



DR.DATSONS LABS LTD

FORMERLY KNOWN AS AANJANEYA LIFECARE LIMITED
ADDING GOOD HEALTH TO LIFE NATURALLY!!!
CIN : L24230MH2006PLC158589



May 8, 2015

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Respected Sir/ Madam,

Scrip Code: DRDATSONS (NSE)

Subject: - Submission of Bombay High Court Order Copy
& Minutes Copy of Official Liquidator

We have received call From The Bombay Stock Exchange Limited for advising Dr. Datsons Labs Limited (the "Company") to submit order copy of Bombay High Court dated February 18, 2015 (*uploaded on website on March 27, 2015*) and Minutes Copy of Official Liquidator dated 30-04-2015.

We are also Submitting Order Copy of Bombay High Court and Minutes Copy of Official Liquidator to you for a part of the listing agreement.

You are requested to take the aforesaid on record.

Yours faithfully,

For DR. DATSONS LABS LIMITED

Yogesh Patel

YOGESH PATEL
COMPANY SECRETARY



Encl a/a.

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Unit 2: Gat No 123, Pirungut, Mulshi Taluka, Pune Dist, 412108, Maharashtra India



IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.330 OF 2013

Wazir Financial Services Pvt. Ltd.

V/s.

Dr. Datson's Labs Ltd.

...Petitioners

...Respondent

ANDCOMPANY PETITION NO.414 of 2013

Dr. Heman A. Shah

V/s.

Dr. Datson's Labs Ltd.

...Petitioner

...Respondent

ANDCOMPANY PETITION NO.534 of 2013

Streamline Shipping Company Pvt. Ltd.

V/s.

Aanjaneya Lifecare Ltd.

...Petitioner

...Respondent

ANDCOMPANY PETITION NO.247 OF 2014

World Botanical Products Sprl

V/s.

Dr. Datson's Labs Ltd.

...Petitioners

...Respondent

ANDCOMPANY PETITION NO.271 OF 2014

M/s. Ishan Industries

V/s.

Dr. Datson's Labs Ltd.

...Petitioners

...Respondent

ANDCOMPANY PETITION NO.328 OF 2014

IFCI Factors Ltd.

V/s.

Dr. Datson's Labs Ltd.

...Petitioners

...Respondent

AND

Yogen. N. Toia



COMPANY PETITION NO.348 OF 2014

Unilazer Ventures Pvt. Ltd.

...Petitioners

V/s.

Dr. Datson's Labs Ltd.

...Respondent

AND**COMPANY PETITION NO.889 OF 2014**

Sailesh Vinaychandra Shah

...Petitioner

V/s.

Anjaneya Lifecare Ltd.

...Respondent

Mr. Siddharth Murarka for the Petitioner in CP No. 330 of 2013.

Mr. Atul Daga along with Mr. S. Iyer, instructed by M/s. Ganesh & Company, for the Petitioner in CP No. 414 of 2013.

Mr. R. Piprodia, instructed by M/s. RMP Legal, for the Petitioner in CP No. 534 of 2013.

Dr. A. Chandrachud, instructed by M/s. J. Sagar & Associates, for the Petitioner in CP No. 247 of 2014.

Ms. Dipti Shah for the Petitioner in CP No. 271 of 2014.

Mr. Cherag Balsara, along with Mr. Rohit Gupta and Mr. B. Badani, instructed by M/s. K. Ashar & Company, for the Petitioner in CP No. 328 of 2014.

Mr. Shakib Dhorajiwala, instructed by M/s. Vidhi Partners, for the Petitioner in CP 348 of 2014.

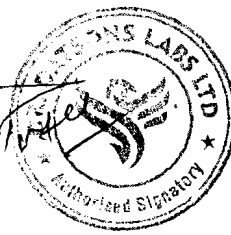
Mr. G. Mohanthy, instructed by M/s. Mohanthy & Associates, for the Petitioner in CP No. 889 of 2014.

Mr. Chetan Kapadia, instructed by M/s. Chitnis & Co., for the Respondents in all matters.

CORAM: S.J. KATHAWALLA, J.**DATE: 18th February, 2015.****P.C.:**

1. The aforesaid Company Petitions have been filed for winding-up Dr. Datson's Labs Ltd. (formerly known as Anjaneya Lifecare Ltd.) (hereinafter referred to as "the Respondent Company"). The claims of the Petitioners in the aforesaid Petitions are summarised in the table hereunder :

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S. No.	Petition No.	Claim amount	Total
1.	330/2013	Rs. 57,26,752.00 alongwith interest @ 24% p.a. till 31.02.2015	Rs. 82,03,065.00
2.	414/2013	Rs. 54,25,753.00 alongwith interest of Rs. 15,58,740.00	Rs. 70,27,438.00
3.	534 / 2013	Rs. 51,63,799.00 (Including interest of Rs. 14,17,570.07 @ 18.50%)	Rs. 51,63,799.00
4.	247/2014	USD 3,29,621.18 alongwith interest of USD 16,174.02 @ 9% from May, 2013 to November, 2013	USD 3,45,795.20 (Approximately Rs. 2,10,93,507.20 @ exchange rate of Rs. 61 / USD)
5.	271/2014	Rs. 3,70,024.00 (Including interest of Rs. 97,054 @ 24% p.a.)	Rs. 3,70,024.00
6.	328/2014	Rs. 10,27,50,000.00 (Only Principal)	Rs.10,27,50,000.00
7.	348/2014	Rs. 9,78,18,227.00 (Including interest of Rs. 1,35,07,811)	Rs.9,78,18,227.00
8.	889/2014	Rs. 10,20,250.00 alongwith interest of Rs. 1,97,340.00	Rs. 12,17,590.00

2. The Company Petition No.328 of 2014 along with Company Application No.442 of 2014 for appointment of Provisional Liquidator has been served on the Respondent Company on 19th July 2014 and the same is supported by an affidavit of service dated 22nd July, 2014.

3. Company Petition No. 330 of 2013 has been shown on the cause list since 23rd June, 2013. Thereafter, the other Company Petitions were also shown on the cause list from time to time. It was contended by the Respondent Company that there was a notification dated 28th April 2014 issued under the provisions of the Bombay Relief Undertaking Act 1958 ("BRU Act" for short) due to which, the aforesaid winding-up Petitions could not be proceeded with. The aforesaid notification dated 28th April

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2014 was for a period of 12 months with effect from 09th January, 2014 which has expired on 08th January 2015. The aforesaid Company Petitions were taken up for admission on 16th January 2015 when the Learned Counsel for the Respondent Company did not seek any time to file its affidavit in reply to Company Petition No. 328 of 2014, Company Petition No. 889 of 2014, Company Petition No. 271 of 2014, Company Petition No. 247 of 2014 and Company Petition No. 348 of 2014. In fact, the Learned Counsel for the Respondent Company fairly stated that though the Respondent Company differs with the Petitioner qua the quantum of the amounts claimed from the Respondent Company, there was no need to contest the quantum at the stage of admission.

4. Company Petition No. 330 / 2013 arises out of Inter Corporate Deposits. The documents under which the Respondents have admitted their liability in respect of the claim amount are

Promissory Note

Inter Corporate Deposit dated 31.01.2013

Letter of confirmation of issue of cheques

Loan Agreement

5. Company Petition No. 414 of 2013 arises out of the Loan cum Pledge Agreement dated 01st April, 2013 alongwith the Demand Promissory Note dated 01st April, 2013. Petitioner invoked the pledge under the Loan Agreement vide its letter dated 25th February, 2013 but was unable to sell the shares of the Respondent Company since trading was suspended due to the stock hitting lower circuit for every trading day between February, 2013 and 10th April, 2013. The Respondent has

acknowledged its liability to pay the loan amount under its letter dated 08th January, 2013 and also forwarded a post dated cheque for Rs.52,02,739.00, which cheque was dishonoured with the remark "Funds Insufficient". Even after the receipt of the Statutory Notice, the Respondent has by its letter dated 03rd September, 2013 admitted the default in repayment of the loan amount and has also stated that repayment shall be affected from the FCCB funds as raised.

6. Company Petition No. 534 of 2013 arises out of Inter Corporate Deposits and the Promissory Note signed by the Respondent Company. The Respondent Company has admitted its liability to the extent of Rs. 50 Lacs vide its Affidavit in Reply dated 14th June, 2013. The Respondent Company had also issued a Cheque for Rs. 50,02,739/- (Cheque No. 015256) dated 20th March, 2013) which was also dishonoured with the remark "Funds Insufficient".

7. Company Petition No 247 of 2014 arises out of three unpaid Invoices under which "cinchona bark" (raw material used in the manufacture of anti malaria drug) were supplied to the Respondent Company. Two statutory notices were issued. The Respondent has not replied to both the statutory notices. The Respondent has in fact after the receipt of the aforesaid two statutory notices, by it's email dated 8th January 2014 once again admitted its debt. The Petition was served upon the Respondent by registered post on 17th April 2014. The Respondent has acknowledged its liability to pay the claim amount under the following documents.

- Letter from the Respondent dated 27th April 2013
- Email from the Respondent dated 17th May 2013
- Email from Respondent dated 06 September 2013



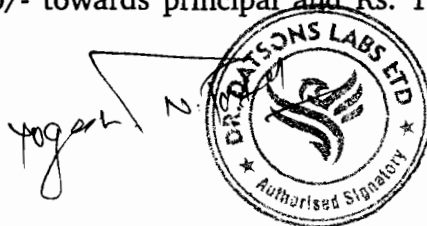
- Email from Respondent dated 09th October 2013

- Email from Respondent dated 8th January 2014

8. Company Petition No. 271 of 2014 arises out of four Invoices under which the Petitioner had supplied Pet Bottles to the Respondent for a value aggregating to Rs. 18,17,472/-. Against the said Invoices, the Respondent made part payments aggregating to Rs. 15,94,265/- leaving a balance of Rs. 2,23,207/- The Respondent also failed to deliver "FORM C" to enable the Petitioner to claim the amount of Sales Tax from the concerned authority. The Respondent on receipt of the Pet Bottles raised an objection in respect of 50 bottles as being defective. Although the Respondent was required to raise the said objection within seven days of the receipt of the Pet Bottles, the Petitioner accepted the said rejection and gave a Credit Note in respect of the said rejected 50 Pet Bottles. There is no reply to the Statutory Notice.

9. Company Petition No. 348 of 2014 arises out of Inter Corporate Deposits and the Demand Promissory Note dated 19th June, 2012 and the Undertaking-Cum-Indemnity Agreement dated 17th April, 2013, whereby the Respondent acknowledged its default in meeting the obligations and the action of the Petitioner in selling 2,80,028 shares and further undertook to pay an amount of Rs. 8,48,70,367/- within 7 days from the date of the undertaking. There is no reply to the Statutory Notice.

10. Company Petition No. 889 of 2014 arises out of unpaid Invoices under which Sugar was supplied to the Respondent Company. There is no reply to the Statutory Notice. The amount claimed in the aforesaid Company Petition is Rs. 12,17,590/- (Rupees 10,20,250/- towards principal and Rs. 1,97,340/- towards interest as on



11th February, 2013).

11. Company Petition No. 328 of 2014 arises out of Domestic Factoring Facility read alongwith Notice of Assignment of Debt dated 15th November, 2011. On 16th January, 2015, Learned Counsel for the Petitioner in Company Petition No.328 of 2014, IFCI Ventures (hereinafter "IFCI") placed before the Court that they had by a Letter of Sanction dated 9th May 2011 issued in favour of one M/s. Arch Pharmalabs Ltd., sanctioned a domestic factoring facility for an amount of Rs.15 crores. The said M/s Arch Pharmalabs Ltd. had raised two invoices on the Respondent Company (then known as Anjaneya Lifecare Ltd.) for an amount aggregating to Rs. 10,27,50,000.00 and the Respondent Company was required to pay over the said invoice amount to the Petitioners on account of the Petitioners having released funds to the said M/s Arch Pharmalabs Ltd. The Petitioners in the aforesaid Company Petition No.328 of 2014 submitted that the said M/s. Arch Pharmalabs Ltd. had issued a notice dated 15th November 2011 to the Respondent Company that the invoices raised by the said M/s Arch Pharmalabs Ltd. should be paid to IFCI. A copy of the aforesaid notice of Assignment of Debts dated 15th November 2011 was sent to IFCI.

11.1 IFCI had by its letter dated 9th December 2011 addressed to the said M/s Arch Pharmalabs. Ltd. informed the said M/s Arch Pharmalabs Ltd. that the Notice of Assignment of Debts should be on the letterhead of the Respondent Company. In response to the aforesaid letter dated 15th November 2011, the Respondent Company in its former name issued a letter dated 1st December 2011 addressed to the Petitioner stating that payment in respect of the invoices raised by the said M/s.

Arch Pharmalabs Ltd. would be made to the IFCI. The Respondent Company also addressed letter dated 10th August 2011 to IFCI notifying the transfer of receivables to IFCI. Along with the said letter dated 10th August 2011, the Respondent Company also enclosed photocopies of two invoices aggregating to Rs.10,27,50,000/-.

11.2 Despite the aforesaid, the Respondent Company has failed to make payment of its liability. In fact, the Respondent Company has vide its letters dated 7th November 2012 and 21st December 2012 addressed to IFCI acknowledged its liability to the IFCI in writing. The Respondent Company has in its letter dated 21st December 2012 expressly stated that it was in the final phase of launching a Foreign Convertible Bond issue ("FCCB") of about USD 60 million which would be used towards working capital requirement and acquisition of assets. The Respondent Company has stated that it was expecting the FCCB monies to come in before 30th January 2013. The Respondent Company assured the IFCI that it would make payment against the outstanding amount once the FCCB monies were received by the Respondent Company. The said M/s Arch Pharmalabs Ltd. also addressed a letter dated 8th January 2013 informing the IFCI that the Respondent Company had assured that it would remit the amount towards the aforesaid two invoices to IFCI by 30th January 2013.

11.3 Despite the aforesaid assurances and acknowledgment of liability in writing given by the Respondent Company to IFCI, the Respondent Company failed and neglected to pay the outstanding amounts to IFCI. IFCI issued a Notice dated 21st May 2013 under Sections 433 and 434 of the Companies Act, 1956 calling upon the

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Respondent Company to pay to the IFCI the amount of Rs.10,27,50,000/- along with accrued interest. There is no reply or contest to the aforesaid winding-up notice issued by the IFCI. In fact, the Respondent Company, even after receipt of the said statutory notice, sent an email dated 8th August 2013 once again assuring payment to the IFCI in view of the Respondent Company having received the shareholders approval for resetting the price of FCCB's. The Respondent Company has proceeded to assure the IFCI that after approval was received from RBI, the Respondent Company would be in a position to draw its legitimate amount of USD 40 million lying in the escrow account in Singapore. The Respondent Company stated in the said email dated 8th August 2013 that with the release of the aforesaid funds, it would be in a position to settle the dues of IFCI and that the said process would take about 6 to 8 weeks. As no payment was forthcoming, IFCI vide its advocates' notice dated 12th August 2013 once again called upon the Respondent Company to make payment of the outstanding amount within a period of three weeks failing which, IFCI would proceed against the Respondent Company under Section 433(e) read within Section 433(1)(g) of the Companies Act, 1956.

11.4 The Respondent Company has not controverted the contents of the statutory notice dated 21st May 2012 or the subsequent notice dated 12th August 2013. The Respondent Company has also not filed any affidavit in reply controverting the contents of the aforesaid Company Petition.

11.5 It must be noted that IFCI Factors Ltd., the Petitioner in Company Petition No.328 of 2014 is a subsidiary of IFCI Limited and public funds are therefore, involved in the said Company Petition No.328 of 2014.

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11.6 At the hearing held on 16th January 2015, the Respondent Company accepted that there was no real contest on merits to the outstanding amounts of IFCI in Company Petition No.328 of 2014. However, general defences were sought to be raised, without filing any affidavit in reply in the said Company Petition on the ground that the Respondent Company had a substantial number of employees and that their interests were required to be protected. In order to test the bonafides of the aforesaid defences, the Court called upon the Respondent Company to file its annual returns for the year 2013-14 and the unaudited financial report for the quarter ended September 2014.

12. Pursuant to the directions given on 16th January 2015, the Respondent Company filed its annual returns for the year 2013-14 and the unaudited financial result for the quarter ended September 2014.

13. On 22nd January 2015 arguments took place regarding the aforesaid accounts filed by the Respondent Company. It was sought to be argued on behalf of the Petitioners that :

- i) The Respondent Company had made large scale investments in foreign companies to the tune of Rs 210 Crores.
- ii) The total receivables of the Respondent Company had increased from Rs.3.50 crores for the year ended 31st March 2013 to Rs.115 crores for the year ended 31st March 2014,
- iii) The Respondent Company had reduced the outstanding loan from its director Mr. Kannan K. Vishwanath from Rs.31.76 crores in 2012-13 to Rs.20.37 crores in 2013-14,

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- iv) The Respondent Company had reduced the outstanding loan of one "Fine Venture Capital Ltd." (stated during the course of argument by the Learned Counsel appearing for the Respondent Company to be a group company of the Respondent Company) from Rs.13.69 crores to Rs.2.44 crores,
- v) There were two issues of FCCB's. One issue was on 21st March, 2013 for USD 40 Million and the other was on 21st October, 2014 for USD 13 Million. It was submitted by the Petitioner that none of the proceeds of the said issues were utilized for payment either to employees or creditors.
- vi) Admittedly the workers dues were not paid since December, 2014 and staff salary had not been paid since October, 2014 and that the plant at Pune was closed since September 2013. Hence, only one plant of the Respondent Company at Nashik is in operation,
- vii) The annual report showed that the Respondent Company had failed to make provision of gratuity to the extent of Rs.2.25 crores,
- viii) The annual report showed that the Respondent Company had not cleared statutory liabilities aggregating to Rs 141.44 Lacs as on 31st March, 2014. (Provident Fund Rs. 20.55 Lacs, Professional Tax Rs. 3.17 Lacs, Income Tax Deducted at Source Rs. 107.87 Lacs and Service Tax Rs. 9.85 Lacs)

20. It was also submitted on behalf of the Petitioners on 22nd January, 2015 that Mr. Kannan Vishwanath had pledged substantial shares of the Respondent Company

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to SICOM and had moved this court by filing Notice of Motion (L) No.210 of 2014 in Suit (L) No.883 of 2014 restraining SICOM from selling the aforesaid shares. A single judge of this court had passed an order dated 5th November 2014 dismissing the aforesaid Notice of Motion. The order of the single judge dated 5th November 2014 was challenged before the Division Bench of this court in Appeal (L) No. 711 of 2014. The said appeal was dismissed by an order dated 27th November 2014 passed by the Division Bench of this Court. The said orders dated 05th November, 2014 and 27th November, 2014 were placed on record. It was submitted that the promoters therefore, did not have much of a stake in the Respondent Company and that the Respondent Company was being used only as a vehicle for funding the foreign companies in which investments were being made by using the amounts of the Respondent Company. It was contended that even the FCCB proceeds were not utilized for payment to the creditors or the employees of the Respondent Company.

21. After hearing the arguments of the parties, the Court put four queries to the Learned Counsel appearing for the Respondent Company which are set out hereunder:

- (i) Reason for making such large scale investments in overseas subsidiaries when the Respondent Company itself took reliefs under the Bombay Relief Undertaking Act (BRU_.
- (ii) What dividends have been received from the subsidiaries?
- (iii) Are the trade receivables barred by the law of limitation i.e. how old are the trade receivables ?
- (iv) Workers' liability & salary outstanding? The last month for which employees'

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wages were paid by the Respondent?

22. The aforesaid Company Petitions were listed on 18th February 2015. Learned Counsel for the Respondent Company did not give any reason for making large scale investments in overseas subsidiaries when the Respondent Company itself took protection under the Bombay Relief Undertaking Act. No particulars were also furnished regarding dividends earned from the subsidiaries. In so far as the query regarding the trade receivables is concerned, it was submitted that the same aggregates to Rs. 365.91 Crores and were not time barred Debts. It was pointed out by Counsel for the Petitioners that there was a notification of the BSE on its website which reflected that Mr. Kanan Vishwanath had resigned as director of the Respondent Company. The Learned Counsel for the Respondent Company sought time to submit the details sought by the Court in statement form.

23. On 23rd February 2015 learned counsel for the Respondent Company submitted a statement which is summarized as under :

- (i) Statutory dues such as TDS, Service Tax, Income Tax, Professional Tax aggregating to Rs 141.44 Lacs were pending since 31st March, 2014.
- (ii) Investments in subsidiaries were to the tune of Rs.2,12,77,85,492/-. Out of the aforesaid, an amount of Rs.2,12,72,43,626/- was invested in Fair Success (HK) Ltd. from the proceeds received from FCCB funds.
- (iii) 2 issues of Foreign Currency Convertible Bonds ("FCCB") were made:
 - a) during the financial year 2012-13 and issue of FCCB was made for an amount of US \$ 40 million and the said amount was utilized for acquisition of the aforesaid overseas company named



Fair Success (HK) Ltd.,

- b) in October 2014, the Company raised an amount of US \$ 13 million by issuing FCCB. The said FCCB's were listed on the Singapore Stock Exchange. The funds so raised are to be utilized towards buying, marketing and registration of IPR Patents in Europe. The proceeds of the FCCB had been deposited in the account of Dr. Datsons Labs Ltd.'s overseas subsidiary Fair Success (HK) Ltd. as per Offer Circular and discussions with bond holders. The Company has categorically stated that FCCB were converted into equity shares of the Company.
- c) the bond holders of FCCB had subscribed to the FCCB issue specifically for purchase of the overseas company. The amount of US \$ 40 million invested by bond holders were directly used for investment in Fair Success (HK) Ltd. through escrow account in Singapore, pursuant to Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 and Master Circular on External Commercial Borrowings and Trade Credits issued by RBI. Further, the Master Circular on External Commercial Borrowing do not permit to transfer such funds to India for any other reasons for which the fund was raised.

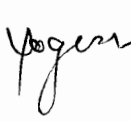
- (iv) The value of the fixed assets of the Company aggregated to Rs. 2,488,237,71/- No details have been given in the statement regarding

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charges created thereon.

- (v) The Company had lent and advanced an amount of Rs.1,15,94,53,041/- as trade advances and the same was interest free. The amounts recovered were utilized for payment to trade creditors aggregating to Rs.1,10,92,62,415/-. The amount of loan/advance by the Company pending as on 31st December 2014 is Rs.5.01 crores. The total debtors of the Company as on 31st March 2014 amount to Rs.365.91 crores. The Company from the amount recovered, repaid trade creditors an amount of Rs.18.80 crores.
- (vi) The Company has stated that as it was unable to raise any unsecured loans, its Managing Director, Mr. Kanan Vishwanath raised loans aggregating to Rs. 20,37,00,000/- in his personal capacity and that subsequently the said amounts were repaid to the said entities through the said Mr. Kanan Vishwanath.
- (vii) The Company has submitted that a resolution dated 30th May 2014 was passed by the Board of Directors whereby the remuneration due to the Managing Director and Directors shall be used for payment of salaries to the workers for the FY 2012-13, 2013-14 and 2014-15.
- (viii) The Company has planned a comprehensive revival strategy and had applied for rehabilitation to the Bank of India which was under consideration. By the aforesaid rehabilitation, the Company envisaged increase in its turnover from US \$ 5430 million in FY 2013-14 and consolidated turnover of US \$ 7940 million in the FY 2014-15.

(ix) The Company submitted that the BRU notification was effective from 9th January 2014 to 8th January 2015 and therefore, the Company Petition Nos..889 of 2014, 328 of 2014, 2714 of 2014, 247 of 2014 and 348 of 2014 could not have been filed and were required to be dismissed in law. The learned counsel for the Company orally submitted that the aforesaid submission was not based on any provision under the Bombay Reliefs Undertaking Act but that the provisions of Section 22(1) of the SICA should be applied for the purposes of dismissing the aforesaid Petitions.

24. It was submitted by Mr. Abhinav Chandrachud, Ld. Counsel on behalf of the Petitioners in Company Petition No. 247 of 2014 that the Court is not required to conduct a detailed enquiry as was being done in view of the fact that the Respondent Company had not disputed the debt in most cases and there was a substantial claim from the creditors. In support of the aforesaid proposition Mr. Abhinav Chandrachud relied upon Chapter 85 of Palmer's Companies Act, 1982 edition, relevant portion cited is reproduced as under:-

"Where a debt is not disputed or the claim is substantial a creditor may present a petition with the object of forcing the company to pay.

"Substantial" here means having substance. In such a case pursuit of the claim with personal hostility, even venom and an ulterior motive, does not constitute an abuse of the process of the court. Similarly where the company is proved by other means to be insolvent or where the dispute is as to amount only an order will be made."

25. I have heard the parties at length and perused the Petitions and the affidavits

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filed by the parties. It is clear from the stand taken by the Company that the Respondent Company is indebted to the Petitioners herein for amounts aggregating to approximately Rs 24,36,43,650.20/- The amount of Rs 10,27,50,000.00 claimed by IFCI is admitted in the Company's letters dated 07th November, 2012 and 21st December, 2012 and email dated 08th August, 2013. It can therefore be safely stated that the debt due and payable by the Company to IFCI involves public funds. Hence, a case has been made out that the Company is unable to pay its debts in ordinary and regular course of its business.

26. It is pertinent to note that the accounts produced by the Company do not inspire any confidence in the ability of the Company to service its debts. The Company has defaulted in payment of tax deducted at source on various payments made by it since 2012. The Company has also defaulted in payment of statutory liabilities such as Service Tax, Income Tax and Professional Tax since the last quarter of 2012. Hence I am satisfied that the Company is not in a position to meet its day to day liabilities incurred in the normal course of business.

27. The Company's investments in subsidiaries reveal certain alarming facts. The Company has been holding out a bait to its creditors to stall the initiation of legal proceedings as is evidenced in the letters dated 7th November 2012 and 21st December 2012 and email dated 8th August 2013 whereby the Company has categorically stated that it was expecting huge funds from FCCB issue and that the proceeds in respect thereof would be utilized for payment of the Company's creditors. Now before this Court, the Company has taken a stand that in view of the Master Circular on External Commercial Borrowing issued by the Reserve Bank of

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India and the issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit) Mechanism, 1993, amounts received on account of 2 FCCB issues could not be transferred to India and therefore cannot be used for payment to creditors. Hence, the stand taken by the Company in the correspondence to its creditors was, to say the least, thoroughly dishonest and misleading.

28. The Company claims to have made investments in a overseas company viz. Fair Success (HK) Ltd. aggregating to Rs.212,72,43,626/-. On a query made by the Court regarding the reasons for making large scale investments in overseas subsidiaries when the Company itself took reliefs under the BRU Act, there was no response. The Company has despite query from the Court regarding the dividend earned from its subsidiaries, failed to respond to the same. It is therefore clear that the operations of the Company are definitely not in the interest of either its creditors or its employees and workmen.

29. The Company has contended that it has advanced substantial amount of Rs.115,94,56,041/- without any interest. It is claimed by the Company that the Company recovered sums of the loans so advanced between the period 2013-2014 to the tune of Rs.110 crores and that the same had been applied towards making payment to trade creditors. It is clear that the Company is not in a position to clear the dues of its unsecured creditors such as the Petitioner herein and is clearly commercially insolvent.

30. It is claimed by the Company that as it was not in a position to raise unsecured loans, it has raised loans from 4 entities through its Managing Director Mr. Kanan Vishwanath and that the said entities were repaid through its Managing

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Director the said Mr. Kanan Vishwanath. The aforesaid arrangement claimed by the Company do not inspire confidence in the accounts placed on record by the Company.

31. The Company has admitted that the salary to its workers has not been paid since December 2014 and the salary to staff has not been paid since October 2014. The aforesaid clearly shows that the operations of the Company are not in the interest of the workers and staff of the Company.

32. The Company's claim regarding it being declared as a Relief Undertaking under the provisions of the BRU Act from 9th January 2014 to 8th January 2015 on account of which 5 of the company petitions being Company Petition Nos.889 of 2014, 328 of 2014, 2714 of 2014, 247 of 2014 and 348 of 2014 could not have been filed during that period is a totally misconceived argument. A submission was sought to be made that an analogy must be drawn between the objects for which the SICA and BRU Acts were enacted and in view of the objects of the SICA being similar to the BRU Act, the provisions of Section 22A of SICA must be applied to the BRU Act also. The provisions of Section 22 of the SICA cannot be applied to the BRU Act in view of the absence of any express provision to that effect. The said submission therefore holds no substance.

33. The Company's contention that it is in the process of getting rehabilitation scheme passed through Bank of India also holds no substance as I am absolutely satisfied that the Company is not in a position to pay the dues of its creditors in the normal course of its business.

34. The Company's conduct is totally deprecable. The same is apparent from the

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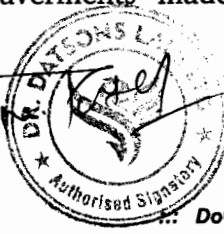
fact that the Company had held out assurances to its creditors regarding payment from the proceeds realized on account of FCCB issues whereas the Company has reneged from the said commitment on the ground that it is not feasible in law on account of Master Circular on External Commercial Borrowing issued by the Reserve Bank of India and the issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit) Mechanism, 1993. It is therefore clear that the Company was all along interested only in avoiding its creditors and consequences of non-payment of its dues.

35. In the present case, a large amount of public funds is also involved. It is clear from the aforesaid Company Petitions that the same have been filed for the benefit of the general body of creditors. I find that in majority of the Company Petitions, the claims are not in dispute. There are no replies even to the statutory notices. Moreover, in number of cases no replies have also been filed to the Company Petitions which goes to show that the Company has no defence to a large number of creditors and the Company is commercially insolvent.

36. In the event of the Company being allowed to carry on business, the same is detrimental not only to its creditors, Company's workers and staff but also detrimental to the general body of public at large which would be exposed to grave risk. The conduct of the Company's directors is also totally dishonest and untrustworthy.

37. There is no reply to Company Petition No 328 of 2014 nor is there a reply to Company Application No 442 of 2014 despite the Company having been served way back in 19th July, 2014. Hence, the averments made therein have remained

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uncontroverted. The Company itself in its statement filed before this Court on 23rd February, 2015 has admitted that Arch PharmaLabs Limited FZE, Dr. Datsons Labs Ltd. (UK), Eros Pharmaceuticals Pte Ltd. and Fair Success (HK) Ltd. are its subsidiaries. The Company has admitted that the amount realised from FCCB issue have been utilized for investment in the Company's subsidiaries and the FCCB have been converted into equity shares of the Company.

38. In view of the aforesaid, it is imperative that in a case like this, the Court should appoint the Provisional Liquidator in order to protect the creditors of the Company as well as the public at large. I have given careful consideration to the interest of workers and staff of the Company and I feel that it is necessary to balance all interest including that of the general body of creditors and the public also. I find that the Company is using the excuse of workers with a view to continue defaulting in making payment to its creditors and generating funds for it to make foreign investments. The workers and staff of the Company are also not being treated fairly by the Company as the Company is a continuous defaulter of payments of their dues. In fact, a letter dated 01st April, 2014 has been placed on record wherein the Company has sought to inform the State Government that it has not paid the workers dues since October, 2013. Hence, I am convinced that the operations of the Company are also not in the best interest of its workers or staff.

39. Under the aforesaid circumstances, I am passing the following order :

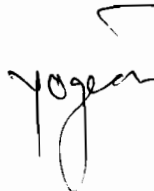
- a) All the Company Petitions stand admitted and made returnable on 22nd April, 2015.
- b) Company Application No. 442 of 2014 is allowed in terms of prayer (a)

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and the Official Liquidator attached to this Court is forthwith appointed Provisional Liquidator of the Respondent Company. The liquidator is directed to forthwith take charge of all the Company's assets, properties, stock in trade, books of account, bank account and all other assets of the Respondent Company.

- c) The Company's directors are ordered and directed to co-operate with the liquidator in taking charge of the Company's assets.
- d) The Company Application No. 442 of 2014 is allowed in terms of prayer clause (b).
- e) The Petitioner in Company Petition No. 328 of 2014 is directed to advertise the Petition in two local newspapers, viz. 'Free Press Journal' (in English) and 'Nav-Shakti' (in Marathi) and also in Maharashtra Government Gazette, and any resultant inadequacy of notice shall not invalidate such advertisement or notice and shall not constitute non-compliance with this direction or with the Companies (Court) Rules, 1959.
- f) The Petitioner in Company Petition No. 328 of 2014 shall also deposit an amount of Rs. 10,000/- with the Prothonotary and Senior Master of this Court towards publication charges, within a period of two weeks from the date of this order, with intimation to the Company Registrar failing which the Petition shall stand dismissed for non-prosecution without further reference to the Court. After the advertisements are issued, the balance ,if any, shall be refunded to the Petitioner in Company Petition No. 328 of 2014.

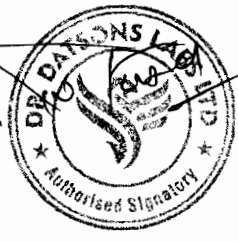
 

g) Notice under Rule 28 of the Companies (Court) Rules, 1959 is waived on behalf of the Company.

Company Application No. 442 of 2014 is disposed of.

(S.J. KATHAWALLA, J.)

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M/s. Dr. Datsons Labs Ltd. (In Prov. Liqn.)
K-4/1, Additional MIDC,
Mahad.

Date- 30/4/2015

In the matter of M/s. Dr. Datsons Labs Ltd. (In Prov. Liqn.)

Minutes prepared on 30/4/2015 at the time of taking
possession of the registered office situated at K-4/1,
Additional MIDC, Mahad alongwith movables lying therein.

Persons Present:-

- Chavan
30/4/15 1) Santosh R. Chavan (MTS) } Representatives of the
Official Liquidator,
High Court, Bombay.
- DSS
30/4/15 2) Dhiraj S. Sawant (Jr. Asstt.) }
- S
30/4/15 3) Sanjiv A. Shinde ——— Petitioner of M/s. Wazir
Financial Services Pvt. Ltd.
- Hinge
30/4/15 4) Vijay L. Hinge ——— Advocate for the petitioner.
- K.B.
30/4/15 5) K. B. Khomane ——— Director of M/s. Oscar Security &
Facility Service.
- Kashiram
30/4/15 6) Kashiram Sakapal ——— Security guard of M/s. Oscar
Security & Facility Service.

Pursuant to the Hon'ble High Court's order dated
18/2/2015 and as per the Official Liquidator office order dated
29/4/2015, the rep. of the O.L. reached at the aforesaid premises
at about 12-00 noon and found the name board in the style of
M/s. Dr. Datson's Labs Ltd. Thereafter the rep. of the O.L. meet
the persons mentioned at Sr. No. 3 to 6 and informed them purpose
of visit. Mr. K. B. Khomane, Director of M/s. Oscar Security & Facility
Service informed the rep. of the O.L. that the ex-director of the
Company (In Prov. Liqn.) had appointed his security to safeguard the
assets of regd. office cum factory premises since last 7 years.

After that Mr. K. B. Khomane contacted over the phone
to Mr. Vishwanathan Kannan, Chairman of the Company (In Prov. Liqn.)
and informed him purpose of visit of the rep. of the O.L. Mr.
Vishwanathan Kannan informed to Mr. K. B. Khomane to handover

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the key's of the said Regd. Office cum factory premises and to co-operate the rep. of the O.L. for taking physical possession of the same. Accordingly, Mr. K.B. Khomane handed over the key's which were available with them.

Thereafter, the rep. of the O.L. alongwith advocate of the petitioner and the petitioner have took inspection of the entire premises and found that total seven building standing therein i.e. ① Administrative Block ② RND Building ③ Warehouse ④ Extraction Block and remaining three buildings are incomplete constructed but installed with equipments.

While taking possession of the administrative building which is ground + 2, we found that several cabins which found to be locked and some of the opened, further in the same opened cabins we found some of the files/records were it was not possible to prepared the inventory of the same. We also found that some movables are lying in the cabins. After that, the rep. of the O.L. locked and sealed the said building.

Thereafter, the rep. of the O.L. visited to RND building i.e. ground + 2 and found that stainless steel tanks installed at ground and first floor and second floor of the said building was found locked and the key's of the said floor was not available. After that the rep. of the O.L. locked and sealed the said building.

Thereafter, the rep. of the O.L. visited to Extraction Block i.e. ground + 1 and found that medium steel and stainless steel tanks are installed in the said building and no doors/shutters were found in the said building.

After that, the rep. of the O.L. visited to warehouse and found that there are three shutters, out of which one was opened by us where we found empty chemicals drums, steel pipes and raw materials are lying therein and same is locked and sealed by the rep. of the O.L.

Further, while inspecting the entire premises, the rep. of the O.L. alongwith advocate for the petitioner and the petitioner observed that one transformer, one distributor, one DGS set, two big gas tanks, various chemicals drums, stainless steel tanks and two two wheelers (bikes) namely Bajaj Platina bearing no. MH-43-Q-9966 and MH-43-Q-9890 are lying in the open space in the said premises of the company (In Prov. Lgn.).



Yogesh W. Kulkarni

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The rep. of the O.L. took photographs of the said premises in presence of the persons mentioned above which are annexed to this minutes and marked as Exhibit - 'A'.

Further, the rep. of the O.L. and the petitioner requested to Mr. K.B. Khomane, director of M/s. Oscar Security & Facility Service appointed by the ex-director to continue their security service to safeguard the assets of the company (In Prov. liq.) till further order/direction by the Hon'ble High Court, Bombay or by the Official Liquidator. Mr. K.B. Khomane, agreed to safeguard the assets up to 10/5/2015.

After that the rep. of the O.L. locked and sealed the two main gates of the said registered office cum factory premises and pasted the possession notice and possession board of the O.L. on the main gate and left the site.

The persons present above who were present at site have signed the minutes as witness thereof.

- 1) Chavan
30/4/15
- 2) Dassawant
30/4/15
- 3) Prasanna
30/4/2015
- 4) Munge
30/4/15
- 5) Prasanna
30/4/2015
- 6) 20/4
30/4/2015

yogesh - N. T. J. 