

**COURT CONVENED MEETING OF  
SECURED CREDITORS OF  
ANKUR DRUGS AND PHARMA LIMITED**

<b>Day</b>	<b>Wednesday</b>
<b>Date</b>	<b>22nd May, 2013</b>
<b>Time</b>	<b>3.00 p.m.</b>
<b>Venue</b>	<b>Time &amp; Again Banquet, 9, Raheja Classique, Next to Cinemax, Off Link Road, Lokhandwala, Andheri [West] Mumbai - 400 053.</b>

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
[ORIGINAL JURISDICTION]

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN

ANKUR DRUGS AND PHARMA LIMITED

AND

ITS SECURED CREDITORS WITH FIRST CHARGE, SECURED CREDITORS  
WITH SECOND CHARGE, UNSECURED CREDITORS, OTHER CREDITORS,  
FCCB HOLDERS AND DEPOSITORS AND ITS SHARE HOLDERS  
COMPANY APPLICATION NO. 219 OF 2013

**ANKUR DRUGS AND PHARMA LIMITED**

a Company incorporated under the Companies Act,  
1956, having its Registered Office at C-306, Crystal Plaza,  
Andheri Link Road, Andheri [West], Mumbai - 400 053.

Represented by its Authorised Signatory, Mr. Purnandu Jain,  
s/o, Shri Shekharmal Jain, Aged 49 years, resident of Baddi,  
Dist. Solan, Himachal Pradesh - 173 205.

**APPLICANT COMPANY**

**NOTICE CONVENING MEETING OF SECURED CREDITORS**

To,  
All the Secured Creditors of  
ANKUR DRUGS AND PHARMA LIMITED

TAKE NOTICE that by an order dated 15th March 2013 and 18th April, 2013 the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Secured Creditors with First Charge and Secured Creditors with Second Charge of ANKUR DRUGS AND PHARMA LIMITED, the Applicant Company herein, be held for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between the Applicant Company and its Secured Creditors with first charge, Secured Creditors with second charge, Unsecured Creditors, Other Creditors, FCCB holders and Depositors and its Shareholders.

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein, Notice is hereby given that a meeting of the Secured Creditors with First Charge and Secured Creditors with Second Charge of the Applicant Company will be held on 24th May, 2013, at 3.00 p.m. at Time & Again Banquet, 9, Raheja Classique, Next to Cinemax, Off Link Road, Lokhandwala, Andheri [West], Mumbai 400 053 at which time and place the said Secured Creditors are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Applicant Company located at C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai 400053, not later than 48 hours before the meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Purnandu Jain, Chairman and Managing Director of the Applicant Company or failing him Mr. Girraj Vijayvargiya, Whole time Executive Director or failing him Mr. Dilip Shinde, Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the scheme of arrangement, the statement under Section 393 of the Companies Act, 1956 and a form of proxy are enclosed.

Place : Mumbai  
Dated : 24th April, 2013

Purnandu Jain  
Chairman appointed for the Meeting

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
[ORIGINAL JURISDICTION]

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

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IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN

ANKUR DRUGS AND PHARMA LIMITED

AND

ITS SECURED CREDITORS WITH FIRST CHARGE, SECURED CREDITORS  
WITH SECOND CHARGE, UNSECURED CREDITORS, OTHER CREDITORS,  
FCCB HOLDERS AND DEPOSITORS AND ITS SHARE HOLDERS  
COMPANY APPLICATION NO. 219 OF 2013

<p><b>ANKUR DRUGS AND PHARMA LIMITED</b></p> <p>a Company incorporated under the Companies Act, 1956, having its Registered Office at C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai - 400 053.</p> <p>Represented by its Authorised Signatory, Mr. Purnandu Jain, s/o, Shri Shekharmal Jain, Aged 49 years, resident of Baddi, Dist. Solan, Himachal Pradesh - 173 205.</p>	<p><b>APPLICANT COMPANY</b></p>
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**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956**

Pursuant to an order dated 15th March 2013 and 18th April, 2013, passed by the Hon'ble High Court of Judicature at Bombay, in the Company Application No. 219 of 2013, a meeting of the Equity Shareholders of ANKUR DRUGS AND PHARMA LIMITED, the Applicant Company [hereinafter referred to as "ADPL"], is being convened to be held on 22nd May 2013 at 10.30 a.m., Meeting of the Secured Creditors of ADPL, is being convened to be held on 22nd May 2013 at 3.00 p.m. and Meeting of Unsecured Creditors and Other Creditors, FCCB Holders and Depositors of ADPL is being convened to be held on 24th May, 2013 at 10.30 a.m. at Time & Again Banquet, 9, Raheja Classique, Next to Cinemax, Off Link Road, Lokhandwala, Andheri [West], Mumbai - 400 053, for the purpose of considering, and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between the Applicant Company and its Secured Creditors with first charge, Secured Creditors with second charge, Unsecured Creditors, Other Creditors, FCCB holders and Depositors and its Shareholders.

The detailed terms of the arrangement are set out in the enclosed Scheme of Arrangement [hereinafter referred to as "the Scheme"].

**1. Business and Financial position of ANKUR DRUGS AND PHARMA LIMITED :**

- [a] Ankur Drugs and Pharma Limited, a Company listed on the BSE Limited and the National Stock Exchange of India Limited, was incorporated under the Companies Act, 1956 in 1995 under the name Mridol Pharmaceuticals Limited for manufacture of Hard Gelatin Capsules. The Name of the Company was changed to Ankur Drugs and Pharma Limited on 10th November, 1998.
- [b] The Company has 18 Secured Creditors with First Charge.
- [c] The Company has 6 Secured Creditors with first/second charge on the specified fixed assets of the Company.
- [d] The Company has numerous Unsecured and Sundry Creditors and Fixed Deposit Holders;
- [e] The Company has Foreign Currency Convertible Bond .
- [f] The accounts of the Company have been audited as at 31st March, 2011. The Authorized, Issued, Subscribed and Paid up Share Capital of the Company as on 31st March, 2011 is as under:

**AUTHORISED CAPITAL**

2,80,00,000 Equity Shares of ₹ 10/- each ₹ 28,00,00,000/-

**ISSUED, SUBSCRIBED & PAID UP CAPITAL**

1,93,41,590 Equity Shares of ₹ 10/- each fully paid ₹ 19,34,15,900/-

**2. RATIONALE OF THE SCHEME OF ARRANGEMENT:**

The Company, Ankur Drugs and Pharma Limited was initially incorporated in the name of Mridol Pharmaceutical Limited for manufacture of Hard Gelatin Capsules. The name of the Company was changed to Ankur Drugs and Pharmaceuticals Limited on 10th November 1998.

The scope of activities was also changed to manufacture pharmaceutical formulations in the form of tablets, capsules, liquid and dry syrups, injectibles, eye and ear drops and ointments etc.

The Company is primarily into contract manufacturing and is in the business of manufacturing and producing formulations for pharmaceuticals industries both domestic and multinationals.

The Company began manufacturing formulations at its mother plant at Nani Daman way back in October, 1998.

With a view to avail concession Vaibhav Healthcare Private Limited an associate of ADPL envisaged in the Industrial Package announced by the Government of India in the Hilly States, set up a manufacturing facility in Village Manakpur [H.P.] which was merged into Ankur Drugs and Pharma Limited w.e.f 1st April, 2006.

Since the Company was recording steady growth, it planned to setup a state of art plant at Village Makhnu Majra [H.P.] involving a huge capital expenditure known as Unit II designed as per USFDA/MHRA specification / norms.

While the Company was completing the construction of this facility [Unit II], the Government of India, in July 2008, restricted the availability of the excise holiday to only those units which would be commissioned and had started production before March 2010. In order to avail this excise holiday, the Company had to go ahead and complete the construction and commissioning of its plant before stipulated deadline. In the process, due to absence of financial closure of the project, the Company had diverted a major part of its working capital for the completion of the Project. The diversion and the subsequent inability of the Company to tie up long term funds led to a liquidity crunch, leading to delays in repayment / retiring of dues to the working capital and term loan lenders.

Instead of funding the capex through term loan, the company utilized working capital and unsecured short term funds which were of a very high cost in nature. The company also approached the CDR Cell for restructuring of the debt and sanction of need based credit facilities. The Company received a package for restructuring the existing debt from CDR lenders aggregating ₹ 750 crores approximately but no new funding was made available, which had an adverse impact on the top line and bottom line of the Company.

The overall capacity utilization, at present is only at 10-15% of the installed capacity on account of shortage of working capital and financial uncertainty.

The approval of the scheme proposed by the Company by all stakeholders is paramount to the viability of the Company as the Company will be able to tie-up long term funds, once the scheme is approved which is so very essential for optimising capacity utilisation which would help in bringing the Company back to profitability.

The management of the Company believe that the Scheme of Arrangement would benefit the Secured Creditors, Unsecured and Other Creditors and also the Stakeholders.

### 3. FINANCIAL SETTLEMENT PROPOSED UNDER THE SCHEME OF ARRANGEMENT :

The Company is in the process of negotiating for the sale/long term lease of the Unit II at Himachal Pradesh. This will help to settle with the majority of the Secured lenders covered under the CDR scheme entered into with the institutions and with 2 WCTL Lenders sharing pari passu security with the CDR lenders.

It is proposed that all unpaid interest till date payable to all the Classes of Creditors shall be waived and any payment of future interest will commence from 12 months of the Effective date at the rate of 6% p.a.

The Company has projected the free cash flows and the monies shall be paid as follows :

[INR in Crores]

Year	Class A Secured CDR lenders & other WCTL Lenders	Class B [Other secured lenders]	Class C [Public Fixed Deposits including unpaid interest]	Class D [Other Unsecured Lenders]	Class E [Other Creditors]	Total
2013	The Company proposes to settle class A creditors by hiving off OR long term lease of Unit II. If any surplus will be made available after repaying class A creditors then the surplus so available will be first used for repaying class C creditors then other class of creditors.	1.447	-	-	-	1.447
2014		3.626	3.300	3.527	3.181	13.634
2015		7.370	5.900	5.201	4.131	22.602
2016		1.531	9.200	8.998	7.977	27.706
2017		2.843	14.600	16.769	11.819	46.031
2018		4.374	-	24.809	16.844	46.027
2019		5.467	-	41.579	26.662	73.708
2020		6.561	-	58.000	32.688	97.249
<b>Total</b>	<b>781.447</b>	<b>33.219</b>	<b>33.000</b>	<b>158.883</b>	<b>103.302</b>	<b>328.404</b>

For the FCCB holders the Company proposes to roll over the redemption of the Foreign Currency Convertible Bonds at 15% of face value for a further period of seven years at a new reset priced not less than ₹ 46 per share. The entire redemption premium and 85% of the face value shall be waived.

### 4. The Resolution/s to be submitted at the said meeting/s will read as follows :

“RESOLVED that pursuant to Section 391 to 394 of the Companies Act, 1956 [the Act] and Rules 67 to 87 of the Company [Court] Rules, 1959 [the Rules] and other applicable provisions, if any, of the Act and Rules and subject to sanction by Honorable High Court of Judicature at Bombay and other requisite concerns and approvals, if any, being obtained and subject to such terms and conditions and modification[s] as may be imposed, prescribed or suggested by the Honorable High Court, Bombay or other appropriate authorities, the Scheme of Arrangement between the Applicant Company and its Secured Creditors with first charge, Secured Creditors with second charge, Unsecured Creditors, Other Creditors, FCCB holders and Depositors and its Shareholders, in terms of the draft Scheme of Arrangement laid before the meeting and initialed by the Chairman for purpose of identification, be and is hereby approved.

RESOLVED further that the Board of Directors, Managing Director or Authorised Director of the Company be and is hereby authorized to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution.”

### 5. The Company has by their letters both dated August 20, 2012 requested the National Stock Exchange of India Limited [NSE] and BSE Limited to approve the Scheme of Arrangement.

6. Salient Features of the Scheme :

- [a] The Appointed Date of the Scheme is 1st April, 2012
- [b] The Company is in the process of negotiating for the sale of its Unit II at Himachal Pradesh. This will help settle with a majority of the Secured lenders holding 1st Pari Passu Charge on the Assets of the Company.
- [c] It is proposed that all unpaid interest till date payable to all the classes of Creditors shall be waived and any payment of future interest will commence from 12 months of the Effective Date at the rate of 6% p.a.
- [d] The Company has projected the Free Cash Flows and the monies shall be paid over a period starting from 2013 to 2020, for Creditors under Class A to E.
- [e] For FCCB Holders [Class F Creditors], the Company proposes to rollover the redemption of the FCCB at 15% of face value for a further period of seven years at a new reset price not less than Rs. 46/- per Share. The entire redemption premium and 85% of the face value shall be waived.
- [f] On the scheme being approved by the requisite majority, appropriate application will be filed before the Hon'ble High Court of Judicature at Bombay for approval of the Scheme.
- [g] The Scheme is subject to the following conditions and shall become effective upon:
- [i] the approval of the Scheme, by the requisite majorities, of such classes of persons of the Company as per provisions of Section 391 of the Companies Act, 1956 for calling meetings and necessary resolutions being passed under the Act for the purpose; and
- [ii] the certified copies of the Orders of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Mumbai, Maharashtra.

7. **The Members/Creditors are requested to read the entire text of the Scheme to get better Acquainted with the provisions thereof as stated above. The aforesaid paras contain only the main gist and is a summary thereof. The contents of this Explanatory Statement are subject to the terms and conditions of the Scheme.**

8. The Board of Directors of the Company approved the scheme on 2nd August, 2012.

9. Applications have been filed before the BSE Limited and National Stock Exchange of India Limited as per clause 24[f] of the Listing Agreement seeking their consent for the proposed Scheme of Arrangement; however Company has not received consent of the Stock Exchanges to the proposed Scheme of Arrangement.

10. The Directors of the Company may be deemed to be concerned / interested in the Scheme to the extent of their shareholding.

11. The shareholding pattern of ANKUR DRUGS AND PHARMA LIMITED as on 31/03/2013 is furnished Hereunder :

Category	Number of Shareholders	Number of Shares held	% of Shareholding
Indian Promoters	6	11,40,581	5.90
Mutual Funds and U T I	1	2,500	0.01
Financial Institutions/Banks	1	9,19,066	4.75
Foreign Institutional Investors	3	22,51,159	11.64
Trust	1	100	-
Bodies Corporate	622	27,88,672	14.42
Indian Public	20475	1,17,28,852	60.64
NRIs / OCBs	257	5,05,360	2.61
Director	1	5,300	0.03
<b>Total</b>	<b>21,367</b>	<b>1,93,41,590</b>	<b>100.00</b>

Note: There is no change in the Shareholding Pattern pre and post Scheme of Arrangement.

12. Copies of the following documents are open for inspection at the registered office at C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai 400053 of the Applicant Company on any working day between 10.00 a.m. to 4.00 p.m. prior to the date of the meeting/s :

- a] Memorandum and Articles of Association of the Applicant Company
- b] Annual Report and accounts of the Applicant Company for the financial year ended on 31st March, 2011
- d] Copy of the order passed by the Hon'ble High Court of Judicature at Bombay in C.A.No. 219 of 2013 directing convening of separate Meetings for Equity Shareholders, Secured Creditors, Unsecured Creditors and other creditors of the applicant Company.
- e] Scheme of Compromise & Arrangement

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956.

Place : Mumbai

Date : 24th April, 2013

Registered Office : C-306, Crystal Plaza,  
Andheri Link Road, Andheri [West], Mumbai - 400 053.

Purnandu Jain  
Chairman of the Meeting

**SCHEME OF COMPROMISE AND ARRANGEMENT  
BETWEEN ANKUR DRUGS AND PHARMA LIMITED AND ITS CREDITORS**

**PREAMBLE :**

[A] **Purpose of the Scheme :** The Scheme of arrangement with Creditors is presented under Section 391-394 of the Companies Act, 1956 for entering into a compromise with Secured Creditors with First Charge, Secured Creditors with Second Charge, Unsecured Creditors, Other Creditors, FCCB holders, and Depositors.

[B] **The Scheme :** also provides for various other matters consequential or otherwise integrally connected therewith.

**RATIONALE FOR THE SCHEME :**

Ankur Drugs and Pharmaceuticals Limited [ADPL], a Company listed on BSE and NSE was Incorporated in 1995 under the name Mridol Pharmaceuticals Limited for manufacture of Hard Gelatin Capsules. The name of the Company was changed to Ankur Drugs and Pharmaceuticals on 10th November, 1998.

The scope of the project was also changed to manufacture pharmaceuticals formulations in the form of tablets, capsules, liquid and dry syrups, injectibles, eye and ear drops and ointments etc.

The Company is primarily into contract manufacturing and is in the business of manufacturing and producing formulations for pharmaceuticals industries both domestic and multinationals.

The Company began manufacturing formulations at its mother plant at Nani Daman way back in 1998.

The Company, with a view to avail concession envisaged in the Industrial Package announced by the Government of India in the Hilly States, set up a manufacturing facility in Village Manakpur [H.P.] in the name of Vaibhav Healthcare Private Limited which was merged into ADPL in 2006-07.

Since the Company was recording steady growth it planned a huge capital expenditure and expansion of its state of the art plant at Village Makhnu Majra [H.P.] known as Unit II designed as per USFDA/MHRA specification /norms.

While the Company was completing the construction of this facility [Unit II], the Government of India, in July 2008, restricted the availability of the excise holiday to only those units which would be commissioned and had started production before March 2010. In order to avail this excise holiday, the Company had to go ahead and complete the construction and commissioning of its plant before stipulated deadline. In the process, due to absence of financial closure of the project, the Company had diverted a major part of its working capital for the completion of the Project. This diversion and the subsequent inability of the Company to tie up long term funds led to a liquidity crunch, leading to delays in repayment/retiring of dues to the working capital and term loan lenders.

Instead of funding the capex through term loan the company utilised working Capital and unsecured short term funds which were of a very high cost in nature. The company has also approached the CDR Cell for restructuring of the debts and sanction of need based credit facilities. The Company received a package for restructuring the existing I debt from CDR lenders aggregating ₹ 750 crores approximately but no new funding was made available, which had an adverse impact on the top line and bottom line of the Company.

The Capacity utilization, at present is only at 10 -15 % of the installed capacity on account of Shortage of working capital.

The Company will survive if this restructuring proposal is accepted with the additional funding and the Company will then be able to utilize its installed capacity and generate surplus funds.

**PARTS OF THE SCHEME:**

The Scheme is divided into the following parts:

**PART I** deals with the Definitions and Share Capital

**PART II** deals with General Terms and Conditions

**Part III** deals with the Financial Settlement for the Scheme.

**Part IV** deals with Security and Documentation

**Part V** deals with the Commitment by the Promoters.

**Part VI** deals with the Other Terms and Conditions.

**PART I : DEFINITIONS AND SHARE CAPITAL**

**1.1 DEFINITIONS :**

In this Scheme of Arrangement [as defined hereunder] unless inconsistent with the subject or context, the following expressions shall have the following meaning :

**Act** means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force;

**Appointed Date :** Means April 1, 2012 or such other date as may be decided by the High Court;

**Board** Means the Board of Directors of the Company or any Committee thereof

**Court or High Court** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if applicable.

**Effective Date :** means the date on which the certified copy of the Order of the High Court of Judicature at Bombay sanctioning this Scheme of Compromise and Arrangement is filed with the Registrar of Companies, Mumbai, Maharashtra.

**Guarantor** means Mr. Purnandu Jain, Chairman and Managing Director of the Company.

**Free Cash Flow** means the cash flows available from the operations of the Company between the years 2013 to 2021 .

**Promoters** mean Mr. Purnandu Jain, Anupama Jain, Vaibhav Jain, Purnandu Jain [HUF] and Aakanksha Securities Private Limited.

**Scheme** means this Scheme of Arrangement and/or Compromise between Ankur Drugs and Pharma Limited [ADPL] and its creditors.

**Secured Creditors** Means the amount of debts payable to all the Secured Creditors as on the cut-off date as per the books of accounts of the Company

**Secured Creditors** with first pari-passu charge or **Class 'A'** means all those creditors as on the cut-off date that are term lenders, working capital term loan lenders and working capital lenders to the company and having first pari-passu charge on the fixed assets [other than specifically charged to any creditors] and current assets of the Company by way of hypothecation or otherwise, the details whereof are given in **Annexure A** to the Scheme.

**Secured Creditors** with specific first/second charge or '**Class B**' creditors means all those creditors who, as on cut-off date, are either term lenders or short term lenders or otherwise, having first/second charge on the specific fixed assets of the Company by way of hypothecation or otherwise, the details whereof are given in **Annexure B** to the Scheme.

**Depositors** or **Class C** creditors The Company had accepted Fixed Deposits from the public as per the guidelines and the rules and regulations prevailing. These Creditors shall receive their entire principal amount along with unpaid and future interest @8% p.a. it is also proposed that unpaid interest on non-cumulative deposit till the date of approval of scheme will be paid at the time of payment there will be delay in the repayment of deposits and it will be repaid over a period of four years from the Effective Date. The names and the amounts due appear in **Annexure C** to the Scheme.

**Unsecured Lenders** or **Unsecured Creditors** or **Class D** creditors include creditors other than Class A or B or C creditors, this includes creditors who had lent money to the company as on the cut-off date and also includes creditors in respect of funds borrowed as financial assistance by the Company, from time to time and remaining outstanding as on the cutoff date, as per the books of accounts of the Company. The details whereof are given as per **Annexure D** to this Scheme.

**Other Creditors** or **Sundry Creditors** means **Class E** creditors and includes all the trade creditors for the supply of Goods/Capital Goods or for rendering Services for the running of the business. The details are as per **Annexure E** to the Scheme.

**Foreign Currency Convertible Bonds** means **Class F** creditors. The details of the FCCB holders are as per **Annexure F** of the Scheme.

## 1.2 Share Capital :

The Authorized Share Capital of the Company consists of 2,80,00,000 Equity Shares of a Face value of ₹ 10/- each. As at 31st March, 2012, the Issued, Subscribed and Paid-up Equity Share Capital of the Company is 1,93,41,590 Equity Shares of ₹ 10/- each amounting to ₹ 19,34,15,900/- only.

This Scheme will not affect the Issued, Subscribed and Paid-up Equity Share Capital of the Company in any manner whatsoever.

## PART II

### *General Terms and Conditions*

The Terms and Conditions enumerated herein below are applicable to all the lenders including Class A, B, C, D, E, and F, Creditors.

1. In calculating the claims of all class of creditor's payments to be made by the Company to the said class of creditors under the Scheme, the amount stated in the Annexure A, B, C, D, E and F are final and if there is any discrepancy, the amount would be agreed upon mutually with the help of the available records.
2. On the Scheme becoming effective, the secured and unsecured creditors covered by the Scheme shall not be entitled to claim any payment save and except in accordance with the Scheme, provided the Company does not commit any act of default. However, all payments received by such creditors till date subsequent to the cutoff [Appointed] date and prior to the effective date shall be treated as payments made and or required to be made under this Scheme. In addition all payments to be made to the creditors on or after the April 1, 2012, shall be treated as payments made and/or required to be made under this Scheme.
3. Cash flows in excess of projections shown herewith will be shared in ratio of 50:50 between the Company and the lenders, which may be utilised for purposes other than accelerated payments.
4. Upon the Scheme becoming effective the lenders shall forthwith withdraw all existing litigations and legal cases against the Company, the guarantors, the Directors of the Company as the case may be and the lenders shall simultaneously execute necessary documents/affidavits/applications etc. to be promptly submitted to concerned courts, statutory authorities etc. in order to give immediate effect for such withdrawals of legal actions, cases or litigations.

Thereafter the rights of the lenders will be submerged and recast in the manner proposed in the Scheme.

Further, upon submission of this Scheme with the High Court, all litigations and proceedings against the Company by the Secured Creditors with First Charge, Secured Creditors with Second Charge, Unsecured Creditors, Other Creditors, FCCB, holders and Depositors, shall be voluntarily stayed by the respective Creditors till this Scheme comes into effect. This will enable the Company to successfully implement this Scheme and revive the operations of the Company.

5. Pending legal proceedings.
  - a) Any proceedings, civil or criminal, pending against the Company its Directors, officers or any other person arising due to, directly, indirectly, from nonpayment of dues by the Company, relating to any of the Secured and/or unsecured credits shall, on the Scheme being effective, be decided as per the 4 above and the rights, obligations and liabilities of the parties shall be governed by the terms of the Scheme subject to clause 4 above and the default clauses.
  - b) Further all the creditors would now be governed by the terms and conditions as stipulated in the restructuring package and would not be entitled to take recourse under the original agreements unless the Company makes default in the new restructured payment schedule. The Company would be in Default only if it is unable to pay the amounts due as per this Scheme with a grace period of 120 days.
  - c) The creditors covered by the Scheme shall not be entitled to claim any payment and except in accordance with this Scheme subject to the Company, promoters and guarantors fulfilling their obligations under this Scheme.
  - d) The claims of the creditors and/or payments to be paid by the Company to the creditors as mentioned under this Scheme shall be treated as final and conclusive.
6. The waivers, concessions, relief and remissions in respect of principal outstanding debts, interest, damages and other charges as envisaged under this Scheme of Arrangement shall stand revoked in case of any default [ as defined in 5 [b] above ] in payment/performance obligations
7. The settlement options will not carry any recompense clause for recompense of relief in the event the Company's profitability improves over the period projected in this Scheme.

### PART III

#### FINANCIAL SETTLEMENT FOR THE SCHEME :

1. The Company is in the process of negotiating for the sale of its Unit II at Himachal Pradesh. This will help settle with a majority of the Secured lenders covered under the CDR Scheme entered into with the institutions and 2 WCTL Lenders sharing pari-passu security with CDR Lenders.
2. It is proposed that all unpaid interest till date payable to all the classes of Creditors shall be waived and any payment of future interest will commence from 12 months of the Effective Date at the rate of 6% p.a.
3. The Company has projected the Free Cash Flows and the monies shall be paid as follows : [INR in Crores]

Year	Class A Secured CDR lenders & other WCTL Lenders	Class B [Other secured lenders]	Class C [Public Fixed Deposits including unpaid interest]	Class D [Other Unsecured Lenders]	Class E [Other Creditors]	Total
2013	The Company proposes to settle class A creditors by hiving off OR long term lease of Unit II. If any surplus will be made available after repaying class A creditors then the surplus so available will be first used for repaying class C creditors then other class of creditors.	1.447	-	-	-	1.447
2014		3.626	3.300	3.527	3.181	13.634
2015		7.370	5.900	5.201	4.131	22.602
2016		1.531	9.200	8.998	7.977	27.706
2017		2.843	14.600	16.769	11.819	46.031
2018		4.374	-	24.809	16.844	46.027
2019		5.467	-	41.579	26.662	73.708
2020		6.561	-	58.000	32.688	97.249
<b>Total</b>		<b>781.447</b>	<b>33.219</b>	<b>33.000</b>	<b>158.883</b>	<b>103.302</b>

4. For the **Class F** creditors, the Company proposes to roll over the redemption of the Foreign Currency Convertible Bonds at 15% of face value for a further period of seven years at a new reset price not less than ₹ 46.00 per share. The entire redemption premium and 85% of the face value shall be waived.

### PART IV

#### Security and documentation :

##### Re-organization of Security :

Upon sanction of the Scheme all existing security and charges for the secured loans will stand re organized as follows and the existing personal guarantees given by Mr. Purnandu Jain, Chairman and Managing Director, the promoter may continue to be substituted/replaced by other suitable guarantee at the option of the Promoter or as mutually agreed.

- a] In case of Class A Creditors the repayment of debts will be secured by first pari-passu charge on all the fixed assets [other than specifically charged to any creditor] of the Company;
- b] In case of Class B Creditors the repayment of debts will be secured by first/ second charge on the specific fixed assets of the Company
- c] The new working capital lenders who agree to lend ₹ 50.00 Crores shall be offered first pari passu charge on the current assets and priority on the cash flows of the Company in the event of default in meeting the obligation to the working capital lenders.
- d] In case of Class C, D, E and F Creditors the outstanding shall not be secured by any asset of the Company except as stated in any prior agreement between the Company and the Creditor/s concerned.

##### Documentation

The Secured credits of the Company have been restructured under this Scheme and all rights and liabilities relating to the restricted debt are created under the Scheme. In addition, the Company, Guarantors and Secured Creditors shall enter into any documentation that may be required, only to give formal effect to the restructuring and for the creation of the security contemplated by this Scheme and to govern the prospective/ongoing relationship between the Company, the Guarantors and its Secured Creditors including covenants of the Company, supervision of the management of the Company, Events of defaults etc. Provided however that on and from the Effective Date in the absence of the formal documentation referred to above, the rights, obligations and privileges of the Company and the Secured Creditors shall continue to be governed by the documents in relation to the Secured credits in so far as the same are not inconsistent with the provisions of this Scheme and to the extent of any inconsistency between the Scheme and the said documents the Scheme shall prevail. However, notwithstanding the above, anything in the Scheme which is or as may be contrary to or in violation of the Companies Act, 1956 and the rules and regulations there under, the SEBI Act and the rules and regulations made there under or any other law for the time being in force shall not prevail and shall not be binding upon the Company, its promoters, the guarantors or the directors of the Company.

### PART V

#### Company and its promoter's commitment:

1. The promoters has converted their unsecured loan of ₹ 144.27 Crores into Equity Share application money of the Company at a significant premium, of ₹ 36.00 per share as compared to prevailing market price of ₹ 15.00 per share as on 31st March, 2012.
2. The promoter has also introduced an additional amount of ₹ 15.00 crores in the Company to comply with critical condition of the Letter of Intent issued by CDR EG.
3. The promoters agree to pledge 50% of their equity shareholding in the Company to Class A Creditors.
4. The promoter will proceed with the rationalisation of the Fixed Assets of the Company by restructuring the capacities to unlock the value from the same.



## PART VI

### OTHER TERMS AND CONDITIONS:

1. **Debt transferability** : Subject to all relevant laws and regulations, the restructured debt may be transferred by any lender without the Company's/other Lenders consent;
  2. **Legal and other aspects** : The promoters shall take such steps as may be necessary for increasing the Authorised Share Capital of the Company to accommodate any increase in share capital arising on account of fresh equity infusion within a period of thirty days from the date of application for equity, provided that it is not in contravention or violation of any act, rule, regulation, law, etc for time being in force. The Company shall continue to be listed on the Stock Exchange, Mumbai [BSE] and the National Stock Exchange [NSE]. The Company shall comply with all the requirements of the stock exchanges and pay the listing fee in time to ensure continuous listing.
  3. The Company shall with all reasonable dispatch make applications/ petitions/ to the Hon'ble Bombay High Court, Mumbai under Section 391 of the Companies Act, 1956 and other applicable sections of the Act, for sanctioning the Scheme. All cost, charges and expenses with this Scheme and incidental to the completion of restructuring of the debt of the company in pursuance of this Scheme shall be borne and paid by the company.
  4. This Scheme shall supersede all previous understandings and agreements between the parties and shall constitute final agreement between them.  
However, notwithstanding the above, anything in the Scheme which is or as may be contrary to or in violation of laws applicable to this Scheme sanctioned by the High Court under the provisions of sections 391-394 and other applicable sections of the Companies Act, 1956 and the rules and regulations made thereunder or any other law for the time being in force, shall not prevail and shall not be binding upon the Company, its promoter and guarantors or the Directors of the Company.
  5. Since the Scheme does not involve any 'Conveyance" of any property under Section 394 of the Act, it shall not attract stamp duty under the Bombay Stamp Act, 1956.
  6. The Board of Directors of the Company, may assent from time to time to any modifications or amendments or additions to this Scheme, or which the Hon'ble Bombay High Court, Mumbai and/or any other authority may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect.
-

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
[ORIGINAL JURISDICTION]

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN

ANKUR DRUGS AND PHARMA LIMITED

AND

ITS SECURED CREDITORS WITH FIRST CHARGE, SECURED CREDITORS  
WITH SECOND CHARGE, UNSECURED CREDITORS, OTHER CREDITORS,  
FCCB HOLDERS AND DEPOSITORS AND ITS SHARE HOLDERS  
COMPANY APPLICATION NO. 219 OF 2013

<p><b>ANKUR DRUGS AND PHARMA LIMITED</b> a Company incorporated under the Companies Act, 1956, having its Registered Office at C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai - 400 053. Represented by its Authorised Signatory, Mr. Purnandu Jain, s/o, Shri Shekharmal Jain, Aged 49 years, resident of Baddi, Dist. Solan, Himachal Pradesh - 173 205.</p>	<p><b>APPLICANT COMPANY</b></p>
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**FORM OF PROXY**

I/we, the undersigned, the Secured Creditor of ANKUR DRUGS AND PHARMA LIMITED., the Applicant Company, hereby appoint .....of .....failing him/her ..... as my/our Proxy to attend on my/our behalf at the Meeting of Secured Creditors of the Company held on 22nd May, 2013 at 3.00 p.m. at Time & Again Banquet, 9, Raheja Classique, Next to Cinemax, Off Link Road, Lokhandwala, Andheri [West], Mumbai 400 053 for the purpose of considering and, if thought fit, approving, with or without modification[s], the Scheme of Arrangement between the Applicant Company and its Secured Creditors with first charge, Secured Creditors with second charge, Unsecured Creditors, Other Creditors, FCCB holders and Depositors and its Share holders and at such meeting and any adjournment thereof, to vote for me/us and in my/our name ..... [here if "for", insert "for" and if "against", insert "against"] the said Scheme of Arrangement, either with our without modification[s] as my/our proxy may approve [strike out what is not necessary].

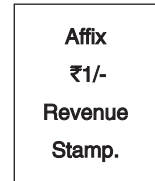
Sign this ..... day of .....2013.

Name : .....

Address : .....

.....

Signature of Proxy .....



Signature across the stamp

**Note:**

1. The Proxy in order to be effective must reach the Registered Office of the Company, duly filled at least 48 [forty eight] hours before the commencement of the aforesaid meeting.
2. All alterations made in the Form of Proxy should be initialed.



IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
[ORIGINAL JURISDICTION]

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN

ANKUR DRUGS AND PHARMA LIMITED

AND

ITS SECURED CREDITORS WITH FIRST CHARGE, SECURED CREDITORS  
WITH SECOND CHARGE, UNSECURED CREDITORS, OTHER CREDITORS,  
FCCB HOLDERS AND DEPOSITORS AND ITS SHARE HOLDERS  
COMPANY APPLICATION NO. 219 OF 2013

**ANKUR DRUGS AND PHARMA LIMITED**

a Company incorporated under the Companies Act, 1956, having its Registered Office at C-306, Crystal Plaza, Andheri Link Road, Andheri [West], Mumbai - 400 053.

Represented by its Authorised Signatory, Mr. Purnandu Jain, s/o, Shri Shekharmal Jain, Aged 49 years, resident of Baddi, Dist. Solan, Himachal Pradesh - 173 205.

**APPLICANT COMPANY**

**ATTENDANCE SLIP**

I/we hereby record my/our presence at the Meeting of Secured Creditors of Ankur Drugs and Pharma Limited., the Applicant Company held on 22nd May, 2013 at 3.00 p.m. at Time & Again Banquet, 9, Raheja Classique, Next to Cinemax, Off Link Road, Lokhandwala, Andheri [West], Mumbai - 400 053.

Name of the Creditor/Proxy\* .....

Signature of the Creditor/Proxy

Notes :

1. Creditor/Proxy intending to attend the meeting must bring the duly signed Attendance Slip to the Meeting and handover at the entrance.
2. Creditor/Proxy should bring his/her copy of the notice of meeting.



**BOOK-POST**

*If undelivered, please return to :*



Registered Office :  
C-306, Crystal Plaza,  
Andheri Link Road, Andheri [West],  
Mumbai - 400 053, INDIA  
Tel : +91-22-40682300  
Web : [www.ankurdrugs.com](http://www.ankurdrugs.com)