FIs/unsecured debts to Banks/FIs, their relative scarifies to be made and the settlement to general trade creditors and their assignees.

7.6 PPIL proposes to settle the secured portion of dues of specified banks/FIs in the form of:

(i) Cash payment out of promoters' contribution

(ii) Issue of equity shares/financial instruments (NCDs/OFCDs) in the merged company and

(iii) Payment out of part of sale proceeds (88.57%) of properties of PPIL situated at Sakinaka, Andheri, Mumbai and TTC Industrial Area, MIDC, Thane which are proposed to be sold.

The proposed settlement is as under :

7.6.1 Cash payment :

Payment of Rs.240.64 lakh towards secured portion to specified banks/FIs as under:

Rs. in Lakh)

Banks/FIs	***Payment proposed***
ARCIL	148.56
IIBI	14.47
Unit Trust of India	59.55
Bank of India	5.14
Bank of Baroda	10.98
Union Bank of India	1.94
Total	***240.64***

[As agreed by the above lenders, WL has already paid Rs.240.64 lakh to them and the same forms part of the present revival proposal]

7.6.2 Issue of Shares of Wanbury/NCDs/OFCDs :

A. Issue of Shares of Wanbury Ltd.

WL to issue equity shares of Wanbury to the below mentioned Banks and Financial Institutions for an amount of Rs. 97 Lacs. The Equity Shares will be of Face Value of Rs. 10 each fully paid up. The Equity Shares will be allotted at a price, which will be in accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"):

(Rs. in Lakh)

Banks/FIs	***Amount***
ARCIL	59.88
IIBI	5.83
Unit Trust of India	24.00
Bank of India	2.07
Bank of Baroda	4.43
Union Bank of India	0.78
Total	***97.00***

[As agreed by the Banks/FIs, WL had already allotted 64,668 equity shares of WL to them and the same forms part of allotment under the present revival proposal. The remaining shares would be allotted to the Banks/FIs upon approval of the Scheme from the Hon'ble BIFR].

B. Issue of Zero Coupon Non Convertible Debentures (NCDs)

WL to issue Zero Coupon Non Convertible Debentures (NCD) for Rs. 242.50 lakh to specified Banks/FIs towards secured portion of their dues. The features of NCDs are as under:

These Zero Coupon Non Convertible Debentures (NCDs) will have a face value of Rs. 100 each. NCDs will be divided into Part A and Part B. Part A being of a face vale of Rs. 60/- each and Part B being of a face value of Rs. 40/- each. Part A of the NCDs shall be redeemable at the face value of Rs. 60/- each. Part B of the NCDs shall be redeemable at the face value of Rs. 40/- each. The redemption of NCDS will be from the sale of PPIL's land and buildings situated in Mazgaon, Khalpur (Patalganga area) which shall be specifically earmarked for the purpose of redemption of its OFCDs/NCD issued to the secured creditors being ARCIL, IIBI, Unit Trust of India, Bank of India, Bank of Baroda and Union Bank of India. The sale of the property shall be done on the sanction of the scheme by ARCIL through the Asset Sale Committee to be constituted in terms of the BIFR guidelines with in a period of 6 to 9 months from the sanction of the scheme, the Principal Secured Creditor of PPIL and the percentage of sale proceeds thereof shall be distributed by ARCIL through the Asset Sale Committee amongst the NCD holders, after adjusting all the costs and expenses incurred thereon for the sale of the said property. Further, any surplus funds realized from the sale of the aforesaid property will belong to the Company and will be deposited within 45 days from the day of sale and correspondingly if there is any shortfall, the Company shall be responsible to make up the shortfall within a period of 45 days from the date of sale.

The NCDs to be issued in the following manner:

Banks/FIs	***Amount (Rs. in Lakh)***	***No. of NCDs***
ARCIL	149.71	149,709
IIBI	14.58	14,580
Unit Trust of India	60.01	60,010
Bank of India	5.18	5,181
Bank of Baroda	11.06	11,064
Union Bank of India	1.96	1,955
Total Principal	***242.50***	***242,499***

[As agreed by the lenders, WL had already allotted 242499 NCDs of WL to them and the same after due amendment in terms and conditions which shall now be as per the terms and conditions mentioned herein above shall form a part of allotment under the present revival proposal]

C. Issue of Zero Coupon Optionally Fully Convertible Debentures (OFCDs)

WL to issue Zero Coupon Optionally Fully Convertible Debentures (OFCDs) for Rs. 582.00 lakh towards secured portion of dues of specified banks/FIs. The features of OFCDs are as under :

The OFCDs shall be optionally convertible and the option may be exercised with-in 30 days after the sanction of the scheme. The price at conversion of these OFCDs shall be in accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"). The paid up value of the share upon conversion shall be Rs. 10 per share. The Conversion option shall only be exercised once and may be for a part of the OFCD, provided that such part shall not be less than 25% of the aggregate value of OFCD. The unconverted part of the OFCD shall be repayable to the OFCD holder from the sale of PPIL's surplus land and buildings situated in Mazgaon, Khalpur (Patalganga area) which shall be specifically earmarked for the purpose of redemption of its OFCDs/NCD issued to the secured creditors being ARCIL, IIBI, Unit Trust of India, Bank of India, Bank of Baroda and Union Bank of India. The sale of the property shall be done on the sanction of the scheme by ARCIL through the Asset Sale Committee in terms of the BIFR guidelines with in a period of 6 to 9 months from the sanction of the scheme,, the Principal Secured Creditor of PPIL and the percentage of sale proceeds thereof shall be distributed by ARCIL through the Asset Sale Committee amongst the OFCD holders, after adjusting all the costs and expenses incurred thereon for the sale of the said property. Further, any surplus funds realized from the sale of the aforesaid property will belong to the company and will be deposited within 45 days from the day of sale and correspondingly if there is any shortfall, the company shall be responsible to make up the shortfall within a period of 45 days from the date of sale.

OFCDs to be issued as per agreed terms in the following manner:

Banks/FIs	Amount Rs. in Lakh	Number of OFCDs
ARCIL-Trust	359.30	35,930
IIBI	34.99	3,499
UTI	144.02	14,402
BOI	12.44	1,244
BOB	26.56	2,655
UBI	4.69	469
Total	***582.00***	***58,199***

[As agreed by the lenders, WL had already allotted 58199 OFCDs of WL to them and the same (after due amendment in terms of the conversion price, and other terms & conditions which shall now be as per the revised conversion price and terms & conditions herein above) shall form a part of allotment under the present revival proposal]

7.6.3 Payment out of sale proceeds

To distribute 88.57% of the sale proceeds of PPIL to secured creditors out of sale of two properties situated at (i) 212, Marwah Industrial Estate, Saki Vihar Road, Saki Naka, Mumbai 400072 having constructed building admeasuring approx. 339 sq. mtrs. of regular space and mezzanine space admeasuring approx. 275.17 sq. mtrs. and (ii) D-306, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai 400705 having Research and Development (R&D) premises. The sale proceeds are proposed to be distributed in the following ratio as already agreed by specified Banks/FIs:

Banks/FIs	Proposed sharing ratio of sale proceeds
ARCIL	52.90%
IIBI	5.33%
Unit Trust of India	21.92%
Bank of India	1.89%
Bank of Baroda	5.55%
Union Bank of India	0.98%
Total	***88.57%***

7.7 PPIL proposes to settle the unsecured portion of dues of specified banks/FIs in the form of:

(i) Cash payment out of promoters' contribution

(ii) Payment out of part of sale proceeds (11.43%) of properties of PPIL situated at Sakinaka, Andheri, Mumbai and TTC Industrial Area, MIDC, Thane which are proposed to be sold by banks/FIs.

The proposed settlement is as under :

7.8.1 Cash Payment:

Payment of Rs.150.03 lakh towards unsecured portion of specified banks/FIs as under

S. No.	Banks/FIs	Amount Rs. lakh
1.	ARCIL	78.96
2.	IIBI	2.41
3.	Unit Trust of India	16.07
4.	Bank of India	0.59
5.	Bank of Baroda	17.96
6.	Union Bank of India	3.17
7.	LIC- Asset Management Company	4.67
8.	Life Insurance Corporation of India	5.84
9.	General Insurance Corporation of India	0.70
10.	New India Assuarance	0.82
11.	United India Insurance	0.82
12.	GIC Mutual Fund	2.34
13.	LIC Housing Finance	1.17
14.	Army Group Insurance Fund	2.33
15.	ICICI Bank	6.24
16.	Ind Bank Merchant Banking Services Limited	4.67
17.	Abhyudaya Cooperative Bank Limited	0.53
18.	Indusind Bank Limited	0.73
	Total	***150.03***

(WL has already paid in cash Rs. 150.03 lakh to the aforesaid unsecured creditors, the same forms part of the present revival proposal.)

7.8.2 Payment out of sale proceeds

To distribute balance 11.43% of the sale proceeds of PPIL to unsecured creditors out of sale of two properties situated at Saki Naka, Mumbai and Research and Development (R&D) premises at TTC Industrial Area, Turbhe, Navi Mumbai in full and final settlement of their unsecured portion of dues. The 11.43% of total sale proceeds are proposed to be distributed in the following ratio as already agreed by specified Banks/FIs:

S. No.	***Aforesaid Unsecured Creditors***	***Proposed sharing ratio of sale proceeds***
1.	ARCIL	6.02%
2.	IIBI	0.18%
3.	Unit Trust of India	1.22%
4.	Bank of India	0.04%
5.	Bank of Baroda	1.37%
6.	Union Bank of India	0.24%
7.	LIC- Asset Management Company	0.36%
8.	Life Insurance Corporation of India	0.45%
9.	General Insurance Corporation of India	0.05%
10.	New India Assurance	0.06%
11.	United India Insurance	0.06%
12.	GIC Mutual Fund	0.18%
13.	LIC Housing Finance	0.09%
14.	Army Group Insurance Fund	0.18%
15.	ICICI Bank	0.48%
16.	Ind Bank Merchant Banking Services Limited	0.36%
17.	Abhyudaya Cooperative Bank Limited	0.04%
18.	Indusind Bank Limited	0.06%
	Total	11.43%

7.9 The settlement of other general unsecured creditors which is not covered above and generally trade creditors or assignees of trade creditors irrespective of whether they are NBFCs or Banks, firms, companies / cooperative societies, or individuals who hold un secured debts or claims and are more particularly mentioned in Appendix. Considering the very low percentage with which the Secured Creditors dues had been settled and the non availability of sufficient funds to meet the above category of creditors and keeping in view the ratio of Hon'ble AAIFR judgment in the case of Punjab State Co-Op Supply & Mkt. Fed. Ltd. (Appeal no. 146/98), which deals with the issues relating to payment to other unsecured creditors, the Company has proposed payment of 4% of the principal outstanding dues as stated in the Appendix. For abundant clarity, interest, penal interest or any other charges shall be waived and the 4% of dues stated in the appendix shall be full discharge of all the liabilities towards such creditors/debts. With a view to harness the objectives of SICA in the revival of Sick Company and considering the sacrifices made by the large creditors who are Banks/FIs, any decree / award obtained from the court/ tribunal/arbitration by any creditor, which increases the amount due qua the other creditors shall neither be considered to give any preferential treatment to such unsecured creditor nor shall result in increasing the liability of the Transferee / Transferor Company towards such claims. Accordingly the payment of 4% of the dues as stated in the Appendix shall be full discharge of such liability / decree/order / award.

7.10 Majority of general unsecured creditors as mentioned in Appendix have already been paid 4% of their principal dues and such payment forms part of the present revival proposal. Remaining general unsecured creditors to whom such payment is not made, shall also be paid in the same terms under the present revival scheme. General unsecured creditors who have received their dues prior to the sanction of the present scheme shall not be entitled to raise their claim again since all prior settlements shall form part of the present scheme and deemed to be settled in terms of the present scheme. PPIL / Wanbury, its directors / its employees /its guarantors / its promoters shall also stand relieved / absolved from any outstanding payments / obligations to such general unsecured creditors who have already been settled. The general unsecured creditors specified in para 7.9 above, shall withdraw all the legal proceedings civil / criminal filed against PPIL / Wanbury, its directors / its employees /its guarantors / its promoters.

7.11 Upon the revival scheme being sanctioned, the properties as described in Clauses 7.6.3 and 7.8.2 shall be sold by ARCIL through the Asset Sale Committee, the principal Secured Creditor of PPIL, on best effort basis and the percentage of the sale proceeds thereof shall be distributed by ARCIL through the Asset Sale Committee amongst the Secured Creditors as mentioned in Clause 7.6.3 and also amongst the unsecured creditors, who are specified Banks and Financial Institutions as mentioned in 7.8.2 above, after adjusting all the costs and expenses incurred thereon for the sale of the respective properties.

7.12 All statutory dues as revised and settled in this scheme of rehabilitation and would be paid as an ongoing basis, by M/s Wanbury Limited.

8. Market prospects

With synergy in operations of PPIL and WL, as also increase in wide range of products after the proposed expansion, PPIL would achieve viability over a period of implementation of the scheme which would also benefit to WL to scale up their products and capacity and also it presence across various countries.

9. Reliefs and Concessions

Cut-off-date has been considered as March 31, 2006 in the scheme.

I) FIs/Banks

a) To accept their restructured outstanding dues in conformity with the provision of this Revival Scheme, in full and final settlement of their dues from Transferor Company / its guarantors /sureties in relation thereto.

b) All the legal proceedings initiated by the Banks / Financial Institutions against the company, its Directors, past directors, officers or sureties or guarantors or any other person directly or indirectly arising due to default by the company/non-fulfillment of guarantee or non-fulfillment of surety/ indemnities relating to any of the credits shall, on satisfaction of their dues as provided for in the Scheme, be terminated and/or stand withdrawn and/or deemed to be withdrawn and/or cease to be effective or valid and shall end and abate.

c) Any cash amounts and/or instruments/securities issued and/or offered as stated in the scheme, which have already been paid /issued/offered by the Transferee /Transferor Company to Banks/FIs prior to the sanction of the scheme shall be deemed to have been paid /issued /offered against their dues under the present scheme and Banks/FIs shall not be entitled to claim any further amounts. PPIL / Wanbury, its directors / its employees/ its guarantors / its promoters shall also stand relieved / absolved from any outstanding payments / obligations to such Banks/FIs. Such Banks/FIs, who have been paid prior to sanction of the scheme shall withdraw all the legal proceedings filed against the PPIL / Wanbury, its directors / its employees / its guarantors / its promoters.

II) Government of Maharashtra

Non-Fiscal

a) To exempt the Transferor Company unit from power cut;

b) Not to insist on bank guarantee against arrears of dues of the state government;

c) To extend relief and concessions as per standard package applicable to sick industrial companies under aegis of BIFR.

d) To exempt the two entities from payment of stamp duty with respect to transfer of the assets and properties of the transferor company to transferee company and to exempt the two entities from payment of stamp duty with respect to sale of assets envisaged under the Scheme and / or imposing stamp duty upon execution of any documents other than the merger scheme envisaging transfer of assets. Further if the transferee company disposes, sells, restructures or transfers the whole or part of the assets relating to the pharmaceutical business either of the transferee or the transferor or in combination thereof, such disposal, sale, restructuring or transfer shall be exempted from the payment of the stamp duty.

e) To extend relief and concessions as applicable to the rehabilitation of sick units as per the government notifications / policy in force, up to a period of 5 years from the cut off date.

III) Central Government

A) Income Tax Department:

a) To allow the Transferor Company to carry forward its business losses and unabsorbed depreciation from the Assessment Year 1998-1999, beyond the statutory period of 8 assessment years u/s 72 of the Income-tax Act and the said business losses and unabsorbed depreciation shall be treated as the unabsorbed business losses and unabsorbed depreciation losses of the Transferee Company under section 72A for the Assessment Year 2007-08 to be carried forward till it is set off.

b) To exempt the Transferor Company and the Transferee Company from the conditions of Section 72A(2) of the Income Tax Act, 1961 , and rules/regulations.

c) To allow the deduction for the accrued interest payable to banks and financial institutions by the Transferor Company treating the same as paid by the Transferee Company on the One Time Settlement with banks and financial institutions under the provisions of S. 43B of the Income Tax Act, 1961.

d) To condone the delays in filing the returns of income in the past u/s 139 read with section 80 of the Income Tax Act, 1961 and delays in payment / non payment of TDS and any other procedural compliances under the Income Tax Act, 1961.

e) To exempt the Transferor Company and the Transferee Company from applicability of section 41(1) and Section 28(iv) of the Income Tax Act, 1961 with regard to the write back of the liabilities of the Transferor Company by the Transferor Company / Transferee Company.

f) To permit the transferor & transferee company to file revised returns of income tax beyond the time permissible u/s 139 till a period of 3 years from the date of sanction of this scheme.

g) To exempt sale of assets proposed to be sold as pert of the scheme from capital gains, if any.

h) In respect of income-tax demands unpaid for period upto the appointed date, no interest or penalty under the Income Tax Act, 1961, shall be leviable or payable. Further in respect of any liability that may have devolved as a result of disposal of appeals/assessments pertaining to the period upto the appointed date, only the amount of income tax payable, to be recovered by income tax department without penalty and interest, in 6 annual installments either from the effective date of scheme by the BIFR or the date on which the demand is raised, whichever is later.

i) To exempt the Transferee Company from the provisions of S. 115JB till the brought forward business losses of Transferor Company as on 31/03/2006 are recouped or allow a deduction from the book profits of the Transferee Company to the extent of the brought forward business losses / negative net worth of the Transferor Company as on 31/03/2006, in terms of Clause (vii) of Explanation 1 to S. 115JB(2).

j) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals.

k) To give effect to the provisions of the Scheme the Transferee Company shall be entitled to file revised returns of Income beyond the stipulated period as specified in the Income Tax Act, 1961.

B. Customs Department/DGFT:

a) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals.

b) With respect to any legally payable customs duties as and when adjudicated, to provide facilities for payment without penalty and interest in equal installments over next 5 years either form the date of approval of Scheme by the BIFR or the date on which the demand is raised, whichever is later.

c) With respect to any claims arising out of advance licenses and/or export obligations to provide facility without penalty or interest to undertake fresh exports by Transferee Company of any product manufactured / traded by Transferor Company and offset such claims over the next 12 years from the date of approval of Scheme by the BIFR.

d) In the event of any liability that may devolve as a result of disposal of appeals/assessments for the financial year (s) up to the transfer date, such amounts to be recovered by customs department without penalty and interest, in 6 annual installments either from the date of approval of Scheme by the BIFR or the date on which the demand is raised, whichever is later.

C. Excise Department:

a) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals against the Transferor Company

b) With respect to any legally payable excise duties, as and when adjudicated, to provide facilities for payment without penalty and interest in equal installments over next 5 years either from Effective Date or the date on which the demand is raised, whichever is later.

c) In the event of any liability that may devolve as a result of disposal of appeals/assessments for the financial year (s) up to the transfer date, such amounts to be recovered by excise department without penalty and interest, in 6 annual instalments either from Effective Date or the date on which the demand is raised, whichever is later.

D. Sales Tax Department:

a) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals against the Transferor Company

b) With respect to any legally payable sales tax duties, as and when adjudicated, to provide facilities for payment without penalty and interest in equal instalments over next 5 years either from the date of approval of Scheme by the BIFR or the date on which the demand is raised, whichever is later.

c) In the event of any liability that may devolve as a result of disposal of appeals/assessments for the financial year (s) up to the transfer date, such amounts to be recovered by sales tax department without penalty and interest, in 6 annual instalments either from the date of approval of Scheme by the BIFR or the date on which the demand is raised, whichever is later.

E. Professional Tax

a) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals against the Transferor Company

b) With respect to any legally payable profession tax, as and when adjudicated, to provide facilities for payment without penalty and interest in equal instalments over next 5 years either from the date of approval of Scheme by the BIFR or the date on which the demand is raised, whichever is later.

c) In the event of any liability that may devolve as a result of disposal of appeals/assessments for the financial year (s) up to the transfer date, such amounts to be recovered by profession tax department without penalty and interest, in 6 annual installments either from the date of approval of Scheme by the BIFR or the date on which the demand is raised, whichever is later.

IV. Govt. / Semi Govt. / Local / Municipal / Gram Panchayat / Co-operative Society

a) Any dues of above agencies lawfully payable the same shall be settled at 4 % of their outstanding debts.

b) Withdrawal of all notice / demands / claims and any proceedings with respect to any dues arisen / accrued against the Transferor / Transferee Company, their directors, their employee, their guarantors and their promoters.

V) Labour

a) Workers to cooperate with the management in the achievement of production / productivity / industrial norms.

b) To consider to withdraw pending cases, if any, before any labour or any other courts.

VI) EPFO

a) To waive all liquidated damages / penalties / interest.

b) To collect the payment of PF dues, if any, remaining unpaid in 12 equal annual installments without liquidated damages /interest / penalties.

c) To withdraw the pending complaints / cases against PPIL, its directors, its employees, its guarantors and its promoters.

VI) ESIC

a) To waive all liquidated damages, interest and penalties for late payment of arrears of ESIC dues and statutory dues.

b) To collect the payments of ESCI dues, if any, remaining unpaid in 12 equal annual installments without liquidated damages /interest / penalties.

c) To withdraw the pending complaints / cases against PPIL, its directors, its employees, its guarantors and its promoters.

VII) General unsecured creditors

a.) Unsecured creditors referred in para 7.9 above, to accept 4% of their outstanding dues in cash for full and final settlement of all their dues of Transferor Company / the employees /the guarantors/ sureties in relation to their dues. The Creditors to agree for the settlement amount to be paid within 90 days of Effective Date.

b) Any amounts representing the said 4% referred to above, which have already been paid to some unsecured creditors prior to the sanction of the scheme shall be deemed to have been paid against their dues under the present scheme and creditors shall not be entitled to claim any further amount. PPIL / Wanbury, its directors /its employees / its guarantors / its promoters shall also stand relieved / absolved from any outstanding payments / obligations to such unsecured creditors. Such unsecured creditors who have been paid prior to sanction of the scheme, shall withdraw all the legal proceedings civil / criminal filed against the PPIL / Wanbury, its directors / its employees / its guarantors / its promoters.

c) All claims, liabilities, guarantees, bonds etc., shall stand withdrawn and all proceedings such as civil proceedings, winding up petitions, awards under arbitration, claims before debt recovery tribunal (DRT) etc., shall be withdrawn by the creditors once the scheme is implemented.

VIII) Preference Shareholders of PPIL:

a) Preference shareholders to agree for reduction of Preference share capital of Transferor Company to 2%. The Preference Capital of Rs. 250,00,000/- (Rupees Two Crore Fifty lakh only) is reduced pro rata to Rs.5,00,000/- (Rupees Five Lac Only).

b) The Preference Shareholders have accepted the redemption proceeds of the reduced face value.

c) Any cash amounts as stated in the scheme, which have already been paid by the Transferee / Transferor Company to the Preference Shareholders prior to the sanction of the scheme shall be deemed to have been paid under the present scheme.

IX) Equity Shareholders of PPIL

a) To accept/consent Reduction of Equity Share Capital of Transferor Company to 1% and swap of shares of Transferee Company and fresh issue of equity capital as detailed below:

b) Fresh Issue of shares of Transferor Company post reduction of capital: Transferee Company/ Group Company of Transferee Company has already provided financial assistance to Transferor Company to the extent of Rs.7.5crore directly/indirectly to settle the cash consideration payable and other cash payouts to the other Unsecured Creditors, Statutory dues and Preference Shareholders. In lieu of this investment, Transferee Company/Promoter(s) of Transferee Company has issued equity shares of Rs. 10 each fully paid up post Reduction of Capital of Transferor Company.

c) Swap with Transferor Company shares with Shares and Warrants of Transferee Company: Share Exchange Ratio shall be decided post reduction of Share Capital of PPIL, based on a price of Wanbury Limited's equity shares, which shall be in accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"). Additionally, Transferee Company shall issue 2 transferable Warrants for every one share issued by the Transferee Company to the Equity Shareholders of Transferor Company. Each Warrant shall entitle the holder thereof to subscribe at any time from date of allotment but not later than 5 years from such date of sanction of BIFR. Each Warrant shall entitle the holder thereof to exercise the option to convert the warrant into one fully paid equity share of Transferee Company having face value of Rs.10/- at a price, which shall be in accordance with the provisions of the "Chapter VII – Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations").

[WL had already allotted 5,62,618 equity shares of WL to the equity shareholders of PPIL, Transferor Company and the same forms part of allotment under the present revival proposal. The remaining equity shares would be allotted to the equity shareholders of PPIL, Transferor Company upon approval of the Scheme from the Hon'ble BIFR. WL the Transferee Company had also allotted 11,25,236 warrants allotted to the Shareholders of the Transferor Company which shall stand cancelled and fresh warrants will be allotted according to the present scheme].

d) Fractional entitlement in swap of Transferee Company shares: The Director / Employee of Transferee Company shall be bound in trust to handle fractional entitlements resulting from the swap of shares and warrants and such fractional entitlement shall be consolidated by issue and allotment of equity shares in lieu thereof to the Director/Employee of Transferee Company. The Director/Employee of Transferee Company to whom such equity shares and warrants are allotted shall sell the same in the market at the best available price and pay to the shareholder having fractional rights in proportion to their fractional entitlements.

e) Any instruments/securities issued and/or offered as stated in the scheme, which have already been issued/offered by the Transferee /Transferor Company to equity shareholders prior to the sanction of the scheme shall be deemed to have been issued /offered under the present scheme.

X) Amalgamated Company [Wanbury Ltd.]

a) To mobilize resources aggregating Rs 2500 lakhs including internal cash generation for financing this rehabilitation / revival scheme and also shall undertake to meet any shortfall what so ever in nature, within 30 days of same having being identified.

b) All infusion of funds including payments made for the purpose of satisfying the capital cost of the Scheme by Wanbury/Promoters of Wanbury either directly to PPIL or indirectly paid through payment to creditors/shareholders/statutory creditors would not be subject to any lien by any creditor /shareholder/preference shareholder/lender whether secured or unsecured or any statutory, semi/quasi government body for any dues to such persons.

XI) Undisclosed Liabilities:

a) All undisclosed or unknown general unsecured liabilities/creditors, if any not explicitly mentioned in this Scheme or related to any dues stated in the appendix or otherwise and any liabilities, demand or claim arising out of any actionable claim shall also be covered by this Scheme and any payment payable thereof shall be paid at 4% of the acceptable claim amount as proved to the satisfaction of the Company/Wanbury Limited. Wanbury confirms that to the best of its knowledge all such unsecured creditors have accepted the same.

XII. SEBI / NSE/ BSE

a) To exempt from applicable provisions of SEBI guidelines relating to reduction in equity / preference share capital, consolidation of equity share capital and issuance of fresh share capital to Transferee Company / Promoters of Transferee Company.

b) SEBI to condone all past procedural compliances which can otherwise hold up listing of shares and their trading. Penalty provisions may also be waived.

c) exempt from applicable provisions of Listing agreements relating to BSE/NSE in so far as they related to issuance of shares / equity linked instruments on private placement basis and listing there off with respective exchanges.

d) to direct BSE/NSE to list the instruments identified in the Scheme for the purpose of trading in de-materialized form from the date of issue.

e) NSE /BSE to waive past unpaid listing fees and allow trading of shares without raising any objections.

f) All permissions granted by NSE/BSE for listing/issue of any instrument /security issued by the Transferee Company to the shareholders / lenders of the Transferor Company as stated in the scheme even if issued / allotted prior to the sanction of the Scheme shall be valid and binding.

XIII) Ministry of Corporate Affairs.

a) To exempt from payment of Stamp Duty for issue of fresh equity and other instruments.

b) The authorised share capital of the Transferor Company shall be added to the authorised share capital of the Transferee Company and no additional stamp duty, registration charges, filing fee or any other charges will be payable on such addition to the authorised capital of the Transferee Company.

c) To exempt the Transferor Company from the applicability of Section 58A of the Companies Act for raising funds for rehabilitation.

d) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities against the Transferor Company without payment of any penalty.

[Note: Effective date for the purpose would be the date of approval of Scheme by the BIFR]

10. General Terms and Conditions:

a) The company shall constitute a Management Committee comprising representatives of Institutions, Banks and MA to monitor the progress in implementation of the scheme.

b) The company shall constitute an Asset Sale Committee to oversee sale of surplus assets of the company with representatives of secured creditors, PPIL, WL and MA.

c) The company shall increase its authorised share capital and pass necessary resolution at its Board Meeting and also obtain all necessary statutory approvals in this regard.

d) The company shall appoint, to the satisfaction of MA, a firm of Chartered Accountants as Concurrent Auditors, with a direct reporting relationship with BIFR/ MA/ Banks.

e) The package of reliefs/ concessions shall be subject to annual review and the Institutions/ Banks shall have the right of recompense for the sacrifices made under the package as also right to accelerate the repayments/ increase the interest rate(s), should the profitability, cash flow and other circumstances so warrant, based on such reviews and after obtaining the approval of BIFR.

f) Additional funds due to any shortfall in the resources / any additional requirement shall be met by promoters/incoming promoters.

g) Unsecured loans brought in by the new promoters both for working capital and towards cost of scheme shall remained subordinated to banks/financial institutional loans and shall not be withdrawn till the end of the scheme period.

h) The company shall not undertake any major modernization / diversification programme/ capital expenditure during the period of implementation of the Rehabilitation Scheme without specific prior written permission of the Bank and FIs.

i) The company shall submit half-yearly progress reports to the Institutions/ Banks/ BIFR on the implementation of the Rehabilitation Scheme and such reports would be submitted within one month from the close of the period.

j) Consent Terms would be filed by Banks in the DRT and Courts as the case may be.

11. Viability

The assumptions underlying profitability, the projected profitability, projected cash flow statements and projected balance sheets are given in financials. On sanction of the scheme by BIFR and after giving effect of the same in the merged entity, the accumulated losses would be wiped out immediately and the net worth would be positive. The average DSCR would works out to 2.40 over the period of implementation of the scheme. With the proposed cost and means of finance and envisaged reliefs and concessions from various authorities, the scheme would be viable over a period of implementation.

Appendix

List of Other Unsecured Creditors

S. No.	***Sundry Creditors***	***Amount Outstanding (In Rs.)***
1	21st Century Mangt Service Ltd.	5,800,000
2	Air Force Naval Housing Board	8,100,000
3	Air Freight Limited	5,000,000
4	Apple Fiance Ltd	1,694,000
5	Ashok Leyland Finance Ltd.	5,000,000
6	Associated Investment Ltd.	2,662,000
7	Birla Global Finance Ltd.	1,788,000
8	Blue Dart Express Ltd.	14,000
9	Bombay Ammonia & Chem Co.	11,000
10	Budhrani Finance Ltd.	5,000,000
11	Dewoo Motors	10,000,000
12	Dhanshree Enterprises	369,000
13	Dhiraj Enterprises	36,000
14	Diptee Construction	274,000
15	Esanda Fitz	518,000
16	Exmor Enterprises	267,000
17	Fibre Foils Ltd.	20,000
18	Garden Finance Ltd.	13,416,000
19	GE Capital Transportation Finance Ser. Ltd.	7,300,000
20	Gill & Co.	3,000,000
21	Harihar Finance	997,000
22	Herren Chemicals	106,000
23	Hikal Chemicals	120,000
24	IAF Benevolent Association	3,300,000
25	India Cement Capital & Finance Ltd	5,000,000
26	Indian Seamless Financial Services Ltd.	8,800,000
27	India Securities Ltd.	7,725,000
28	Indus Ind Enterprises	3,130,000
29	Jayantilal Chunilal Shah	115,000
30	Kaveri Steel & Engg. Co.	178,000
31	K & Co.	7,500,000
32	Kotak Mahindra Finance	4,123,000
33	Kubo Combustion Eff.	298,000
34	K. Uttamlal & Company	119,000
35	Maharashtra Scooters Ltd.	2,500,000
36	Mahindra Finance Ltd.	5,509,000
37	Mangalam Rasayan	237,000
38	Manipal Finance	5,000,000
39	Mantri Housing & Const. Ltd.	820,000
40	Marwah Industrial Premises Co Op. Soc. Ltd.	161,000
41	Masitia Capital Sevices Ltd.	6,200,000
42	Nelito Systems Ltd.	5,000,000
43	Nutron Pharmaceuticals	121,000
44	Parle International Limited	4,000,000
45	Pidilite Finance	280,000
46	Ravi Engineering Works	128,000
47	Savani Financials Limited	5,697,000
48	Savani Financials Ltd	5,700,000
49	Summer Investment	2,500,000
50	Supra Combines	407,000
51	Surya Automation Enterprises	10,000
52	Tata Finance Ltd.	10,238,000
53	Trade Advance	72,000
54	Tube Investment Ltd	3,100,000
55	Valiant Chemical	863,000
56	Vam Organics	202,000
57	Vijay Glass Works	425,000
58	Wallchand & Co.	1,800,000
59	Wipro Finance	11,770,000
60	Other Trade Creditors & Suppliers	23,212,000
	Total Amount	***207,732,000***

[redacted]