

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 7th February, 2013 has decided to obtain approval of the members of the Company through Postal Ballot for following business:

- (1) Allotment of Equity Shares of the Company on preferential allotment basis to Expert Chemicals (I) Pvt. Limited;
- (2) Rehabilitation cum Merger of The Pharmaceutical Product of India Limited with the Company; and
- (3) Allotment of Equity Shares, Warrants and Optionally Fully Convertible Debentures pursuant to Rehabilitation cum Merger Scheme of The Pharmaceutical Products of India Limited with the Company.

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, 5th July, 2013. 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, 8th July, 2013 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 & 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, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012 ("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 Paise Fifty only) {Face Value Rs. 10/- and Premium Rs. 27.50/-} per equity share or at a price, which will be in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, as amended from time to time.

AND THAT the "Relevant Date" for the preferential issue of aforesaid Equity Shares will be the date of approval of the Corporate Debt Restructuring Scheme by Corporate Debt Restructuring Cell, under the Corporate Debt Restructuring framework of Reserve Bank of India, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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 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 (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 authorised 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 (PPIL) 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 & 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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/Day to Day Affairs Committee 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 & 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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) 58,199 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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, Khaltur (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 & 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, 2013

Mangesh Bhosale
Vice President Finance &
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.

The Board of Directors of the Company has approved reworking of Corporate Debt Restructuring of the Company and the Company has submitted an application to its Bankers to approve the reworking of Corporate Debt Restructuring.

As per the terms and conditions of the Corporate Debt Restructuring and reworking of Corporate Debt Restructuring of the Company, the Promoters of the Company will be 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 Paise Fifty only) {Face Value Rs. 10/- and Premium Rs. 27.50/-} per equity share or at a price, which will be in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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 and/or reworking of Corporate Debt Restructuring.

(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 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, as amended up to date or will be the date of approval of the reworking of Corporate Debt Restructuring Scheme by Corporate Debt Restructuring Cell, under the Corporate Debt Restructuring framework of Reserve Bank of India, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, 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.	41,64,730	23.96	81,64,730	38.19
Foreign:				
Kingsbury Investment Inc.	30,24,000	17.40	30,24,000	14.14
Total Shareholding of Promoter and Promoter Group	71,88,730	41.36	1,11,88,730	52.33
Public shareholding				
Institutions	768,357	4.42	768,357	3.59
Non-institutions	94,22,199	54.22	9,422,199	44.08
Total Public Shareholding	1,01,90,556	58.64	10,190,556	47.67
Total	1,73,79,286	100.00	2,13,79,286	100.00

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

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

The allotment of equity shares will be completed within 15 days from the date of announcement of the result of this Postal Ballot or as per the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012, as amended up to date. 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.

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 is being submitting 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. 38,23,760/- 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.

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 resolution, except Mr. K. Chandran being the promoter director of the Company.

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

By order of the Board of Directors

Place: Mumbai
Dated: 30th May, 2013

Mangesh Bhosale
Vice President Finance &
Company Secretary

DRAFT REHABILITATION SCHEME

BOARD OF INDUSTRIAL & FINANCIAL RECONSTRUCTION, NEW DELHI,

CASE NO 70/1998 M/S. Pharmaceutical Products of India Ltd.

BENCH - II

(January 2013)

1.0 BACKGROUND

1.1 The Pharmaceutical Products of India Ltd. (PPIL/Company) was originally promoted by Mr. M. K. Rayana has facilities for manufacture of bulk drugs at Tarapur, Maharashtra & Turbhe, Navi Mumbai. 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, the land for which it acquired in Taluka Palghar, a notified backward area of Maharashtra. Besides manufacturing/marketing formulations, the company is also engaged in manufacturing and sale 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 and suffered losses.

2.0 REFERENCE TO BIFR

2.1 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 Operating Agency (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 and a stay was obtained.

2.2 During the pendency of the said appeal, PPIL identified a strategic partner by name Wanbury Ltd (WL) which was willing to rehabilitate PPIL. Hence 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.

2.3 M/s Tata Finance Ltd. (TFL) had extended financial assistance to PPIL and subsequently got merged with M/s Tata Motors Ltd. (TML). However, TML as a unsecured trade 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 the Division Bench of the Bombay

High Court (BHC) in appeal. BHC on the appeal against the order of single judge of BHC 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. In the meanwhile 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.

2.4 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.

2.5 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 trade creditors of PPIL informed that they have preferred an appeal before Hon'ble Supreme Court of 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 specified immoveable 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.

2.6 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 vide its order dated April 24, 2007 and appointed IDBI as Monitoring Agency (MA). The BIFR whilst sanctioning the RRMS, also indicated that the properties of PPIL shall not be sold till the outcome of Supreme Court decision.

2.7 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".

2.8 Pursuant to the order of the Supreme Court dated 16th May 2008, the matter pertaining RRMS got remitted back to BIFR. Hon'ble 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 Wanbury M/s WL should take necessary action in terms of the said order dated May 16, 2008 of Hon'ble Supreme Court and send their compliance reports to the Board within 21 days from the date of publication of the notification. 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 including BIFR.

2.9 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 i.e. PPIL 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 to the extent of Rs. 4.29 Cr and issued equity shares/OFCD/NCD to all secured creditors as per the terms of sanctioned scheme 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.

2.10 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 needs to be examined in detail considering prevailing RBI guidelines and general practice being followed by banks while acquiring debts from other banks as per existing acts.

2.11 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.

2.12 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. Between the commencement of the BIFR proceedings and until the last date of hearing i.e. 27th November 2012, there is already on record of the Hon'ble BIFR 3 (three) Draft Rehabilitation Schemes modified from time to time. PPIL had also incorporated additional properties for sale and settlement to the lenders. Time and again, Hon'ble BIFR had observed that the time has come for the DRS to be circulated. However, due to some reason or the other the same could not be effected. In the hearing held on 24th May 2012, the Hon'ble BIFR had suggested that preferably the cutoff date should be subsequent to the Supreme Court order and could be 31st March 2012 and directed PPIL to furnish information so that the OA could present a fresh DRS. In the hearing held on 27th November 2012, the Hon'ble BIFR reiterated that OA to prepare a fresh DRS. In the hearing held on 7th March 2013, the representative of IDBI (OA) submitted that it had convened a joint meeting of all concerned on 28th January 2013. In the said meeting all major secured creditors unanimously agree to consider the DRS with the cutoff date as 31st March 2012. IDBI (OA) informed the Hon'ble bench that it has formulated the revised DRS based on the proposals submitted by the Company. The Hon'ble bench issued direction to examine the DRS and submit the report for consideration circulation of the DRS. In the meanwhile it was observed that certain modifications are required to be effected in the DRS considering the format adopted by the Hon'ble BIFR. Accordingly, the DRS is being submitted by IDBI (OA) in the prescribed format. Hence, this DRS.

3.0 SHARE CAPITAL & SHAREHOLDERS

3.1 The authorized share capital of PPIL 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 is 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 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.

4.0 **PROMOTERS**

The Company was originally promoted by Mr. M. K. Rayana.

5.0 **CURRENT BOARD OF DIRECTORS**

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

6.0 TECHNICAL AND PROFESSIONAL STAFF

Particulars	Designation
Mrs. Nisha Suvarna	Head-Quality Assurance
Mrs. Swapna S Guttula	Quality Control Officer
Mr. Kisan Powa	Administration Officer
Mr. Kishore D Remulkar	Production Manager
Mr. Shreeram Dengele	Maintenance Incharge
Mrs. Madhuri P Kulkarni	Finance and Accountant

7.0 REASONS FOR SICKNESS

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.

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.

8.0 PAST PERFORMANCE

8.1 Financial Position

(Rs. in Lacs)

SOURCE OF FUNDS	31.3.06	31.3.07	31.3.08	31.3.09	31.3.10	31.3.11	31.3.12
Share Capital	1,203	1,203	1,203	1,203	1,204	1,204	1,204
Reserves and Surplus	1,342	1,343	1,342	1,342	1,342	1,342	1,342
Profit and Loss Account	(13,594)	(13,759)	(13,869)	(13,859)	(13,901)	(13,904)	(13,872)
Secured Loans	12,251	12,251	11,139	11,139	11,139	11,139	11,139
Unsecured Loans	2,076	2,076	1,960	1,960	1,960	1,960	1,960
Total	3,279	3,115	1,775	1,785	1,744	1,741	1,773
APPLICATION OF FUNDS							
Fixed Assets	4,480	4,477	4,441	4,404	4,353	4,296	4,242
Investments	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Sundry Debtors	20	27	10	22	33	48	91
Cash and Bank Balance	11	14	28	9	7	9	10
Loans and Advances	90	871	876	844	868	874	949
Less: Current Liabilities and Provisions	1,322	2,275	3,579	3,495	3,517	3,487	3,520
Total	3,279	3,114	1,775	1,785	1,744	1,740	1,772

8.2 Working Results**Rs. in Lakhs**

Year ending	31.3.06	31.3.07	31.3.08	31.3.09	31.3.10	31.3.11	31.3.12
Net Sales	108	218	310	272	269	291	440
% Growth		101%	43%	-12%	-1%	8%	51%
Other Income	-	-	-	-	-	-	-
Accretion / Decretion in Stocks	-	-	-	-	-	-	-
Total	108	218	310	272	269	291	440
EXPENDITURE							
Purchases / Raw Material	-	-	-	-	-	-	-
Consumed / Job Work							
Stores and Packaging Materials	3	26	19	25	28	16	38
Power and Fuel	22	86	53	42	60	56	84
Employees	51	120	119	112	125	129	190
Selling and Distribution Expenses	-	-	-	-	-	-	-
Other Expenses	620	115	169	47	40	35	42
Total	696	346	360	226	252	236	354
EBITDA	(588)	(128)	(50)	46	17	54	86
Less: Interest	0	0	25			-	-
Less: Depreciation	15	36	36	36	58	58	54
Add: Extra ordinary Items	-	-	-	-	-	-	-
Less: Provision / Payment	246	-	-	-	-	-	-
of Taxation							
Profit / (Loss) After Taxation	(849)	(165)	(110)	10	(41)	(4)	32
Add: Brought Forward from	(12,745)	(13,594)	(13,759)	(13,869)	(13,859)	(13,901)	(13,904)
Previous Year							
Balance Carried to	(13,594)	(13,758)	(13,869)	(13,859)	(13,901)	(13,904)	(13,872)
Balance Sheet							

9.0 LOANS AND CREDIT FACILITIES:**9.1 Details of Existing Credit Facilities:****(Rs. in Lacs)**

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

9.2 Details of One Time Settlement arrived at with the Secured Creditors are as under.

(Rs. in Lacs)

Banks and Financial Institutions Name	Total Dues	Cum Share	OTS Amt.	Waivers Recd.	Amt. Paid	Date of Settle	Balance to be Paid
ARCIL	13,998.0	0.5	796.4	13,201.6	377.2	2007-2008	419.2
Unit Trust of India	3,956.0	0.6	303.6	3,652.4	99.6	2007-2008	204.0
Bank of Baroda	2,644.0	0.7	71.0	2,573.0	33.4	2007-2008	37.6
Life Insurance Corporation of India	1,250.0	0.8	5.8	1,244.2	5.8	2007-2008	
LIC- Asset Management Company	1,109.0	0.8	4.7	1,104.3	4.7	2007-2008	
IIBI	962.0	0.9	72.3	889.7	22.7	2007-2008	49.6
ICICI Bank	763.0	0.9	6.2	756.8	6.2	2007-2008	
GIC Mutual Fund	582.0	0.9	2.3	579.7	2.3	2007-2008	
Union Bank of India	437.0	0.9	12.5	424.5	5.9	2007-2008	6.7
Ind Bank Merchant Banking Services Limited	416.0	0.9	4.7	411.3	4.7	2007-2008	
Army Group Insurance Fund	384.0	1.0	2.3	381.7	2.3	2007-2008	
LIC Housing Finance	264.0	1.0	1.2	262.8	1.2	2007-2008	
Bank of India	229.0	1.0	25.4	203.6	7.8	2007-2008	17.6
New India Assurances	204.0	1.0	0.8	203.2	0.8	2007-2008	
United India Insurance	204.0	1.0	0.8	203.2	0.8	2007-2008	
General Insurance Corporation of India	173.0	1.0	0.7	172.3	0.7	2007-2008	
Indusind Bank Limited	65.0	1.0	0.7	64.3	0.7	2007-2008	
Abhyudaya Cooperative Bank Limited	48.0	1.0	0.5	47.5	0.5	2007-2008	
Unsecured Creditors - other than Banks and FI's			83.0	(83.0)	38.2	2007-2008	44.8
Total	27,688.0	2.0	1,395.2	26,292.8	615.7		779.4

Note: The date of Crystallization of Settlement Amounts is 31st March, 2006. The Company has settled all the dues of the lenders. The balance to be paid is the amount to be settled by selling of PPIL properties, which will be done once the scheme is approved by BIFR.

9.3 Details of Unsecured Creditors (Rs.)

Sundry Creditors		Amount Payable
1	Air Force Naval Housing Board	324,000
2	Air Freight Limited	200,000
3	Birla Global Finance Ltd.	71,520
4	Blue Dart Express Ltd.	560
5	Budhrani Finance Ltd.	200,000
6	Dhiraj Enterprises	1,440
7	Exmor Enterprises	10,680
8	Fibre Foils Ltd.	800
9	Gill & Co.	120,000
10	Harihar Finance	39,880
11	IAF Benevolent Association	132,000
12	India Cement Capital & Finance Ltd	200,000
13	Kaveri Steel & Engg. Co.	7,120
14	K & Co.	300,000
15	K. Uttamlal & Company	4,760
16	Mahindra Finance Ltd.	220,360
17	Mangalam Rasayan	9,480
18	Nelito Systems Ltd.	200,000
19	Nutron Pharmaceuticals	4,840
20	Parle International Limited	160,000
21	Pidilite Finance	11,200
22	Ravi Engineering Works	5,120
23	Savani Financials Limited	227,880
24	Savani Financials Ltd	228,000
25	Supra Combines	16,280
26	Tata Finance Ltd.	409,520
27	Tube Investment Ltd	124,000
28	Valiant Chemical	34,520
29	Vijay Glass Works	17,000
30	Wallchand & Co.	72,000
31	Wipro Finance	470,800
32	21st Century Mangt Service Ltd.	232,000
33	Apple Fiance Ltd	67,760
34	Ashok Leyland Finance Ltd.	200,000
35	Associated Investment Ltd.	106,480
36	Bombay Ammonia & Chem Co.	440
37	Dewoo Motors	400,000
38	Dhanshree Enterprises	14,760
39	Diptee Construction	10,960
40	Esanda Fitz	20,720
41	Garden Finance Ltd.	536,640
42	GE Capital Transportation Finance Ser. Ltd.	292,000
43	Herren Chemicals	4,240
44	Hikal Chemicals	4,800

Sundry Creditors	Amount Payable
45 Indian Seamless Financial Services Ltd.	352,000
46 India Securities Ltd.	309,000
47 Indus Ind Enterprises	125,200
48 Jayantilal Chunilal Shah	4,600
49 Kotak Mahindra Finance	164,920
50 Kubo Combustion Eff.	11,920
51 Maharashtra Scooters Ltd.	100,000
52 Manipal Finance	200,000
53 Mantri Housing & Const. Ltd.	32,800
54 Marwah Industrial Premises Co Op. Soc. Ltd.	6,440
55 Masitia Capital Seviles Ltd.	248,000
56 Summer Investment	100,000
57 Surya Automation Enterprises	400
58 Trade Advance	2,880
59 Vam Organics	8,080
60 Other Trade Creidtors & Suppliers	928,480
Total Amount	8,309,280

9.4 Details of Dues to the Workers

Dues if any will be addressed in accordance with the clause 15 – reliefs and concession

9.5 Details of Statutory Liabilities

Dues if any will be addressed in accordance with the clause 15 – reliefs and concession

10.0 MARKET REPORT / MARKETING ARRANGEMENT:

Wanbury Limited is an API manufacturing company having facilities at Patalganga and Tanuku. The Company is one of the largest manufacturers of Metformin in the world with nearly 30% global market share. The Company largely exports to the regulated markets including U.S and Europe and in order to meet the demand of its Semi/non-regulated markets the Company was looking for an API manufacturing facility in and around Mumbai. PPIL with its API manufacturing capabilities serves as a good fit for Wanbury expansion plans. 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 its presence across various countries.

11.0 THE SCHEME

Cut-off date is taken as 31st March, 2012.

The DRS has been prepared based on the information received from PPIL. The scheme mainly envisages the financial reconstruction of PPIL by way of its merger with a company viz. Wanbury Ltd. (WL). PPIL will be deemed to merged with Wanbury Limited as on 1st April 2006 in terms of the draft Rehabilitation and Revival cum Merger Scheme. WL 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.

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 or any other Governmental / Municipal / Panchayat Agency / Cooperative Society etc. in view of the high level of debt which is unsustainable, substantial sacrifices from all the concerned are inevitable.

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

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.

11.1 Mobilisation of Funds:

Wanbury Limited will use its internal accruals for funding the proposed scheme.

11.2 Payment of Secured Creditors:

(Rs. in Lacs)

Banks and Financial Institutions Name	Amount Paid	Date of Settlement
ARCIL	377.2	2007-2008
Unit Trust of India	99.6	2007-2008
Bank of Baroda	33.4	2007-2008
Life Insurance Corporation of India	5.8	2007-2008
LIC- Asset Management Company	4.7	2007-2008
IIBI	22.7	2007-2008
ICICI Bank	6.2	2007-2008
GIC Mutual Fund	2.3	2007-2008
Union Bank of India	5.9	2007-2008
Ind Bank Merchant Banking Services Limited	4.7	2007-2008
Army Group Insurance Fund	2.3	2007-2008
LIC Housing Finance	1.2	2007-2008
Bank of India	7.8	2007-2008
New India Assurances	0.8	2007-2008
United India Insurance	0.8	2007-2008
General Insurance Corporation of India	0.7	2007-2008
Indusind Bank Limited	0.7	2007-2008
Abhyudaya Cooperative Bank Limited	0.5	2007-2008
Total	577.5	

11.3 Modernisation & Expansion

Wanbury Limited plans to upgrade the facility from a WHO-GMP to the UKMHRA and USFDA in the medium to long term.

11.4 Any other Strategy

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 its presence across various countries.

12.0 COST OF THE SCHEME AND MEANS OF FINANCE

12.1 Cost of the Scheme

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

(Rs. in Lacs)

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

In addition, the Cost of the Scheme will include Sale of two properties of PPIL and the proceeds to be distributed among the Banks and Financial institutions. 100% of the proceeds from the sale of two properties namely, Saki Naka office situated at 212, Marwah Industrial Estate, Saki Vihar Road, Saki Naka, Mumbai 400072 and Turbhe R&D centre situated at D-306, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai 400705 will be shared with Banks and Financial Institutions. The sale of the properties will be undertaken by an Asset Sale Committee consisting of representatives from Banks and Financial institutions / as per extent guidelines of BIFR. The issue of Sale of the aforesaid properties was raised in the JLM dated 28th January, 2013, wherein it was decided that the Sale of the properties will be taken up in accordance with the directions of the BIFR. Since the exact of realization out of sale of the said properties is not possible to assess, it is not reflected in the cost of the scheme.

12.2 Means of Finance

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

(Rs.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

The above does not include the sales realization of the properties to be undertaken by an Asset Sale Committee consisting of representatives from Banks and Financial institutions / as per extent guidelines of BIFR, as the exact of realization out of sale of the said properties is not possible to assess.

WL would provide the financial assistance over a period of 5 years to the tune of Rs.2500 lakhs 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 12.3.1 to 12.4.2 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 12.5. The proposals take into consideration debts payable to the secured banks/FIs/unsecured debts to Banks/FIs, their relative sacrifices to be made and the settlement to general trade creditors and their assignees.

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

1. Cash payment
2. Issue of equity shares/financial instruments (NCDs/OFCDs) in the merged company and redemption of the same through sale of property at Mazgaon, Patalganga, Raigad.
3. Payment out of part of sale proceeds (88.57%) of properties of PPIL situated at Sakinaka, Andheri -Mumbai and Turbhe -Navi Mumbai which are proposed to be sold as indicated in the scheme. 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 (wherein Wanbury will also be the member and make all efforts to cooperate with the other members of the Asset Sale Committee) with in a period of 6 months from the sanction of the scheme.

The proposed settlement is as under:

12.3.1 Cash payment:

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

Banks/FIs	Payment proposed (Rs. in Lacs)
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]

12.3.2 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 allotted at a price, which will be in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012 ("ICDR Regulations") (including any statutory amendment(s), modification(s) and/or re-enactment(s) thereof:

Banks/FIs	Amount (Rs. in Lacs)
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.

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 value 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, Khalspur (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 (wherein Wanbury will also be the member and make all efforts to cooperate with the other members of the Asset Sale Committee) within a period of 6 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. 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 :

These OFCDs will have a face value of Rs. 1000 each. 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 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012 ("ICDR Regulations") (including any statutory amendment(s), modification(s) and/or re-enactment(s) thereof. 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, Khapur (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 (wherein Wanbury will also be the member and make all efforts to cooperate with the other members of the Asset Sale Committee) with in a period of 6 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 Lacs)	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]

12.3.3 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%

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

1. Cash payment
2. 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 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 (wherein Wanbury will also be the member and make all efforts to cooperate with the other members of the Asset Sale Committee) with in a period of 6 months from the sanction of the scheme.

The proposed settlement is as under:

12.4.1 Cash Payment:

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

(Rs. in Lacs)		
S. No.	Banks/FIs	Amount
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 Assurance	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 lakhs to the aforesaid unsecured creditors, the same forms part of the present revival proposal.)

12.4.2 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:

Sr. 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%

12.5 The settlement of other general unsecured creditors / trade creditors / assignees of the debts 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, Gram Panchayat's or individuals who hold un secured debts or claims shall be settled as stated below.

Considering the very low percentage with which the Secured Creditors including large creditors who are banks / financial institutions, 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 in accordance with the similar settlement proposed for the unsecured Creditors listed in Annexure VII. For abundant clarity, interest, penal interest or any other charges shall be waived and the 4% of dues stated in the Annexure VII 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 / PPIL 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.

Majority of general unsecured creditors as mentioned in Annexure VI 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 9.3 above, shall withdraw all the legal proceedings civil / criminal filed against PPIL / Wanbury, its directors / its employees /its guarantors / its promoters. Any decree or award obtained in any court or arbitral proceedings, the same shall be capped at 4% of their acceptable outstanding dues.

12.6 Upon the revival scheme being sanctioned, the properties as described in Clauses 12.3.3 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 12.3.3 and also amongst the unsecured creditors, who are specified Banks and Financial Institutions as mentioned in 12.4.2 above, after adjusting all the costs and expenses incurred thereon for the sale of the respective properties.

12.7 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. PPIL and its secured/specified unsecured financial institutions and Banks have arrived at a settlement in 2006 and hence the liabilities are crystallized as of 2006 and payments were made accordingly in 2006. The exposure of the lenders has not been changed and also the payments made to the lenders will be treated as advance payments towards the liabilities crystallized. The balance amounts will be paid, out of the sale of some of the assets of the company as part of the ongoing settlement.

Shareholding Pattern before Sanction of the Scheme

The authorized share capital of PPIL 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 is 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 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.

As PPIL shall stand amalgamated with Wanbury after sanction of the scheme, the Shareholding pattern of PPIL before merger has been provided.

13.0 MANUFACTURING FACILITIES & INFRASTRUCTURE

PPIL has bulk drugs manufacturing facility at Tarapur, Maharashtra & Formulation manufacturing Turbhe, Navi Mumbai.

14.0 CUT OFF DATE

31st March, 2012

15.0 DETAILS OF RELIEFS AND CONCESSIONS

15.1 SECURED CREDITORS - FIs/Banks

- 1) To accept their restructured outstanding dues in conformity with the provision of this Revival Scheme as stipulated in clause 12.3 herein above, in full and final settlement of their dues from PPIL / its guarantors / sureties in relation thereto.
- 2) 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.
- 3) 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 /PPIL 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.

15.2 Government of Maharashtra

Non-Fiscal

- 1) To exempt the PPIL unit from power cut;
- 2) Not to insist on bank guarantee against arrears of dues of the state government;
- 3) To extend relief and concessions as per standard package applicable to sick industrial companies under aegis of BIFR.
- 4) To exempt the two entities from payment of stamp duty with respect to transfer of the assets and properties of the PPIL to Wanbury 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 Wanbury 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.
- 5) To extend relief and concessions as applicable to the rehabilitation of sick units up to a period of 10 years from the merger date or as per Govt. policies which shall not be less favourable than as indicated herein.

15.3 Central Government

A) Income Tax Department:

- 1) To allow the PPIL 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 from 1-4-2006 and the said business losses and unabsorbed depreciation shall be treated as the unabsorbed business losses and unabsorbed depreciation losses of the Wanbury under section 72A to be carried forward till it is set off.
- 2) To exempt the PPIL and the Wanbury from the conditions of Section 72A(2) of the Income Tax Act, 1961, and rules/regulations.
- 3) To allow the deduction for the accrued interest payable to banks and financial institutions by the PPIL treating the same as paid by the Wanbury on the One Time Settlement with banks and financial institutions under the provisions of S. 43B of the Income Tax Act, 1961.
- 4) 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.
- 5) To exempt the PPIL and the Wanbury 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 PPIL by the PPIL / Wanbury.
- 6) To permit the PPIL & Wanbury to file revised returns of income tax beyond the time permissible u/ 139 till a period of 3 years from the date of sanction of this scheme.
- 7) To exempt sale of assets proposed to be sold as part of the scheme from capital gains, if any.
- 8) 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.
- 9) To exempt the Wanbury from the provisions of S. 115JB till the brought forward business losses of PPIL as on 31/03/2006 are recouped or allow a deduction from the book profits of the Wanbury to the extent of the brought forward business losses / negative net worth of the PPIL as on 31/03/2006, in terms of Clause (vii) of Explanation 1 to S. 115JB (2).
- 10) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals.
- 11) To give effect to the provisions of the Scheme the Wanbury 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:

- 1) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals.
- 2) 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 from the date of approval of Scheme by the BIFR or the date on which the demand is raised, whichever is later.
- 3) 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 Wanbury of any product manufactured / traded by PPIL and offset such claims over the next 12 years from the date of approval of Scheme by the BIFR.
- 4) 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:

- 1) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals against the PPIL
- 2) 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.
- 3) 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 installments either from Effective Date or the date on which the demand is raised, whichever is later.

D) Sales Tax Department:

- 1) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals against the PPIL
- 2) With respect to any legally payable sales tax duties, as and when adjudicated, to provide facilities for payment without penalty and interest in equal installments 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.
- 3) 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 installments 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

- 1) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunals against the PPIL
- 2) With respect to any legally payable profession tax, as and when adjudicated, to provide facilities for payment without penalty and interest in equal installments 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.
- 3) 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.

F) Service Tax

- 1) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities/tribunal against the PPIL
- 2) With respect to any service tax liability either crystallized now or as and when adjudicated, to provide facilities for payment without penalty and interest in equal installments over next 5 year from the date of approval of scheme by the BIFR.
- 3) In the event of any liability that may devolve as a result of finding of any audit proceedings/ departmental investigations for the financial year upto the transfer date such amount to be recovered by service tax department without penalty and interest in 6 annual installments from the date of approval of scheme by the BIFR.

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

- 1) Any dues of above agencies lawfully payable the same shall be settled at 4 % of their outstanding debts.
- 2) Withdrawal of all notice / demands / claims and any proceedings with respect to any dues arisen / accrued against the Transferor / Wanbury, their directors, their employee, their guarantors and their promoters.
- 3) Any amount already paid by WL prior to the sanction of the scheme shall be deemed to be settled / paid under the present scheme.

15.5 Labour

- 1) Workers to cooperate with the management in the achievement of production / productivity / industrial norms.
- 2) To consider to withdraw pending cases, if any, before any labour or any other courts.

15.6 EPFO

- 1) To waive all liquidated damages / penalties / interest.
- 2) To recover the payment of PF dues, if any, remaining unpaid in 12 equal annual installments without liquidated damages / interest / penalties.
- 3) To withdraw the pending complaints / cases against PPIL, its directors, its employees, its guarantors and its promoters.

15.7 ESIC

- 1) To waive all liquidated damages, interest and penalties for late payment of arrears of ESIC dues and statutory dues.
- 2) To collect the payments of ESCI dues, if any, remaining unpaid in 12 equal annual installments without liquidated damages / interest / penalties.
- 3) To withdraw the pending complaints / cases against PPIL, its directors, its employees, its guarantors and its promoters.

15.8 General Unsecured Creditors

- 1) Unsecured creditors / trade creditors / assignees of debts referred in para 9.3 above, to accept 4% of their outstanding dues in cash as stipulated in clause 12.4 hereinabove for full and final settlement of all their dues of PPIL / the employees / the guarantors / sureties in relation to their dues. The Creditors to agree for the settlement amount to be paid within 90 days from the sanction date of the scheme.
- 2) 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.
- 3) All claims, liabilities, guarantees, bonds etc., shall stand withdrawn and all proceedings such as civil/ criminal proceedings, winding up petitions, awards under arbitration, claims before debt recovery tribunal (DRT) etc or before any other statutory/arbitral forums, shall be withdrawn by the creditors once the scheme is implemented.

15.9 Preference Shareholders of PPIL

- 1) Preference shareholders, who have accepted the redemption proceeds of the reduced face value, shall be deemed to have accepted reduction of Preference share capital of PPIL to 2% i.e. the Preference Capital of Rs. 250,00,000/- (Rupees Two Crore Fifty lakh only) reduced pro rata to Rs.5,00,000/- (Rupees Five Lac Only), as a part of the scheme.
- 2) Any cash amounts as stated in the scheme, which have already been paid by the Transferee /PPIL to the Preference Shareholders prior to the sanction of the scheme shall be deemed to have been paid under the present scheme.

15.10 Equity Shareholders of PPIL

- 1) To accept/consent Reduction of Equity Share Capital of PPIL to 1% and swap of shares of Wanbury Ltd and fresh issue of equity capital as detailed below:
- 2) Fresh Issue of shares of PPIL post reduction of capital: Wanbury/ Group Company of Wanbury has already provided financial assistance to PPIL 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, Wanbury/Promoter(s) of Wanbury have been issued equity shares of Rs. 10 each fully paid up at par post Reduction of Capital of PPIL.
- 3) Swap with PPIL shares with Shares and Warrants of Wanbury Ltd: 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 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012 ("ICDR Regulations")) (including any statutory amendment(s), modification(s) and/or re-enactment(s) thereof. Additionally, Wanbury shall issue 2 transferable Warrants for every one share issued by the Wanbury to the Equity Shareholders of PPIL. 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 Wanbury having face value of Rs.10/- at a price, which shall be in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012 ("ICDR Regulations")) (including any statutory amendment(s), modification(s) and/or re-enactment(s) thereof.
- 4) [WL had already allotted 5,62,618 equity shares of WL to the equity shareholders of PPIL 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, upon approval of the Scheme from the Hon'ble BIFR. Wanbury had also allotted 11,25,236 warrants to the Shareholders of the PPIL which shall stand cancelled and fresh warrants will be allotted according to the present scheme].
- 5) Fractional entitlement in swap of Wanbury shares: The Director / Employee of Wanbury 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 Wanbury. The Director/Employee of Wanbury 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.
- 6) Any instruments/securities issued and/or offered as stated in the scheme, which have already been issued/offered by the Transferee /PPIL to equity shareholders prior to the sanction of the scheme shall be deemed to have been issued /offered under the present scheme.

15.11 Amalgamated Company [Wanbury Ltd.]

- 1) 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.
- 2) 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.

15.12 Undisclosed Liabilities:

- 1) 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.

15.13 SEBI / NSE/ BSE

- 1) 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 Wanbury / Promoters of Wanbury.
- 2) SEBI to condone all past procedural compliances which can otherwise hold up listing of shares and their trading. Penalty provisions may also be waived.
- 3) 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.
- 4) to direct BSE/NSE to list the instruments identified in the Scheme for the purpose of trading in dematerialized form from the date of issue.
- 5) NSE /BSE to waive past unpaid listing fees and allow trading of shares without raising any objections.
- 6) All permissions granted by NSE/BSE for listing/issue of any instrument /security issued by the Wanbury to the shareholders / lenders of the PPIL as stated in the scheme even if issued / allotted prior to the sanction of the Scheme shall be valid and binding.

15.14 Ministry of Corporate Affairs

- 1) To exempt from payment of Stamp Duty for issue of fresh equity and other instruments.
- 2) The authorised share capital of the PPIL shall be added to the authorised share capital of the Wanbury 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 Wanbury.
- 3) to exempt the PPIL from the applicability of Section 58A of the Companies Act for raising funds for rehabilitation.
- 4) Withdrawal of all show cause notices, penalty notices and other proceedings pending before the authorities against the PPIL without payment of any penalty.

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

15.15 Quantify all the relevant reliefs and concessions sought

Dues are yet to be crystallized as most of them are futuristic and hence not quantified.

15.16 Please indicate if the relief and concessions envisaged are in consonance with policy of state/Central Govt; also indicate the extent of divergence, if any.

As dues are yet to be crystallized divergence cannot be determined..

15.17 Particulars of the dealing / controlling Offices/Officers with Statutory and other dues pending against the company are given in Annexure VIII

Dues are yet to be crystallized.

16.0 SACRIFICE FROM EXISTING SHAREHOLDERS

Preference shareholders to agree for reduction of Preference share capital of PPIL 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). The Preference Shareholders have accepted the redemption proceeds of the reduced face value. Any cash amounts as stated in the scheme, which have already been paid by the Transferee /PPIL to the Preference Shareholders prior to the sanction of the scheme shall be deemed to have been paid under the present scheme.

Equity Shareholders to accept/consent Reduction of Equity Share Capital of PPIL to 1% and swap with shares of Wanbury Ltd of Rs. 10 each fully paid up.

17.0 SACRIFICE / OBLIGATIONS OF PROMOTERS

In line with the other Equity Shareholders, the Promoter to accept/consent Reduction of their Equity Share Capital of PPIL to 1% and swap the same with shares of Wanbury Ltd of Rs. 10 each fully paid up.

18.0 FINANCIAL VIABILITY

The summarisation of salient features of past performance and future financial projections of DRS is as under:

(Rs. Lakh)

Year ending	31.3.10 Aud	31.3.11 Aud	31.3.12 Aud	31.3.13 Esti	31.3.14 Projt	31.3.15 Projt	31.3.16 Projt	31.3.17 Projt
Net Sales	269	291	440	462	12,612	606	757	947
% Growth		8%	51%	5%	2632%	-95%	25%	25%
Other Income								-
Manufacturing Expenses	252	236	354	371	390	409	430	451
PBDIT	17	54	86	90	12,223	197	328	495
Less: Interest	-	-	-	-	-	-	-	-
Less: Depreciation	58	58	54	56	59	62	65	68
Profit Before Tax	(41)	(4)	32	34	12,164	134	262	427
Less: Tax	-	-	-	-	-	-	-	-
Profit / (Loss) After Taxation	(41)	(4)	32	34	12,164	134	262	427
Equity Share Capital	1,203	1,203	1,203	1,203	862	862	862	862
Reserves and Surplus	1,342	1,342	1,342	1,342	-	-	-	-
Accumulated Losses / (Profit)	13,901	13,904	13,872	13,838	332	198	(65)	(492)
Networth	(11,355)	(11,359)	(11,326)	(11,292)	529	664	926	1,353

19.0 DSCR

DSCR of Wanbury Ltd post merger with PPIL is as follows:

The scheme envisages the financial reconstruction of PPIL by way of its merger with a company viz. Wanbury Ltd. (WL) after settling the dues of all the Lenders / Creditors by way of one time settlement of dues elaborated in the clauses 12.3.1 to 12.4.2 and 12.5. Hence calculation of standalone DSCR for PPIL is not relevant in this case.

(Rs. in Lakhs)

Particulars	FY13	FY14	FY15	FY16	FY17
PAT	(9.03)	12.27	34.66	60.56	81.22
Promoters Contribution	-	-	-	-	-
Interest	28.94	34.49	34.10	33.60	31.36
Sale of Old Machinery	-	2.50	-	-	-
Depreciation	13.31	13.88	14.15	14.52	15.02
Total	33.22	63.14	82.91	108.67	127.59
Interest	28.94	34.49	34.10	33.60	31.36
Repayment of Vehicle Loans	-	-	-	-	-
Payable to Secured Lenders	1.63	0.19	10.09	12.23	45.13
Capital Investment	-	7.00	7.00	7.00	12.00
Payable to Unsecured Lenders	-	7.83	7.92	14.14	2.69
Total	30.57	49.50	59.11	66.97	91.18
DSCR	1.09	1.28	1.40	1.62	1.40
Average DSCR	1.40				

20.0 Summary of Cash Flow Projections

Cash flow Projection of PPIL is as follows:

(Rs. in Lacs)

Particulars (* In Lacs)	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Cash flows from Operating Activities						
Net Profit/(Loss) before Tax	32.42	34.04	12,163.56	134.46	262.36	426.93
Non-cash adjustment to reconcile profit before tax to net cash flows:						
Depreciation	53.63	56.31	59.13	62.08	65.19	68.45
Profit on Reduction of Share Capital			(1,188.88)			
Operating Profit/(Loss) before Movements/Adjustments:	86.05	90.35	11,033.81	196.55	327.54	495.38
Movements Adjustments for:						
Decrease/(Increase) in Trade Receivable	(42.51)	0.00	(200.00)	(200.00)	(200.00)	(359.00)
Decrease/(Increase) in Long term loans and advances						
Decrease/(Increase) in Loans & Advances	(75.40)	0.00	0.00	0.00	0.00	0.00
Increase/(Decrease) in Current liabilities	32.93	0.00	(2,193.40)	700.00	700.00	1,359.00
Increase/(Decrease) in provisions	0.00	0.00	0.00	0.00	0.00	
Cash Generated from/(used in) Operations, Direct Taxes Paid (Net of Refunds)	1.06	90.35	8,640.41	696.55	827.54	1,495.38
Net Cash generated from/(used in)	1.06	90.35	8,640.41	696.55	827.54	1,495.38
Operating Activities						
Cash flows from Investing Activities						
Purchase of Fixed Assets			2,809.84	(500.00)	(500.00)	(1,000.00)
Proceeds from Sale of Fixed Assets			896.54			
Decrease/(Increase) in Fixed Deposits						
Purchase of Non Current Investments						
Advance to Subsidiary -pending allotment of shares						
Net Cash generated from/(used in) Investing Activities	-	-	3,706.38	(500.00)	(500.00)	(1,000.00)
Cash flows from Financing Activities						
Increase/(Decrease) in Long Term Borrowings			(13,098.91)			
Increase/(Decrease) in Short Term Borrowings						
Interest paid						
Share Issue Proceeds			847.00			
Dividend & Dividend Distribution Tax Paid						
Net Cash generated from/(used in) Financing Activities	-	-	(12,251.91)	-	-	-
Net increase /(decrease) in cash & cash equivalents	1.06	90.35	94.88	196.55	327.54	495.38
Cash and Cash equivalents as at the beginning of the year	9.22	10.28	100.63	195.50	392.05	719.59
Cash and Cash equivalents as at the end of the year	10.28	100.63	195.50	392.05	719.59	1,214.97

21.0 CONCLUSION

The rehabilitation strategy envisages reliefs and concessions by the Central & State Government and also induction of fresh funds by the Promoters / Associates to finance the cost of the scheme. The financial projections of PPIL as per the rehabilitation scheme are enclosed. The projected Profitability statement, reveal that PPIL will start earning profits from right from the year 1 of rehabilitation itself. As per the Projected Balance Sheet, the Net Worth of PPIL would become positive in FY14 and accumulated losses will be wiped off in the 1st year, i.e. FY14. The Projected Cash Flow Statement reveals that PPIL shall have surplus cash flows, which can be used for its modernization / expansion programs taken up subsequently.

Therefore the DRS can be considered to be commercially and techno-economically viable.

22.0 General Terms and Conditions

- i)..... is appointed as the Monitoring Agency (MA)
- ii) The company shall take steps to strengthen the management structure and effectiveness;
- iii) The Company shall constitute a Monitoring Committee consisting of CEO of the company and Special Director of BIFR, if any and MA to oversee and monitor implementation of the Rehabilitation Scheme.
- iv) The company shall take steps to strengthen the internal control systems and internal audit system;
- v) The company shall appoint a reputed Chartered Accountant's firm as Concurrent Auditors with direct reporting relationship to MA with copy to the CEO of the company on terms satisfactory to it. The BOD shall review the Concurrent Auditor's Report and take needful corrective steps immediately thereof.
- vi) The company shall satisfy MA that the physical progress and all aspects of cost of the scheme/ means of finance of the scheme is complied with as per the original schedule. To this end, the company shall furnish to MA such information and data as may be required by it at intervals stipulated by it. Any financial shortfall arising out of the delayed implementation of the schedule or for any other reason shall be met by the company/promoters without any recourse to FI/Banks or seeking any further reliefs/concessions from them than what has already been provided for in the Scheme within a period not exceeding three months.
- vii) The company shall not undertake any new project or expansion or make any investment or obtain any asset on lease/hire without the prior approval of BIFR during the currency of the Scheme.
- viii) The company shall not declare any dividend on equity shares without prior approval of BIFR during the rehabilitation period.
- ix) The company shall continue to submit its audited balance sheets (ABSs) from cut off date onwards at the end of each financial year within one month of the finalization thereof to the Monitoring Agency (MA)/secured and main creditors and BIFR. It shall ensure finalization of ABS in terms of provisions of Companies Act, 1956 without fail and the BOD must ensure to avoid any delay.
- x) In addition to meticulous compliance with the schedules of payments covered under the scheme, the company shall ensure timely payment of all dues accruing after the cut off date and/or date of sanction of the scheme to Banks, Financial Institutions, Central and State Governments and Statutory Authorities in normal course, failing which the concerned parties would be free to withdraw the reliefs and concessions granted by them, subject to prior approval of BIFR.
- xi) The company shall submit progress reports (PR) regarding the implementation of the scheme to MA on quarterly basis within one month following the close of the quarter during the first two years of the scheme and on half-yearly basis thereafter till full implementation if the progress has been good in terms of projections. The MA shall monitor the implementation of the scheme in all its aspects and shall submit a review of the implementation of the scheme to BIFR within a month of receipt of such PR with copies to 800 of the company and to all concerned. If the company defaults to submit the PR, the MA must report to the Board also.

- xii) The loans inducted/to be inducted by the promoters shall be subordinated and interest free and shall not be withdrawn during the rehabilitation period without the prior approval of BIFR/MA.
- xiii) Any shortfall in the means of finance will be brought in by the promoters/... co-promoters.
- xiv) All current dues arising after cut-off date to be paid by the company in the normal course and no special protection of SICA would be available for this purpose.
- xv) Dues upto cut-off date not disclosed/covered in the rehabilitation scheme to be met by the company/promoters by bringing additional interest free funds from outside sources.
- xvi) The company/promoters are directed u/s 22A of SICA not to dispose of, sell or alienate any fixed or current assets of the company without the consent of the secured creditor and the BIFR. The current assets, however, can be drawn down to the extent required for day-to-day operations and proper accounts of which would be maintained.
- xvii) The provisions of the Scheme shall have effect notwithstanding anything inconsistent therewith contained in any other Act except the provisions of the Foreign Exchange Management Act, 1999 and the Urban Land (Ceiling and Regulation) Act, 1976) for the time being in force or in the Memorandum and Articles of Association of the company or in any other instrument having effect by virtue of any Act other than Sick Industrial Companies (Special Provisions) of Act, 1985 as amended or re-enacted from time to time or any Act passed in replacement thereof.
- xviii) Reference to BIFR shall include any successor Tribunal or Forum or Authority, which is conferred with or which exercises the powers exercised by the BIFR.
- xix) This Scheme shall come into force with immediate effect and shall be implemented by all concerned as per the time frame stipulated I or envisaged in the Scheme and in the Annexures hereto.

Dated: 23rd April, 2013

Enclosed

Annexure I to VII

Annexure I: Cost of Scheme & Means of Finance

Cost of the Scheme

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

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

Means of Finance

The scheme is proposed to be financed as under (Rs.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

Annexure II: Assumptions

The scheme mainly envisages the financial reconstruction of PPIL by way of its merger with a company viz. Wanbury Ltd. (WL). PPIL will be deemed to merged with Wanbury Limited as on 1st April 2006 in terms of the draft Rehabilitation and Revival cum Merger Scheme. WL 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.

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 or any other Governmental / Municipal / Panchayat Agency / Cooperative Society etc. in view of the high level of debt which is unsustainable, substantial sacrifices from all the concerned are inevitable.

Annexure III: Projected Profit and Loss Estimates

Year ending (Rs. Lakh)	31.3.13 Estimated	31.3.14 Projected	31.3.15 Projected	31.3.16 Projected	31.3.17 Projected
Net Sales	462	12,612	606	757	947
% Growth	5%	2632%	-95%	25%	25%
Other Income					-
Manufacturing Expenses	371	390	409	430	451
PBDIT	90	12,223	197	328	495
Less: Intefest	-	-	-	-	-
Less: Depreciation	56	59	62	65	68
Profit Before Tax	34	12,164	134	262	427
Less: Tax	-	-	-	-	-
Profit / (Loss) After Taxation	34	12,164	134	262	427
Equity Share Capital	1,203	862	862	862	862
Reserves and Surplus	1,342	-	-	-	-
Accumulated Losses / (Profit)	13,838	332	198	(65)	(492)
Networth	(11,292)	529	664	926	1,353

Annexure IV: Projected Balance Sheets

SOURCE OF FUNDS (Rs. Lakh)	31.3.13 Estimated	31.3.14 Projected	31.3.15 Projected	31.3.16 Projected	31.3.17 Projected
Share Capital	1,203	862	862	862	862
Reserves and Surplus	1,342	(332)	(198)	65	492
Profit and Loss Account	(13,838)	-	-	-	-
Secured Loans	11,139	-	-	-	-
Unsecured Loans	1,960	-	-	-	-
Total	1,807	529	664	926	1,353
APPLICATION OF FUNDS					
Fixed Assets	4,186	421	859	1,293	2,225
Investments	-	-	-	-	-
Inventories	-	-	-	-	-
Sundry Debtors	91	291	491	691	1,050
Cash and bank Balance	101	196	392	720	1,215
Loans and Advances	949	949	949	949	949
Less: Current Liabilities and Provisions	3,520	1,327	2,027	2,727	4,086
Total	1,807	529	664	926	1,353

Working Capital Calculation

Working Capital (Amount in Rs. Lakh)	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Debtors	90.8	90.8	290.8	490.8	690.8	1,049.8
Loans and Advnaces	949.3	949.3	949.3	949.3	949.3	949.3
Creditors	560.6	588.7	618.1	649.0	681.4	715.5
Working Capital Required	479.5	451.5	622.1	791.2	958.7	1,283.7

Annexure V: Projected Cash Flow

Particulars (* In Lacs)	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Cash flows from Operating Activities						
Net Profit/(Loss) before Tax	32.42	34.04	12,163.56	134.46	262.36	426.93
Non-cash adjustment to reconcile profit before tax to net cash flows:						
Depreciation	53.63	56.31	59.13	62.08	65.19	68.45
Profit on Reduction of Share Capital			(1,188.88)			
Operating Profit/(Loss)before Movements/Adjustments:	86.05	90.35	11,033.81	196.55	327.54	495.38
Movements/Adjustments for:						
Decrease/(Increase) in Trade Receivable	(42.51)	0.00	(200.00)	(200.00)	(200.00)	(359.00)
Decrease/(Increase) in Long term loans and advances						
Decrease/(Increase) in Loans & Advances	(75.40)	0.00	0.00	0.00	0.00	0.00
Increase/(Decrease) in Current liabilities	32.93	0.00	(2,193.40)	700.00	700.00	1,359.00
Increase/(Decrease) in provisions	0.00	0.00	0.00	0.00	0.00	
Cash Generated from/(used in) Operations.	1.06	90.35	8,640.41	696.55	827.54	1,495.38
Direct Taxes Paid (Net of Refunds)						
Net Cash generated from/(used in)	1.06	90.35	8,640.41	696.55	827.54	1,495.38
Operating Activities						
Cash flows from Investing Activities						
Purchase of Fixed Assets			2,809.84	(500.00)	(500.00)	(1,000.00)
Proceeds from Sale of Fixed Assets			896.54			
Decrease/(Increase) in Fixed Deposits						
Purchase of Non Current Investments						
Advance to Subsidiary -pending allotment of shares						
Net Cash generated from/(used in) Investing Activities	-	-	3,706.38	(500.00)	(500.00)	(1,000.00)
Cash flows from Financing Activities						
Increase/(Decrease) in Long Term Borrowings			(13,098.91)			
Increase/(Decrease) in Short Term Borrowings						
Interest paid						
Share Issue Proceeds			847.00			
Dividend & Dividend Distribution Tax Paid						
Net Cash generated from/(used in) Financing Activities	-	-	(12,251.91)	-	-	-
Net increase /(decrease) in cash & cash equivalents	1.06	90.35	94.88	196.55	327.54	495.38
Cash and Cash equivalents as at the beginning of the year	9.22	10.28	100.63	195.50	392.05	719.59
Cash and Cash equivalents as at the end of the year	10.28	100.63	195.50	392.05	719.59	1,214.97

Annexure VI: Projected DSCR

The scheme envisages the financial reconstruction of PPIL by way of its merger with a company viz. Wanbury Ltd. (WL) after settling the dues of all the Lenders / Creditors by way of one time settlement of dues elaborated in the clauses 12.3.1 to 12.4.2 and 12.5. Hence calculation of standalone DSCR for PPIL is not relevant in this case.

DSCR of Wanbury Ltd post merger with PPIL is as follows:

Particulars	FY13	FY14	FY15	FY16	FY17
PAT	(9.03)	12.27	34.66	60.56	81.22
Promoters Contribution	-	-	-	-	-
Interest	28.94	34.49	34.10	33.60	31.36
Sale of Old Machinery	-	2.50	-	-	-
Depreciation	13.31	13.88	14.15	14.52	15.02
Total	33.22	63.14	82.91	108.67	127.59
Interest	28.94	34.49	34.10	33.60	31.36
Repayment of Vehicle Loans					
Payable to Secured Lenders	1.63	0.19	10.09	12.23	45.13
Capital Investment	-	7.00	7.00	7.00	12.00
Payable to Unsecured Lenders		7.83	7.92	14.14	2.69
Total	30.57	49.50	59.11	66.97	91.18
DSCR	1.09	1.28	1.40	1.62	1.40
Average DSCR	1.40				

Annexure VII: List of Unsecured Creditors (Rs.)

Sundry Creditors		Amount Payable
1	Air Force Naval Housing Board	324,000
2	Air Freight Limited	200,000
3	Birla Global Finance Ltd.	71,520
4	Blue Dart Express Ltd.	560
5	Budhrani Finance Ltd.	200,000
6	Dhiraj Enterprises	1,440
7	Exmor Enterprises	10,680
8	Fibre Foils Ltd.	800
9	Gill & Co.	120,000
10	Harihar Finance	39,880
11	IAF Benevolent Association	132,000
12	India Cement Capital & Finance Ltd	200,000
13	Kaveri Steel & Engg. Co.	7,120
14	K & Co.	300,000
15	K. Uttamlal & Company	4,760
16	Mahindra Finance Ltd.	220,360
17	Mangalam Rasayan	9,480
18	Nelito Systems Ltd.	200,000
19	Nutron Pharmaceuticals	4,840
20	Parle International Limited	160,000
21	Pidilite Finance	11,200
22	Ravi Engineering Works	5,120
23	Savani Financials Limited	227,880
24	Savani Financials Ltd	228,000
25	Supra Combines	16,280
26	Tata Finance Ltd.	409,520
27	Tube Investment Ltd	124,000
28	Valiant Chemical	34,520
29	Vijay Glass Works	17,000
30	Wallchand & Co.	72,000
31	Wipro Finance	470,800
32	21st Century Mangt Service Ltd.	232,000
33	Apple Fiance Ltd	67,760
34	Ashok Leyland Finance Ltd.	200,000
35	Associated Investment Ltd.	106,480
36	Bombay Ammonia & Chem Co.	440
37	Dewoo Motors	400,000
38	Dhanshree Enterprises	14,760
39	Diptee Construction	10,960
40	Esanda Fitz	20,720
41	Garden Finance Ltd.	536,640
42	GE Capital Transportation Finance Ser. Ltd.	292,000
43	Herren Chemicals	4,240
44	Hikal Chemicals	4,800

Sundry Creditors		Amount Payable
45	Indian Seamless Financial Services Ltd.	352,000
46	India Securities Ltd.	309,000
47	Indus Ind Enterprises	125,200
48	Jayantilal Chunilal Shah	4,600
49	Kotak Mahindra Finance	164,920
50	Kubo Combustion Eff.	11,920
51	Maharashtra Scooters Ltd.	100,000
52	Manipal Finance	200,000
53	Mantri Housing & Const. Ltd.	32,800
54	Marwah Industrial Premises Co Op. Soc. Ltd.	6,440
55	Masitia Capital Seviles Ltd.	248,000
56	Summer Investment	100,000
57	Surya Automation Enterprises	400
58	Trade Advance	2,880
59	Vam Organics	8,080
60	Other Trade Creidtors & Suppliers	928,480
Total Amount		8,309,280