



## PANTALOONS FASHION & RETAIL LIMITED

(A Public Company Incorporated as Peter England Fashions and Retail Limited on April 19, 2007 under the Companies Act, 1956. The name of the company was changed to Pantaloons Fashion & Retail Limited on April 23, 2013. CIN No. - U18101MH2007PLC233901)

### INFORMATION MEMORANDUM

#### Corporate & Registered Office:

701-704, 7<sup>th</sup> Floor, Skyline Icon Business Park, 86-92, Off. Andheri-Kurla Road,  
Marol Village, Andheri (East), Mumbai- 400059, India.  
Tel : +91-8652 90 5000 , Fax: +91- 8652 90 5400 , E-mail : [geetika.anand@adityabirla.com](mailto:geetika.anand@adityabirla.com)  
Compliance Officer & Contact Person- Ms. Geetika Anand

**Information memorandum for the listing of 9,27,93,529 Equity Shares of Rs. 10 each fully paid-up.**

### **NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

#### GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Pantaloons Fashion & Retail Limited unless they can afford to take the risk of losing part or all of their investment. Investors are advised to read the Risk Factors on page 7 of this Information Memorandum carefully before taking an investment decision in the shares of Peter England Fashions and Retail Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

#### ABSOLUTE RESPONSIBILITY OF PANTALOONS FASHION & RETAIL LIMITED

Pantaloons Fashion and Retail Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Pantaloons Fashion & Retail Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The Equity Shares of the Company are proposed to be listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on the Company's website viz. [www.pantaloons.com](http://www.pantaloons.com) The Information Memorandum would also be made available on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

| ADVISOR TO THE COMPANY  | REGISTRAR AND SHARE TRANSFER AGENT   |
|---|--|
| <br><b>Axis Capital Limited</b><br>1st Floor, Axis House<br>C-2, Wadia International Centre<br>P.B. Marg, Worli<br>Mumbai 400025, India<br>Tel.: +91 22 4325 3101<br>Fax: +91 22 4325 3000<br>Website: <a href="http://www.axiscapital.co.in">www.axiscapital.co.in</a><br>SEBI Registration No.: INM000012029 | <br><b>Link Intime India Private Limited</b><br>C-13, Pannalal Silk Mills Compound;<br>LBS Marg, Bhandup (West), Mumbai - 400 078.<br>Tel No.: +91 22 25967878<br>Fax No.: +91 22 25960329.<br>Email: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a><br>Contact Person: Mr.Pravin Kasare |

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**I. DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS**

|  |  |
|--|--|
| Act  | The Companies Act, 1956.   |
| Articles/ Articles of Association                                  | Articles of Association of the Company   |
| Appointed Date   | Opening of business on July 1, 2012  |
| Board  | Board of Directors of the Company  |
| BSE  | Bombay Stock Exchange Limited.   |
| CDSL   | Central Depository Services (India) Limited.   |
| Business   | Business means the fashion retail business of the Demerged Company undertaken under the brand name “Pantaloons” and variations thereof (including, “Pantaloons Fresh Fashion”) from dedicated retail stores (which inter alia, as of June 30, 2012 constituted 90 operating stores which includes factory outlets and 18 stores which are under process), both in value and lifestyle segments, retailing a range of clothing and apparels in mens, ladies, and kids wear in both western wear and ethnic wear categories, lifestyle products, home products and accessories to each category under brands, labels and trademarks belonging to the Demerged Company or licensed from members of the Future Group as well as third party brands, labels and trademarks including, inter alia, owned brands of the Demerged Company and licenses of third party brands of products being sold, contracts with suppliers and vendors, delivery and warehousing arrangements, information technology, and such other activities and undertakings required for undertaking the foregoing on a pan-India basis |
| Demerged Undertaking   | Demerged Undertaking means the undertakings, business, activities and operations of the Demerged Company pertaining to the Business on a going concern basis, and as described in detail in the Scheme.  |
| Depositories Act   | The Depositories Act, 1996 as amended from time to time.   |
| Depository   | A Depository registered with SEBI under the SEBI (Depositories & Participants) Regulations, 1996 as amended from time to time.   |
| Directors  | Directors on the Board of the Company  |
| DP   | Depository Participant.  |
| Effective Date   | April 08, 2013, being the date on which the Scheme became effective in accordance with its terms.  |
| Equity Shareholders  | Equity Shareholders of the Company.  |
| Equity Shares  | Fully paid-up shares of Rs.10/- each of the Company.   |
| FDI Regulation   | The current consolidated FDI Policy, effective from April 10, 2012, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time  |
| Future Retail Limited / Transferor Company / Demerged Company/ FRL | <p>Future Retail Limited is a company incorporated under the Companies Act, 1956 having its registered office at “Knowledge House”, Shyam Nagar, off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400060.</p> <p>Future Retail Limited was incorporated on October 12, 1987 under the Companies Act, 1956 under the name “Manz Wear Private Limited”. The name of FRL was further changed to Manz Wear Limited with effect from September 20, 1991. The name of FRL was further changed to “Pantaloons Fashion (India) Limited” with effect from September 25, 1991. The name of FRL was further changed to “Pantaloons Retail (India) Limited” with effect from July 07, 1999. The name of FRL was further changed to its present name “Future Retail Limited” with effect from March 16, 2013.</p> <p>In the Scheme of Arrangement, this company is defined as the Demerged Company.</p>  |
| High Court   | Hon’ble High Court of Bombay   |

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|---|---|
| Information Memorandum                            | This document as filed with the Stock Exchanges.  |
| MoA / Memorandum of Association                   | Memorandum of Association of the Company  |
| MCA   | Ministry of Corporate Affairs.  |
| Mn  | Million   |
| NSDL  | National Securities Depository Limited.   |
| NSE   | National Stock Exchange of India Limited.   |
| OFCDs   | Optionally Fully Convertible Debentures   |
| Promoters   | Indigold Trade And Services Limited, Aditya Birla Nuvo Limited  |
| Promoter Group                                    | Birla Sun Life Insurance Company Ltd., Aditya Birla Financial Services Pvt. Ltd., ABNL Investment Ltd., Aditya Birla Housing Finance Ltd. ( <i>LIL Investment Ltd.</i> ); Aditya Birla Capital Advisors Pvt. Ltd., Aditya Birla Trustee Company Pvt. Ltd., Aditya Birla Securities Pvt. Ltd., Aditya Birla Customer Services Pvt. Ltd., Aditya Birla Finance Ltd., Aditya Birla Insurance Brokers Ltd., Aditya Birla Financial Shared Services Ltd., Aditya Birla Money Insurance Advisory Services Ltd., Aditya Birla Money Mart Ltd., Aditya Birla Money Ltd., Aditya Birla Commodities Broking Ltd., Birla Sun Life Trustee Company Pvt. Ltd., Birla Sun Life Asset Management Company Ltd, Aditya Birla Sun Life Asset Management Company Pte. Ltd.-Singapore; Aditya Birla Sun Life Asset Management Company Ltd-Dubai; Birla Sun Life AMC (Mauritius) Ltd.-Mauritius; India Advantage Fund Ltd.-Mauritius; Aditya Birla Minacs Worldwide Ltd. ( <i>Transworks Information Services Limited</i> ); Aditya Birla Minacs Worlwide ., Inc ( <i>Minacs Worldwide, Inc.</i> ); Aditya Birla Minacs Philippines Inc, Philippines ( <i>Transworks BPO Philippines, Inc.</i> ); AV Transworks Ltd, Canada ( <i>1694976 Ontario Limited</i> ); The Minacs Group (USA), Inc., USA; Minacs Worldwide S.A. de C.V., Mexico; Minacs Ltd., UK, Minacs Worldwide GmbH, Germany; Minacs KFT, Hungary; Aditya Birla Minacs BPO Limited, UK ( <i>Compass BPO Ltd</i> ); Aditya Birla Minacs BPO Private Limited ( <i>Compass Business Process Outsourcing Private Limited</i> ); Bureau of Collection Recovery, LLC; Bureau of Collection Recovery (BCR), Inc; Madura Garments Lifestyle Retail Company Ltd.; Aditya Vikram Global Trading House Ltd.; Indigold Trade and Services Ltd.; Shaktiman Mega Food Park Pvt. Ltd.; Birla Group Holdings Private Limited; Shri Kumar Mangalam Birla; Shri Aditya Vikram Kumar Mangalam Birla HUF; Smt. Rajashree Birla; Smt. Neerja Birla; Smt. Vasavadatta Bajaj; TGS Investment And Trade Private Limited; Trapti Trading And Investments Private Limited; Turquoise Investments And Finance Private Limited; Birla Consultants Limited; Birla Industrial Finance India Limited; Birla Industrial Investment India Limited; ECE Industries Limited; Grasim Industries Limited; Heritage Housing Finance Limited; Hindalco Industries Limited; IGH Holdings Private Limited; Mangalam Services Limited; Manav Investment And Trading Company Limited; Pilani Investment & Industries Corporation Limited; Umang Commercial Company Limited; P.T. Indo Bharat Rayon; P.T. Sunrise Bumi Textiles; P.T. Elegant Textile Industry; ABNL IT & ITES Limited; Idea Cellular Ltd., Birla Securities Ltd., Aditya Birla Science & Technology Ltd., Birla Management Centre Services Ltd., Aditya Birla Port Limited |
| RBI   | Reserve Bank of India.  |
| Record Date                                       | Record Date is April 18, 2013 as announced by the Demerged Company.   |
| Registrar and Share Transfer Agent / Registrars / | Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Tel: +91 22 25967878, Fax: +91 22 25960329.  |
| Remaining Undertaking                             | Remaining Undertaking means collectively, all assets, rights, properties, liabilities, undertakings and businesses of the Demerged Company which were not part of the Demerged Undertaking.   |

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|--|--|
| RoC, Registrar of Companies  | Registrar of Companies, Maharashtra, Mumbai.   |
| Pantaloons Fashion & Retail Limited/ Peter England Fashions and Retail Limited / Company / Resulting Company / | Company incorporated as Peter England Fashions and Retail Limited on April 19, 2007 under the Companies Act, 1956. The name of the company was changed to Pantaloons Fashion & Retail Limited on April 23, 2013.<br><br>In the Scheme of Arrangement, this company is defined as the Resulting Company.  |
| Scheme / Scheme of Arrangement   | Scheme of Arrangement between Future Retail Limited, Peter England Fashions and Retail Limited, and their respective shareholders and creditors and Indigold Trade and Services Limited (as the shareholder of Peter England Fashions and Retail Limited), for demerger of the Demerged Undertaking of Future Retail Limited in favour of Pantaloons Fashion & Retail Limited, and other conditions as set out in the Section titled – ‘OBJECTS AND RATIONALE OF THE SCHEME’<br><br>Aforesaid Scheme was approved by the Hon’ble High Court of Mumbai on March 01, 2013. The High Court order was filed with the Registrar of Companies, Mumbai on April 08, 2013. The Scheme became effective from April 08, 2013 in accordance with the terms of the Scheme. |
| SCRR   | Securities Contract Regulation (Rules), 1957   |
| SEBI   | Securities and Exchange Board of India.  |
| SEBI Act   | Securities and Exchange Board of India Act, 1992.  |
| SEBI Regulations   | Extant Regulations issued by SEBI, constituted under the SEBI Act (as amended), called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.  |
| Stock Exchanges  | The BSE and the NSE.   |
| ABNL   | Aditya Birla Nuvo Ltd.   |
| PFRL   | Peter England Fashions and Retail Limited/ Pantaloons Fashion & Retail Limited   |
| ITSL   | Indigold Trade and Services Ltd  |
| PRIL   | Pantaloon Retail (India) Ltd.  |

In the Information Memorandum all reference to ‘Rs’ refer to Rupees, the lawful currency of India, reference to one gender also refers to all other genders and the word ‘Lakh’ or ‘Lac’ means ‘one hundred thousand’ and the word ‘million’ means ‘ten lacs’ and the word ‘crore’ means ‘ten million’.

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### **Certain Conventions; Use of Market Data**

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications.

The information included in this Information Memorandum about various other companies is based on their respective Annual Reports and information made available by the respective companies.

The information relating to FRL presented in this document is provided by the management of PFRL based on information received from FRL.

### **Forward-Looking Statements**

We have included statements in this Information Memorandum which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- General economic and business conditions in India and other countries;
- Regulatory changes and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans;
- Technological changes;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally;

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

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## **II. RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF**

### **Introduction:**

This is only a summary of Risk Factors. Investors should read the following summary with the Risk Factors mentioned and the more detailed information about us and our financial statements included elsewhere in this Information Memorandum. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

### **RISKS RELATING TO OUR BUSINESS**

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in future.

The risk factors are as envisaged by the management along with the proposals to address the risk if any.

### **INTERNAL RISK FACTORS**

#### **1. Our business depends on the continuing employment of the management team, and skilled personnel and our ability to retain and attract talented personnel**

We are dependent on our management team. Our ability to meet future business challenges depends on their continuation and our ability to attract and recruit talented and skilled personnel. We face competition in recruiting and retaining skilled and professionally qualified staff. The loss of key personnel or any inability to manage the attrition levels in different employee categories may materially and adversely impact our business, our ability to grow and our control over various business functions.

#### **2. Our product offering includes a range of fashion merchandise and thus it is critical to promptly identify and respond to changing customer preferences or evolving trends for our continued operations.**

We are a retailer of fashion products. Our success depends on the ability to meet our customers need on a continuing basis. Fashion business is seasonal & constantly changing with changing in customer preferences, income levels & demographics. There may be a risk of lack of innovation in merchandise offerings due to conservative selection of designs, miscommunication of brand promise and strong personal preferences of people involved in decision making. Our success depends upon our ability to anticipate and respond to the changing customer lifestyle & preferences in a timely manner, failure of which may affect the business.

#### **3. We are dependent upon our loyalty programmes for retention of our customers. Any shift in spending patterns & shopping preferences of our customers may have an adverse impact on our performance.**

We have loyalty programme across our retail formats with an aim of maintaining customer loyalty. Under this programme, points are credited for purchases made in our stores. We have around 3.7 Mn members enrolled currently who are our loyal customers. These customers account for around two third of our revenues. Any shift of the preference or loyalty of this customer base or any change in their spending patterns may impact the business performance.

#### **4. Any dispute on the title /ownership rights/development rights of our landlords in future, from whose real estate premises we operate, may impact operations of our stores/offices/distribution centres**

All the real estate from which we operate our stores/offices/distribution centres are taken by us on long term lease or sub-lease or leave and licence or conducting basis and /or other contractual arrangements basis either

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from third parties or from promoters of Future Group. We may in future also enter into such transactions with third parties in line with the expansion of the business. Any dispute on the title /ownership rights/development rights of our landlords from whose real estate premises we operate our stores may impact our business operations

**5. Our business is highly dependent on Supply Chain Management. Inefficient supply chain management by us or third parties may affect our business and our results of operations.**

The success of our business is dependent on effective supply chain management. Our supply chain stretches from suppliers to final customers. Ensuring availability of shelf space for our products requires quick turnaround times and high level of coordination with suppliers. Any constraints in the supply chain encompassing the process from suppliers to the final customers can have a serious impact on the performance of the Company.

**6. We are subject to potential litigation proceedings and it cannot be assured that we will prevail in these proceedings**

We are defendants in legal proceedings incidental to our business and operations arising in due course in future. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could adversely impact our business results. Furthermore, if significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, it could have an adverse effect on our business and profitability.

**7. The business and future results of operations of the Company may be adversely affected if it is not able to identify and acquire quality retail space in line with retail expansion plans.**

The Company's expansion plans involve risks and difficulties, many of which are beyond its control and accordingly there can be no assurance that the Company will be able to complete its plans on schedule or without incurring additional expenditures or at all. The Company's success will depend on, among other things, its ability to assess potential markets, time its capital investments, attract new customers in India and maintain and enhance its position with its current customers in India, obtain timely all the necessary government & other regulatory approvals, maintain sufficient operational and financial controls and successfully integrate the new facilities with the existing facilities. There can be no assurance that the Company's expansion plans will result in it achieving the sales that it expects to, or that it will be able to, achieve the targeted return on investment on the expansion plans.

The Company's future results of operations may be adversely affected if it is unable to implement its growth strategies successfully.

**8. Premises occupied by us for retail stores are on leasehold basis. Inability to execute or renew lease arrangements on favourable terms may materially affect our business & profitability.**

Our stores are operated from premises which are acquired on long-term leasehold or leave and license basis or on the basis of other contractual agreements with third parties. If we are unable to execute or renew lease arrangements on favourable terms or at all, or enforce our rights with respect to occupation of existing properties, this may lead to time and cost overruns and may have a material adverse effect on our business, financial performance.

**9. Squeeze in Margins**

There may be a risk of increased costs on account of high retailing cost, increasing overheads and also increase in the price of raw materials, which may squeeze our margins and overall profitability.

**10. Working capital blockage or financial/ market loss due to ineffective inventory management**

Inaccurate demand forecasting or delayed shipments may result in dormant inventory resulting in lower sales and higher inventory turns. This may lead to lower margins and working capital blockage

**11. Inability to secure outsourcing capacities and critical outsourced processes/ techniques**



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Risk due to dependency on outsourcing on account of following critical processes and manufacturing techniques, which provide competitive advantage, being adopted by the outsourcing partners for own products or competitors products and also there may be a risk of Outsourcing partners making their capacity available to competitors

#### **12. We rely extensively on our IT systems and any disruption in the system or any failure may impact business.**

Our business uses IT system extensively for connectivity across our business functions through our software, hardware and other connectivity systems. The business processes are also IT enabled and any disruption with the functioning of the IT system could affect the business operations.

#### **13. We may not have adequate insurance to cover any and all losses incurred in our business operations.**

Our business operations are subject to risks such as fire, theft, flood, earthquakes and terrorism. We may not have adequate insurance to cover any and all losses incurred in our business operations.

### **EXTERNAL RISK FACTORS**

#### **14. Competition in the Industry:**

We operate in a competitive scenario comprising of Indian and multinational players resulting in a stiff competition from these players. We may face stiff competition due to recent amendments in FDI regulations relaxing the entry barriers in our industry and this may affect our competitive positioning and profitability.

#### **15. Changes in Government policies**

Changes in Government policy, changes in interest rates, revision of duty structure, changes in tax laws, changes in environmental regulations and emission norms etc. may have an adverse impact on the profitability of the company. Due to the competitive nature of the market, the cost increases as a result of these changes may not be easily passed on to the customers.

#### **16. Political instability or changes in the Government may delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalisation and financial sector reforms. The current Government, which was re-elected to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current Government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous Governments, the rate of economic liberalisation may change, and specific laws and policies affecting commodity futures, foreign investment and other matters affecting investment in our securities may change as well. However, there can be no assurance that such policies will be continued. A change in the Government in future may result in a significant change in the Government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

#### **17. Legal and Compliance Risk**

We are subject to extensive regulation by SEBI, Stock Exchanges, RBI and other market regulators in India. New laws/rules and changes in any law and application of current laws/rules could affect the manner of operations and profitability.

#### **18. Sensitivity to economy and extraneous factors**

Our business performance is highly correlated with the economy. The macro economic variables such as

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consumer spending, unemployment levels affect the business performance of the company. Any adverse development on economic front may affect the profitability, particularly; adverse impact of slowdown of global economies on the Indian Economy may in turn affect the consumer spending. Similarly, the foreign exchange rate fluctuations may have an adverse impact on the profitability.

#### **19. Terrorist attacks and other acts of violence**

Terrorist attacks and other acts of violence or war may adversely affect Indian and worldwide financial markets. These acts may result in loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession. Further any act of violence in malls which could be likely target of such unforeseen acts of violence (including any terrorist attacks) may impact the retail business

#### **20. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.**

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business.

### **RISKS RELATING TO OUR INDUSTRY**

#### **21. Slowdown/ deceleration of the Indian economy.**

The level of general economic activity in India and, more specifically housing and construction sectors, have a direct impact on demand for the Company's products. The level of economic activity is influenced by a number of factors, including national and international economic activity, political and regulatory policy, and climatic conditions such as monsoons and drought, prices of international crude oil, etc. If the pace of growth of the Indian economy slows or turns negative, the business, financial condition and future results of operations of the Company would be materially and adversely affected.

#### **22. The Fashion business is seasonal in nature due to occurrence festivals. Any material decline in sales during this period could have adverse effect on our profitability.**

The sale of apparel, footwear & accessories is affected by festive & marriage seasons. Accordingly, revenues recorded in the second & fourth quarter of our financial year are traditionally lower, compared to revenues recorded during the first & third quarter of the financial year.

#### **23. Taxes and other levies imposed by the Government of India or State Governments relating to the Company's business may have a material adverse effect on the demand of its products**

Taxes and other levies imposed by the Central or State Governments that affect the industry include:

- Custom duty on import of raw material and components
- Excise duty on certain raw material and final product
- Central and State sales tax / value added tax, service tax

These taxes and levies affect the cost of production of Apparel and also affects the consumer spends. An increase in any of these taxes or levies, or the imposition of new taxes or levies in future, may have a material adverse impact on the business, profitability and financial condition of the Company.

### **RISKS RELATING TO THE INVESTMENT IN OUR EQUITY SHARES:**

#### **24. Our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.**

The price of the Equity Shares may fluctuate as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian fashion industry and changing perceptions in the market about investments in the Indian fashion industry,

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adverse media reports on us or the Indian fashion industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations.

There has been no recent public market for the Equity Shares prior to the listing of the Equity Shares and an active trading market for the Equity Shares may not develop or be sustained after the listing of Equity Shares. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to the listing of Equity Shares.

**25. Any future issuance of Equity Shares may dilute prospective investors' shareholding and sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares.**

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**26. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.**

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

**27. There may be restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

Upon listing and trading of the Equity Shares, we may be subject to a daily circuit breaker imposed by all stock exchanges in India, which may not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker may be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges may not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

## Information Memorandum

### III. INDUSTRY AND BUSINESS OVERVIEW

#### Summary

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Information Memorandum. The information presented in this section has been extracted from publicly available documents and industry publications.

#### Indian Economy

India's economic stature has grown significantly in the last decade. India has become the fourth largest economy in terms of purchasing power parity in the world. Economic growth took steep jump post liberalization in 1991. Average annual GDP growth rose to 7.3 per cent in the 2000s from 5.7 per cent in the 1990s. It further accelerated to average nearly 9 per cent during the period ranging from 2003-2004 to 2009-2010. However, the GDP growth rate faltered in the recent times in the aftermath of the global financial crisis. The growth rate faltered to 6.7 per cent in 2011-2012 affected by overall slowdown in global economy and also due to the policy uncertainty and policy inaction in the domestic economy.

India is currently facing grim economic prospects due to persistently high inflation, ballooning fiscal deficit and alarmingly growing current account deficit. Depreciation of the Rupee is also a concern making Indian exports uncompetitive in the global markets. Indian exports have been further adversely impacted due to the slowdown in the European and US markets.

However, there are positives as well, especially on the domestic consumption front. Rising incomes of domestic households, their changing consumption habits and relatively young population and a growing middle class full of aspirations have resulted in consistent growth in Private Final Consumption Expenditure (PFCE) at around 7 per cent per annum since fiscal year 2003. With rising income levels and affordability, demand for non-food products has risen significantly. Contribution of non food expenditure to urban household expenses has increased from 52 per cent in 1999-2000 to 59 per cent in 2009-2010.

#### Industry Overview

Though the data on volume of turnover by retail is not separately maintained, commodity composition of private consumption expenditure provides reasonable estimates of the size of the retail sector. At constant 2004-05 prices, private final consumption expenditure increased from Rs 19,26,858 crore in 2004-05 to Rs 26,51,786 crore in 2008-09, at an average rate of 8.3 per cent per annum. However, expenditure on some items like transport and communication; expenditure on food in hotels and restaurants; expenditure on rent, fuel and power; and expenditure on education and recreation are distinct from trade. Private consumption expenditure adjusted for these items increased from Rs 11,92,045 crore in 2004-05 to Rs 16,67,286 crore in 2008-09, at an average rate of 8.8 per cent. Rate of growth of GDP at constant market prices during this period at 8.4 per cent was lower than the growth of private consumption expenditure that could be attributed to trade.

#### Private Final Consumption Expenditure- Commodity Composition (1999-2000 prices, Rs. in crore)

| Item                                  | 2004-05   | 2005-06   | 2006-07   | 2007-08   | 2008-09   |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Food and Beverages                    | 763,345   | 820,702   | 851,630   | 912,807   | 937,064   |
| Clothing & Footwear                   | 127,608   | 158,249   | 194,922   | 210,720   | 209,361   |
| Rent, Fuel and Power                  | 250,986   | 259,624   | 270,039   | 283,040   | 292,771   |
| Furniture and Appliances              | 64,944    | 74,133    | 85,917    | 98,474    | 102,148   |
| Medical Care                          | 95,560    | 101,101   | 105,657   | 108,278   | 117,067   |
| Transport and Communication           | 378,217   | 397,148   | 427,332   | 464,794   | 521,957   |
| Recreation, Education and Culture     | 65,327    | 71,128    | 76,085    | 86,159    | 90,780    |
| Miscellaneous Goods and Services      | 180,871   | 209,554   | 254,083   | 319,085   | 380,638   |
| Total Private Consumption Expenditure | 1,926,858 | 2,091,639 | 2,265,665 | 2,483,357 | 2,651,786 |
| Estimated Trade Sales                 | 1,192,045 | 1,316,391 | 1,432,667 | 1,582,125 | 1,667,286 |

Source: Extract from Discussion paper on FDI in Multi brand retail released by DIPP on 6<sup>th</sup> July 2010

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The Indian domestic apparel, footwear & accessories (AFA) retail market size is estimated to be Rs 190300 Crore (USD 40 billion) in 2011 and is projected to grow at 9% CAGR to Rs 462250 Crore (USD 98 billion) by 2021 driven by favourable consumer demographic and increase in prices.

The AFA market is highly fragmented with a large number of players already existing in the market, both regionally and nationally. Even the national players are quite small compared to the overall size of the market and it is estimated that the top 40 brands collectively contribute just about 10% of the total market with no single brand (including the largest brands) occupying even 1% share of the market.

There are no barriers preventing new entrants from coming into the relevant markets and as such, many new companies enter every year, which will only be compounded in the future by the easing of FDI restrictions. Imported brands also provide much competition.

The market has seen significant action in the last few years. Apart from the growth of existing Indian players, the past few years have seen the entry of major Indian business houses & even mid-sized companies with multiple brands and retail formats. With the relaxation of FDI norms in retail (for both single brand and multi-brand), many more international players are imminently planning to enter the country. The entry of such international players will significantly intensify the competition in the AFA market.

### **Types of Segments**

The segments can be classified in to three major segments; Men's, Womens & Kids. The Kids segment caters to age group of < 14 Yrs.

#### **Men's wear**

Currently, Men's wear is the biggest segment in the AFA market with market size of Rs 80950 Crore which is expected to grow at 8% to Rs 182800 Crore by 2012. The current market share is at 43% which is expected to drop to 40% by 2021 due to faster growth of Women's & Kids' wear.

#### **Women's wear**

Current market size of this segment is Rs 72040 Crore with 38% share, expected to grow by 9% to Rs 175300 Crore. Women shoppers are gaining more importance with their higher spending power and requirement of specific clothing for different purposes. Women's wear is currently dominated by ethnic wear but growth in western wear is expected in the near future

#### **Kids Wear**

This segment with 19% market share comprises of Boys & Girls with 10% & 9% share respectively. Demand for kid's wear is projected to grow at a CAGR of 10.5% by 2021. Several brands are expanding their portfolio by entering this segment.

### **Recent Trends**

#### **Increasing number of International Brands**

Over the last five years, competition in the Indian retail markets for apparel, footwear, and accessories has increased with entry by scores of international brands including Hugo Boss, Armani, Zara and Marks and Spencers. Further with relaxation of FDI norms, an increasing number of international brands across formats shall foray into India to leverage the potential. Keen competition is driving international brands to adopt 'made for India' models leading to higher acceptance and thus increased market share from around 18% in 2011 to 25% over the next five years

#### **Mid-sized companies foraying in to the retail sector**

Due to non-existence of any entry barriers in the industry and a very large textile & garmenting base, many mid-sized companies are keen to exploit the opportunities in India leading to an increasing number of companies diversifying through forward integration into the retail sector

#### **Increased presence of modern retail**

The market growth will be primarily driven by the growth in modern retail. Currently comprising 18% of the

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total market, the modern retail share is expected to grow to 25% share over the next 5 years. The increased presence of retail formats across hypermarkets, specialty retail formats, cash & carry shall drive growth of modern retail. Emergence of online shopping is likely to further drive the market growth as accessibility of products will significantly improve, especially in currently under-served markets

### Penetration into tier II and tier III towns

Increase in purchasing power, growth in youth population and increasing penetration of modern retail has led to a tier II and tier III towns soon becoming a large market for apparel retailers. Major brands across apparel segments are fast approaching these emerging towns to get the best locations and visibility.

### Changing trends in consumer wardrobe

The consumer wardrobe in India is undergoing a rapid change because of higher spending power, a flooding of apparel from the western and South-east Asian markets and youth comprising a larger proportion of Indian population. Comfort fitting, style and rich appeal are what are being looked at by consumers and regular discounts (festival and end of season) and intensive competition in the industry serve these needs.

Further, the concept of one's wardrobe is widening with occasion-specific and detail oriented dressing, also making place along with need-based dressing. While occasion-based dressing includes casual wear, party wear, gym/sportswear, and night wear, detailed dressing include designer wear, eco friendly, temperature controlled products, etc.

## Business Overview

### Overview

Our company was incorporated as Peter England Fashions and Retail Limited on April 19, 2007. The name of the company was changed to Pantaloons Fashion & Retail Limited on April 23, 2013. The Hon'ble High Court of Bombay, has approved the Scheme of Arrangement between Future Retail Limited, Pantaloons Fashion and Retail Limited and their respective shareholders and creditors and Indigold Trade and Services Limited (as the shareholder of Pantaloons Fashion & Retail Limited) for, inter alia, the transfer by way of demerger of the Demerged Undertaking of Future Retail Limited in favour of Pantaloons Fashion & Retail Limited. In accordance with the Scheme, the entire Demerged Undertaking stands transferred to and vested with Pantaloons Fashion & Retail Limited pursuant to Sections 391 to 394 of the Act.

The Company inter alia has Pan India retail presence through 95 company operated stores with a retail space of ~ 1.7 Mn Square Feet as on 31 March 2013.

The Company sales mix comprises of both private & non private labels. It owns 8 private brands which contribute to ~ 22% of Sales.

(In Rs Crores)

| Particulars             | UoM      | FY 2012<br>(12M Ending<br>March ) | FY 2013<br>(12M Ending March) * |
|-------------------------|----------|-----------------------------------|---------------------------------|
| Stores                  | No       | NA                                | 95                              |
| Area                    | Mn Sq Ft | NA                                | 1.7                             |
| Revenue from operations | Rs Cr    | 17.43                             | 1285.14                         |
| EBIDTA                  | Rs Cr    | 1.83                              | 129.34                          |
| % Revenue               | %        | 10.50%                            | 10.06%                          |

\* The figure for the current year includes figures of the demerged undertaking which has been transferred to the company with effect from July 1, 2012 and are therefore to that extent not comparable with those of previous year

## Our strengths and competitive advantages

### Brand Leadership

Pantaloons is among the top 2 fashion retailers in India. Focusing on "Fresh Fashion" and catering to varied apparel and non-apparel needs of Indian consumers in a modern environment, 'Pantaloons' has emerged as a strong brand in the fashion industry over past two decades. Pantaloons operates across varied categories viz., casual wear, ethnic wear, formal wear, party wear and sportswear for Men, Women and Kids. Non-apparel products primarily comprise beauty products, perfumes, cosmetics, leather products, fashion jewellery,



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footwear, watches, books, music, toys etc.

### **Pan India Footprint: Unparalleled reach**

The number of large format Pantaloons stores is one of the highest in the Indian fashion industry. As on 31<sup>st</sup> March 2013, it operated through 69 large format company owned and company operated stores. Average size of a Pantaloons store is around 24,000 square feet. However, depending on the city, location and target market size, store size varies between 11,000 square feet to 80,000 square feet. Together with 26 Factory Outlets, Pantaloons span across a retail space (carpet area) of about 1.7 million Square Feet which is among the largest in India in the organised fashion retail segment. Factory Outlets act as a channel for liquidating slow moving inventory for Pantaloons. The Company has been able to tie up real-estate in superior locations to fuel uninterrupted growth.

### **Diversified geographical presence**

Pantaloons enjoy a pan India presence across all zones with a strong presence in East Zone. Pantaloons command the first mover advantage in several locations across East India. More than 50% of the Pantaloons large format stores are present in top 8 Indian cities, capturing the large market size opportunity offered by these Tier 1 cities. Pantaloons also recognises the growing aspirations, changing consumer preferences towards branded clothing and increasing disposable income in tier 2 and tier 3 cities. It has a fairly balanced presence in these cities with about 50% of its stores being present in these cities.

### **Strong customer connect**

Pantaloons' loyalty programmes viz., green card and payback are one of its main strengths. Led by the strong customer connect of brand 'Pantaloons' and its loyalty programmes, the Company had around 3.5 Million loyalty customer base as on 31st March 2013 - one of the largest in the country. It contributes to nearly two third of the Company's sales and augments its competitive advantage. These loyalty programmes offer rewards points to its members on their purchases, special offers and discounts, and invitations to exclusive events and promotions.

### **Focus on superior Customer experience**

The stores operations are managed by the Company which continuously benchmark itself with global retailers and strive to enhance service offering to customers by achieving retail best practices in line with emerging trends globally.

### **Strong brand portfolio**

Across the segments, Pantaloons sells approximately 400 brands which comprises a mix of private labels, licensed brands and other brands. Some brands are also retailed under the Shop-in-Shop format where fixed rentals are charged by Pantaloons. Through a wide range of brand offerings across apparel and non-apparel categories and across price points, Pantaloons caters to varying fashion needs of Indian households.

Private labels and licensed brands contribute to approximately 50% of the Company's sales. These comprise brands owned by Pantaloons viz., Akkriti, Rangmanch, Ajile, Annabelle, Trisha, Honey, Chalk, Ajile; as well as brands licensed on a perpetual basis from Future Group.

### **Diversified customer base**

Menswear and womenswear together account for 76% of total ready-made apparel market in urban India. Pantaloons have a diversified customer base with Menswear and Womenswear accounting for 35% and 38% share respectively.

### **Our strategy**

We are continuously working towards growing our domestic market share in apparel, footwear & accessories market. We intend to enhance our customer base through increasing our presence in various cities in India. We intend to increase our share in the consumer spending in India by launching new formats or by adding categories to our existing product range to cater to consumers across Indian society in various consumption spaces.



## Information Memorandum

### PANTALOONS FASHION & RETAIL LIMITED

(A Public Company Incorporated as Peter England Fashions and Retail Limited on April 19, 2007 under the Companies Act, 1956. The name of the company was changed to Pantaloons Fashion & Retail Limited on April 23, 2013)

#### Corporate and Registered Office:

701-704, 7<sup>th</sup> Floor, Skyline Icon Business Park, 86-92, Off. Andheri-Kurla Road,  
Marol Village , Andheri (East), Mumbai- 400059, India.  
Tel : +91-8652 90 5000 , Fax: +91- 8652 90 5400, E-mail : geetika.anand@adityabirla.com

The Company was incorporated as Peter England Fashions and Retail Limited on April 19, 2007 under the Act under CIN No. U1810MH2007PLC233901 and obtained the certificate of commencement of business on May 14, 2007. The name of the company was changed to Pantaloons Fashion & Retail Limited on April 23, 2013.

#### Board as on the date of filing of the Information Memorandum –

| Sr. No. | Name               | Designation            |
|---------|--------------------|------------------------|
| 1       | Dr. Rakesh Jain    | Non Executive Director |
| 2       | Mr. Pranab Barua   | Non Executive Director |
| 3       | Mr. Sushil Agarwal | Non Executive Director |
| 4       | Mr. P Murari       | Independent Director   |
| 5       | Mr. Bharat Patel   | Independent Director   |

For further details of the Board of the Company, please refer to page 39 of this Information Memorandum.

#### Authority for Listing

The Hon'ble High Court of Bombay, vide its order dated March 01, 2013 has approved the Scheme of Arrangement between Future Retail Limited, Pantaloons Fashion & Retail Limited, and their respective shareholders and creditors, and Indigold Trade and Services Limited (as shareholder of Pantaloons Fashion & Retail Limited ) for demerger of the Demerged Undertaking of Future Retail Limited in favour of Pantaloons Fashion & Retail Limited , and other conditions as set out in the Section titled "OBJECTS AND RATIONALE OF THE SCHEME ". In accordance with the Scheme, the entire Demerged Undertaking stands transferred to and vested with Pantaloons Fashion & Retail Limited pursuant to Sections 391 to 394 of the Act. In accordance with the Scheme, the Equity Shares of the Company to be issued pursuant to the Scheme as well as its existing shares shall be listed and admitted to trading on BSE and the NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing. The Company has received exemption from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI vide its letter dated July 11, 2013.

#### Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter III of the SEBI Regulations does not become applicable. However, SEBI has vide its circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009, relaxed the applicability of provisions of Regulation 19(2)(b) of the SCRR. The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The Company has made the said Information Memorandum available on its website viz. [www.pantaloons.com](http://www.pantaloons.com)

The Company has published an advertisement in the news papers containing its details in line with the details required as in terms of SEBI Circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009. The advertisement has been published on July 12, 2013 and draws specific reference to the availability of this Information Memorandum on the Company's website.



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### **Prohibition by SEBI**

The Company, its Directors, its Promoters, other Companies promoted by the Promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

### **General Disclaimer from the Company**

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

### **Disclaimer - BSE**

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated October 09, 2012 approved the Scheme of Arrangement filed by Future Retail Limited under clause 24(f) of the Listing Agreement and by virtue of that approval BSE's name has been inserted in this Information Memorandum as one of the stock exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or warrant that this Company's securities will be listed or will continue to be listed on the BSE; or take any responsibility for the financial or other soundness of this Company; and

It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Disclaimer – NSE**

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter dated October 01, 2012 approved the Scheme of Arrangement filed by Future Retail Limited under clause 24(f) of the Listing Agreement and by virtue of that approval NSE's name has been inserted in this Information Memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed.

The NSE does not in any manner:

warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or warrant that the Company's securities will be listed or continue to be listed on the NSE; or take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of the Company.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by NSE.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which maybe suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason

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whatsoever.

### **Filing**

This Information Memorandum has been filed with BSE and NSE.

### **Listing**

Applications will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above.

### **Demat Credit**

The Company has executed Tripartite Agreements with the Registrar and the Depositories i.e. NSDL and CDSL for admitting its securities in demat form and have allotted ISIN No. as INE647001011

### **Expert Opinions**

Save as stated elsewhere in this Information Memorandum, the Company not obtained any expert opinions.

### **Dispatch of share certificates**

The Company has issued and allotted Equity Shares pursuant to the Scheme on April 19, 2013, in dematerialized form to those eligible shareholders who held Future Retail Limited Equity Shares/ Future Retail Limited DVRs in dematerialized form, into the account with the Depository Participant in which the Future Retail Limited Equity Shares/ Future Retail Limited DVRs in the Demerged Company were held or such other account with the Depository Participant as was intimated by the eligible shareholders before the Record Date. All those eligible shareholders who held Future Retail Limited Equity Shares/ Future Retail Limited DVRs of the Demerged Company in physical form were also given the option to receive the shares, as the case may be, in dematerialized form upon intimating the details of their account with the Depository Participant in writing to the Resulting Company before the Record Date. In the event the Resulting Company had received notice from any eligible shareholder that equity shares were to be issued in physical form or if any member had not provided the requisite details relating to his/her /its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member did not permit electronic credit of the shares of the Resulting Company, in such case, the Resulting Company has issued equity shares of the Resulting Company in physical form to such eligible shareholder.

### **Previous Rights and Public Issues:**

The Company has never made any public issue or rights issue of its Equity Shares

### **Commission and brokerage on previous issues:**

Since the Company has not issued share to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

### **Companies under the Same Management**

There are no companies under the same management within the meaning of erstwhile Section 370 (1B) of the Act, other than included in this Information Memorandum

### **Promise vis-à-vis performance**

Not Applicable, as this is the first time the company is getting listed on any stock exchange

### **Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by**

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### **the Company**

Other than as mentioned herein, there are no outstanding debentures or bonds or redeemable preference shares or other instruments issued by the Company.

The Company also has outstanding 500000 8% Cumulative Redeemable Preference Shares of Rs 10 each and 500 6% Cumulative Redeemable Preference Shares of Rs 100 each.

### **Stock Market Data for Equity Shares of the Company**

Equity Shares of the Company are not listed on any stock exchange. The Company is seeking approval for listing of its shares through this Information Memorandum.

### **Disposal of Investor Grievances**

The Company has appointed Ms. Geetika Anand, Company Secretary as the Compliance Officer and she may be contacted in case of any problems at the following address:

#### **Compliance Officer and Company Secretary:**

Ms. Geetika Anand  
701-704, 7<sup>th</sup> Floor, Skyline Icon Business Park,  
86-92, Off. Andheri-Kurla Road,  
Marol Village, Andheri (East),  
Mumbai- 400059, India

Investors can contact the Compliance Officer and/or the Registrar cum Share Transfer Agent for any investor grievances.

#### **Statutory Auditors:**

S.R. Batliboi & Co- LLP  
14th Floor, The Ruby  
29, Senapati Bapat Marg  
Dadar (West)  
Mumbai - 400028

#### **Share Transfer Agent:**



Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (West),  
Mumbai - 400 078  
Tel: +91 22 25967878, Fax: +91 22 25960329  
Contact Person: Mr.Pravin Kasare  
Email: mumbai@linkintime.co.in

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**IV. CAPITAL STRUCTURE – SHARE CAPITAL**

**A. Share Capital of Resulting Company Pre-Scheme of Demerger:**

The authorised, issued, subscribed and paid up capital of the Resulting Company as on 31 March 2013 is as follows:

| <b>PARTICULARS</b>  | <b>AMOUNT (Rs.)</b>        |
|---|----------------------------|
| <b>AUTHORISED CAPITAL</b>   |                            |
| 1,00,00,000 equity shares of Rs 10 each   | 10,00,00,000               |
| 1,00,15,000 preference Shares (1,00,00,000 shares of Rs. 10 each and 15,000 shares of Rs. 100 each) | 10,15,00,000               |
| <b>Total:</b>   | <b><u>20,15,00,000</u></b> |
| <b>ISSUED SUBSCRIBED AND PAID UP CAPITAL</b>  |                            |
| 5,00,000 equity shares of Rs 10 each  | 50,00,000                  |
| 5,00,500 preference shares (5,00,000 shares of Rs. 10 each and 500 shares of Rs. 100 each)          | 50,50,000                  |
| <b>Total:</b>   | <b><u>1,00,50,000</u></b>  |

**B. Share Capital of Resulting Company Post- Scheme of Demerger:**

The authorised, issued, subscribed and paid up capital of the Resulting Company as on 30 June 2013 is as follows:

| <b>PARTICULARS</b>  | <b>AMOUNT (Rs.)</b>         |
|---|-----------------------------|
| <b>AUTHORISED CAPITAL</b>   |                             |
| 10,00,00,000 equity shares of Rs 10 each  | 100,00,00,000               |
| 1,00,15,000 preference Shares of Rs.100 each  | 10,15,00,000                |
| <b>Total:</b>   | <b><u>110,15,00,000</u></b> |
| <b>ISSUED SUBSCRIBED AND PAID UP CAPITAL</b>  |                             |
| 9,27,93,529 equity shares of Rs 10 each   | 92,79,35,290                |
| 5,00,500 preference Shares of Rs.100 each (5,00,000 shares of Rs 10 each and 500 shares of Rs 100 each) | 50,50,000                   |
| <b>Total</b>  | <b><u>93,29,85,290</u></b>  |

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**Shareholding Pattern of the Resulting Company post Scheme of Arrangement: (as on 19th April, 2013) and Post -Offer (30th June, 2013)**

The post Scheme shareholding pattern of the Resulting Company as on April 19, 2013 is as under-

| Name of the Company: |  | PETER ENGLAND FASHIONS AND RETAIL LIMITED - POST |                        |  |  |                            |  |                 |
|----------------------|--|--|------------------------|--|--|----------------------------|--|-----------------|
| Scrip Code :         | Quarter ended:   | AS ON 19-04-2013                                 |                        |  |  |                            |  |                 |
| Category code        | Category of shareholder  | Number of shareholders                           | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares |                            | Shares pledged or otherwise encumbered |                 |
|                      |  |  |                        |  | As a percentage of (A+B)[1]                                  | As a percentage of (A+B+C) | No of shares                           | As a percentage |
| (A)                  | <b>Shareholding of Promoter and Promoter Group[2]</b>                      |  |                        |  |  |                            |  |                 |
| -1                   | Indian   |  |                        |  |  |                            |  |                 |
| (a)                  | Individuals/ Hindu Undivided Family / Nominee of Promoter                  | 6  | 6                      |  | 0.00   | 0.00                       | NIL                                    | NIL             |
| (b)                  | Central Government/ State Government(s)                                    |  |                        |  |  |                            | NIL                                    | NIL             |
| (c)                  | Bodies Corporate   | 1  | 46477005               |  | 50.09  | 50.09                      | NIL                                    | NIL             |
| (d)                  | Financial Institutions/ Banks  |  |                        |  |  |                            | NIL                                    | NIL             |
| (e)                  | Any Other (specify)  |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Promoter Group   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Directors  |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Relatives of Promoters / Directors & HUF                                   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Sub-Total (A)(1)   | 7  | 46477011               |  | 50.09  | 50.09                      | NIL                                    | NIL             |
| -2                   | Foreign  |  |                        |  |  |                            | NIL                                    | NIL             |
| (a)                  | Individuals (Non-Resident Individuals/ Foreign Individuals)                |  |                        |  |  |                            | NIL                                    | NIL             |
| (b)                  | Promoter Companies   |  |                        |  |  |                            | NIL                                    | NIL             |
| (c)                  | Institutions   |  |                        |  |  |                            | NIL                                    | NIL             |
| (d)                  | Any Other (specify)  |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Sub-Total (A)(2)   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)       | 7  | 46477011               |  | 50.09  | 50.09                      | NIL                                    | NIL             |
| (B)                  | <b>Public shareholding[3]</b>  |  |                        |  |  |                            | NIL                                    | NIL             |
| -1                   | Institutions   |  |                        |  |  |                            | NIL                                    | NIL             |
| (a)                  | Mutual Funds/ UTI  | 43   | 2439312                | 2439312                                      | 2.63   | 2.63                       | NIL                                    | NIL             |
| (b)                  | Financial Institutions/ Banks  | 10   | 786683                 | 786683                                       | 0.85   | 0.85                       | NIL                                    | NIL             |
| (c)                  | Central Government/ State Government(s)                                    |  |                        |  |  |                            | NIL                                    | NIL             |
| (d)                  | Venture Capital Funds  |  |                        |  |  |                            | NIL                                    | NIL             |
| (e)                  | Insurance Companies  |  |                        |  |  |                            | NIL                                    | NIL             |
| (f)                  | Foreign Institutional Investors  | 48   | 11184623               | 11184623                                     | 12.05  | 12.05                      | NIL                                    | NIL             |
| (g)                  | Foreign Venture Capital Investors  |  |                        |  |  |                            | NIL                                    | NIL             |
| (h)                  | Foreign Bodies Corporate   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Sub-Total (B)(1)   | 101  | 14410618               | 14410618                                     | 15.53  | 15.53                      | NIL                                    | NIL             |
| -2                   | Non-institutions   |  |                        |  |  |                            | NIL                                    | NIL             |
| (a)                  | Bodies Corporate   | 1011   | 26438521               | 26430811                                     | 28.49  | 28.49                      | NIL                                    | NIL             |
| (b)                  | Individuals  |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. | 48797  | 2266437                | 2031077                                      | 2.44   | 2.44                       | NIL                                    | NIL             |

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|     |   |              |                 |                 |               |               |            |            |
|-----|---|--------------|-----------------|-----------------|---------------|---------------|------------|------------|
|     | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.      | 28           | 1179109         | 1158857         | 1.27          | 1.27          | NIL        | NIL        |
| (c) | Any Other   |              |                 |                 |               |               | NIL        | NIL        |
|     | 1. N R I  | 353          | 33585           | 33145           | 0.04          | 0.04          | NIL        | NIL        |
|     | 2. DIRECTORS & RELATIVES  |              |                 |                 |               |               | NIL        | NIL        |
|     | 3. CLEARING MEMBER  | 281          | 355674          | 355674          | 0.38          | 0.38          | NIL        | NIL        |
|     | 4. TRUST  | 7            | 1632574         | 1632574         | 1.76          | 1.76          | NIL        | NIL        |
|     | Sub-Total (B)(2)  | 50477        | 31905900        | 31642138        | 34.38         | 34.38         | NIL        | NIL        |
|     | Total Public Shareholding (B)= (B)(1)+(B)(2)  | 50578        | 46316518        | 46052756        | 49.91         | 49.91         | NIL        | NIL        |
|     | <b>TOTAL (A)+(B)</b>  | <b>50585</b> | <b>92793529</b> | <b>46052756</b> | <b>100.00</b> | <b>100.00</b> | <b>NIL</b> | <b>NIL</b> |
| (C) | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |              |                 |                 |               |               | NIL        | NIL        |
| (a) | Promoter and Promoter Group   |              |                 |                 |               |               | NIL        | NIL        |
| (b) | Public  |              |                 |                 |               |               | NIL        | NIL        |
|     | <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>50585</b> | <b>92793529</b> | <b>46052756</b> | <b>100.00</b> | <b>100.00</b> | <b>NIL</b> | <b>NIL</b> |

**(I)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group**

| Sr. No.      | Name of the shareholder              | Post – Demerger Shareholding |              |
|--------------|--------------------------------------|------------------------------|--------------|
|              |                                      | No. of Equity Shares         | %            |
| 1            | Indigold Trade and Services Limited* | 4,64,77,011                  | 50.09        |
| <b>Total</b> |                                      | <b>4,64,77,011</b>           | <b>50.09</b> |

\*including shares held by its nominees. ITSL is a wholly owned subsidiary of ABNL

None of the Promoter Group Company of Group Company holds any equity shares in the Company except as disclosed above.

| <b>(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares</b> |  |                  |  |
|---|--|------------------|--|
| Sr. No.   | Name of the shareholder                  | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
| 1   | Future Corporate Resources Limited       | 14357800         | 15.47  |
| 2   | Arisaig Partners (Asia) Pte Ltd. A/C Ari | 4027423          | 4.34   |
| 3   | PIL Industries Limited                   | 3007915          | 3.24   |
| 4   | Bennett, Coleman And Company Limited     | 2513295          | 2.71   |
| 5   | MKCP Institutional Investor (Mauritius)  | 1843245          | 1.99   |
| 6   | IDBI Trusteeship Services Limited        | 1631829          | 1.76   |
| 7   | Macquarie Bank Limited                   | 954373           | 1.03   |
| <b>TOTAL</b>  |  | <b>28335880</b>  | <b>30.54</b>   |

**Term/right attached to equity shares**

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

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**Term of conversion/redemption of Preference Shares**

500,000 8% Redeemable Cumulative Preference share of Rs 10 each fully paidup (Previous Year: 500,000) were issued to preference shareholders.

Preference shares are entitled to cumulative dividend @8% p.a. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. These preference shares are redeemable by the Company at any time after completion of Ten year from 31st March 2009 at the face value. In the event of liquidation of the company before redemption of preference shares, the holders of Preference Shares will have priority over equity shares in the payment of dividend and repayment of capital.

500 6% Redeemable Cumulative Preference share of Rs 100 each fully paidup (Previous Year: 500) were issued to preference shareholders.

Preference shares are entitled to cumulative dividend @6% p.a. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. These preference shares are redeemable by the Company at any time after completion of Ten year from 14th Oct 2009 at the face value. In the event of liquidation of the company before redemption of preference shares, the holders of Preference Shares will have priority over equity shares in the payment of dividend and repayment of capital.

**Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.**

| <b>(I) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (c) (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company</b> |                                    |                         |   |
|---|------------------------------------|-------------------------|---|
| <b>Sr. No.</b>  | <b>Name of the shareholder</b>     | <b>Number of shares</b> | <b>Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}</b> |
| 1   | Future Corporate Resources Limited | 14357800                | 15.47   |
| <b>TOTAL</b>  |                                    | <b>14357800</b>         | <b>15.47</b>  |

**(I)(d) Statement showing details of locked-in shares**

| <b>Sr No</b> | <b>Name of the shareholder</b>     | <b>Number of shares</b> | <b>Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}</b> |
|--------------|------------------------------------|-------------------------|---|
| 1            | Future Corporate Resources Limited | 1000000                 | 1.08  |
| <b>Total</b> |                                    | <b>1000000</b>          | <b>1.08</b>   |

1000000 Shares of Future Corporate Resources Limited are in Lock in upto 09/09/2013 and the same is in demat form.

**II(a) Statement showing details of Depository Receipts (DRs)**

**Not Applicable**

**II(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

**Not Applicable**

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**Shareholding Pattern of the Resulting Company post Scheme of Arrangement, post Open Offer:**

The post Scheme shareholding pattern of the Resulting Company as 30th June, 2013 is as under-  
(I)(a) Shareholding Pattern under Clause 35 – POST

| Name of the Company: |   | PANTALOONS FASHIONS & RETAIL LIMITED – POST* |                        |  |  |                            |  |                 |
|----------------------|---|--|------------------------|--|--|----------------------------|--|-----------------|
| Scrip Code:          | Quarter ended:  | AS ON 28-05-2013                             |                        |  |  |                            |  |                 |
| Category code        | Category of shareholder   | Number of shareholders                       | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares |                            | Shares pledged or otherwise encumbered |                 |
|                      |   |  |                        |  | As a percentage of (A+B)[1]                                  | As a percentage of (A+B+C) | No of shares                           | As a percentage |
| (A)                  | Shareholding of Promoter and Promoter Group[2]                              |  |                        |  |  |                            |  |                 |
| <b>-1</b>            | <b>Indian</b>   |  |                        |  |  |                            |  |                 |
| (a)                  | Individuals/ Hindu Undivided Family / Nominee of Promoter                   | 6  | 6                      |  | 0.0000   | 0.0000                     | NIL                                    | NIL             |
| (b)                  | Central Government/ State Government(s)                                     |  |                        |  |  |                            | NIL                                    | NIL             |
| (c)                  | Bodies Corporate  | 2  | 63056190               | 16568165                                     | 67.9532  | 67.9532                    | NIL                                    | NIL             |
| (d)                  | Financial Institutions/ Banks   |  |                        |  |  |                            | NIL                                    | NIL             |
| (e)                  | Any Other (specify)   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Promoter Group  |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Directors   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | Relatives of Promoters / Directors & HUF                                    |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | <b>Sub-Total (A)(1)</b>   | 8  | 63056196               | 16568165                                     | 67.9532  | 67.9532                    | NIL                                    | NIL             |
| <b>-2</b>            | <b>Foreign</b>  |  |                        |  |  |                            | NIL                                    | NIL             |
| (a)                  | Individuals (Non-Resident Individuals/ Foreign Individuals)                 |  |                        |  |  |                            | NIL                                    | NIL             |
| (b)                  | Promoter Companies  |  |                        |  |  |                            | NIL                                    | NIL             |
| (c)                  | Institutions  |  |                        |  |  |                            | NIL                                    | NIL             |
| (d)                  | Any Other (specify)   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | <b>Sub-Total (A)(2)</b>   |  |                        |  |  |                            | NIL                                    | NIL             |
|                      | <b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b> | 8  | 63056196               | 16568165                                     | 67.9532  | 67.9532                    | NIL                                    | NIL             |
| (B)                  | Public shareholding[3]  |  |                        |  |  |                            | NIL                                    | NIL             |
| <b>-1</b>            | <b>Institutions</b>   |  |                        |  |  |                            | NIL                                    | NIL             |
| (a)                  | Mutual Funds/ UTI   | 4  | 97616                  | 97616  | 0.1052   | 0.1052                     | NIL                                    | NIL             |
| (b)                  | Financial Institutions/ Banks   | 8  | 660109                 | 660109                                       | 0.7114   | 0.7114                     | NIL                                    | NIL             |
| (c)                  | Central Government/ State Government(s)                                     |  |                        |  |  |                            | NIL                                    | NIL             |
| (d)                  | Venture Capital Funds   |  |                        |  |  |                            | NIL                                    | NIL             |
| (e)                  | Insurance Companies   |  |                        |  |  |                            | NIL                                    | NIL             |
| (f)                  | Foreign Institutional Investors   | 11   | 138437                 | 138437                                       | 0.1492   | 0.1492                     | NIL                                    | NIL             |



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|           |   |       |          |          |          |          |     |     |
|-----------|---|-------|----------|----------|----------|----------|-----|-----|
| (g)       | Foreign Venture Capital Investors   |       |          |          |          |          | NIL | NIL |
| (h)       | Foreign Bodies Corporate  |       |          |          |          |          | NIL | NIL |
|           | <b>Sub-Total (B)(1)</b>   | 23    | 896162   | 896162   | 0.9658   | 0.9658   | NIL | NIL |
| <b>-2</b> | <b>Non-institutions</b>   |       |          |          |          |          | NIL | NIL |
| (a)       | Bodies Corporate  | 894   | 25684956 | 25684263 | 27.6797  | 27.6797  | NIL | NIL |
| (b)       | Individuals   |       |          |          |          |          | NIL | NIL |
|           | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.              | 47505 | 2032656  | 1801299  | 2.1905   | 2.1905   | NIL | NIL |
|           | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.      | 23    | 1001996  | 981744   | 1.0798   | 1.0798   | NIL | NIL |
| (c)       | Any Other   |       |          |          |          |          | NIL | NIL |
|           | 1. N R I  | 350   | 32028    | 31588    | 0.0345   | 0.0345   | NIL | NIL |
|           | 2. DIRECTORS & RELATIVES  |       |          |          |          |          | NIL | NIL |
|           | 3. CLEARING MEMBER  | 249   | 89195    | 89195    | 0.0961   | 0.0961   | NIL | NIL |
|           | 4. TRUST  | 4     | 340      | 340      | 0.0004   | 0.0004   | NIL | NIL |
|           | <b>Sub-Total (B)(2)</b>   | 49025 | 28841171 | 28588429 | 31.0810  | 31.0810  | NIL | NIL |
|           | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                     | 49048 | 29737333 | 29484591 | 32.0468  | 32.0468  | NIL | NIL |
|           | <b>TOTAL (A)+(B)</b>  | 49056 | 92793529 | 46052756 | 100.0000 | 100.0000 | NIL | NIL |
| (C)       | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |       |          |          |          |          | NIL | NIL |
| (a)       | Promoter and Promoter group   |       |          |          |          |          |     |     |
| (b)       | Public  |       |          |          |          |          | NIL | NIL |
|           | <b>GRAND TOTAL (A)+(B)+(C)</b>  | 49056 | 92793529 | 46052756 | 100.0000 | 100.0000 | NIL | NIL |

\* On completion of Open Offer, ITSL along with ABNL acquired 1,65,79,185 Equity Shares of Rs 10/- each constituting 17.87% of post issue paid up capital of the Company.

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**(I)(b) Statement showing Shareholding of persons belonging to the category**

**“Promoter and Promoter Group”**

**Shares pledged or otherwise encumbered**

| Sr. No.      | Name of the shareholder             | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} | No. of shares | %   | % on Total |
|--------------|-------------------------------------|------------------|--|---------------|-----|------------|
| 1            | Indigold Trade And Services Limited | 46488025         | 50.0983  | NIL           | NIL | NIL        |
| 2            | Indigold Trade And Services Limited | 16568165         | 17.8549  | NIL           | NIL | NIL        |
| 3            | Indigold Trade And Services Limited | 1                | 0.0000   | NIL           | NIL | NIL        |
| 4            | Indigold Trade And Services Limited | 1                | 0.0000   | NIL           | NIL | NIL        |
| 5            | Indigold Trade And Services Limited | 1                | 0.0000   | NIL           | NIL | NIL        |
| 6            | Indigold Trade And Services Limited | 1                | 0.0000   | NIL           | NIL | NIL        |
| 7            | Indigold Trade And Services Limited | 1                | 0.0000   | NIL           | NIL | NIL        |
| 8            | Indigold Trade And Services Limited | 1                | 0.0000   | NIL           | NIL | NIL        |
| <b>TOTAL</b> |                                     | 63056196         | 67.9532  | NIL           | NIL | NIL        |

*ITSL is a wholly owned subsidiary of ABNL*

*None of the Promoter Group Company of Group Company holds any equity shares in the Company except as disclosed above.*

**(I)(c) Statement showing Shareholding of persons belonging to the category**

**“Public” and holding more than 1% of the total number of shares**

| Sr. No.      | Name of the shareholder              | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|--------------------------------------|------------------|--|
| 1            | Future Corporate Resources Limited   | 14357800         | 15.4728  |
| 2            | Pil Industries Limited               | 3007915          | 3.2415   |
| 3            | Bennett, Coleman And Company Limited | 2513295          | 2.7085   |
| <b>TOTAL</b> |                                      | 19879010         | 21.4228  |

**(I)(c) Statement showing holding of securities (including shares, warrants, convertible securities) of**

**persons (together with**

**PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company**

| Sr. No. | Name of the shareholder            | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|---------|------------------------------------|------------------|--|
| 1       | Future Corporate Resources Limited | 14357800         | 15.4728  |

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|              |          |         |
|--------------|----------|---------|
| <b>TOTAL</b> | 14357800 | 15.4728 |
|--------------|----------|---------|

(I)(d) **Statement showing details of locked-in shares-**

| <b>Sr No</b> | <b>Name of the shareholder</b>     | <b>Number of shares</b> | <b>Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}</b> |
|--------------|------------------------------------|-------------------------|---|
| 1            | Future Corporate Resources Limited | 1000000                 | 1.08  |
| <b>Total</b> |                                    | <b>1000000</b>          | <b>1.08</b>   |

1000000 Shares of Future Corporate Resources Limited are in Lock in upto 09/09/2013 and the same is in demat form.

(II)(a) **Statement showing details of Depository Receipts (DRs) : NA**

**Statement showing Holding of Depository Receipts (DRs), where underlying shares are in**

(II)(b) **excess of 1% of the total number of shares: NA**

1. Share Capital History

**Equity Capital of the Company**

| <b>Date of Allotment</b> | <b>No. of Equity Shares</b> | <b>Face Value Rs.</b> | <b>Issue Price (Rs.)</b> | <b>Type of Issue</b>                         | <b>Cumulative No of Shares</b> | <b>Cumulative paid up Share capital Rs.</b> |
|--------------------------|-----------------------------|-----------------------|--------------------------|--|--------------------------------|---|
| 20.04.07                 | 50,000                      | 10                    | 10                       | Subscribers to the memorandum of Association | 50,000                         | 500,000                                     |
| 31.03.09                 | 99,50,000                   | 10                    | 10                       | Preferential Issue                           | 1,00,00,000                    | 10,00,00,000                                |
| 11.03.10*                | 500,000                     | 10                    | Nil                      | Through scheme of arrangement                | 5,00,000                       | 50,00,000                                   |
| 08.04.2013               | 4,59,77,011                 | 10                    | 174                      | Conversion of OFCD                           | 4,64,77,011                    | 46,47,70,110                                |
| 19.04.2013               | 4,63,16,518                 | 10                    | Nil                      | Through scheme of arrangement                | 9,27,93,529                    | 92,79,35,290                                |

\* Re-organisation of Share Capital pursuant to scheme of arrangement

**8% Redeemable Cumulative Preference Share Capital of the Company**

| <b>Date of Allotment</b> | <b>No. of Preference Shares</b> | <b>Face Value Rs.</b> | <b>Issue Price (Rs.)</b> | <b>Type of Issue</b>          | <b>Cumulative No of Shares</b> | <b>Cumulative paid up Share capital Rs.</b> |
|--------------------------|---------------------------------|-----------------------|--------------------------|-------------------------------|--------------------------------|---|
| 31.03.09                 | 10,000,000                      | 10                    | 10                       | Preferential Issue            | 1,00,00,000                    | 10,00,00,000                                |
| 11.03.10*                | 5,00,000                        | 10                    | 10                       | Through scheme of arrangement | 5,00,000                       | 50,00,000                                   |

\* Re-organization of Share Capital pursuant to scheme of arrangement

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#### 6% Redeemable Cumulative Preference Share Capital of the Company

| Date of Allotment | No. of Preference Shares | Face Value Rs. | Issue Price (Rs.) | Type of Issue                 | Cumulative No of Shares | Cumulative paid up Share capital Rs. |
|-------------------|--------------------------|----------------|-------------------|-------------------------------|-------------------------|--------------------------------------|
| 29.09.09          | 10,000                   | 100            | 100               | Preferential Issue            | 10,000                  | 10,00,000                            |
| 11.03.10*         | 500                      | 100            | 100               | Through scheme of arrangement | 500                     | 5,00,000                             |

\* Re-organization of Share Capital pursuant to scheme of arrangement

#### Top ten shareholders and number of Equity Shares held by them as on the date of Information Memorandum-

| Sr. No. | NAME OF SHAREHOLDER                      | No. of Equity Shares | %            |
|---------|--|----------------------|--------------|
| 1       | Indigold Trade And Services Limited      | 6,30,45,170          | 67.94        |
| 2       | Future Corporate Resources Limited       | 1,65,61,985          | 17.84        |
| 3       | Pil Industries Limited                   | 31,70,242            | 3.41         |
| 4       | Bennett, Coleman And Company Limited     | 25,13,295            | 2.70         |
| 5       | Life Insurance Corporation Of India      | 4,95,656             | 0.53         |
| 6       | Vardhaman Publishers Limited             | 4,60,000             | 0.49         |
| 7       | Dharmayug Investments Limited            | 3,60,000             | 0.38         |
| 8       | Gargi Developers Private Limited         | 5,60,000             | 0.60         |
| 9       | Kds Corporation Private Limited          | 2,29,176             | 0.24         |
| 10      | Ryka Commercial Ventures Private Limited | 2,07,343             | 0.22         |
|         | <b>Total</b>                             | <b>8,76,02,867</b>   | <b>94.40</b> |

#### Top ten shareholders 10 days prior to the date of the Information Memorandum-

| Sr. No. | Name of the Shareholder              | No. of shares held |
|---------|--------------------------------------|--------------------|
| 1.      | Indigold Trade And Services Limited* | 6,30,56,190        |

\* includes 6 Equity shares held by nominees of Indigold Trade And Services Limited

#### Shareholders of the Company as on the date of incorporation

| Sr. No. | Name of the Shareholder         | No. of shares held |
|---------|---------------------------------|--------------------|
| 1.      | Laxminarayan Investment Limited | 49,994             |
| 2.      | Adesh Kumar Gupta               | 1                  |
| 3.      | Manoj Kedia                     | 1                  |
| 4.      | Pinky Mehta                     | 1                  |
| 5.      | Anil Rustogi                    | 1                  |
| 6.      | N V Balachandar                 | 1                  |
| 7.      | Vikram Rao                      | 1                  |

## Information Memorandum

### V. OBJECTS AND RATIONALE OF THE SCHEME

#### Brief Profile of the Transferor Company:

Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) is a listed company bearing CIN No. L52399MH1987PLC044954 incorporated under the provisions of the Companies Act, 1956 and having its registered office at “Knowledge House”, Shyam Nagar, off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060. It, through itself and its subsidiaries, is a diversified retail player and also has interests in insurance, media and other businesses. Prior to the demerger, the Demerged Company’s business of the retailing of fashion and apparel included the Business as defined in the Scheme.

#### Brief Financials of the Transferor Company given below: (Standalone)

|   | (Rs. In crores) |         |          |
|---|-----------------|---------|----------|
|   | FY 2010         | FY 2011 | FY 2012* |
| Revenue (Gross)   | 6019.00         | 4114.48 | 6987.73  |
| Profit Before Depreciation and Tax (excl.extraordinary items) | 388.45          | 261.66  | 343.59   |
| Net Profit After Tax  | 176.39          | 78.75   | 273.26   |
| Equity Share Capital  | 41.23           | 43.42   | 46.32    |
| EPS (Rs.) - Basic   | 8.46            | 3.54    | 12.08    |
| EPS (Rs.) – Diluted   | 8.21            | 3.44    | 12.08    |

Source: Annual Report 2011

\*Source: Stock exchange filing- Audited Standalone Financial Results for the Quarter and Eighteen Months ended 31 Dec 2012

#### Share Price History

| Month   | BSE    |        |               | NSE   |       |               |
|---------|--------|--------|---------------|-------|-------|---------------|
|         | High   | Low    | Average Price | High  | Low   | Average Price |
| FY 2013 | 275.75 | 126.50 | 189.14        | 152   | 80.20 | 103.12        |
| FY 2012 | 364.15 | 125.30 | 226.58        | 367.2 | 125.2 | 227.78        |
| FY 2011 | 531.25 | 218.30 | 400.30        | 540   | 228   | 402.41        |

(Source: <http://www.bseindia.com/>) ; (Source: <http://www.nseindia.com/>)

#### Background for the Scheme of Demerger:

ABNL, is a public listed company and the ultimate parent company of the Resulting Company, is a diversified business house, with a presence in various sectors, including financial services, telecom, IT-ITeS, fashion & lifestyle, agri-input business, carbon black, man made fibres and fabric as well as voltage insulators.

ABNL, through its division, Madura Fashion & Lifestyle (“MF&L”), manufactures and sells apparel under the brands viz., Louis Philippe, Van Heusen, Allen Solly, Peter England and People through 895 exclusive brand outlets besides more than 1,250 stores and multi brand outlets.

ITSL, the parent company of the Resulting Company, is a wholly owned subsidiary of ABNL. It presently conducts no business.

PFRL, the Resulting Company, is an unlisted public limited company and is a wholly owned subsidiary of ITSL, whose main business is to export ready-made garments for the Peter England brand. It exports ready-made garments of Peter England to countries like United Arab Emirates, Saudi Arabia and other gulf countries, Sri Lanka, Nepal, Singapore, etc.

FRL, the Undertaking holding the Demerged Company, is a public listed company which through itself and its subsidiaries, is a diversified retail player and also has interests in insurance, media and other businesses.

## Information Memorandum

### Salient Features of the Scheme of Demerger

- i. The Scheme, which came into effect on and from April 08, 2013, inter alia, provided for the demerger of Demerged Undertaking of FRL on a going concern basis into PFRL, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 in the manner provided for in the Scheme.
- ii. Upon the Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by FRL to PFRL in terms of the Scheme, PFRL issued and allotted on April 19, 2013 to each Equity Shareholders whose name appeared in the records of FRL or as beneficiary in the records of the depositories of FRL in respect of the shares FRL on the Record Date, 1 (one) equity share of Rs. 10/- each, credited as fully paid in the capital of PFRL, for every 5 (five) fully paid up FRL Equity Shares/ FRL DVRs held by them in FRL (the “**Share Entitlement Ratio**”).
- iii. As an integral part of the Scheme, the share capital of PFRL was restructured and reorganized in the manner set out in the Scheme, including:
  - i) Upon the Scheme coming into effect, the authorised equity share capital of PFRL was increased from Rs. 10,00,00,000/- (Rupees Ten Crores Only) to Rs.100,00,00,000 (Rupees One Hundred Crores Only).
  - ii) Prior to the Demerger, ITSL held 800 (eight hundred) optionally fully convertible debentures, of Rs. 1,00,00,000 (Rupees One Crore each), of PFRL convertible into 4,59,77,011 (Four Crores Fifty Nine Lakhs Seventy Seven Thousand and Eleven) equity shares of Rs. 10 (ten) each of PFRL (“**ITSL OFCDs**”). Upon the Scheme coming into effect, the ITSL OFCDs were converted into 4,59,77,011 (Four Crores Fifty Nine Lakhs Seventy Seven Thousand and Eleven) equity shares of Rs. 10 (ten) each of PFRL.
- iv. The equity shares of PFRL are proposed to be listed on the Bombay Stock Exchange and the National Stock Exchange pursuant to the Scheme
- v. Pursuant to the arrangements contemplated under the Scheme, ABNL, through its wholly owned subsidiary, ITSL continues to hold a controlling stake in PFRL, a subsidiary of ITSL, post the demerger of the Business from FRL into PFRL.
- vi. Prior to the effectiveness of the Scheme, the Acquirer held 100.0% of the Equity Shares of PFRL. Subsequently, pursuant to the effectiveness of the Scheme, inter alia, the Business was demerged into PFRL, the Equity Shares were issued to FRL Equity Shareholders and FRL DVR Shareholders based on the share entitlement ratio mentioned in the Scheme, and the ITSL OFCDs as described above stood converted. As per the post-demerger shareholding pattern, the Acquirer holds 50.09% in PFRL prior to the Offer.
- vii. The Offer as enshrined in the Scheme is being made as a matter of good corporate governance by the Acquirer and ABNL to provide an exit opportunity to the Equity Shareholders of PFRL.
- viii. On or after the Effective Date, but prior to the listing of PFRL, the Acquirer and/or its Affiliates may make an Offer to the public shareholders of PFRL to acquire from such public shareholders up to 26% of the issued post Demerger and paid up equity share capital of PFRL based on the price per share of Rs. 175/- (One Hundred and Seventy Five only).

Scheme was approved by the Hon’ble High Court of Mumbai on March 01, 2013. The High Court order was filed with the Registrar of Companies, Mumbai on April 08, 2013. The Scheme became effective from April 08, 2013 in accordance with the terms of the Scheme

Pursuant to the Scheme, ITSL and ABNL made Open Offer to shareholders of the Company for acquiring 23,114,868 Equity Shares representing 24.91% of Voting Capital of the Company.

On completion of Open Offer, ITSL along with ABNL acquired 1,65,79,185 Equity Shares of Rs 10/- each constituting 17.87% of post issue paid up capital of the Company.

The Company has received exemption from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI vide its letter dated July 11, 2013.

## Information Memorandum

### Rationale for the Scheme of Demerger

Prior to the Effective Date, PFRL was a wholly owned indirect subsidiary of ABNL. ABNL is engaged inter alia in the fashion & lifestyle business and is one of the premium apparel brand players in India. ABNL manufactures and sells apparel under various brands through exclusive brand outlets as also stores. The demerger of the Demerged Undertaking to PFRL will expand the variety of its offering in the market and complement its existing portfolio. Further, it will enable wider distribution of products and give a wider choice to the consumers and enable business to build on their systems and processes to improve efficiencies. The stores operating under the brand name Pantaloon and derivatives thereof would remain operational and the Acquirer and ABNL would be entitled to continue carrying the same brands as before the Proposed Transaction.

### Sequence of events of Scheme of Arrangement:

| Sequence of Events  | Date               |
|---|--------------------|
| Approval of the transaction by the board of ABNL and announcement of the transaction  | April 30, 2012     |
| Date on which the boards of the Transferor Company and Resulting Company approved the Scheme  | September 09, 2012 |
| Approval of the swap ratio (as determined by independent valuers) and scheme of arrangement by the boards of PRIL, PFRL and ITSL  | September 09, 2012 |
| Implementation Agreement entered into between ABNL, ITSL, PRIL and PFRL   | September 29, 2012 |
| Dates on which letters of approvals are received from NSE granting in-principle approval for listing  | October 01, 2012   |
| NSE issues its 24 (f) approval to the Scheme  | October 01, 2012   |
| Notice of proposed combination filed with CCI jointly filed by ABNL, ITSL, PRIL, and PFRL   | October 08, 2012   |
| Dates on which letters of approvals are received from BSE granting in-principle approval for listing  | October 09, 2012   |
| BSE issues its 24 (f) approval to the Scheme  | October 09, 2012   |
| Bombay High Court orders meeting of the Members of PRIL   | November 02, 2012  |
| Members of PRIL meet (Court convened meeting) and approve the Scheme  | December 06, 2012  |
| The dates on which meetings of shareholders and creditors were held   | December 16, 2012  |
| Receipt of CCI Approval dated December 21, 2012   | December 24, 2012  |
| Final Hearing of the Scheme held  | March 01, 2013     |
| The dates on which the Scheme is sanctioned by the HC   | March 01, 2013     |
| The dates on which the Scheme is filed with the ROC   | April 08, 2013     |
| The date on which the boards of the Resulting Company and Demerged Company declare the effective date of the Scheme   | April 08, 2013     |
| Effective Date of the Scheme  | April 08, 2013     |
| Allotment of Equity Shares pursuant to Scheme of Arrangement  | April 19, 2013     |
| BSE In-principal approval for Listing   | May 24, 2013       |
| NSE In-principal approval for Listing   | May 27, 2013       |
| Date on which approval is received from SEBI granting relaxation from the strict enforcement of the requirement of rule 19(2)(b) of the SCRR for listing the shares of the Resulting Company. | July 11, 2013      |

*Information Memorandum*

**VI. STATEMENT OF POSSIBLE TAX BENEFITS**

To,  
The Board of Directors  
Peter England Fashions and Retail Limited

Maharashtra, India

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Peter England Fashions and Retail (India) Limited ('the Company') states the possible tax benefits available to the Company and the shareholders of the Company under the Income – Tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India in connection with the initial Public offer of Equity Shares of the Company ("the Issue"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The Direct Tax Code (which consolidates the prevalent direct tax laws) is proposed to come into effect from April 1, 2013. However, it may undergo a few more changes by the time it is actually introduced and hence, at the moment, it is unclear what effect the proposed Direct Tax Code would have on the Company and the investors.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:

- The Company is currently availing any of these tax benefits or will avail these tax benefits in future.
- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable have been/would be met.
- The authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Information Memorandum to be filed by the Company with Stock Exchange(s) and the concerned [Registrar of Companies] in connection with the proposed Issue.

**For Bansi S Mehta & Co.**  
Chartered Accountants  
Firm Registration Number: 100991W

Partner- Ronak Doshi  
Membership No.: 116513  
Place: Mumbai  
Date: Feb 08, 2013



## Information Memorandum

### ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO PETER ENGLAND FASHIONS AND RETAIL (INDIA) LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2012-2013.

#### A. Benefits to the Company under the Income Tax Act, 1961 (“the Act”).

##### 1. Special tax benefits

There are no special tax benefits available to the Issuer Company.

##### 2. General tax benefits

###### (a) Business income

- The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
- As per provision of Section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant, subject to fulfilment of following conditions:
  - i. New asset is acquired and installed after 31 March 2005;
  - ii. Additional depreciation shall be available on all new plant and machinery acquired other than the following assets:
    - a) Ships and Aircraft;
    - b) Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
    - c) Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
    - d) Any office appliances or road transport vehicles; or
    - e) Any machinery or plant, the whole of the actual cost of which is allowed as a deduction

###### (b) MAT credit

- As per the provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (‘MAT’) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid on the book profit as computed under Section 115JB of the Act for that assessment year. Such MAT credit is available for set-off up to 10 assessment years succeeding the assessment year in which the MAT credit arises.

###### (c) Capital gains

###### (i) Computation and taxability of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains (‘LT CG’). In respect of any other capital

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assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.

- Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the Act is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction of sale of such shares or units is chargeable to securities transaction tax (STT) and subject to conditions specified in that section. However such LTCG shall be taken into account in computing the book profit and income tax payable under section 115JB of the Act.
- As per provisions of Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of Acquisition/ improvement('COA/I') and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital Gains. However in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed cost of acquisition / improvement computed by applying the cost inflation index as prescribed from time to time, .
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% of the Income-tax where the taxable income of a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess at the rate of 2% and 1% respectively of the Income-tax is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

### (ii) Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gains arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer in certain notified bonds redeemable after three years and issued by –:

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- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

### (d) Securities Transaction Tax ('STT')

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

### (e) Dividends

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.
- Further, if the company being a holding company, has received any dividend from its subsidiary during the financial year on which such dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

Provided that his exemption does not apply to any income arising from transfer of units of the Administrator of specified undertaking or specified company or mutual fund as the case may be. For this purpose;

- a) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeat) Act, 2002 (58 of 2002);
  - b) "specified company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);
- As per the provision of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

## **Information Memorandum**

- However, in view of provision of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income.
- Also, section 94(7) of the Act provides that loss arising from sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such record date, will be disallowed to the extent dividend income, on such shares or units, claimed as exempt from tax.

### (f) Chapter VIA

- As per provisions of Section 80G of the Act, the company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

## **B. Benefits to the Resident members / shareholders of the Company under the Act**

### (a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

### (b) Capital gains

#### (i) Computation and taxability of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

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- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% of the Income-Tax where the taxable income of a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively of the Income-Tax is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

#### **(ii) Exemption of capital gains arising from income – tax**

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- Where a part of the long term capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as long term capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.

### **C. Benefits to the Non-resident shareholders of the Company under the Act**

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### (a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

### (b) Capital gains

#### (i) Computation and Taxability of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- STCG means capital gain arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% of the Income-tax where the taxable income of a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess at the rate of 2% and 1% respectively of the Income-tax is payable by all categories of taxpayers.

## Information Memorandum

- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

### (ii) Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a non-resident shareholder being an individual or HUF.
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.

### (c) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder or the Act, whichever is more beneficial.

### (d) Non-resident taxation

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

### **Information Memorandum**

- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG (other than gain exempt under section 10(38)) arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

### **D. Benefits available to Foreign Institutional Investors ('FIIs') under the Act**

#### **(a) Dividends exempt under section 10(34) of the Act**

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

#### **(b) Long – term capital gains exempt under section 10(38) of the Act**

- LTCG arising on sale of equity shares of a company is exempt from tax as per provisions of Section 10(38) of the Act provided the transaction is chargeable to STT and subject to conditions specified in that section.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

#### **(c) Capital gains**



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- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

| Nature of income                                   | Rate of tax (%) |
|--|-----------------|
| LTCG on sale of equity shares not subjected to STT | 10              |
| STCG on sale of equity shares subjected to STT     | 15              |
| STCG on sale of equity shares not subjected to STT | 30              |

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess at the rate of 2% and 1% respectively on the Income-tax is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

#### (d) Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

#### (e) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

### E. Benefits available to Mutual Funds under the Act

As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

However, the mutual funds are liable to pay tax on income distributed to unit holders of non-equity oriented mutual funds under Section 115R of the Act.

### F. Benefits available to Venture Capital Companies/Funds

As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies ('VCC') / Funds ('VCF') from investment in a Venture Capital Undertaking. "Venture Capital Undertaking" means a venture capital undertaking referred to in the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992);.

However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

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### **G. Wealth Tax Act, 1957**

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

### **H. Gift Tax Act, 1958**

- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.

#### **Notes:**

- All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- There are no special tax benefits available to the shareholders of the Company.
- The above Statement of Possible Direct tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase ownership and disposal of shares.

## **Information Memorandum**

### **VII. COMPANY HISTORY & MANAGEMENT – ABOUT PANTALOONS FASHION & RETAIL LIMITED**

The Company was incorporated as Peter England Fashions and Retail Limited on April 19, 2007 under the Act under CIN No. U1810MH2007PLC233901 and obtained the certificate of commencement of business on May 14, 2007. The name of the company was changed to Pantaloon's Fashion & Retail Limited on April 23, 2013.

The Corporate and Registered Office of the Company is at 701-704, 7<sup>th</sup> Floor, Skyline Icon Business Park, 86-92, Off. Andheri-Kurla Road, Marol Village, Andheri (East), Mumbai- 400059, India. The registered office was changed from Regent Gateway, Plot No 5B, Doddanekundi Village, KIADB Industrial Area, ITPL Road, Bangalore, Karnataka- 560048, India to Indian Rayon Compund, Veraval, Junagadh- 362266, Gujarat to A-4, Aditya Birla Centre, S. K. Ahire Marg, Mumbai – 400 030, Maharashtra.

#### **Main Objects of the Company:**

The objects for which the Company has been incorporated are set out in its Memorandum of Association. The main objects of the Resulting Company are set out hereunder:

1. To carry on in India and elsewhere in any place or places in the world the trade or the business of manufacturers, makers, tailors, designers, exporters, importers, traders, dealers, merchants, shippers, indentors, distributors, wholesalers, retailers, shopkeepers, hirers, commission agents, maccadums, brokers, stockists, mercantile agents, forwarding agents, warehousemen, in all types of all products and services, dealing in all kinds of goods, materials and items including but not limited to clothes, fashion products, life style products, apparels, general merchandise, food & provisions, household goods, consumer durables, electronic items, arts and crafts, jewellery, home improvement products, footwears, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products, furniture & furnishings, automobile & accessories, fabrics (including, without limitation, cotton, knitted, dyed, processed wool, jute, hemp, silk, nylon and allied materials and articles), textile of all kinds, non wearables of all kinds (including, without limitation, industrial or domestic wearable and non wearable, carpets and rugs, strapess, tapes, ribbon, elastic braids, labels, etc.) and any other products, goods and services not specifically listed above.
2. To carry on in India and elsewhere in any place or places in the world the trade or the business of manufacturing, buying, selling, importing, exporting, refining, manipulating or otherwise dealing in textiles and piece- goods of all kinds, yam, threads, siiks and art silks, cotton, woollens, nylon, synthetic, man-made and allied materials, rayons and fabrics of all kinds, woven/non-woven cloths, industrial doth, oil-cloth, leather cloths, Hessians, jute cloths, man-made fibres including regenerated cellulose-rayons, nylon and the like, textile auxiliaries, and sizing materials including starch and as ginneres, pressers, packers, calendars, spinners, weavers, bleachers, dyers, combers and traders of cotton, wool, silk, nylon, synthetic, man-made fibre, flax, hemp, jute and other fibrous substances whether textile, felted, netted or looped and of waste materials and cotton seeds and to run spinning, weaving, pressing, ginning and processing or manufacturing mills, dyeing, printing and bleaching factories and carry on all the above business in all or any of their respective branches.
3. To carry on in India and elsewhere in any place or places in the world the trade or the business of trading, buying, selling, importing, exporting, retailing or wholesaling and to offer one stop solution for sale, purchase, export, import, trade and the like through any means and formats, including, without limitation, hyper markets, super markets, mega stores, discount stores, factory outlets, warehouses, cash & carry, departmental stores, shoppers plaza, direct to home, phone order and mail order, catalogue, through internet and other forms and multi level channels for all products and services, dealing in all kinds of goods, materials and items including but not limited to clothes, fashion products, life style products, apparels, general merchandise, fabrics, textiles, food & provisions, household goods, consumer durables, jewellery, home improvement products, footwears, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products, furniture & furnishings, automobile & accessories, fabrics, textile, and non wearables of all kinds (including, without limitation, industrial or domestic wearable and non wearable, carpets and rugs, strapess, tapes, ribbon, elastic braids, labels, etc.) and any other products, goods and services not specifically listed above.

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### Changes In Memorandum of Association Since Company's Inception:

Since incorporation, there has been no change made in the Memorandum of Association except as follows-

### Subsidiaries of the Company:

The Company does not have any subsidiary as on the date of this Information Memorandum.

### Shareholders Agreement:

The Company has not executed any agreement with its shareholders as on the date of this Information Memorandum.

### Strategic / Financial Partners and Other Material Contracts:

The Company does not have any strategic/financial partners or has not entered any material contracts other than in ordinary course of business.

### Board of Directors:

The overall management is vested in the Board of Directors, comprised of qualified and experienced persons. The Board of Directors of the Company as on April 19, 2013 is:

| S. No. | Name            | DIN      | Address   | Date of Appointment | Date of Appointment  | Other Directorships Held in Indian Companies   |
|--------|-----------------|----------|---|---------------------|--|--|
| 1.     | Dr. Rakesh Jain | 00020425 | 801, The Residency, Union Park Road, Khar (W), MUMBAI, 400052, Maharashtra, India | April 19, 2013      | <b>Dr. Rakesh Jain</b> , the Managing Director of Aditya Birla Nuvo Ltd (ABNL), is M.Tech from IIT Kharagpur and Ph.D from University of Akron in the United States. Dr. Rakesh Jain was Managing Director of erstwhile Indo Gulf Fertilizers Limited (IGFL) prior to its amalgamation with ABNL. He has rich experience in the areas of business development, strategy formulation and technology management. He started his career in GE Electro Materials, Coshocton OH. Before joining IGFL, he was holding the position of President & CEO for India and South Asia in GE Plastics. He has rich global experience in USA, Europe and Asia in different capacities | <b>Listed</b><br>1) Idea Cellular Ltd.<br>2) Aditya Birla Nuvo Limited<br><b>Unlisted</b><br>3) Thai Polyphosphate & Chemicals Company Ltd.<br>4) Birla Sun Life Insurance Company Ltd.<br>5) Aditya Birla Minacs Worldwide Ltd.<br>6) Aditya Birla Minacs IT Services Ltd.<br>7) Birla Management Corporation Pvt Ltd.<br>8) Birla Management Centre Services Ltd<br>9) Aditya Birla Science & Technology |

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|    |                    |       |  |                |   |   |
|----|--------------------|-------|--|----------------|---|---|
|    |                    |       |  |                | such as Business Leader, Global Manufacturing Leader and Six Sigma Leader in GE Group. Presently, he is the “Business Director” of IT- ITeS, Agri, & Insulators Business of ABNL  | Company Ltd.  |
| 2. | Mr. Sushil Agarwal | 60017 | Ocean C.H.Society Ltd, 301, Ocean View Union Park, Khar West, Mumbai, 400052, Maharashtra, India | August 6, 2009 | <p><b>Mr. Sushil Agarwal</b>, a qualified Chartered Accountant and Masters in Commerce was appointed as a Chief Financial Officer of ABNL in May, 2009 and as a Whole Time Director in June, 2011. He has been with the Aditya Birla Group since the beginning of his career in 1989 and has privilege of working closely with the former Chairman Late Mr. Aditya Vikram Birla and current Chairman Mr. Kumar Mangalam Birla. He has richly contributed with his widely acknowledged financial acumen and analytical skills in many Restructuring, Mergers and Acquisitions initiatives of the Aditya Birla Group. In recognition of his stellar contribution he was honored with the Chairman’s Exceptional Contributor Award in 2000. He was recognized in CFO India’s – First Annual CFO” list under the category “Winning Edge” in “Strategy”. He is on the board of several companies and is widely networked. He is familiar with operations in most states in India and several countries abroad through his experience of over 20 years.</p> | <p><b>Listed</b></p> <ol style="list-style-type: none"> <li>1) Aditya Birla Nuvo Limited</li> </ol> <p><b>Unlisted</b></p> <ol style="list-style-type: none"> <li>2) ABG Realty and Infrastructure Company Private Limited</li> <li>3) ABNL Investment Limited</li> <li>4) Aditya Birla Insurance Brokers Limited</li> <li>5) Aditya Birla Money Mart Limited</li> <li>6) Aditya Birla Securities Private Limited</li> <li>7) Aditya Birla Minacs Worldwide Limited</li> <li>8) Aditya Birla Power Company Limited</li> <li>9) Birla TMT Holdings Private Limited</li> <li>10) Green Acre Agro Services Private Limited</li> <li>11) IGH Holdings Private Limited</li> <li>12) Infocyber India Private Limited</li> <li>13) TGS Investment &amp; Trade Private</li> </ol> |

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|    |                  |        |   |                  |   |   |
|----|------------------|--------|---|------------------|---|---|
|    |                  |        |   |                  |   | <p>Limited</p> <p>14) Applause Bhansali Films Private Limited</p> <p>15) Applause Entertainment AP Private Limited</p> <p>16) Applause Entertainment Private Limited</p> <p>17) Azure Jouel Private Limited</p> <p>18) B G H Properties Private Limited</p> <p>19) BGFL Corporate Finance Private Limited</p> <p>20) BGH Exim Limited</p> <p>21) Madura Garments Lifestyle Retail Company Limited</p> <p>22) Mangalam Carbide Limited</p> <p>23) Naman Finance &amp; Investment Private Limited</p> |
| 3. | Mr. Pranab Barua | 230152 | D-1, CEDAR CREST, 258, 10 <sup>th</sup> MAIN, Defence Colony, Indira Nagar, Bangalore, 560038, Karnataka, India | January 23, 2009 | <p><b>Mr. Pranab Barua</b> is Business Director for the Apparel &amp; Retail Business of Aditya Birla Group. Mr. Barua has over 35 years of professional experience, having worked in different Companies (including top multinationals) and Industries. In particular, his professional background includes experience as Chairman and Managing Director of Reckitt Benckiser;</p> | <p><b>Unlisted</b></p> <p>1) Madura Garments Lifestyle Retail Co. Ltd.</p> <p>2) Aditya Birla Retail Ltd.</p> <p>3) Aditya Birla Management Corporation Pvt. Ltd.</p> <p>4) Nicora Interiors Pvt Ltd.</p> <p>5) Fabmall (India) Private Limited</p> <p>6) Terrafirma Agroprocessing</p>   |

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|    |                  |          |  |                |   |   |
|----|------------------|----------|--|----------------|---|---|
|    |                  |          |  |                | <p>Regional Director, Reckitt Benckiser for South Asia; Foods Director on the Hindustan Unilever Board; and Sales and Marketing Director of Brooke Bond India Ltd. He has also worked closely with Private Equity Groups like IL&amp;FS, Actis and India Value Fund for their investor companies like Godrej Tea and Trinethra Super Retail. He is a graduate in English honours from St Stephens College, New Delhi. He has also attended many advanced Management programs in India and abroad.</p> | <p>(India) Private Limited<br/>7) H.A.S.Two Holdings Private Limited<br/>8) Trinethra superretail Private Limited<br/>9) RKN Retail Private Limited</p>   |
| 4. | Mr. P Murari     | 00020437 | 2, Gilchrist Avenue, Harrington Road, Chetpet, CHENNAI, 600031, Tamil Nadu, India    | April 19, 2013 | <p><b>Mr. P. Murari</b>, is a retired IAS Officer. He was Secretary to the President of India before retiring from service in September, 1992. He has held several key positions in Government both at the Central and the State, various institutions and professional bodies and served on their Boards as Director/ Governor of Councils. Mr. Murari is presently a Director on the Board of several companies</p>   | <p><b>Listed Entities</b><br/>1) Aditya Birla Nuvo Limited<br/>2) Aban Offshore Ltd.<br/>3) IDEA Cellular Ltd.<br/>4) XPRO Inida Ltd.<br/>5) HEG Ltd.<br/>6) Bajaj Holdings and Investment Ltd.<br/>7) Bajaj Auto Ltd.<br/>8) Fortis Malar Hospitals Ltd.<br/><b>Unlisted</b><br/>9) Adayar Gate Hotel Ltd.<br/>10) Great Eastern Energy Corporation Ltd.</p> |
| 5. | Mr. Bharat Patel | 00060998 | 52 Miami APTS, Bhulabhai Desai Road, Breach Candy, MUMBAI 400026, Maharashtra, India | April 19, 2013 | <p><b>Mr. Bharat Patel</b> is the former Chairman of Procter &amp; Gamble Hygiene and Health Care Ltd., and presently the Chairman of Indian Society of Advertisers (ISA). He has over 40 years of varied experience in the field of marketing, sales, exports, manufacturing,</p>  | <p><b>Listed</b><br/>1) Nesco Limited<br/>2) Sasken Communication Technologies Ltd<br/><b>Unlisted</b><br/>3) Birla Sun Life Asset Management Co. Ltd<br/>4) Siskma Shyam</p>   |

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|  |  |  |  |  |  |                   |
|--|--|--|--|--|--|-------------------|
|  |  |  |  |  | etc. He holds MA in Economics from the University of Notre Dame, USA and MBA in Marketing from the University of Michigan, USA. Apart from being associated with various Industry Associations, he is on the Board of various companies. | Teleservices Ltd. |
|--|--|--|--|--|--|-------------------|

### Shareholding of Directors in the Company as on date is following:

- 1) Mr. Sushil Agarwal – 100 shares
- 2) Mr. Bharat Patel – 413 shares

### Corporate Governance:

The provisions of the listing agreement to be entered into with the Stock Exchange with respect to Corporate Governance will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchange. However, the Company is compliant with the provisions of Clause 49 of the Listing Agreement. Please refer to details of the Board of Directors of the Company on page no. 39 of this document.

#### a) Composition of Audit Committee

The Audit Committee was last re-constituted by our Directors at their Board meeting held on April 19, 2013. The Audit Committee comprises:

- 1) Mr. P Murari (Chairman); Independent Director
- 2) Mr. Bharat Patel, Independent Director
- 3) Mr. Pranab Barua and

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and clause 49 of the Equity Listing Agreement and its terms of reference are as follows:

- Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;
  - (b) Changes, if any, in accounting policies and practices along with reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal



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- control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism, in case the same exists;
- Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

### **b) Composition of Shareholders Grievance / Allotment and Transfer Committee**

The Investor Relations and Finance Committee of the Board [*“IRFC Committee”*] was constituted pursuant to the resolution passed by our Board at its meeting held on April 19, 2013. The IRFC Committee comprises:

1. Mr. P Murari, Independent Director
2. Mr. Bharat Patel, Independent Director
3. Mr. Pranab Barua

The scope and functions of IRFC Committee includes inter-alia Redressal of shareholders’ and investors’ complaints, including in respect of:

- Non-receipt of declared dividends, balance sheets of the Company, etc;
- Allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### **c) ESOP Compensation Committee**

The Committee comprises:

1. Mr. P Murari, Independent Director
2. Mr. Bharat Patel, Independent Director
3. Mr. Pranab Barua

The Compensation Committee was constituted by a meeting of the Board of Directors held on May 23, 2013. This committee looks in all matters pertaining to remuneration of whole time directors and the managing director.

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**Change in Board of Directors in last 3 years:**

| <b>Sr. No</b> | <b>Name of Directors</b> | <b>Date of Appointment</b>     | <b>Date of Resignation</b>   |
|---------------|--------------------------|--------------------------------|------------------------------|
| 1.            | Mr. N V Balachander      | 19 <sup>th</sup> April, 2007   | 15 <sup>th</sup> April, 2010 |
| 2.            | Mr. Pranab Barura        | 23 <sup>th</sup> January, 2009 | -                            |
| 3.            | Mr. Sushil Agarwal       | 6 <sup>th</sup> August , 2009  | -                            |
| 4.            | Mr. S Visvanathan        | 29 <sup>th</sup> June, 2009    | 19 <sup>th</sup> April, 2013 |
| 5.            | Mr. Ashish Dikshit       | 15 <sup>th</sup> April, 2010   | 19 <sup>th</sup> April, 2013 |
| 6.            | Mr. Manoj Kedia          | 30 <sup>th</sup> April, 2012   | 19 <sup>th</sup> April, 2013 |
| 7.            | Mr. Devendra Bhandari    | 30 <sup>th</sup> April, 2012   | 19 <sup>th</sup> April, 2013 |
| 8.            | Mr. Anil Rustogi         | 30 <sup>th</sup> April, 2012   | 19 <sup>th</sup> April, 2013 |
| 9.            | Dr. Rakesh Jain          | 19 <sup>th</sup> April, 2013   | -                            |
| 10.           | Mr. P Murari             | 19 <sup>th</sup> April, 2013   | -                            |
| 11.           | Mr. Bharat Patel         | 19 <sup>th</sup> April, 2013   | -                            |

## Information Memorandum

### VIII. MANAGEMENT

The Company is managed, controlled and directed by the Board of Directors. The details of Board of Directors are disclosed in “Company History & Management” chapter.

#### Employees:

With effect from the Effective Date:

- (i) All the employees, staff and workmen of the Demerged Company engaged in the Demerged Undertaking as on the Effective Date (“**Demerged Employees**”) have become the employees of the Resulting Company on terms and conditions no less favourable than those on which they were engaged by the Demerged Company without any break or interruption in service as a result of the transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company.
- (ii) The services of all the Demerged Employees with the Demerged Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the Demerged Employees may be eligible, and accordingly, the period of service of the Demerged Employees shall be reckoned therefore from the date of their respective appointment in the Demerged Company.
- (iii) The contributions, and all accretions thereto, in the Government provident fund account, superannuation fund, gratuity fund and other benefit funds if any, of which the Demerged Employees were members or beneficiaries till the Effective Date, shall, with the approval of the concerned authorities, be transferred (in such proportion as is referable to the Demerged Employees being transferred to the Resulting Company) to the relevant funds of the Resulting Company for the benefit of the Demerged Employees on terms no less favourable. In the event that the Resulting Company has its own funds in respect of any of the funds referred to above, such investments shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Demerged Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the investments and contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company. In case, necessary approvals are not received by the Effective Date and there is delay, all such amounts shall continue to be administered by the Demerged Company in trust for the Resulting Company from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company *suo moto*.

#### Brief Profile of KMP

| S. No. | Name             | Designation               | Age | Date of Appointment          | Brief Profile  |
|--------|------------------|---------------------------|-----|------------------------------|--|
| 1.     | Mr. Shital Mehta | Chief Executive Officer   | 42  | 19 <sup>th</sup> April, 2013 | <b>Mr. Shital Mehta</b> , has been with Aditya Birla Group for about 13 years. He served as the Chief Operating Officer of the International Brands and Retail, Madura Fashion and Lifestyle. He is an MBA in Marketing from S.P. Jain Institute of Management & Research, Mumbai. He has done advanced management studies from Wharton Business School. |
| 2.     | Mr. Manoj Kedia  | Chief Financial Officer & | 48  | 19 <sup>th</sup> April, 2013 | <b>Mr. Manoj Kedia</b> is a Chartered Accountant and has been associated with the Aditya Birla Group for more than 18 years. With his extensive knowledge  |

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| S. No. | Name              | Designation       | Age | Date of Appointment             | Brief Profile   |
|--------|-------------------|-------------------|-----|---------------------------------|---|
|        |                   | Manager*          |     |                                 | and proficiency he has created a niche for himself through the years.   |
| 3.     | Ms. Geetika Anand | Company Secretary | 26  | 27 <sup>th</sup> December, 2012 | <b>Ms. Geetika Anand</b> is a commerce graduate cum Company Secretary and a qualified Lawyer. She also holds a Masters degree in Business Law from National law School, Bangalore. She has more than 7 years of working experience in the Legal & Secretarial function of the Aditya Birla Group. She has been involved in various strategic initiatives / M&A activities besides assisting in the Legal & Secretarial function. In recognition of her contribution, she was honoured with the Chairman's Individual Award in the Category "Young Professional" at the Aditya Birla Awards for Outstanding Achievement, 2011. |

*\*Manager in terms of Section 309 of the Companies Act, 1956*

**Information Memorandum**

**IX. PROMOTER, PROMOTER GROUP AND GROUP COMPANIES**

**Promoters:**

The details of our Promoters are given below:

**1. INDIGOLD TRADE AND SERVICES LIMITED (ITSL)**

Indigold Trade and Services Limited is a public limited company incorporated as Madura Garments International Brands Company Limited on May 10, 2007 under the Companies Act. The name of the company was changed to Indigold Trade and Services Limited on June 14, 2010. The registered office of the company is situated at Regent Gateway, Plot No 5B, Doddanekundi Village, KIADB Industrial Area, ITPL Road, Bangalore-560 048, Karnataka. It is a wholly-owned subsidiary of Aditya Birla Nuvo Limited.

The main objects include the following:

- i. To carry on in India and elsewhere the business of buyers, manufacturers, importers, dealers, traders, sellers, Regulation-sellers, packers, re-packers, brand agents, exporters, wholesalers, retailers, agents (by whatever name called), distributors, exclusive right holders and / or the like, in all types of apparel, sanitary and lifestyle merchandise
  - ii. To carry on in India and elsewhere the business of branded merchandise, by operating, whether directly or through any other means, chains of stores, outlets, showrooms, supermarkets, hypermarkets, mega markets, large format retail stores, discount stores, and any other wholesale and / or retail experience, in or through multiple market and / or marketing channels
  - iii. To offer comprehensive, turnkey and end-to-end solutions regarding sale, purchase, dealing, display, wholesale, trading, retailing, export, import, and the like, of garments, fashion apparel, fashion products, life style products, lifestyle accessories, fashion accessories, general merchandise and all other merchandise dealt with by the company
- b. The shareholding pattern of Indigold Trade And Services Limited as on date is as follows:

| S No | Shareholder Category   | No of Shares Held | % of Shares Held |
|------|--|-------------------|------------------|
| 1    | Promoter – Aditya Birla Nuvo Limited jointly with its Nominees | 25,423,000        | 100%             |

The details of the directors of Indigold Trade And Services Limited are as follows.-

| S No | Name             | Date of Appointment | Qualifications             | Experience   |
|------|------------------|---------------------|----------------------------|--|
| 1    | Mr. Anil Rustogi | 07/06/2012          | B.Com (hons).C.A, I.C.W.A. | <b>Mr. Anil Rustogi</b> is a commerce graduate and a Chartered cum Cost Accountant by profession. He has more than 26 years of working experience out of which about 21 years is with Aditya Birla Group. Since 2001, he is leading the finance function of Aditya Birla Nuvo Limited and has been involved in various strategic initiatives/ M& A Activities and forex management besides fund raising in domestic as well as international market by way of bilateral loan, syndicated loan and structures deals, including acquisition financing. Prior to moving to Aditya Birla Nuvo in 2001, Mr. Rustogi was commercial head of Eastern spinning, an Aditya Birla Group company, where he worked for almost 10 years across all commercial functions including experience on shop floor. |
| 2    | Mr. S.           | 07/06/2012          | B.Com, C.A.                | <b>Mr S. Visvanathan</b> , CFO of Madura Lifestyle and   |

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|   |                      |            |  |  |
|---|----------------------|------------|--|--|
|   | Visvanathan          |            |  | <p>Fashion has over 26 years of experience in various industries spanning white goods, capital equipment, electrical equipment, and auto components. He is a member of the Management Committee of the Textile and Apparel business of the Aditya Birla Group. He joined the Aditya Birla Group in the year 2007 and has since worked in the Textile and Apparel business. Prior to joining the Group he worked with the Tata Group in the Auto Components Business where he was involved from the start up of the business in 1997 till 2007 when it was close to a billion dollars in size. In the initial part of his career he had worked with Voltas Ltd in various capacities rising upto the position of the Chief Financial Officer of Allwyn - a Public Sector undertaking which was taken over by Voltas Limited. He is a commerce graduate from Chennai University and qualified as a Chartered Accountant and Cost Accountant.</p> |
| 3 | Mr. Shriram Jagetiya | 07/06/2012 | <p>B. Sc (Mathematics), C.A., ICWA</p> | <p><b>Mr. Shriram Jagetiya</b> is a graduate in Science and a Chartered cum Cost Accountant. He has more than 20 years of working experience in various finance functions within Aditya Birla Group. He has also been involved in various strategic initiatives and M&amp;A activities of the group besides fund raising (domestic as well as international market), treasury &amp; investments. In recognition of his contribution to the Aditya Birla Group, he was honoured with the Chairman's Exceptional Contributor Award in 2011.</p>  |

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c. The brief audited financial details for a period of the last three financial years is as follows-

(Rs Lakhs)

| Particulars  | Year Ended<br>March 31,<br>2013<br>(Audited) | Year Ended<br>March 31,<br>2012<br>(Audited) | Year Ended<br>March 31, 2011<br>(Audited) |
|--|--|--|---|
| <b>Profit and Loss Statement</b>                   |  |  |   |
| Income from Operations                             |  |  |   |
| Other Income                                       | 174.56                                       | 24.13  | 0   |
| <b>Total Income</b>                                | <b>174.56</b>                                | <b>24.13</b>                                 | <b>0</b>                                  |
| Total Expenditure                                  | 14.85  | 0.65   | 0.34                                      |
| <b>Profit Before Depreciation Interest and Tax</b> | <b>159.71</b>                                | <b>23.48</b>                                 | <b>(0.33)</b>                             |
| Depreciation                                       | 0  | 0  | 0   |
| Interest and Finance expenses                      | 146.99                                       | 1.55   | 8.31                                      |
| <b>Profit before Exceptional Item and Tax</b>      | <b>12.72</b>                                 | <b>21.93</b>                                 | <b>(8.65)</b>                             |
| Exceptional Items                                  | 0  | 0  | 0   |
| <b>Profit Before Tax</b>                           | <b>12.72</b>                                 | <b>21.93</b>                                 | <b>(8.65)</b>                             |
| Provision for Tax                                  | 53.25  | 1.69   | 0   |
| <b>Profit After Tax</b>                            | <b>(40.53)</b>                               | <b>20.24</b>                                 | <b>(8.65)</b>                             |

(Rs Lakhs)

| Particulars                        | Year Ended<br>March 31, 2013<br>(Audited) | Year Ended<br>March 31, 2012<br>(Audited) | Year Ended<br>March 31, 2011<br>(Audited) |
|------------------------------------|---|---|---|
| <b>Balance Sheet Statement</b>     |   |   |   |
| <b>(A) Shareholders' Funds</b>     |   |   |   |
| Share Capital                      |   |   |   |
| Equity                             | 594.70                                    | 200.00                                    | 200.00                                    |
| Reserves and Surplus               | (25.50)                                   | 7.68                                      | (12.56)                                   |
|                                    | -   | -   | -   |
| <b>I</b>                           | <b>569.20</b>                             | <b>207.68</b>                             | <b>187.44</b>                             |
| <b>(B) Non-Current Liabilities</b> |   |   |   |
| Long-Term Borrowings               | -   | -   | -   |
| Deferred Tax Liabilities (Net)     | -   | -   | -   |
| Other Long-Term Liabilities        | -   | -   | -   |
| Long-Term Provisions               | -   | -   | -   |
| <b>II</b>                          |   |   |   |
| <b>(C) Current Liabilities</b>     |   |   |   |
| Short-Term Borrowings              | -   | 29.00                                     | 104.05                                    |
| Trade Payables                     | 0.83                                      | 1.53                                      | 1.18                                      |
| Other Current Liabilities          | 86510.56                                  | 0.22                                      | 11.28                                     |
| Short-Term Provisions              | 0.26                                      | 0.26                                      | 0.26                                      |

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|                               |                 |               |               |
|-------------------------------|-----------------|---------------|---------------|
| <b>III</b>                    | <b>86511.65</b> | <b>31.01</b>  | <b>116.77</b> |
| <b>Total (I+II+III)</b>       | <b>87080.85</b> | <b>238.69</b> | <b>304.21</b> |
| <b>ASSETS</b>                 |                 |               |               |
| <b>(D) Non-Current Assets</b> |                 |               |               |
| Net Fixed Assets              |                 |               |               |
| Non-Current Investments       | 80050.00        | 102.50        | 102.50        |
| Long-Term Loans and Advances  | 7012.00         | -             | -             |
| Other Non-Current Assets      | -               | -             | -             |
| <b>IV</b>                     | <b>87062.00</b> | <b>102.50</b> | <b>102.50</b> |
| <b>(E) Current Assets</b>     |                 |               |               |
| Current Investments           | -               | 1.80          | 196.88        |
| Inventories                   | -               | -             | -             |
| Trade Receivables             | -               | -             | 2.25          |
| Cash & Bank Balance           | 1.39            | 2.79          | 2.59          |
| Short-Term Loans and Advances | 5.03            | 130.02        | -             |
| Other Current Assets          | 12.43           | 1.58          | -             |
| <b>V</b>                      | <b>18.85</b>    | <b>136.19</b> | <b>201.71</b> |
| <b>Total (IV+V)</b>           | <b>87080.85</b> | <b>238.69</b> | <b>304.21</b> |

| <b>Other Financial Data</b>     |  |  |  |
|---------------------------------|--|--|--|
| <b>Particulars</b>              | <b>Year Ended<br/>March 31, 2013<br/>(Audited)</b> | <b>Year Ended<br/>March 31,<br/>2012<br/>(Audited)</b> | <b>Year Ended<br/>March 31, 2011<br/>(Audited)</b> |
| Dividend (%)                    | -  | -  | -  |
| Basic Earnings Per Share (Rs)   | (1.32)   | 1.01   | (0.43)   |
| Diluted Earnings Per Share (Rs) | (1.32)   | 1.01   | (0.43)   |

**d. Income Tax Permanent Account No.**

Income tax PAN of Indigold Trade and Services Limited is AAFCM5307C

**2. ADITYA BIRLA NUVO LIMITED**

- a. ABNL is a public limited company incorporated as the Indian Rayon Corporation Limited on September 26, 1956 under the Companies Act, 1956. The name of the ABNL was changed from The Indian Rayon Corporation Limited to Indian Rayon and Industries Limited on January 23, 1987, as the company had diversified into various businesses such as textiles, insulators and cements. Subsequently, the name of the Company was again changed on October 27, 2005 to Aditya Birla Nuvo Limited. The new name reflects the company's conglomerate status as ABNL has various diversified businesses directly or through its subsidiaries / Joint Venture companies such as the Garments business, Carbon Black, Viscose Filament Yarn, Insulators, Textiles, Fertilisers, Information Technology, Business Process Outsourcing, Life Insurance, Financial services and Telecom business. The registered office of ABNL is situated at Indian Rayon Compound, Veraval, Gujarat 362 266. ABNL is presently listed on the BSE (Scrip Code: 500303) and NSE (Ticker: ABIRLANUVO), ISIN: IN INE069A01017)
- b. The main objects of ABNL include the following:
- i. To carry on the business of manufacturing, buying, selling, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in cellulose, viscose rayon yarns and fibres, synthetic fibres and yarns, staple fibre yarns and such other fibres or



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fibrous materials, transparent paper and auxiliary chemical products, allied products, by-products or substances or substitutes for all or any of them or yarn or yarns for textile or other use as the Company may deem necessary expedient or practicable

- ii. To manufacture and deal in all kinds of cotton, linen, silk, worsted and other goods and goods made of jute, hemp, flax, cellulosic fibres, metallic fibres, glass fibres, protein fibres, rubber fibres, rayons, polyesters, all kinds of synthetic polymers and other fibres or fibrous substances natural or otherwise; to purchase cotton or all other fibrous materials either in the raw or manufactured state, to gin, comb, prepare, spin, double, twist, wind, bleach, dye, finish and do other processes, connected with or incidental to the general manufacture of the same; to manufacture and deal in all kinds of yarn and thread including covered elastic thread and covered rubber thread from any or all of the said fibres or fibrous substances, required for any of the purposes or weaving, sewing, knitting, embroidery, tapestry, hosiery, texturising and all other special purposes in which any or all such yarns and threads could be used; to weave or otherwise manufacture, buy and sell and deal in all kinds of fabric whether textile, filter, netted, knitted, looped, bonded or otherwise made out of the said yarns or fibres; to manufacture and deal as a wholesaler, retailer, distributor, exporter, broker, trader, agent, franchisee etc. in all kinds of garments, dresses, hosiery etc. made from out of the said yarns, fibres and fabrics for every kind of use; to make vitriol, bleaching and dyeing materials; to operate as dyers, printers, bleachers, finishers and dressers; to purchase material for and to purchase or manufacture blocks, spools, bobbins, cones, boxes, tickets, labels, wrappers, show cards, machines, tools and other appliances required in and connected with the said business; and to trade in, deal in, sell and dispose of the articles purchased and manufactured by the Company and to carry on any other operations and activities of whatsoever kind and nature in relation or incidental to hereinabove
- iii. To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as wholesale or retail chemists, druggists, analytical or pharmaceutical chemists, dry salters, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids, drugs, tanins, essences, pharmaceutical, sizing, medicinal, chemical, industrials and other preparations and articles of any nature and kind whatsoever, mineral and other water soaps, cements, oils, fats, paints, varnishes, compounds drugs, dyestuffs – organic or mineral – intermediates, paints and colour grinders, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographic surgical and scientific apparatus and materials and to manufacture, refine, manipulate import and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever.
- iv. To carry on all or any of the business of the manufacturers of and dealers and workers in cement, lime, plasters, mortar, concrete, whittings, casks, sacks, minerals, clay, earth, gravel, sand, coke, fuel, artificial stone and builders requisites of all kinds
- v. To carry on the business of electrical engineers, electricians, engineers, contractors, manufacturers, constructors, suppliers of and dealers in electrical and other appliances, cables, wirelines, dry-cells, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity for the purposes of light, heat-motive power and for all other purposes for which electrical energy can be employed and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity including in the term electricity all power that may be directly or indirectly derived therefrom or may be incidentally hereafter discovered in dealing with electricity
- vi. To carry on trade or business in India or elsewhere of manufacturing, producing, preparing, fertilizers of all types, heavy chemicals and their by-products and derivatives and mixtures thereof
- vii. To carry on in India or in any part of the world, the business of processing converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packaging, selling, transporting,

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distributing, importing, exporting and disposing all types of fertilizers , chemicals, heavy chemicals, bio-chemicals, acids, alkalis, agrochemicals and their by-products, derivatives and mixtures thereof, applications in bio-technology, maintaining and rendering assistance and services of all and every kind of any description for selling, exchanging, altering, improving and dealing in artificial and other fertilizers, heavy chemicals, agro-chemicals and their by products of every description

- viii. To carry on business as an Investment Company and to underwrite and sub-underwrite, to invest in with or without interest or security and acquire by gift or otherwise and hold, sell, buy or otherwise deal in shares, debentures, debenture stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities or Public Authorities or bodies and shares, stocks, debentures, debenture stock, bonds, obligations and securities issued and guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere and to manage shares, stocks, securities, finance subject to necessary Government approval and to deal with and turn to account the same, however the Company shall not carry on any Chit fund activities or business of banking or insurance within the Banking Regulation Act, 1949 or the Insurance Act
- ix. To finance the Industrial Enterprises and to provide venture capital, seed capital, loan capital and to participate in equity / preference share capital or to give guarantees on behalf of the company in the matter and to promote companies engaged in industrial and Trading Business and to act as Financial consultants, brokers, underwrites, promoters dealers, agents and to carry on the business of share broking and general brokers for shares, debentures, debenture-stocks bonds, Units, obligations, securities, commodities, bullion currencies and to manage the funds of any person or company by investment in various avenues like Growth Fund, income Fund, Risk Fund, Tax Exempt Fund, Pension/Superannuation Funds and to pass on the benefits of portfolio investments to the investors as dividends, bonus, interest, etc and to provide a complete range of personal financial services like investment planning, estate planning, tax planning, portfolio management, consultancy/ counseling service in various fields, general administrative, commercial financial, legal ,economic, labour, industrial public relations, scientific technical direct and indirect taxation and other levies, statistical, accountant, quality control, data processing by acquiring/ purchasing sophisticated office machineries such as computers, tabulators, addressing machines etc
- x. To promote industrial finance by way of advances, deposits or lend money, securities and properties to or with any company, body, corporate, firm, person or association whether falling under the same management or otherwise, with or without security and on such terms as may be determined from time to time; and to carry on and undertake the business of finance, investment and trading, hire-purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment that the Company may think fit and to assist in financing of all and every kind of description of hire-purchase or deferred payment or similar transactions and to subsidise, finance or assist in subsidizing or financing the sale and maintenance of any articles, goods and commodities of all and every kind of description upon any terms whatsoever and to purchase or otherwise deal in all forms of movable property including plant and machinery, equipment, ships, aircraft, automobiles, computers, and all consumer, commercial and industrial items and to lease or otherwise deal with any of them in any manner whatsoever including resale thereof regardless of whether the property purchased and leased be new and/or used.

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c. The shareholding pattern of ABNL as of March 31, 2013 is as follows -

| S No | Shareholder Category  | No of Shares Held  | % of Shares Held As a % of A + B | % of Shares Held As a % of A + B + C |
|------|---|--------------------|----------------------------------|--------------------------------------|
|      | <b>Promoter and Promoter Group</b>  |                    |                                  |                                      |
|      | Indian  | 64,624,697         | 55.22%                           | 53.76%                               |
|      | Foreign   | Nil                | Nil                              | Nil                                  |
| (A)  | <b>Total Promoter and Promoter Group</b>  | <b>64,624,697</b>  | <b>55.22%</b>                    | <b>53.76%</b>                        |
|      | <b>Public Shareholding</b>  |                    |                                  |                                      |
|      | Institutions (Mutual Funds / FI's / Banks, Insurance Companies / FVCIs / FIIs / Others) | 33,948,004         | 29.01                            | 28.24                                |
|      | Non-Institutions  | 18,458,434         | 15.77                            | 15.35                                |
| (B)  | <b>Total Public Shareholding</b>  | <b>52,406,438</b>  | <b>44.78%</b>                    | <b>43.59%</b>                        |
|      | <b>Total (A) + (B)</b>  | <b>117,031,135</b> | <b>100.00%</b>                   | <b>97.35%</b>                        |
|      | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |                    |                                  |                                      |
|      | Promoter and Promoter Group   | 1,425,000          | NA                               | 1.19%                                |
|      | Public  | 1,757,052          | NA                               | 1.46%                                |
| (C)  | <b>Total</b>  | <b>3,182,052</b>   | <b>NA</b>                        | <b>2.65%</b>                         |
|      | <b>Grand Total (A + B + C)</b>  | <b>120,213,187</b> |                                  | <b>100.00%</b>                       |

d. The details of the directors of ABNL are as follows -

| S No | Name                     | Date of Appointment | Qualifications              | Experience   |
|------|--------------------------|---------------------|-----------------------------|--|
| 1    | Mr. Kumar Mangalam Birla | 23.09.1992          | B.Com, A.C.A, M.B.A. London | <b>Mr. Kumar Mangalam Birla</b> (45) is the Chairman of the Aditya Birla Group, which operates in 36 countries across six continents. A commerce graduate from the Mumbai University, Mr. Birla is a chartered accountant. He earned an MBA from the London Business School.<br>Mr. Birla chairs the Boards of the major Group companies in India and globally. Mr. Birla holds several key positions on various regulatory and professional Boards. He is a Director on the Central Board of Directors of the Reserve Bank of India. Earlier, he was Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and also served on The Prime Minister of India's Advisory Council on Trade and Industry. He serves on the London Business School's Asia Pacific Advisory Board and is a Honorary Fellow of the London Business School. |
| 2    | Mrs. Rajashree Birla     | 14.03.1996          | B.A.                        | <b>Mrs. Rajashree Birla</b> is a Director on the Board of all the major Aditya Birla Group of Companies; viz., Grasim Industries Ltd.,   |

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|   |                   |            |                                  |  |
|---|-------------------|------------|----------------------------------|--|
|   |                   |            |                                  | Hindalco Industries Ltd. and Ultra Tech Cement Ltd. Additionally, Mrs. Birla serves as a Director on the Board of the Aditya Birla Group's International Companies spanning Thailand, Indonesia, Philippines and Egypt. As Chairperson of the Aditya Birla Centre for Community Initiatives and Rural Development, the apex body responsible for social development projects, Mrs. Birla oversees the Group's social and welfare driven work across 30 companies. She is also a Trustee of "Population First", India, and of BAIF Development Research Foundation, Pune. Mrs. Birla studied arts, graduating from the Loretto College at Calcutta. |
| 3 | Mr. B.L. Shah     | 15.04.1975 | B.Com                            | <b>Mr. B.L. Shah</b> is a Commerce Graduate and has worked for several companies on various posts reaching to the position of President and Director. Mr. Shah is presently a Director on the Board of several companies.  |
| 4 | Mr. P. Murari     | 28.01.2000 | M.A.<br>(Economics)              | <b>Mr. P. Murari</b> , is a retired IAS Officer. He was Secretary to the President of India before retiring from service in September , 1992. He has held several key positions in Government both at the Central and the State, various institutions and professional bodies and served on their Boards as Director/ Governor of Councils. Mr. Murari is presently a Director on the Board of several companies.  |
| 5 | Mr. B.R. Gupta    | 28.01.2000 | M.A. (English)<br>L.L.B, F.I.I.I | <b>Mr. B. R. Gupta</b> is a Post Graduate in Arts, Law and a Graduate Fellow of Insurance Institute of India and is former Executive Director of Life Insurance Corporation of India. He has very rich and varied experience as Investment Consultant and as a Director on the Boards of several companies. Presently he is an Independent Director of the Company.  |
| 6 | Ms. Tarjani Vakil | 27.07.2000 | M.A.                             | <b>Ms. Tarjani Vakil</b> is a Post Graduate in Arts. Ms. Vakil retired from the position of Chairperson and Managing Director of EXIM Bank in 1996. Ms. Vakil is on the Board of several companies. She is an Independent Director of the Company and also the Chairperson of Audit Committee of the Company.  |
| 7 | Mr. S.C. Bhargava | 29.04.2004 | B.Com ( Hons)<br>FCA             | <b>Mr. S. C. Bhargava</b> is a Chartered Accountant having more than 37 years of experience. Mr. Bhargava is also a Director on the Board of several companies.  |
| 8 | Mr. G.P. Gupta    | 27.04.2005 | M.Com                            | <b>Mr. G. P. Gupta</b> , a Post Graduate in Commerce, is the former Chairman and Managing Director of IDBI and former Chairman of UTI. He has varied experience  |

**Information Memorandum**

|    |                              |            |                   |  |
|----|------------------------------|------------|-------------------|--|
|    |                              |            |                   | in the areas of general management, financial management, banking, industrial and financial restructuring. Mr. Gupta is a Director on the Board of several companies.  |
| 9  | Dr. Rakesh Jain              | 01.10.2005 | M.Tech/P.HD, USA  | <b>Dr. Rakesh Jain</b> , the Managing Director of ABNL, is M.Tech from IIT Kharagpur and Ph.D from University of Akron in the United States. Dr. Rakesh Jain was Managing Director of erstwhile Indo Gulf Fertilizers Limited (IGFL) prior to its amalgamation with ABNL. He has rich experience in the areas of business development, strategy formulation and technology management. He started his career in GE Electro Materials, Coshocton OH. Before joining IGFL, he was holding the position of President & CEO for India and South Asia in GE Plastics. He has rich global experience in USA, Europe and Asia in different capacities such as Business Leader, Global Manufacturing Leader and Six Sigma Leader in GE Group. Presently, he is the “Business Director” of IT- ITeS, Agri, & Insulators Business of ABNL.   |
| 10 | Mr. Sushil Agarwal           | 01.06.2011 | M.Com, C.A.       | <b>Mr. Sushil Agarwal</b> , a qualified Chartered Accountant and Masters in Commerce was appointed as a Chief Financial Officer of ABNL in May, 2009 and as a Whole Time Director in June, 2011. He has been with the Aditya Birla Group since the beginning of his career in 1989 and has privilege of working closely with the former Chairman Late Mr. Aditya Vikram Birla and current Chairman Mr. Kumar Mangalam Birla. He has richly contributed with his widely acknowledged financial acumen and analytical skills in many Restructuring, Mergers and Acquisitions initiatives of the Aditya Birla Group. In recognition of his stellar contribution he was honoured with the Chairman’s Exceptional Contributor Award in 2000. He was recognized in CFO India’s – First Annual CFO” list under the category “Winning Edge” in “Strategy”. He is on the board of several companies and is widely networked. He is familiar with operations in most states in India and several countries abroad through his experience of over 20 years. |
| 11 | Mr. Tapasendra Chattopadhyay | 30.05.2011 | M.Sc. (Chemistry) | <b>Mr. T. Chattopadhyay</b> , M.Sc. in Chemistry is a nominee of Life Insurance Corporation of India on the Board of the Company since May 30, 2011. Mr. Chattopadhyay is a former Executive Director of Life Insurance Corporation of India, having rich experience in the field of Insurance.  |

**Information Memorandum**

|    |                |            |   |   |
|----|----------------|------------|---|---|
| 12 | Mr. Lalit Naik | 01.01.2013 | B.Tech (IIT Kanpur) & MBA (IIM Ahmedabad) | <p><b>Mr. Lalit Naik</b> is a B.Tech in Chemical Engineering from IIT Kanpur and a MBA from IIM Ahmedabad. He is the Head of Chemicals Business of Aditya Birla Group since November, 2009. This business has a turnover of around a billion dollars and has its manufacturing operations in India, Thailand and China. Mr. Naik provides strategic and operational leadership to this business, both in domestic and international sector. Under his leadership the Chemicals Business of Aditya Birla Group has grown steadily. Mr. Naik has more than two and a half decade's of rich professional experience in the field of Chemicals and has worked in leadership positions in many companies. Prior to joining Aditya Birla Group, Mr. Naik was the Regional MD Asia Pacific of Saint Gobain, a 43 Billion Euro company. Mr. Naik started his professional career with Bharat Petroleum and later joined Godrej Soaps Limited. During his long professional career, he worked in Dow Chemical India Limited and soon became an Executive Director of BASF India Limited.</p> |
|----|----------------|------------|---|---|

e. The brief audited financial details of ABNL for a period of the last three financial years is as follows-

(Rs in Crores)

| Particulars  | Year Ended<br>March 31, 2013<br>(Audited) | Year Ended<br>March 31, 2012<br>(Audited) | Year Ended<br>March 31,<br>2011 (Audited) |
|--|---|---|---|
| <b><u>Profit and Loss Statement</u></b>            |   |   |   |
| Income from Operations                             | 9754.50                                   | 8,433.48                                  | 6,447.24                                  |
| Other Income                                       | 209.25                                    | 189.54                                    | 74.86                                     |
| <b>Total Income</b>                                | <b>9963.75</b>                            | <b>8,623.02</b>                           | <b>6,522.10</b>                           |
| Total Expenditure                                  | 8847.68                                   | 7,572.96                                  | 5,562.16                                  |
| <b>Profit Before Depreciation Interest and Tax</b> | <b>1116.07</b>                            | <b>1,050.06</b>                           | <b>959.94</b>                             |
| Depreciation                                       | 219.18                                    | 203.06                                    | 194.05                                    |
| Interest and Finance expenses                      | 360.00                                    | 312.82                                    | 270.81                                    |
| <b>Profit before Exceptional Item and Tax</b>      | <b>536.89</b>                             | <b>534.18</b>                             | <b>495.08</b>                             |
| Exceptional Items                                  | -   | (103.88)                                  | -   |
| <b>Profit Before Tax</b>                           | <b>536.89</b>                             | <b>430.30</b>                             | <b>495.08</b>                             |
| Provision for Tax                                  | 113.84                                    | 84.91                                     | 115.39                                    |
| <b>Profit After Tax</b>                            | <b>423.05</b>                             | <b>345.39</b>                             | <b>379.69</b>                             |

(Rs in Crores)

| Particulars                           | Year Ended<br>March 31, 2013<br>(Audited) | Year Ended<br>March 31, 2012<br>(Audited) | Year Ended<br>March 31, 2011<br>(Audited) |
|---------------------------------------|---|---|---|
| <b>Balance Sheet Statement</b>        |   |   |   |
| <b>(A) Shareholders' Funds</b>        |   |   |   |
| Share Capital                         |   |   |   |
| Equity                                | 120.21                                    | 113.52                                    | 113.51                                    |
| Preference                            | 0.10                                      | 0.10                                      | 0.10                                      |
| Reserves and Surplus                  | 6509.69                                   | 5,564.97                                  | 5,287.14                                  |
| Money received against share warrants | 223.62                                    | -   | -   |
| <b>I</b>                              | <b>6853.62</b>                            | <b>5,678.59</b>                           | <b>5,400.75</b>                           |
| <b>(B) Non-Current Liabilities</b>    |   |   |   |
| Long-Term Borrowings                  | 1417.91                                   | 1,406.42                                  | 1,481.79                                  |
| Deferred Tax Liabilities (Net)        | 155.33                                    | 158.22                                    | 173.61                                    |
| Other Long-Term Liabilities           | 85.49                                     | 69.04                                     | 52.24                                     |
| Long-Term Provisions                  | 5.36                                      | 5.58                                      | 6.18                                      |
| <b>II</b>                             | <b>1664.09</b>                            | <b>1,639.26</b>                           | <b>1,713.82</b>                           |
| <b>(C) Current Liabilities</b>        |   |   |   |
| Short-Term Borrowings                 | 2088.39                                   | 2,670.38                                  | 1,101.73                                  |
| Trade Payables                        | 1526.28                                   | 1,227.29                                  | 943.71                                    |
| Other Current Liabilities             | 892.96                                    | 812.95                                    | 893.63                                    |
| Short-Term Provisions                 | 190.23                                    | 157.70                                    | 148.08                                    |
| <b>III</b>                            | <b>4697.86</b>                            | <b>4,868.32</b>                           | <b>3,087.15</b>                           |
| <b>Total (I+II+III+IV)</b>            | <b>13215.57</b>                           | <b>12,186.17</b>                          | <b>10,201.72</b>                          |
| <b>ASSETS</b>                         |   |   |   |
| <b>(D) Non-Current Assets</b>         |   |   |   |
| Net Fixed Assets                      | 2177.22                                   | 1,948.19                                  | 1,834.23                                  |
| Non-Current Investments               | 5856.66                                   | 5,597.95                                  | 5,424.41                                  |
| Long-Term Loans and Advances          | 286.32                                    | 410.21                                    | 194.04                                    |
| Other Non-Current Assets              | 0.81                                      | 1.21                                      | 1.81                                      |
| <b>V</b>                              | <b>8321.01</b>                            | <b>7,957.56</b>                           | <b>7,454.49</b>                           |
| <b>(E) Current Assets</b>             |   |   |   |
| Current Investments                   | 278.00                                    | -   | 53.00                                     |
| Inventories                           | 1393.28                                   | 1,320.69                                  | 1,203.24                                  |
| Trade Receivables                     | 2807.26                                   | 1,689.88                                  | 1,109.29                                  |
| Cash & Bank Balance                   | 55.52                                     | 596.95                                    | 20.90                                     |
| Short-Term Loans and Advances         | 289.70                                    | 370.42                                    | 273.04                                    |
| Other Current Assets                  | 70.80                                     | 250.67                                    | 87.76                                     |
| <b>VI</b>                             | <b>4,894.56</b>                           | <b>4,228.61</b>                           | <b>2,747.23</b>                           |
| <b>Total (V+VI)</b>                   | <b>13,215.57</b>                          | <b>12,186.17</b>                          | <b>10,201.72</b>                          |

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| <b>Other Financial Data</b>     |  |  |  |
|---------------------------------|--|--|--|
| <b>Particulars</b>              | <b>Year Ended<br/>March 31, 2013<br/>(Audited)</b> | <b>Year Ended<br/>March 31, 2012<br/>(Audited)</b> | <b>Year Ended<br/>March 31, 2011<br/>(Audited)</b> |
| Dividend (%)                    | 65%  | 60%  | 55%  |
| Basic Earnings Per Share (Rs)   | 37.23  | 30.43  | 35.84  |
| Diluted Earnings Per Share (Rs) | 36.56  | 30.41  | 34.98  |

f. Income Tax Permanent Account No.- Income tax PAN of ABNL is AACII747H.

**Promoter Group Companies**

|    |  |
|----|--|
| 1  | Birla Sun Life Insurance Company Ltd.  |
| 2  | Aditya Birla Financial Services Pvt. Ltd.  |
| 3  | ABNL Investment Ltd.   |
| 4  | Aditya Birla Housing Finance Ltd. ( <i>LIL Investment Ltd.</i> )                             |
| 5  | Aditya Birla Capital Advisors Pvt. Ltd.  |
| 6  | Aditya Birla Trustee Company Pvt. Ltd.   |
| 7  | Aditya Birla Securities Pvt. Ltd.  |
| 8  | Aditya Birla Customer Services Pvt. Ltd.   |
| 9  | Aditya Birla Finance Ltd.  |
| 10 | Aditya Birla Insurance Brokers Ltd.  |
| 11 | Aditya Birla Financial Shared Services Ltd.  |
| 12 | Aditya Birla Money Insurance Advisory Services Ltd.  |
| 13 | Aditya Birla Money Mart Ltd.   |
| 14 | Aditya Birla Money Ltd.  |
| 15 | Aditya Birla Commodities Broking Ltd.  |
| 16 | Birla Sun Life Trustee Company Pvt. Ltd.   |
| 17 | Birla Sun Life Asset Management Company Ltd.   |
| 18 | Aditya Birla Sun Life Asset Management Company Pte. Ltd.-Singapore                           |
| 19 | Aditya Birla Sun Life Asset Management Company Ltd-Dubai                                     |
| 20 | Birla Sun Life AMC (Mauritius) Ltd.-Mauritius  |
| 21 | India Advantage Fund Ltd.- Mauritius   |
| 22 | ABNL IT & ITES Limited   |
| 23 | Aditya Birla Minacs Worldwide Ltd. ( <i>Transworks Information Services Limited</i> )        |
| 24 | Aditya Birla Minacs Worlwide ., Inc ( <i>Minacs Worldwide, Inc.</i> )                        |
| 25 | Aditya Birla Minacs Philippines Inc, Philippines ( <i>Transworks BPO Philippines, Inc.</i> ) |
| 26 | AV Transworks Ltd, Canada ( <i>1694976 Ontario Limited</i> )                                 |
| 27 | The Minacs Group (USA), Inc., USA  |
| 28 | Minacs Worldwide S.A. de C.V., Mexico  |
| 29 | Minacs Ltd., UK ( <i>Undervision Limited</i> )   |



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|    |   |
|----|---|
| 30 | Minacs Worldwide GmbH, Germany  |
| 31 | Minacs KFT, Hungary   |
| 32 | Aditya Birla Minacs BPO Limited, UK ( <i>Compass BPO Ltd</i> )  |
| 33 | Aditya Birla Minacs BPO Private Limited ( <i>Compass Business Process Outsourcing Private Limited</i> ) |
| 34 | Bureau of Collection Recovery, LLC  |
| 35 | Bureau of Collection Recovery (BCR), Inc.   |
| 36 | Madura Garments Lifestyle Retail Company Ltd.   |
| 37 | Aditya Vikram Global Trading House Ltd.   |
| 38 | Indigold Trade and Services Ltd.  |
| 39 | Shaktiman Mega Food Park Pvt. Ltd.  |
| 40 | Birla Group Holdings Private Limited  |
| 41 | Shri Kumar Mangalam Birla   |
| 42 | Shri Aditya Vikram Kumar Mangalam Birla HUF   |
| 43 | Smt. Rajashree Birla  |
| 44 | Smt. Neerja Birla   |
| 45 | Smt. Vasavadatta Bajaj  |
| 46 | TGS Investment And Trade Private Limited  |
| 47 | Trapti Trading And Investments Private Limited  |
| 48 | Turquoise Investments And Finance Private Limited   |
| 49 | Birla Consultants Limited   |
| 50 | Birla Industrial Finance India Limited  |
| 51 | Birla Industrial Investment India Limited   |
| 52 | ECE Industries Limited  |
| 53 | Grasim Industries Limited   |
| 54 | Heritage Housing Finance Limited  |
| 55 | Hindalco Industries Limited   |
| 56 | IGH Holdings Private Limited  |
| 57 | Mangalam Services Limited   |
| 58 | Manav Investment And Trading Company Limited  |
| 59 | Pilani Investment & Industries Corporation Limited  |
| 60 | Umang Commercial Company Limited  |
| 61 | P.T. Indo Bharat Rayon  |
| 62 | P.T. Sunrise Bumi Textiles  |
| 63 | P.T. Elegant Textile Industry   |
| 64 | Idea Cellular Ltd   |
| 65 | Birla Securities Ltd  |
| 66 | Aditya Birla Science & Technology Ltd   |



**Information Memorandum**

|    |                                      |
|----|--------------------------------------|
| 67 | Birla Management Centre Services Ltd |
| 68 | Aditya Birla Port Limited            |

**Group Companies:**

**Top five Group Entities**

Following are details of our top five Group Entities, determined on the basis of turnover in the last fiscal.

1. Idea Cellular Ltd.
2. Birla Sun Life Insurance Company Ltd.
3. Aditya Birla Finance Ltd.
4. Birla Sun Life Asset Management Company Ltd.
5. Aditya Birla Money Limited

**1. IDEA CELLULAR LIMITED (Idea)**

**a) Incorporation & registered office**

Idea Cellular Limited, a public limited company incorporated under the Act, with its registered office situated at Suman Tower, Plot No. 18, Sector – 11, Gandhinagar – 382 011, Gujarat

**b) Principal Business**

Idea Cellular Limited was incorporated on March 14, 1995 as Birla Communications Limited. The Company’s name was changed to Birla AT&T Communications Limited on May 13, 1996. Subsequently, its name was changed to Birla Tata AT&T Communications Limited on November 6, 2001. Consequent to the introduction of the “Idea” brand, the Company’s name was changed to Idea Cellular Limited on May 1, 2002. The Company is engaged in providing mobile telephony services.

Idea, an Aditya Birla Group Company is the third largest wireless operator in India with over 113.9 million subscribers, under brand Idea (as of December 31st, 2012). It is a pan India integrated GSM operator covering the entire telephony landscape of India, and has National Long Distance and International Long Distance operations. The Company had a 14.8% Revenue Market Share (RMS) as of December 31<sup>st</sup>, 2012.

Idea is listed on the NSE and the BSE in India.

**c) Shareholding Pattern - As on March 31 ,2013 –**

| <b>Particulars</b>          | <b>Number of Shares</b> | <b>% holding</b> |
|-----------------------------|-------------------------|------------------|
| Promoter and Promoter Group |                         |                  |
| Indian                      | 1520679047              | 45.88            |
| Foreign                     | NA                      | NA               |
| Public Share Holding        |                         |                  |
| Foreign Holdings            | 541590728               | 16.34            |
| Indian Institutions         | 189507322               | 5.72             |
| Others                      | 1062544669              | 32.06            |
| <b>Total</b>                | <b>3314321766</b>       | <b>100</b>       |

**d) Board of Directors**

The Board of Directors of Idea Cellular Limited as on date is:

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| Sr. No. | Name                                      | Position Held                                     |
|---------|---|---|
| 1.      | Mr. Kumar Mangalam Birla                  | Chairman  |
| 2.      | Mrs. Rajashree Birla                      | Non-Executive Director                            |
| 3.      | Mr. Arun Thiagarajan                      | Independent Director                              |
| 4.      | Mr. G.P. Gupta                            | Independent Director                              |
| 5.      | Ms. Tarjani Vakil                         | Independent Director                              |
| 6.      | Mr. Mohan Gyani                           | Independent Director                              |
| 7.      | Mr. R.C. Bhargava                         | Independent Director                              |
| 8.      | Mr. P. Murari                             | Independent Director                              |
| 9.      | Mr. Biswajit A. Subramanian               | Non-Executive Director                            |
| 10.     | Dr. Rakesh Jain                           | Non-Executive Director                            |
| 11.     | Mr. Juan Villalonga Navarro               | Non-Executive Director                            |
|         | Dr. Shridhir Sariputta Hansa Wijayasuriya | Alternate Director to Mr. Juan Villalonga Navarro |
| 12.     | Mr. Sanjeev Aga                           | Non-Executive Director                            |
| 13.     | Ms. Madhabi Puri Buch                     | Independent Director                              |
| 14.     | Mr. Himanshu Kapania                      | Managing Director                                 |

**e) Financial Performance-**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |           |           |
|--|---------------------------------------|-----------|-----------|
|  | 2010                                  | 2011      | 2012      |
| Sales and other income   | 11,930.38                             | 15,388.99 | 19,322.33 |
| Profit after tax (before extra ordinary Item)                  | 1,053.65                              | 844.59    | 576.53    |
| Equity Capital (par value Rs. 10 per share)                    | 3,299.84                              | 3,303.27  | 3,308.85  |
| Reserves and Surplus   | 8,509.33                              | 9,027.43  | 9,625.69  |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | 3.39                                  | 2.56      | 1.74      |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | 3.38                                  | 2.55      | 1.74      |
| Book value (Rs.)   | 34.72                                 | 37.33     | 39.09     |

**f) Details of the last Public/ Right Issue**

|   |   |   |
|---|---|---|
| Type of Issue.  | : | Initial Public Issue  |
| Nature of Security.   | : | Equity  |
| Issue Opened  | : | February 12, 2007   |
| Issue Closed  | : | February 15, 2007   |
| Issue price of the security   | : | Rs. 75 per equity share   |
| Current market price  | : | Rs. 67 (As on April 21, 2010)   |
| Statement on cost and progress of implementation of the project in comparison with the cost and implementation schedule mentioned in the offer document | : | The objects of the Issue are as follows:<br>Building, strengthening and expanding our network and related services in the New Circles;<br>Entry Fee and capital expenditure for NLD operations;<br>Roll-out of services in Mumbai Circle;<br>Redemption of Preference Shares;<br>General corporate purposes; and<br>Issue expenses. |

The issue proceeds aggregating to Rs. 2,255.40 Crores have been utilized as of June 30, 2008 for the above stated purpose. At the Extra-ordinary General Meeting of the shareholders held on July 30, 2008, members approved balance unutilized proceeds of IPO for mergers, acquisitions and other general

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corporate purposes, in addition to the objects of IPO, therefore the balance of Rs. 563.40 Crores unutilised amounts of the said objects has been utilised for general corporate purposes.

#### g) Information about Share Price

| Month, Year    | BSE           |              | NSE           |              |
|----------------|---------------|--------------|---------------|--------------|
|                | Highest (Rs.) | Lowest (Rs.) | Highest (Rs.) | Lowest (Rs.) |
| April 2011     | 73.10         | 63.00        | 80.90         | 63.00        |
| May 2011       | 69.45         | 62.65        | 69.50         | 62.10        |
| June 2011      | 80.60         | 68.45        | 80.70         | 67.00        |
| July 2011      | 95.35         | 75.00        | 95.40         | 75.90        |
| August 2011    | 101.50        | 89.7         | 101.75        | 89.70        |
| September 2011 | 103.65        | 93.00        | 103.70        | 93.15        |
| October 2011   | 99.25         | 85.00        | 100.00        | 86.05        |
| November 2011  | 103.1         | 89.20        | 103.15        | 89.20        |
| December 2011  | 97.65         | 78.30        | 98.40         | 78.00        |
| January 2012   | 96.90         | 80.10        | 96.90         | 80.25        |
| February 2012  | 99.75         | 88.85        | 99.80         | 88.80        |
| March 2012     | 102.15        | 92.80        | 102.20        | 92.60        |

(Source: BSE/NSE)

#### 2. Birla Sun Life Insurance Company Limited

##### a) Incorporation & registered office-

Birla Sun Life Insurance Company Limited, a public limited company incorporated under the Companies Act, with its registered office situated at: One Indiabulls Centre, Tower 1, 16th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013; Tel: 022 4356 9000

##### b) Principal Business: Soliciting & procuring life insurance product

##### c) Shareholding Pattern : as on March 31, 2013

| Sr. No. | Name of Shareholder                                   | No. Of shares held   | % of shareholdings |
|---------|---|----------------------|--------------------|
| 1       | Aditya Birla Nuvo Limited                             | 14,54,30,000         | 74%                |
| 2       | Sun Life Financial (India) Insurance Investments Inc. | 512,070,000          | 26%                |
|         | <b>Total</b>  | <b>1,969,500,000</b> | <b>100.00</b>      |

##### d) Board of Directors-

The Board of Directors as on date is:

| Sr. No. | Name of the Directors    | Position held        |
|---------|--------------------------|----------------------|
| 1.      | Mr. Kumar Mangalam Birla | Chairman             |
| 2.      | Mr. Jayant Dua           | Managing Director    |
| 3.      | Mr. Ajay Srinivasan      | Director             |
| 4       | Mr. B. N. Puranmalka     | Director             |
| 5.      | Mr. Donald Stewart       | Director             |
| 6.      | Mr .G.P.Gupta            | Independent Director |
| 7.      | Mr. Kevin Strain         | Director             |
| 8.      | Dr. Rakesh Jain          | Director             |

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| Sr. No. | Name of the Directors | Position held        |
|---------|-----------------------|----------------------|
| 9.      | Mr. Suresh Talwar     | Independent Director |
| 10.     | Ms. Tarjani Vakil     | Independent Director |
| 11.     | Mr. Venkatesh Mysore  | Director             |

e) **Financial performance**

(In Rs. except share data)

| Particulars  | As at and for the year |            |            |
|--|------------------------|------------|------------|
|  | ended March 31         |            |            |
|  | 2010                   | 2011       | 2012       |
| Sales and other income   | 55,056,579             | 56,770,665 | 58,853,594 |
| Profit after tax (before extra ordinary Item)                  | (4,354,965)            | 4,607,290  | 3,049,958  |
| Equity Capital (par value Rs. 10 per share)                    | 19,695,000             | 19,695,000 | 19,695,000 |
| Reserves and Surplus*  | 4,800,000              | 4,800,000  | 4,800,000  |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (2.28)                 | 2.34       | 1.55       |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (2.28)                 | 2.34       | 1.55       |
| Book value (Rs.)   | 0.012                  | 0.012      | 0.012      |

f) **Details of the last Public/ Right Issue :**

Details of last issue are given herein below:

**List of Allottees**

| Date of Allotment | Name of Allottees in full                             | Address of the Allottees   | Equity Shares allotted |
|-------------------|---|--|------------------------|
| 29/03/2010        | Aditya Birla Nuvo Limited (ABNL)                      | A-4, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai – 400 030. | 1,11,00,000            |
| 29/03/2010        | Sun Life Financial (India) Insurance Investments Inc. | 150, King Street West, Toronto Ontario, M5H1J9 Canada.               | 39,00,000              |

g) **Promise v/s Performance :** Not Applicable

h) **Information about Share Price ::** Not Applicable

**3. ADITYA BIRLA FINANCE LIMITED**

a) **Incorporation & registered office**

Aditya Birla Finance Limited, a public limited company incorporated under the Act, with its registered office situated at Indian Rayon Compound, Veraval, Gujarat 362266. Tel: 02876 243257, Fax: 02876 243220

b) **Principal Business-** This is Non Banking Finance Company

**Information Memorandum**

c) **Shareholding Pattern** - Entire Shareholding of the Company is held singly and/or jointly by Aditya Birla Financial Services Pvt Ltd

d) **Board of Directors**

The Board of Directors of Aditya Birla Finance Ltd as on date is:

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Ajay Srinivasan       | Director      |
| 2.      | B N Purnamalka        | Director      |
| 3.      | D J Kakalia           | Director      |
| 4.      | Jitender Balakrishnan | Director      |
| 5       | Ashwani Puri          | Director      |

e) **Financial performance**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |        |        |
|--|---------------------------------------|--------|--------|
|  | 2010                                  | 2011   | 2012   |
| Sales and other income   | 142.61                                | 197.87 | 350.53 |
| Profit after tax (before extra ordinary Item)                  | 30.02                                 | 37.22  | 56.22  |
| Equity Capital (par value Rs. 10 per share)                    | 105.96                                | 105.96 | 105.96 |
| Reserves and Surplus*  | 53.98                                 | 91.19  | 147.38 |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | 2.24                                  | 3.51   | 5.30   |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | 2.24                                  | 3.51   | 5.30   |
| Book value (Rs.)   | 15.09                                 | 18.61  | 23.91  |

f) **Details of the last Public/ Right Issue** : Not applicable

g) **Promise v/s Performance** : Not applicable

h) **Information about Share Price** : NA

4. **BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED**

a) **Incorporation & registered office**

Birla Sun Life Asset Management Company Limited, a public limited company (unlisted) incorporated under the Act, with its registered office situated at One Indiabulls Centre, Tower-1, 17th Floor, Jupiter Mills Compound, 841, S. B. Marg, Elphinstone Road, Mumbai - 400 013 Tel: 022-43568000, Fax: 022-43568110/8111

b) **Principal Business:** Investment Manager for Birla Sun Life Mutual Fund, SEBI registered Portfolio Manager Investment Manager for Aditya Real Estate Fund (a SEBI registered Venture Capital Fund)

c) **Shareholding Pattern** : as on March 31, 2013

| Sr. No. | Name of the Shareholder(s) (for each class of shares) | Percentage ownership held by the shareholder | Number of Equity shares owned by the shareholder |
|---------|---|--|--|
|         | Aditya Birla Financial Services Private Limited       | 50.9995%                                     | 9179910  |
|         | Sun Life (India) AMC Investment Inc                   | 49.0000%                                     | 8820000  |
|         | Mr. Kumar Mangalam Birla                              | 0.00006%                                     | 10   |

**Information Memorandum**

|  |  |          |          |
|--|--|----------|----------|
|  | Ms. Neerja Birla   | 0.00006% | 10       |
|  | Aditya Birla Financial Services Private Limited jointly with Mr. Devendra Bhandari | 0.00007% | 12       |
|  | Aditya Birla Financial Services Private Limited jointly with Sushil Agarwal        | 0.00014% | 26       |
|  | Aditya Birla Financial Services Private Limited jointly with Mr. Manoj Kedia       | 0.00018% | 32       |
|  | Total  | 100%     | 18000000 |

**d) Board of Directors: as on January 21, 2013**

| Sr No | Name                     | Associate / Independent      |
|-------|--------------------------|------------------------------|
| 1     | Mr. Donald Stewart       | Chairman /Associate Director |
| 2     | Mr. Kumar Mangalam Birla | Associate Director           |
| 3     | Mr. Ajay Srinivasan      | Associate Director           |
| 4     | Mr. N. N. Jambusaria     | Independent Director         |
| 5     | Mr. Bobby Parikh         | Independent Director         |
| 6     | Mr. S.S.Raman            | Independent Director         |
| 7     | Mr. N C Singhal          | Independent Director         |
| 8     | Mr. Kevin Strain         | Associate Director           |
| 9     | Mr. Sandeep Asthana      | Associate Director           |
| 10    | Mr. Pankaj Razdan        | Associate Director           |
| 11    | Prof. R. Vaidyanathan    | Independent Director         |
| 12    | Mr. Bharat Patel         | Independent Director         |

**e) Financial performance**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |        |        |
|--|---------------------------------------|--------|--------|
|  | 2010                                  | 2011   | 2012   |
| Sales and other income   | 313.11                                | 387.10 | 349.32 |
| Profit after tax (before extra ordinary Item)                  | 48.44                                 | 84.54  | 76.30  |
| Equity Capital (par value Rs. 10 per share)                    | 18.00                                 | 18.00  | 18.00  |
| Reserves and Surplus*  | 122.52                                | 207.06 | 283.37 |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | 26.92                                 | 46.97  | 42.39  |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | 26.92                                 | 46.97  | 42.39  |
| Book value (Rs.)   | 78.07                                 | 125.03 | 167.32 |

**f) Details of the last Public/ Right Issue: NA**

**g) Promise v/s Performance: NA**

**h) Information about Share Price : NA**

**5. Aditya Birla Money Limited**

**a) Incorporation & registered office**

Aditya Birla Money Limited, a public limited company incorporated under the Act, with its registered office situated at Indian Rayon Compound, Veraval, Gujarat. Tel: 02876 – 243257 / 02876 – 248495, Fax: 02876 - 243257

**b) Principal Business- Stock Broking**

**c) Shareholding Pattern**

Shareholding Pattern of Aditya Birla Money Limited as on March 31, 2013

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| Category code | Category of Shareholder  | No. of shares     | %             |
|---------------|--|-------------------|---------------|
| (A)           | <b>Promoter and Promoter Group</b>   | <b>41,550,000</b> | <b>75.00</b>  |
| (B)           | Public shareholding  |                   |               |
| (a)           | Bodies Corporate   | 4,472,446         | 8.07          |
| (b)           | Individuals  |                   |               |
| (i)           | Individual shareholders holding Nominal Share Capital upto Rs. 1 lakh          | 5,753,195         | 10.38         |
| (ii)          | Individual shareholders holding Nominal Share Capital in excess of Rs. 1 lakh. | 3,173,959         | 5.73          |
| (c)           | Other  |                   |               |
| (i)           | Clearing Members   | 26,995            | 0.05          |
| (ii)          | Hindu Undivided Families   | 166,508           | 0.30          |
| (iii)         | Non Resident Indians   | 256,897           | 0.46          |
| (iv)          | Overseas Corporate Bodies  | -                 | -             |
|               | Sub-Total (B)  | 13,850,000        | 25.00         |
|               | <b>TOTAL (A)+(B)</b>   | <b>55,400,000</b> | <b>100.00</b> |

**d) Board of Directors**

The Board of Directors of the company as on date is:

| Sr. No. | Name of the Directors        | Position held     |
|---------|------------------------------|-------------------|
| 1.      | Mr. Pankaj Razdan            | Director          |
| 2.      | Mr. Sudhakar Ramasubramanian | Managing Director |
| 3.      | Mr. Manoj Kedia              | Director          |
| 4.      | Mr. P.Sudhir Rao             | Director          |
| 5.      | Mr.G.Vijayaraghavan          | Director          |

**e) Financial performance-**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |        |         |
|--|---------------------------------------|--------|---------|
|  | 2010                                  | 2011   | 2012    |
| Sales and other income   | 101.79                                | 107.12 | 72.38   |
| Profit after tax (before extra ordinary Item)                  | 9.47                                  | (1.30) | (17.29) |
| Equity Capital (par value Rs. 1 per share)                     | 5.54                                  | 5.54   | 5.54    |
| Reserves and Surplus   | 49.38                                 | 51.92  | 34.63   |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | 1.71                                  | (1.71) | (3.12)  |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | 1.71                                  | (1.71) | (3.12)  |
| Book value (Rs.)   | 9.91                                  | 10.37  | 7.25    |

**f) Details of the last Public/ Right Issue-**



**Information Memorandum**

| Date of Allotment | No. of Shares | Face Value (Rs.) | Cumulative No. of Shares | Allottees  | Mode of Allotment   |
|-------------------|---------------|------------------|--------------------------|--|---|
| July 04, 1995     | 700           | 10               | 700                      | Promoters / Subscribers of memorandum of association | By way of subscription to Memorandum at the time of incorporation |
| August 07, 1995   | 10,09,300     | 10               | 10,10,000                | Promoters  | Allotment for Cash  |
| November 30, 2000 | 12,60,000     | 10               | 22,70,000                | Promoters and Others                                 | Allotment on Rights Basis and Private placement                   |
| June 3, 2001      | 5,00,000      | 10               | 27,70,000                | Shareholders of OSCIL                                | Allotment pursuant to Merger                                      |
| July 26, 2006     | 27,70,000     | 10               | 55,40,000                | Existing shareholders                                | Allotment on Bonus Issue of Shares at 1:1 Ratio                   |
| July 18, 2008     | 55,40,000     | Re.1/-           | 5,54,00,000              |  | Stock Split of Shares from FV Rs.10/- into Re.1/- each            |

g) **Promise v/s Performance-** Not Applicable

h) **Information about Share Price:**

| Month, Year   | BSE           |              | NSE           |              |
|---------------|---------------|--------------|---------------|--------------|
|               | Highest (Rs.) | Lowest (Rs.) | Highest (Rs.) | Lowest (Rs.) |
| April, 12     | 16.10         | 13.95        | 16.50         | 13.65        |
| May, 12       | 15.32         | 11.00        | 14.85         | 11.20        |
| June, 12      | 14.30         | 12.00        | 16.00         | 12.30        |
| July, 12      | 16.00         | 12.90        | 15.50         | 12.20        |
| August, 12    | 14.85         | 11.60        | 14.00         | 11.50        |
| September, 12 | 14.90         | 10.75        | 14.50         | 10.55        |
| October, 12   | 28.10         | 13.75        | 28.00         | 12.65        |
| November, 12  | 21.00         | 17.25        | 20.15         | 17.30        |

(Source: NSE/BSE )

***Group Entities with negative net worth***

Relevant details of Group Entities which had negative net worth in the last audited fiscal year are as provided below:

**1. Aditya Birla Minacs Worldwide Inc**

**a) Incorporation & registered office**

Aditya Birla Minacs Worldwide Inc., a corporation incorporated under the laws of Ontario, with its registered office situated at 1189 Colonel Sam Drive, Oshawa ON L1H 8W8. Tel: + 905 440 7699, Fax: + 905 440 2985

**b) Principal Business-** Call Centre

**c) Shareholding Pattern -** A V Transworks Limited, Canada – 100%

**d) Board of Directors-** The Board of Directors of the Company as on March 31, 2013 is:

**Information Memorandum**

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Mr. Sushil Agarwal    | Director      |
| 2.      | Mr. Deepak J Patel    | Director      |
| 3.      | Mr. Gary Comerford    | Director      |

**e) Financial performance**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |            |            |
|--|---------------------------------------|------------|------------|
|  | 2010                                  | 2011       | 2012       |
| Sales and other income   | 691.01                                | 710.51     | 822.54     |
| Profit after tax (before extra ordinary Item)                  | 5.77                                  | 109.41     | 112.84     |
| Equity Capital (No par value)                                  | 27,945,822                            | 27,945,822 | 27,945,822 |
| Reserves and Surplus*  | (315.72)                              | (219.88)   | (195.43)   |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | 2.06                                  | 39.15      | 40.37      |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | 2.06                                  | 39.15      | 40.37      |
| Book value (Rs.)   | 77.27                                 | 119.49     | 58.14      |

\*Net of debit balance of profit & loss account and miscellaneous expenditure to the extent not written off.

**f) Details of the last Public/ Right Issue- N/A**

**g) Promise v/s Performance- Not Applicable**

**h) Information about Share Price: Not Applicable**

**2. Minacs Worldwide S.A. de C.V., Mexico**

**a) Incorporation & registered office**

Minacs Worldwide S.A. de C.V., Mexico, a corporation incorporated under the laws of Mexico, with its registered office situated at Av. Insurgentes Sur 2453 7th Floor, Col. Tizapán San Ángel C.P. 01090 Del. Álvaro Obregón, México, D.F. Tel: +52 3318410012 Fax: NA

**b) Principal Business- Call Centre**

**c) Shareholding Pattern - Aditya Birla Minacs Worldwide Inc., Canada – 100%**

**d) Board of Directors- The Board of Directors of the company as on March 31, 2013 is:**

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Mr. Eric Greenwood    | Director      |
| 2.      | Mr. Deepak Patel      | Director      |
| 3.      | Mr. Anil Bhalla       | Director      |

**e) Financial performance**

(Rs. in Crores except share data)

| Particulars                                   | As at and for the year ended March 31 |        |        |
|---|---------------------------------------|--------|--------|
|   | 2010                                  | 2011   | 2012   |
| Sales and other income                        | Nil                                   | Nil    | Nil    |
| Profit after tax (before extra ordinary Item) | Nil                                   | Nil    | Nil    |
| Equity Capital (No par value)#                | Nil                                   | Nil    | Nil    |
| Reserves and Surplus*                         | (0.18)                                | (0.02) | (0.02) |

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| Particulars  | As at and for the year ended March 31 |      |      |
|--|---------------------------------------|------|------|
|  | 2010                                  | 2011 | 2012 |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | Nil                                   | Nil  | Nil  |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | Nil                                   | Nil  | Nil  |
| Book value (Rs.)   | Nil                                   | Nil  | Nil  |

\*Net of debit balance of profit & loss account and miscellaneous expenditure to the extent not written off.

#The capital consists of common shares.

f) **Details of the last Public/ Right Issue-** Not Applicable

g) **Promise v/s Performance-** Not applicable

h) **Information about Share Price:** Not Applicable

**3. Aditya Birla Minacs Philippines Inc**

a) **Incorporation & registered office**

Aditya Birla Minacs Philippines Inc., a corporation incorporated under the laws of the Philippines, with its registered office situated at 1800 Eastwood Ave Building, 10/F East Wood City, Cyber Park 188E Rodriguez JR Ave, Bagumbaya, QC Philippines. Tel: + 63 2 3236280, Fax: + 63 2 3236300

b) **Principal Business-** Call centre

c) **Shareholding Pattern -** Aditya Birla Minacs Worldwide Limited – 100%

d) **Board of Directors-** The Board of Directors of the Company as on March 31, 2013 is:

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Dr. Rakesh Jain       | Director      |
| 2.      | Mr. Sushil Agarwal    | Director      |
| 3.      | Mr. Deepak J Patel    | Director      |
| 4.      | Mr. Anil Bhalla       | President     |
| 5.      | Mr. Munish Mahajan    | Director      |

e) **Financial performance**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |         |         |
|--|---------------------------------------|---------|---------|
|  | 2010                                  | 2011    | 2012    |
| Sales and other income   | 14.78                                 | 24.72   | 52.86   |
| Profit after tax (before extra ordinary Item)                  | (2.45)                                | 1.25    | 1.79    |
| Equity Capital (par value PESOS 100 per share)                 | 490,000                               | 969,232 | 969,232 |
| Reserves and Surplus*  | (14.57)                               | (13.54) | (13.78) |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (50)                                  | 12.89   | 18.46   |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (50)                                  | 12.89   | 18.46   |
| Book value (Rs.)   | (96.55)                               | (36.83) | 3.30    |

\*Net of debit balance of profit & loss account and miscellaneous expenditure to the extent not written off.

f) **Details of the last Public/ Right Issue:** Not Applicable

g) **Promise v/s Performance-** Not Applicable

h) **Information about Share Price:** Not Applicable

## Information Memorandum

### 4. Aditya Birla Minacs BPO Private Limited

#### a) Incorporation & registered office

Aditya Birla Minacs BPO Private Limited, a private company incorporated under the Act, with its registered office situated at Pirojsha Nagar, Eastern Express Highway, Vikhroli East, Mumbai – 400 079  
Tel: +91 22 25188266, Fax: +91 22 25188268

b) Principal Business- To carry on the business of development, creation, supply, sale, purchase, import, export, and otherwise deal in software, software consultancy and data processing.

c) Shareholding Pattern - As on November 30, 2012

| Name   | No. of shares |
|--|---------------|
| ABM BPO Limited  | 758,705       |
| Devendra Bhandari S/o. R C Bhandari jointly with Aditya Birla Minacs BPO Limited, UK | 20            |
| Total  | 758,725       |

d) Board of Directors- The Board of Directors of the Company as on March 31, 2013 is:

| Sr. No. | Name of the Directors   | Position held |
|---------|-------------------------|---------------|
| 1.      | Mr. Deepak Jayant Patel | Director      |
| 2.      | Mr. Manoj Kedia         | Director      |

#### e) Financial performance

(Rs. in crores except share data)

| Particulars  | As at and for the year ended March 31 |         |         |
|--|---------------------------------------|---------|---------|
|  | 2010                                  | 2011    | 2012    |
| Sales and other income   | 24.09                                 | 18.70   | 18.52   |
| Profit after tax (before extra ordinary Item)                  | 1.34                                  | (0.48)  | (0.48)  |
| Equity Capital (par value Rs. 10 per share)                    | 693,100                               | 693,100 | 693,100 |
| Reserves and Surplus*  | (0.13)                                | (0.22)  | (0.70)  |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | 19.33                                 | (6.94)  | (6.94)  |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | 19.33                                 | (6.94)  | (6.94)  |
| Book value (Rs.)   | 23.27                                 | 16.29   | 9.36    |

\*Net of debit balance of profit & loss account and miscellaneous expenditure to the extent not written off.

f) Details of the last Public/ Right Issue- Not Applicable

g) Promise v/s Performance- Not Applicable

h) Information about Share Price: Not Applicable

### 5. Madura Garments Lifestyle Retail Company Limited

#### a) Incorporation & registered office

Madura Garments Lifestyle Company Limited, a public limited company incorporated under the Act, with its registered office situated at Veraval, Gujarat. Tel:02876243257 , Fax: 02876243220

b) Principal Business- Retailing of traded Apparel and Accessories

c) Shareholding Pattern

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| Sl No. | Name  | Type of Shares                             | Value (Rs)           |
|--------|---|--|----------------------|
| 1      | Aditya Birla Nuvo Limited                           | Equity Shares                              | 988,388,900          |
| 2      | ABNL Investment Limited                             | Equity Shares                              | 499,940              |
| 2      | Aditya Birla Nuvo Limited Jointly with SS Pareek    | Equity Shares                              | 10                   |
| 3      | Aditya Birla Nuvo Limited Jointly with Atul Lakhota | Equity Shares                              | 10                   |
| 4      | Aditya Birla Nuvo Limited Jointly with Anupam Gupta | Equity Shares                              | 10                   |
| 5      | Aditya Birla Nuvo Limited Jointly with Manoj Shah   | Equity Shares                              | 10                   |
| 6      | Aditya Birla Nuvo Limited Jointly with Bir Kapoor   | Equity Shares                              | 10                   |
| 7      | Aditya Birla Nuvo Limited Jointly with P T Desai    | Equity Shares                              | 10                   |
| 9      | Aditya Birla Nuvo Limited                           | 8% Cumulative Redeemable Preference Shares | 100,000,000          |
|        | <b>Total</b>  |  | <b>1,088,888,900</b> |

**d) Board of Directors**

The Board of Directors of Madura Garments Lifestyle Company Limited as on March 31, 2013 is:

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Mr. Sushil Agarwal    | Director      |
| 2.      | Mr. S Visvanathan     | Director      |
| 3.      | Mr. Pranab Barua      | Director      |
| 4       | Mr. Ashish Dikshit    | Director      |
| 5       | Mr. Devendra Bhandari | Director      |

**e) Financial performance**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |          |          |
|--|---------------------------------------|----------|----------|
|  | 2010                                  | 2011     | 2012     |
| Sales and other income   | 30.4                                  | 62.5     | 61.3     |
| Profit after tax (before extra ordinary Item)                  | (36.9)                                | (37.6)   | (25.8)   |
| Equity Capital (par value Rs. 10 per share)                    | 20.0                                  | 20.0     | 20.0     |
| Reserves and Surplus*  | (96.4)                                | (133.9)  | (159.7)  |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (37.59)                               | (38.48)  | (26.70)  |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (37.59)                               | (38.48)  | (26.70)  |
| Book value (Rs.)   | (76.37)                               | (113.92) | (139.68) |

f) **Details of the last Public/ Right Issue - Nil**

g) **Promise v/s Performance - Nil**

h) **Information about Share Price – Not listed**

**6. Aditya Birla Customer Services Private Limited**

a) **Incorporation & registered office**



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Aditya Birla Customer Services Private Limited, a private limited company incorporated under the Act, with its registered office situated at Aditya Birla Centre, S K Ahire Marg, Worli, Mumbai- 400030. Phone No: 43568315

b) **Principal Business-** The Company is a B2C e-commerce platform which provides online money management tool and account aggregation services under the brand Aditya Birla Money - My Universe through its website www.myuniverse.co.in. The website provides generic advices on money management and provides facility to clients to link their accounts through back end software powered by a third party service provider.

c) **Shareholding Pattern –**

| Name of Shareholder   | Equity Shares of Rs. 10/- each |
|---|--------------------------------|
| Aditya Birla Financial Services Private Limited                               | 9000                           |
| Shriram Jagetiya jointly with Aditya Birla Financial Services Private Limited | 1000                           |
| <b>TOTAL</b>  | <b>10,000</b>                  |

d) **Board of Directors-** The Board of Directors as on March 31, 2013 is:

| Sr. No. | Name of the Directors | Position held          |
|---------|-----------------------|------------------------|
| 1.      | Anil Chirania         | Non-Executive Director |
| 2.      | Shriram Jagetiya      | Non-Executive Director |

e) **Financial performance**

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |           |           |
|--|---------------------------------------|-----------|-----------|
|  | 2010                                  | 2011      | 2012      |
| Sales and other income   | -                                     | -         | 0.001     |
| Profit after tax (before extra ordinary Item)                  | (0.23)                                | (1.22)    | (5.87)    |
| Equity Capital (par value Rs. 10 per share)                    | 1,00,000                              | 1,00,000  | 1,00,000  |
| Reserves and Surplus*  | (0.27)                                | (1.49)    | (7.36)    |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (234.48)                              | (1219.32) | (5867.46) |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (234.48)                              | (1219.32) | (5867.46) |
| Book value (Rs.)   | (258.95)                              | (1478.26) | (7346.72) |

f) **Details of the last Public/ Right Issue – Nil**

g) **Promise v/s Performance - Nil**

h) **Information about Share Price - NA**

### 7. Aditya Birla Money Mart Limited

a) **Incorporation & registered office-** Aditya Birla Money Mart Limited, a public limited company incorporated under the Act, with its registered office situated at Indian Rayon Compound, Veraval, Gujrat – 362266. Tel: 02876 248895, Fax: 02876 243220

b) **Principal Business-** Aditya Birla Money Mart Limited (ABMML) is engaged in distribution of third party financial products such as Mutual Funds, PMS, PE, Company FD, Bonds etc. The Company is registered with Association of Mutual Funds in India (AMFI) as a Mutual Fund distributor. The Company was earlier known as Birla Sun Life Distribution Company Limited (BSDL) and was a joint venture between Aditya Birla Nuvo Limited [ABNL] and Sun Life (India) Distribution Investments Inc [ Sun Life]. Effective March 31, 2009, ABNL acquired the entire shareholding of Sun Life and the Company became a

### Information Memorandum

wholly owned subsidiary of ABNL [ultimate holding company of ABFSPL]. The name of the Company was accordingly got changed effective Feb 1, 2010. ABMML has three segments - retail, institution and wealth which cater to the need to specific segment of clientele which are spread across India.

#### c) Shareholding Pattern –

| Name of Equity Shareholder  | No of Equity Shares of Rs. 10/- each |
|---|--------------------------------------|
| Aditya Birla Financial Services Private Limited (ABFSPL)  | 1,99,99,994                          |
| ABFSPL jointly with S.S.Pareek  | 1                                    |
| ABFSPL jointly with Sudhir Maheshwari   | 1                                    |
| ABFSPL jointly with ABNL Investment Limited (“formerly known as Laxminarayan Investment Limited”) | 1                                    |
| ABFSPL jointly with Manoj Shah  | 1                                    |
| ABFSPL jointly with Devendra Bhandari   | 1                                    |
| ABFSPL jointly with Anupam Gupta  | 1                                    |
| Total   | 2,00,00,000                          |

#### List of Preference Shareholders

| Name of Preference Shareholder                           | 0.01% Redeemable Non Convertible Cumulative Preference Shares (“RNCCPS”) of Rs.10/- |
|--|---|
| Aditya Birla Financial Services Private Limited (ABFSPL) | 10,00,00,000  |

#### d) Board of Directors- The Board of Directors as on March 31, 2013 is:

| Sr. No. | Name of the Directors    | Position held          |
|---------|--------------------------|------------------------|
| 1.      | Puranmalka N. Bishwanath | Non-Executive Director |
| 2.      | Srinivasan Ajay          | Non-Executive Director |
| 3.      | Razdan Pankaj            | Non-Executive Director |
| 4.      | Agarwal Sushil           | Non-Executive Director |

#### e) Financial performance

(Rs. in Crores except share data)

| Particulars  | As at and for the year ended March 31 |              |              |
|--|---------------------------------------|--------------|--------------|
|  | 2010                                  | 2011         | 2012         |
| Sales and other income   | 53.32                                 | 64.45        | 53.84        |
| Profit after tax (before extra ordinary Item)                  | (10.20)                               | (103.62)     | (16.42)      |
| Equity Capital (par value Rs. 10 per share)                    | 20,00,00,000                          | 20,00,00,000 | 20,00,00,000 |
| Reserves and Surplus*  | 3.83                                  | 2.83         | (132.63)     |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (6.60)                                | (51.81)      | (8.21)       |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (6.60)                                | (51.81)      | (8.21)       |
| Book value (Rs.)   | 3.70                                  | (48.11)      | (56.32)      |

#### f) Details of the last Public/ Right Issue – Rights Issue of 1, 28, 25,001 equity shares of Rs.10 each – (Allotment Date - Aug 6, 2009. All the shares were subscribed and allotted to ABFSPL)

#### g) Promise v/s Performance- NA

**Information Memorandum**

**h) Information about Share Price - NA**

**8. Aditya Birla Money Insurance Advisory Services Limited**

**a) Incorporation & registered office**

Aditya Birla Money Insurance Advisory Services Limited, (ABMIAS) a public limited company incorporated under the Act, with its registered office situated at Indian Rayon Compound, Veraval, Gujrat - 362266 .Tel: 02876 248895, Fax: 02876 243220

**b) Principal Business-** ABMIAS is engaged in distribution of life insurance & pension products as a corporate agent of Birla Sun Life Insurance Company Limited. ABMIAS is registered with IRDA under IRDA [Licensing of Corporate Agents] Regulations 2002. The Company was earlier known as BSDL Insurance Advisory Services Ltd and the name was changed effective 11th Feb, 2010.

**c) Shareholding Pattern –**

| <b>Name of Shareholder</b>                                      | <b>No. of Shares</b> |
|---|----------------------|
| Aditya Birla Money Mart Limited                                 | 4,89,994             |
| Aditya Birla Money Mart Limited jointly with Mr. S. S. Pareek   | 1                    |
| Aditya Birla Money Mart Limited jointly with Mr. P. T. Desai    | 1                    |
| Aditya Birla Money Mart Limited jointly with Mr. Atul Lakhotia  | 1                    |
| Aditya Birla Money Mart Limited jointly with Mr. Manoj Shah     | 1                    |
| Aditya Birla Money Mart Limited jointly with Mr. Sanjay Dhanuka | 1                    |
| K Joseph Thomas*  | 1                    |
| <b>Total</b>  | <b>4,90,000</b>      |

(\* Beneficial holding with Aditya Birla Money Mart Ltd)

**d) Board of Directors-** The Board of Directors as on March 31, 2013 is:

| <b>Sr. No.</b> | <b>Name of the Directors</b> | <b>Position held</b>   |
|----------------|------------------------------|------------------------|
| 1.             | Mr. Sudhakar Ramasubramanian | Non-Executive Director |
| 2.             | Mr. Manoj Kumar Gandhi       | Non-Executive Director |
| 3.             | Mr. K. Joseph Thomas         | Non-Executive Director |

**e) Financial performance**

(Rs. in Crores except share data)

| <b>Particulars</b>   | <b>As at and for the year ended March 31</b> |             |             |
|--|--|-------------|-------------|
|  | <b>2010</b>                                  | <b>2011</b> | <b>2012</b> |
| Sales and other income   | 10.22  | 9.46        | 8.42        |
| Profit after tax (before extra ordinary Item)                  | (1.34)                                       | (10.85)     | (4.67)      |
| Equity Capital (par value Rs. 10 per share)                    | 49,00,000                                    | 49,00,000   | 49,00,000   |
| Reserves and Surplus*  | -  | -           | (18.78)     |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (27.51)                                      | (221.49)    | (95.32)     |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (27.51)                                      | (221.49)    | (95.32)     |
| Book value (Rs.)   | (56.56)                                      | (278.04)    | (373.37)    |

**f) Details of the last Public/ Right Issue – Nil**

**g) Promise v/s Performance - Nil**

**h) Information about Share Price – NA**



**Information Memorandum**

**9. Aditya Birla Financial Services Pvt Limited**

- a) **Incorporation & registered office-** Aditya Birla Financial Services Private Limited, a private limited company incorporated under the Act, with its registered office situated at Indian Rayon Compound, Veraval – 362 266. Tel: 0226655000, Fax: 022 66525821
- b) **Principal Business:** To carry on business of an investment Company and to buy, , invest in with or without interest or security, acquire and hold, sell, buy or otherwise deal in shares, debentures, debentures-stock, bonds, units, other financial instruments or obligations and securities issued by or guaranteed by any company.
- c) **Shareholding Pattern**

| As on 30th September , 2012                                   |               |
|---|---------------|
| Name of the Share Holder                                      | No. of shares |
| <b>Equity</b>   |               |
| Aditya Birla Nuvo limited                                     | 109,995,000   |
| Aditya Birla Nuvo limited<br>(Jointly with Devendra Bhandari) | 5,000         |
| <b>Total</b>  | 110,000,000   |
| <b>Preference</b>   |               |
| Aditya Birla Nuvo limited *                                   | 696,500,000   |

\*Allotment of Rs.100,000,000/- Crores Preference Shares on partly paid up basis on 27<sup>th</sup> September, 2012. As, these are partly paid up shares , there are not included.

- d) **Board of Directors-** The Board of Directors of the Company as on March 31, 2013 is as under:

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Anil Chirania         | Director      |
| 2.      | Shriram Jagetiya      | Director      |

- e) **Financial performance**

(Rs. Except share data)

| Particulars  | As at and for the year ended March 31 |                    |                    |
|--|---------------------------------------|--------------------|--------------------|
|  | 2010                                  | 2011               | 2012               |
| Sale s and other income  | 10,904,660                            | 33,880,670         | 17,37,498          |
| Profit / Loss after tax (before extra ordinary Item)           | (64,671,981)                          | (16,634,790)       | (38,012,022)       |
| Equity Capital (par value Rs. 10 per share)                    | Rs. 10/- per share                    | Rs. 10/- per share | Rs. 10/- per share |
| Reserves and Surplus*  | 0                                     | (85,305,696)       | (123,317,718)      |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (0.90)                                | (0.19)             | (0.35)             |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (0.90)                                | (0.19)             | (0.35)             |
| Book value (Rs.)   | 9.41                                  | 9.22               | 8.88               |

- f) **Details of the last Public/ Right Issue-** Nil
- g) **Promise v/s Performance-** Nil
- h) **Information about Share Price** - N.A. – Shares are not listed at any of the Stock Exchanges

**Information Memorandum**

**10. Aditya Birla Sun Life Asset Management Company Limited – DIFC Dubai**

- a) **Incorporation & registered office** – Office No 05, Level 7, Al Fattan Currency House, Tower 1, Dubai International Financial Center, Dubai, UAE; Tel: +971-435 86640 , Fax: + 971-435 86620
- b) **Principal Business-**
- Arranging Credit or Deals in Investments
  - Advising on Financial Products or Credit
- c) **Shareholding Pattern** - 100% subsidiary of Birla Sun Life Asset Management Company Limited, India
- d) **Board of Directors**

The Board of Directors as on March 31, 2013:

| Sr. No. | Name of the Directors                 | Position held                      |
|---------|---------------------------------------|------------------------------------|
| 1.      | Mr. A. Dhananjaya Anantha Subrahmanya | Associate Non-Executive Director   |
| 2.      | Mr. Suresh Kumar Muthukrishna         | Independent Non Executive Director |
| 3.      | Mr. Mark C Rogers                     | Associate Non-Executive Director   |

e) **Financial performance**

(in USD)

| Particulars   | As at and for the year ended March 31 |           |             |
|---|---------------------------------------|-----------|-------------|
|   | 2010                                  | 2011      | 2012        |
| Sales and other income  | NA                                    | NIL       | 34,265      |
| Profit after tax (before extra ordinary Item)                   | NA                                    | (335,464) | (973,341)   |
| Equity Capital (par value USD. 1 per share)                     | NA                                    | 1,500,000 | 2,500,000   |
| Reserves and Surplus*   | NA                                    | (335,464) | (1,308,805) |
| Earnings per share (Basic) (USD.) before Extra Ordinary Items   | NA                                    | (0.22)    | (0.39)      |
| Earnings per share (Diluted) (USD.) before Extra Ordinary Items | NA                                    | (0.22)    | (0.39)      |
| Book value  |                                       |           |             |

- f) **Details of the last Public/ Right Issue:** Not applicable
- g) **Promise v/s Performance** Not applicable
- h) **Information about Share Price** Not applicable

**11. Aditya Birla Sun Life Asset Management Company Pte Limited**

- a) **Incorporation & registered office-** Aditya Birla Sun Life Asset Management Company Pte Limited (ABSLAMC), a private limited company incorporated under the Companies Act, with its registered office situated at One Marina Boulevard, #28-00, Singapore 0189989. Tel: +65 65362721, Fax: +65 65360025
- b) **Principal Business-** Asset Management for accredited investors situated outside India.
- c) **Shareholding Pattern-** 100% shareholding held by Birla Sun Life Asset Management Company Limited.
- d) **Board of Directors**

The Board of Directors of ABSLAMC as on March 31, 2013 is:

**Information Memorandum**

| Sr. No. | Name of the Directors          | Position held          |
|---------|--------------------------------|------------------------|
| 1.      | Anuradha Sahai                 | Director               |
| 2.      | A. Balasubramanian Athmanathan | Director               |
| 3.      | AnanthaSubrahmanya Dhananjaya  | Director               |
| 4.      | Asher Mukul Govindji           | Non Executive Director |
| 5.      | Mark C. Rogers                 | Director               |
| 6.      | Vikas Gautam                   | Director               |

e) **Financial performance**

(Amount in SGD)

| Particulars  | As at and for the year ended March 31 |            |            |
|--|---------------------------------------|------------|------------|
|  | 2010                                  | 2011       | 2012       |
| Sales and other income   | NA                                    | Nil        | 275,487    |
| Profit after tax (before extra ordinary Item)                  | NA                                    | -1,327,409 | -2,480,178 |
| Equity Capital (par value SGD 1/- per share)                   | NA                                    | 2,250,000  | 4,600,000  |
| Reserves and Surplus*  | NA                                    | -1,327,409 | -3,807,587 |
| Earnings per share (Basic) (SGD) before Extra Ordinary Items   | NA                                    | -0.58996   | -0.5392    |
| Earnings per share (Diluted) (SGD) before Extra Ordinary Items | NA                                    | -0.58996   | -0.5392    |
| Networth (SGD)   |                                       | 922,591    | 792,413    |

f) **Details of the last Public/ Right Issue-** N/A

g) **Promise v/s Performance-**N/A

h) **Information about Share Price -** N/A

12. **Shaktiman Mega Food Park Pvt Limited**

a) **Incorporation & registered office-** Shaktiman Mega Food Park Pvt Limited incorporated under the provisions of the Companies Act, 1956, a private limited company having its registered office situated at Indian Rayon Compound, Veraval – 362 266. Tel: 0226655000, Fax: 022 66525821

b) **Principal Business :** To own, establish, set up, run , undertake , manage Mega Food Park under the Mega Food Park Scheme (MFPS) of the Ministry of Food Processing Industries, Government of India, New Delhi with the state of art agri-infrastructure facilities like market terminals, market, complexes, cold storage, ripening chambers, warehouses storage, distribution centres, food processing zones, farm clusters, R&D Centres, and all types of Agricultural Infrastructure projects.

c) **Shareholding Pattern -**

Shareholding Pattern as on December 31<sup>st</sup>, 2012

| S. No. | Name of the Holder           | No. of Shares |
|--------|------------------------------|---------------|
| 1.     | Aditya Birla Nuvo Ltd.       | 9390          |
| 2.     | Mr. Manoj Kedia              | 04            |
| 3.     | Mr. Devendra Bhandari        | 03            |
| 4.     | Mr. Anil Rustogi             | 03            |
| 5.     | Mr. Bishwanathprasad Agarwal | 200           |
| 6.     | Mr. Punit Gupta              | 200           |
| 7.     | Ms. Sadhna Agarwal           | 200           |
|        | <b>Total</b>                 | <b>10,000</b> |

d) **Board of Directors-** The Board of Directors of the Company as on December 31<sup>st</sup>, 2012 is as under:

**Information Memorandum**

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Manoj Kedia           | Director      |
| 2.      | Anil Rustogi          | Director      |
| 3.      | Devendra Bhandari     | Director      |

e) **Financial performance**

(Rs. except share data)

| Particulars  | As at and for the year ended March 31 |          |           |
|--|---------------------------------------|----------|-----------|
|  | 2010*                                 | 2011     | 2012      |
| Sales and other income   |                                       | 0        | 0         |
| Profit / Loss after tax (before extra ordinary Item)           |                                       | (64,425) | (114,368) |
| Equity Capital (par value Rs. 10 per share)                    |                                       | 1,00,000 | 100,000   |
| Reserves and Surplus*  |                                       | (64,425) | (178,793) |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   |                                       | (19.82)  | (11.44)   |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items |                                       | (19.82)  | (11.44)   |
| Book value (Rs.)   |                                       | (7.88)   | 3.56      |

\*Company was incorporated from 02.12.2010, hence not applicable

f) **Details of the last Public/ Right Issue:** Nil

i) **Promise v/s Performance:** Nil

j) **Information about Share Price** - N.A. – Shares are not listed at any of the Stock Exchanges

13. **Aditya Birla Securities Private Limited**

a) **Incorporation & registered office-** Aditya Birla Securities Private Limited, a public limited company incorporated under the Act, with its registered office situated at Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai – 400 030 Tel: 022 66525000 , Fax: 022 6652 5821

b) **Principal Business-** The Company was formed for Merchant Banking Activities however, no business activity has started yet.

c) **Shareholding Pattern -** Entire Shareholding of the Company is held singly and/or jointly by Aditya Birla Finance Ltd

d) **Board of Directors-** The Board of Directors of Aditya Birla Finance Ltd as on date is:

| Sr. No. | Name of the Directors | Position held |
|---------|-----------------------|---------------|
| 1.      | Ajay Srinivasan       | Director      |
| 2.      | Sushil Agarwal        | Director      |
| 3.      | Pankaj Razdan         | Director      |

**Information Memorandum**

e) **Financial performance**

(Rs. in Lacs except share data)

| <b>Particulars</b>   | <b>As at and for the year ended March 31</b> |             |             |
|--|--|-------------|-------------|
|  | <b>2010</b>                                  | <b>2011</b> | <b>2012</b> |
| Sales and other income   | NIL  | NIL         | NIL         |
| Profit after tax (before extra ordinary Item)                  | (0.18)                                       | (0.18)      | (0.74)      |
| Equity Capital (par value Rs. 10 per share)                    | 3  | 3           | 3           |
| Reserves and Surplus*  | NIL  | NIL         | NIL         |
| Earnings per share (Basic) (Rs.) before Extra Ordinary Items   | (0.63)                                       | (0.60)      | (2.49)      |
| Earnings per share (Diluted) (Rs.) before Extra Ordinary Items | (0.63)                                       | (0.60)      | (2.49)      |
| Book value (Rs.)   | (7.38)                                       | (6.79)      | (4.30)      |

f) **Details of the last Public/ Right Issue** : Not applicable

g) **Promise v/s Performance**: Not applicable

h) **Information about Share Price** : NA

## Information Memorandum

### X. FINANCIAL STATEMENTS

The brief audited financial details of our Company for last five financial years are as follows.-

#### Profit and Loss Statement(In Rs Lakhs )

| Particulars (Rs Lakhs)                             | Year Ended March 31, 2013 | Year Ended March 31, 2012 | Year Ended March 31, 2011 | Year Ended March 31, 2010 | Year Ended March 31, 2009 | Year Ended March 31, 2008 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|  | (Audited)                 | (Audited)                 | (Audited)                 | (Audited) <sup>1</sup>    | (Audited) <sup>1</sup>    | (Audited) <sup>1</sup>    |
| Income from Operations                             | 128,514                   | 1,743                     | 1,278                     | 1,360                     | 1,692                     | 26                        |
| Other Income                                       | 6,322                     | 139                       | 1                         | 546                       | 1                         | -                         |
| <b>Total Income</b>                                | <b>134,836</b>            | <b>1,882</b>              | <b>1,280</b>              | <b>1,906</b>              | <b>1,693</b>              | <b>26</b>                 |
| Total Expenditure                                  | 121,902                   | 1,699                     | 1,276                     | 2,707                     | 8,215                     | 1,378                     |
| <b>Profit Before Depreciation Interest and Tax</b> | <b>12,934</b>             | <b>183</b>                | <b>4</b>                  | <b>(801)</b>              | <b>(6,522)</b>            | <b>(1,351)</b>            |
| Depreciation                                       | 5,443                     | 0                         | 0                         | 477                       | 634                       | 8                         |
| Interest and Finance expenses                      | 14,380                    | 4                         | 0                         | 1,252                     | 796                       | 117                       |
| <b>Profit before Exceptional Item and Tax</b>      | <b>(6,889)</b>            | <b>179</b>                | <b>4</b>                  | <b>(2,531)</b>            | <b>(7,952)</b>            | <b>(1,477)</b>            |
| Exceptional Items                                  | -                         | -                         | -                         | -                         | -                         | -                         |
| <b>Profit Before Tax</b>                           | <b>(6,889)</b>            | <b>179</b>                | <b>4</b>                  | <b>(2,531)</b>            | <b>(7,952)</b>            | <b>(1,477)</b>            |
| Provision for Tax                                  |                           | 57                        | 3                         | 7                         | 33                        | 5                         |
| <b>Profit After Tax</b>                            | <b>(6,889)</b>            | <b>122</b>                | <b>1</b>                  | <b>(2,537)</b>            | <b>(7,985)</b>            | <b>(1,482)</b>            |

**Note 1:** Audited figures for FY 08, FY 09 and FY 10 have been reported under the then prevailing Schedule VI format.

#### Balance Sheet - As per revised schedule VI (In Rs Lakhs)

| Particulars (Rs lakhs)                               | Year Ended March 31, 2013 | Year Ended March 31, 2012 | Year Ended March 31, 2011 |
|--|---------------------------|---------------------------|---------------------------|
|  | (Audited)                 | (Audited)                 | (Audited)                 |
| <b>(A) Shareholders' Funds</b>                       |                           |                           |                           |
| Share Capital  |                           |                           |                           |
| Equity   | 50                        | 50                        | 50                        |
| Preference   | 51                        | 51                        | 51                        |
| Share Suspense Account                               | 84,632                    | -                         | -                         |
| Reserves and Surplus                                 | (7,780)                   | 20                        | (88)                      |
| Money received against share warrants                | -                         | -                         | -                         |
| <b>[I]</b>   | <b>76,953</b>             | <b>121</b>                | <b>12</b>                 |
| <b>(B) Share Application Money pending Allotment</b> | -                         | -                         | -                         |
| <b>[II]</b>  |                           |                           |                           |
| <b>(B) Non-Current Liabilities</b>                   |                           |                           |                           |
| Long-Term Borrowings                                 | 48,493                    | -                         | -                         |
| Deferred Tax Liabilities                             | -                         | -                         | -                         |
| Other Long-Term Liabilities                          | 3,646                     | -                         | -                         |
| Long-Term Provisions                                 | 229                       | -                         | -                         |
| <b>[III]</b>   | <b>52,368</b>             | <b>-</b>                  | <b>-</b>                  |
| <b>(C) Current Liabilities</b>                       |                           |                           |                           |
| Short-Term Borrowings                                | 99,881                    |                           |                           |
| Trade Payables                                       | 31,630                    | 175                       | 147                       |
| Other Current Liabilities                            | 27,115                    | 17                        | 14                        |

### Information Memorandum

|                               |                |            |            |
|-------------------------------|----------------|------------|------------|
| Short-Term Provisions         | 281            | 66         | 12         |
| [IV]                          | <b>158,907</b> | <b>258</b> | <b>172</b> |
| <b>Total (I+II+III+IV)</b>    | <b>288,228</b> | <b>379</b> | <b>184</b> |
| <b>ASSETS</b>                 |                |            |            |
| <b>(D) Non-Current Assets</b> |                |            |            |
| Net Fixed Assets              | 165,081        | 0          | 0          |
| Non-Current Investments       | -              | 32         | 32         |
| Deferred Tax Asset            | -              | -          | -          |
| Long-Term Loans and Advances  | 6,255          | 2          | 3          |
| Other Non-Current Assets      | -              | -          | -          |
| [V]                           | <b>171,336</b> | <b>34</b>  | <b>35</b>  |
| <b>(E) Current Assets</b>     |                |            |            |
| Current Investments           | 80,000         | -          | -          |
| Inventories                   | 32,487         | 20         | 20         |
| Trade Receivables             | 698            | 179        | 63         |
| Cash & Bank Balance           | 1,923          | 5          | 3          |
| Short-Term Loans and Advances | 1,185          | 141        | 64         |
| Other Current Assets          | 599            | -          | -          |
| [VI]                          | <b>116,892</b> | <b>345</b> | <b>150</b> |
| <b>Total (V+VI)</b>           | <b>288,228</b> | <b>379</b> | <b>184</b> |

### Balance Sheet - As per former prevailing schedule VI format

| Particulars (Rs lakhs)                                   | Year Ended<br>March 31, 2010 | Year Ended<br>March 31, 2009 | Year Ended<br>March 31, 2008 |
|--|------------------------------|------------------------------|------------------------------|
|  | (Audited)                    | (Audited)                    | (Audited)                    |
| <b>Sources of Funds</b>                                  |                              |                              |                              |
| Paid up Share Capital                                    | 100.50                       | 2,000.00                     | 5.00                         |
| Share Warrants   | -                            | -                            | -                            |
| Reserves and Surplus<br>(Excluding Revaluation Reserves) | (89.49)                      | (9,467.07)                   | (1,482.12)                   |
| <b>Networth</b>  | <b>11.01</b>                 | <b>(7,467.07)</b>            | <b>(1,477.12)</b>            |
| Secured Loans  | -                            | 6,122.52                     | -                            |
| Unsecured Loans  | -                            | 2,718.52                     | 3,820.00                     |
| Deferred Tax Liabilities                                 | -                            | -                            | -                            |
| <b>Total</b>   | <b>11.01</b>                 | <b>1,373.96</b>              | <b>2,342.88</b>              |
| <b>Uses of Funds</b>                                     |                              |                              |                              |
| Net Fixed Assets   | 0.21                         | 2,740.74                     | 95.93                        |
| Capital Work in Progress                                 | -                            | -                            | 1,962.38                     |
| Investments  | -                            | -                            | -                            |
| Net Current Assets                                       | 10.80                        | (1,366.78)                   | 284.58                       |
| <b>Total</b>   | <b>11.01</b>                 | <b>1,373.96</b>              | <b>2,342.88</b>              |

### Other Financial Data

| Particulars (Rs lakhs)          | Year Ended<br>March 31,<br>2013 | Year Ended<br>March 31,<br>2012 | Year Ended<br>March 31,<br>2011 | Year Ended<br>March 31,<br>2010 | Year Ended<br>March 31,<br>2009 | Year Ended<br>March 31,<br>2008 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                                 | (Audited)                       | (Audited)                       | (Audited)                       | (Audited) <sup>1</sup>          | (Audited) <sup>1</sup>          | (Audited) <sup>1</sup>          |
| Dividend %                      | 0%                              | 0%                              | 0%                              | 0%                              | 0%                              | 0%                              |
| Basic Earnings Per Share (Rs)   | (9.89)                          | 21.64                           | (1.63)                          | (33.20)                         | (10,335.50)                     | (2,964.23)                      |
| Diluted Earnings Per Share (Rs) | (9.89)                          | 21.64                           | (1.63)                          | (33.20)                         | (10,335.50)                     | (2,964.23)                      |

## **Pantaloon Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited) Notes to financial statements for the year ended 31 March 2013**

### **1. Corporate Information**

Pantaloon Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited) (the 'Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

In the current year, pursuant to a scheme of arrangement as sanctioned by the Honourable High Court of Bombay vide order dated March 1, 2013, the 'Pantaloons format' of Pantaloons Retail (India) Limited (the 'Demerged Undertaking') has been vested into the Company with effect from July 1, 2012 (the 'Appointed Date'). Pursuant to this scheme, the name of the Company has changed from Peter England Fashions and Retail Limited to Pantaloon Fashion & Retail Limited.

The Company operates a national chain of "Pantaloon" stores of apparels and fashion accessories.

### **1.1 ACCOUNTING CONVENTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(I) BASIS OF PREPARATION**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for sale and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

#### **(II) USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### **(III) TANGIBLE FIXED ASSETS**

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on all tangible fixed assets is calculated on a straight-line basis using the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 or the rates arrived at based on the useful lives estimated by the management, whichever is higher.

Depreciation on Vehicles and Leasehold improvements is provided using the rates arrived at considering useful life estimated by the management. For all other assets, Schedule XIV rates are used



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since they are also reflective of useful life estimated by the management.

| <b>Asset</b>           | <b>Estimated Useful Life</b>               |
|------------------------|--|
| Vehicles               | 5 years                                    |
| Leasehold Improvements | Over the period of the lease ( 3-25 years) |

Items of value less than Rs. 5,000 are depreciated in full in the period of purchase/acquisition.

Deprecation on the fixed assets added/disposed off/discarded during the year is provided on *pro-rata* basis with reference to the month of addition/disposal/discarding.

### (IV) INTANGIBLE ASSETS

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

A summary of amortization policies applied to the company's intangible assets is as below:

| <b>Block of assets</b>  | <b>Rates</b>                                |
|---|---|
| Computer Software   | 33.33% - 3 years                            |
| Goodwill arising on acquisition of business division through demerger | Not being amortized (Tested for Impairment) |

### (V) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

### (VI) BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit & Loss.

### (VII) FOREIGN CURRENCY TRANSLATION

Foreign currency transactions and balances:-

#### (i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### (ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency and are translated using the exchange rates that existed when the values were determined.

#### (iii) Exchange Differences

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Exchange differences arising on the settlement of monetary items or on translating such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### **(VIII) INVESTMENTS**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc.

Current investments are carried in the financial statements at lower of cost and fair value which is determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

### **(IX) INVENTORIES**

Inventories comprising of traded goods, are valued at cost or net realisable value, whichever is lower. Cost includes all costs incurred to bring them to their present location and condition. Cost is determined based on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### **(X) REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Retail sales are recognized on delivery of the merchandise to the customer, when the property in goods and significant risks and rewards are transferred for a price and no effective ownership control is retained. Revenue is net of returns, trade discounts and sales / value added tax.

The property in the merchandise of third party concession stores located within the main departmental store of the Company passes to the Company once a customer decides to purchase an item from the concession store. The Company in turns sells the item to the customer and is accordingly included under Retail Sales.

Gift vouchers sales are recognised when the vouchers are redeemed and goods are sold to the customer.

Income from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income on investments is accounted for when the right to receive the payment is established.

### **(XI) EMPLOYEE BENEFITS**

#### **(i) Short Term Employees Benefits**

All short term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him/her to avail such benefits and non accumulating compensated absences like sick leave and maternity leave are recognized on an undiscounted basis and charged to the Statement of Profit and Loss.

(ii) **Retirement and Other Employee Benefits**

A) Defined Contribution Plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and ESI, which are recognized in the Statement Profit and Loss. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.. The company has no obligation, other than the contribution payable to the provident fund

B) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense.

C) Compensated absences and Long Term Service Awards

The Company's liabilities under for long term compensated absences and long term service awards are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences which are provided for based on estimates. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss Account as income or expense.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(XII) **INCOME TAXES**

Tax expense comprises of current and deferred tax. The tax impact of items directly charged to reserves is also adjusted in reserves.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and the tax laws enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Profit and Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**(XIII) OPERATING LEASES**

(i) Where the Company is the lessee:

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(XIV) CASH AND CASH EQUIVALENT**

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

**(XV) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

The net cash flow from operating activities is determined by adjusting net profit or loss for the effects of: (a) changes during the period in inventories and operating receivables and payables, (b) non-cash items such as depreciation, provisions, deferred taxes, and unrealized foreign exchange gains and losses, and (c) all other items for which the cash effects are investing or financing cash flows.

**(XVI) EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**(XVII) CONTINGENT LIABILITIES AND PROVISIONS**

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date

**(XVIII) MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTIZATION, INTEREST AND TAX (PBDIT)**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expenses.

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### **XI. DIVIDEND POLICY**

Nothing in the Scheme shall prevent the Demerged Company or the Resulting Company from declaring and paying dividends, whether interim or final, to its shareholders in respect of the accounting period prior to the Effective Date. Provided that none of the shareholders of the Demerged Company shall be entitled to dividend, if any, declared and paid by the Resulting Company to its shareholders for the accounting period prior to the Effective Date.

The holders of the shares of each of the Demerged Company and Resulting Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividend.

It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any shareholder of any company to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the relevant company, and subject to the approval, if required, of the shareholders of the relevant company.

The Company does not have any formal dividend policy for its equity shares. The declaration and payment of equity dividend in a company is recommended by our Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.



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**XII. DETAILS & FINANCIAL HIGHLIGHTS OF COMPANIES UNDER SAME MANAGEMENT**

No company is under the same management except as disclosed in “Promoter And Group Companies” chapter.

**XIII. MANAGEMENT DISCUSSION AND ANALYSIS**

**Indian Retail Industry Overview**

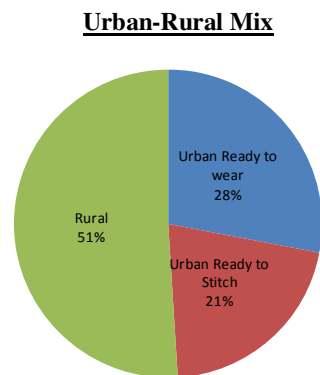
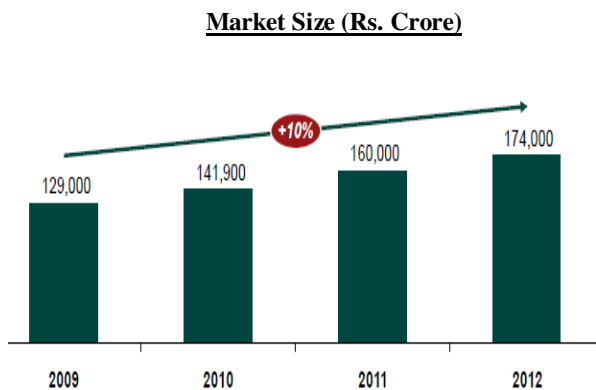
India is amongst the largest and the fastest growing retail markets in the world. Retailing is one of the pillars of the Indian economy accounting for nearly one fourth of the country's GDP. Currently pegged at around USD 500 billion, Indian Retail Industry has a bright potential with the burgeoning spending power and rising per capita income in the country having more than 1.2 billion consumers. At present, the organised retailing is in its nascent stage in India and contributes to nearly 8% of the Indian Retail market. However, it is expected to grow much faster than unorganised retail to garner around 20% share by 2020 as claimed in various industry research.

**Indian Apparel Market Overview**

Apparel Retailing is the second largest contributor to the Indian Retail Market after food and grocery. Interestingly, in the organised sector, apparel retailing is the largest and the most penetrated segment. During past three years, Indian apparel retail market has grown at a CAGR of 10% to reach Rs. 174,000 Crore in 2012.

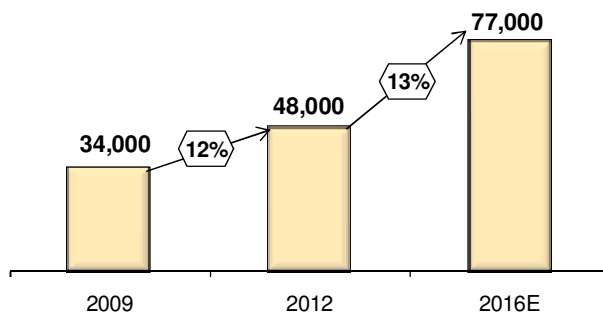
Urban ready-to-wear segment accounts for 28% of the apparel retail market in India.

**Indian Apparel Retail Market**



The urban ready-to-wear segment is growing at a faster rate than overall apparel retail market. Having grown at a strong CAGR of 12% in the past three years, the size of urban ready-to-wear segment is estimated at Rs. 48,000 Crore in 2012. It expected to grow at a CAGR of 13% for next four years and reach to a size of Rs. 77,000 Crore by 2016.

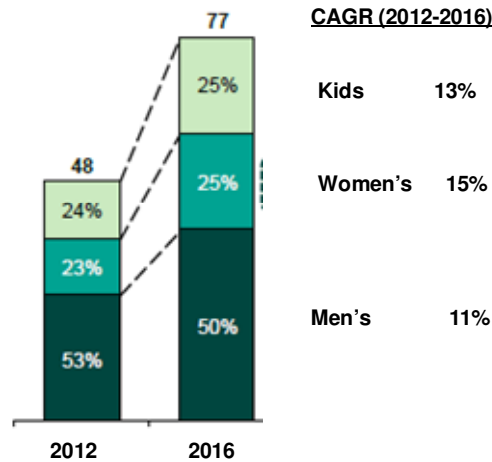
**Urban Ready-to-Wear apparel market in India (Rs. Crore)**



Categorising the urban ready-to-wear sector by gender/age, share of Menswear at 53% was the largest in 2012. Menswear will continue to dominate the sector, however, womenswear and kidswear are expected to grow faster and enhance their share in overall expanding pie.



**Growth in Urban Ready-to-wear market size by Gender / Age**  
(In Rs. Thousand Crore)



The key factors driving the ready-made apparel market growth includes rising disposable incomes, growing fashion aspirations and geographical expansion by market players. As the lifestyles of India's prospering urban consumers have evolved, their clothing needs have broadened. Comfort fitting, style, availability of wide selection, and ease of purchase is also driving the demand for ready-made apparels.

**Indian apparel retail market – Key trends**

| Population / Demographics  | Consumer Mindset  | Channels  |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Higher per capita purchasing power and increasing consumption</li> <li>• Migration towards higher price points – growth of sub-premium to luxury segments</li> <li>• Significant youth and “working” population</li> <li>• Increasing urbanization – growth of Tier 2 and Tier 3 markets</li> </ul> | <ul style="list-style-type: none"> <li>• Increased propensity to buy branded apparel in segments outside men's formals</li> <li>• Increasing women's preference for western-wear or “fusion-wear” due to growing number of women in workforce</li> <li>• High demand for casual wear, denims, active and sports wear</li> <li>• Increasing demand for branded kids' wear</li> </ul> | <ul style="list-style-type: none"> <li>• Specialty and department stores becoming preferred destinations for sub-premium and premium segments</li> <li>• Value and mass retailing gaining prominence</li> </ul> |

Brands and retailers are catching up with the latest trends in no time and customizing their product offerings to match specific demands. Over the past few years, a large number of shopping malls have opened across the country and the trend is sure to accelerate. Large branded store chains where products are systematically stocked and displayed, will speed the transformation of consumer preferences.

Apparel retail Industry is highly competitive because of presence of large number of players, ever changing consumer preferences and the need for marketing differentiation.



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### **Business Overview**

During the year under review, the Company acquired the Pantaloon's Fashion business post its demerger from Future Retail Ltd. under court approved Scheme of Arrangement. On effectiveness of the scheme on 8<sup>th</sup> April 2013, all the net assets and operations pertaining to the 'Pantaloon's Fashion' business have been transferred, on a going concern basis, along with debt to the Company. The appointed date of transfer is 1st July, 2012. In terms of the Scheme, the name of the Company was changed from "Peter England Fashions and Retail Limited" to "Pantaloon's Fashion & Retail Limited". On receipt of necessary approvals, the equity shares of the Company will be listed on the National Stock Exchange of India and BSE Limited.

### **Strengths and Opportunities**

#### **Brand Leadership**

Pantaloon's is among the top 2 fashion retailers in India. Focusing on "Fresh Fashion" and catering to varied apparel and non-apparel needs of Indian consumers in a modern environment, 'Pantaloon's' has emerged as a strong brand in the fashion industry over past two decades. Pantaloon's operates across varied categories viz., casual wear, ethnic wear, formal wear, party wear and sportswear for Men, Women and Kids. Non-apparel products primarily comprise beauty products, perfumes, cosmetics, leather products, fashion jewellery, footwear, watches, books, music, toys etc.

#### **Pan India Footprint: Unparalleled reach**

The number of large format Pantaloon's stores is one of the highest in the Indian fashion industry. As on 31<sup>st</sup> March 2013, it operated through 69 large format company owned and company operated stores. Average size of a Pantaloon's store is around 24,000 square feet. However, depending on the city, location and target market size, store size varies between 11,000 square feet to 80,000 square feet. Together with 26 Factory Outlets, Pantaloon's span across a retail space (carpet area) of about 1.7 million Square Feet which is among the largest in India in the organised fashion retail segment. Factory Outlets act as a channel for liquidating slow moving inventory for Pantaloon's. The Company has been able to tie up real-estate in superior locations to fuel uninterrupted growth.

#### **Diversified geographical presence**

Pantaloon's enjoys a pan India presence across all zones with a strong presence in East Zone. Pantaloon's commands the first mover advantage in several locations across East India. More than 50% of the Pantaloon's large format stores are present in top 8 Indian cities, capturing the large market size opportunity offered by these Tier 1 cities. Pantaloon's also recognises the growing aspirations, changing consumer preferences towards branded clothing and increasing disposable income in tier 2 and tier 3 cities. It has a fairly balanced presence in these cities with about 50% of its stores being present in these cities.

#### **Strong customer connect**

Pantaloon's loyalty programmes viz., green card and payback are one of its main strengths. Led by the strong customer connect of brand 'Pantaloon's' and its loyalty programmes, the Company had around 3.5 Million loyalty customer base as on 31st March 2013 - one of the largest in the country. It contributes to nearly two third of the Company's sales and augments its competitive advantage. These loyalty programmes offer rewards points to its members on their purchases, special offers and discounts, and invitations to exclusive events and promotions.

#### **Focus on superior Customer experience**

The stores operations are managed by the Company which continuously benchmark itself with global retailers and strive to enhance service offering to customers by achieving retail best practices in line with emerging trends globally.

#### **Strong brand portfolio**

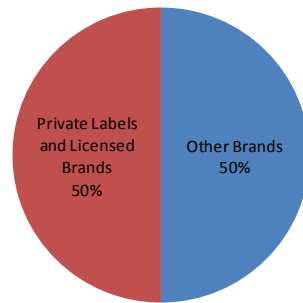
Across the segments, Pantaloon's sells approximately 400 brands which comprises a mix of private labels,

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licensed brands and other brands. Some brands are also retailed under the Shop-in-Shop format where fixed rentals are charged by Pantaloons. Through a wide range of brand offerings across apparel and non-apparel categories and across price points, Pantaloons caters to varying fashion needs of Indian households.

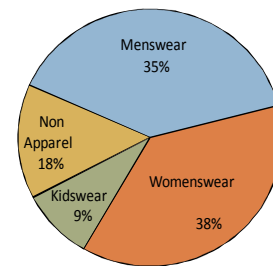
Private labels and licensed brands contribute to approximately 50% of the Company's sales. These comprise brands owned by Pantaloons viz., Akkriti, Rangmanch, Ajile, Annabelle, Trisha, Honey, Chalk, Ajile; as well as brands licensed on a perpetual basis from Future Group. Balance sales is contributed by other apparel and non-apparel brands.

**Revenue Mix**



**Diversified customer base**

**Revenue Mix**



Total revenue for nine months period ended March 31, 2013 is Rs. 1,285 Cr. Menswear and womenswear together account for 76% of total ready-made apparel market in urban India. Pantaloons has a diversified customer base with Menswear and Womenswear accounting for 35% and 38% share respectively.

### Risks and Threats:

**Changing Consumer Preferences:** Fashion trends are constantly changing with ever shifting consumer preferences, income levels and demographics. Lack of innovation in merchandise offerings and adapting to the changing needs of the customers may affect the competitiveness of the business. We have a dedicated team of professionals to anticipate and respond to the changing customer lifestyle and preferences trends in a timely manner.

**Attracting and retaining talent:** Being a consumer facing service industry, human capital is key to the growth of our business. The loss of key personnel or inability to attract and recruit talented and skilled personnel may impact the business and ability to grow. We value our staff and continue to assess both front end and back end staff for career development, planning and succession.

**High fixed cost structure:** Fashion retailing business has high operating leverage, owing to high fixed cost structure. Rent, selling expenses and overheads form a large part of the operating costs. Ability of the business to garner higher sales on assets employed is key to mitigate the risk and generate optimum returns on investments.

**Slowdown in Indian Economy:** Consumer spending on fashion products is highly correlated with the growth of Indian Economy. As our business is driven by domestic consumption, any slowdown in the Indian economy will impact the business growth and profitability.

**Dependence on real estate:** The fashion retail industry is heavily dependent on availability of quality retail space at desired location and at reasonable cost. Non-availability of retail space in timely or cost effective manner may adversely hamper the business growth.

**Intensifying Competition:** There is an intense competition amongst leading fashion brands and retailers for marquee locations, quality real estate and customer footfalls. Attracted by the ample growth potential of Indian apparel retail market, many global brands have also entered India and increased their presence rapidly. Easing of FDI in retail is likely to further intensify the competition with the potential entry of more international brands.

### Business Performance

The Company's financials for 2012-13 include nine months financials of Pantaloons business transferred to the

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Company with effect from the appointed date, i.e., July 1, 2012. Hence, to that extent, performance is not comparable with the previous year.

### Profit & Loss Accounts

(Rs. Crore)

|                               | <b>2012-13</b><br>(Including nine months financials of Pantaloons) | <b>2011-12</b> |
|-------------------------------|--|----------------|
| Revenue                       | 1,285  | 18             |
| <b>EBITDA</b>                 | <b>129</b>   | <b>2</b>       |
| Less : Finance Cost           | 144  | 0              |
| <b>EBDT</b>                   | <b>(14)</b>  | <b>2</b>       |
| Depreciation                  | 54   | 0              |
| <b>Earnings before Tax</b>    | <b>(69)</b>  | <b>2</b>       |
| Less : Provision for Taxation | -  | 1              |
| <b>Net Profit / (Loss)</b>    | <b>(69)</b>  | <b>1</b>       |

### Revenue

The Company reported revenue at Rs 1285 Crore during fiscal 2012-13. The Company opened 6 new Pantaloons stores and 3 Pantaloons Factory Outlets during the nine months ending 31<sup>st</sup> March 2013.

### Operating Profit

The Company posted earnings before interest, depreciation and tax (EBITDA) at Rs 129 Crore. Excluding interest income of Rs. 62 Crore on current investments, Pantaloons reported EBITDA margin at 5.2%. Gross margin was sustained, however, moderated sales growth and higher retailing costs impacted EBITDA margin. Change in accounting policy, for instance, with respect to Lease rental straight lining, also lowered profitability.

### Net Interest

Net of interest income of Rs. 62 Crore on current investments, finance costs of the Company stood at Rs. 82 Crore.

### Balance Sheet

(Rs. Crore)

|   | <b>As on<br/>31st March<br/>2013</b> |
|---|--------------------------------------|
| Net Fixed Assets (including Capital Advances) | 488                                  |
| Goodwill                                      | 1,168                                |
| Net Working Capital                           | 44                                   |
| <b>Capital Employed</b>                       | <b>1,700</b>                         |
| Net Worth                                     | 770                                  |
| Net Debt #                                    | 931                                  |

# Net of current investments of Rs. 800 Crore

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Goodwill of Rs. 1,168 Crore is recognised on transfer of Pantaloons business to the Company.

Net Working Capital includes Inventory of Rs. 325 Crore, Trade Receivables of Rs. 7 Crore, Cash & Bank Balance of Rs. 19 Crore and Trade Payables of Rs. 316 Crores.

Pursuant to the Scheme, debt of Rs. 1,600 Crore was transferred to the Company. With a view to optimise the finance Cost, the Company reshuffled the debt portfolio. Accordingly, post effectiveness of the Scheme, the Company raised term loans of Rs. 600 Crore and Non-convertible Debentures of Rs. 300 Crore and re-paid Rs. 800 Crore out of the transferred debt. Average interest rate of long term debt portfolio got reduced to 10.2%.

### **Outlook**

Inflation remained at high levels during the year. GDP growth of the country also slowed down. These factors have impacted consumer sentiments and spending during the year. Some of these challenges may continue in the near term. However, with the inflation projected to stabilise at lower levels and expected improvement in GDP growth, the customer spending will improve in the medium term.

The long term outlook for domestic apparel industry remains positive on the back of favourable demographics viz., rising disposable income, burgeoning aspiring middle class segment, large young and working population, and increasing shift towards branded apparels.

### **Strategy Going Forward**

The Company's growth strategy includes increasing reach and penetration across the country by opening new stores, strengthening the brand 'Pantaloons' and enhancing customers' shopping experience. The Company also plans to augment its merchandise width by adding new product categories, new brands and introducing more private labels.

It is our continuous endeavour to enhance the base of loyal customers through loyalty programme. We believe that as the company will grow in size and scale, economies of scale would accrue leading to expansion of margins and returns. We will also continue to focus on leveraging our operating efficiency and human capital, which is critical in any consumer facing and service driven industry.

### **Conclusion**

The Hon'ble High Court of Bombay has approved the Scheme of Arrangement between Future Retail Limited, Pantaloons Fashion & Retail Limited and their respective shareholders and creditors and Indigold Trade and Services Limited (as the shareholder of Pantaloons Fashion & Retail Limited) for demerger of the Demerged Undertaking of Future Retail Limited in favour of Pantaloons Fashion & Retail Limited. In accordance with the Scheme, the entire Demerged Undertaking of Future Retail Limited stands transferred to and vested with Pantaloons Fashion & Retail Limited pursuant to Sections 391 to 394 of the Act. This demerger will enable your holding company, Aditya Birla Nuvo Ltd to extend its Fashion & Lifestyle business in to the fashion segment.

#### **XIV. OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS**

Except as described below, other than Issuer Company, as on December 31, 2012, there are no outstanding or pending litigations, suits, criminal or civil prosecutions, proceeding or tax liabilities against our Directors, our Promoters or our Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional/ bank dues or dues payable to holders of debentures, bonds and fixed deposits (irrespective of whether they are specified under Part I of Schedule XIII of the Act), that would have a material adverse effect on our business:

All references to the “Company”, “we”, “our”, “us” in this Section XIV shall relate to the companies for whom disclosures have been made in this Section under the respective headings.

##### **Pantaloons Fashion & Retail Limited :**

All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.

##### **DIRECTORS: Nil**

##### **Litigation of Group Companies**

1. Aditya Vikram Global Trading House Ltd- no pending litigations against the same.
2. Madura Garments Lifestyle Retail Company Limited- NIL outstanding litigations for the same

##### **Indian Rayon**

##### **A. CRIMINAL CASES**

##### **(a) Criminal cases filed against the Company :**

- i. The Factory Inspector filed Criminal Case No. 3153/98 against Mr. S. S. Bhatia, Factory Manager of the Company in connection with Chlorine gas leakage in September 1997. The matter is currently pending.
- ii. Police at Veraval has filed Criminal Case No. 1136/98, under Section 278 & 114 of IPC against Mr. B.D. Kakadia (V.P. Engg.) & Mr. N. Poojari (Manager-Caustic) in connection with the dust, noise and gases emission from factory. The matter is currently pending.
- iii. Mr. K.N. Doshi, Government Labour Officer has filed a Criminal Complaint (Case No. 800/08) against the Company and Mr. V.G. Somani (the then President) and Mr. R.C. Maheshwari (the then Jt. President) for not conducting JMC election in the Company which is mandatory as per the Act. The matter is currently pending.
- iv. After remand Order dated 26.06.2008 passed by the Addl. Session Judge, Veraval in the Revision Application No. 12/08 & 21/08 the S.D.M. Veraval opened the case under Section 133 of Cr.P.C. No. 1/08 and issued Notice. This case was filed by Mr. Mohmad A. Gadhia and 4 others against the Contractor Mr. Yusuf H. Kachra and the Company in connection with public nuisance by dumping waste outside the Factory. The matter is currently pending.
- v. The Factory Inspector, Junagadh has filed 10 Nos. Criminal cases (No. 1093/08 to 1102/08) against the then Factory Manager of the Company (Mr. P. Narsimha Rao, Vice President-HR) for violation of Section 59(1)(2) punishable under Section 92 of the Factories Act, 1948. As per the complaint filed by the Factory Inspector Company has to pay overtime to the workmen calculating their salary/wages including all the allowances, but Company is calculating overtime

**Information Memorandum**

on the basic salary plus DA only. In all 10 cases on dated 28.03.2011, the Hon'ble Court has recorded plea of Mr. P. Narsimha Rao. The matter is currently pending.

**(b) Criminal cases filed by the Company :**

- i. The Company has filed a Criminal Case No. 369/07 under Section 630 of Companies Act, 1956 against Mr. Jamnadas G Purohit, ex-employee of the company on 18.04.2007 before Judicial Magistrate of First Class, Veraval ("JMFC"), for failure to vacate the company's quarter allotted to him even after separation from the company. The matter is currently pending.
- ii. There is one Criminal Case No. 2582/92 filed by the company against M/s. Beeline Shipping Agencies Pvt. Ltd. & its MD Captain Rajeev Kapoor before JMFC, Veraval in the year of 1992 in connection with the short supply of sulphur with the intention to cause wrongful loss and injury to the Company. The matter is currently pending.

**B. LABOUR SUITS**

**a. Labour suits filed against the Company in excess of Rs. 0.1 Crores:**

There are 113 labour related cases which have been filed against the company for claims aggregating to Rs. 11.79 crores which are pending in various Labour Courts.

**b. Labour suit filed against the Company for less than Rs. 0.1 Crores : NIL**

**c. Aggregate of Labour suits filed by the Company:**

There are 3 cases before the Hon'ble High Court in Ahmedabad as Company has challenged the Labour Court order in the Hon'ble High Court which was in favor of opponents (i.e. Workmen) and its total liability is Rs. 27.00 lacs.

**C. INCOME TAX PROCEEDINGS : NIL**

**D. CIVIL CASES**

**Civil cases filed against the Company in excess of Rs. 0.1 Crores :**

- i) There are 2 Civil cases filed against the Company for claims aggregating to Rs. 0.28 crores.

**Civil cases filed against the Company for less than Rs. 0.1 Crores :**

- i) There are 7 Civil cases which have been filed against the company which are pending in various courts.

**Civil Cases filed by the Company:**

- i) There are 9 Civil Cases filed by the Company aggregating to Rs. 2.05 crores.
- ii) The Canal Officer, Veraval, Irrigation Department, claim water charges against drawal of water from own well near Hiren Dam - II, vide its order dated 11/13.06.2007. Against the said order, Company had filed an appeal before the District Collector, Junagadh, Gujarat. The District Collector Gujarat vide its order dated 16.10.2009 set aside the order passed by Canal Officer. The Irrigation Department, Govt. of Gujarat issued show-cause notice dated 21.11.2011 against the District Collector order. Company has challenged the said notice before the High Court of Gujarat by filing Special C.A. No. 17953/2011 on 09.02.2011. The Hon'ble High Court vide its order dated 13.12.2011 has granted Interim (stay order) till next date. After various hearings on the matter, the Hon'ble High Court vide its order dated 09.04.2013 admitted the petition for final hearing and confirmed its interim (stay order) till final disposal of the petition. Amount involved after accumulation of penalty is Rs. 57.45 crores till December, 2012. The matter is currently pending before the Hon'ble High Court.

**E. CENTRAL EXCISE CASES**

**a) Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices:**

- i) There are 2 excise cases against the company amounting to Rs. 4.53 crores.

**b) Aggregate of Excise cases for less than Rs. 0.1 Crores :**

- i) There are 1 excise cases against the company amounting to Rs. 0.04 crore. The matter is currently pending

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### **F. CUSTOMS**

- a) Customs duty cases in excess of Rs. 0.1 Crores : NIL**
- b) Aggregate Custom cases for less than Rs. 0.1 Crores:**
  - i) There are 2 cases pending amounting to Rs. 0.09 crores.

### **G. SERVICE TAX**

#### **Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

- i) There are 3 Service Tax cases, appeals and show-cause cum demand notices pending amounting to Rs. 4.06 crores.

### **H. Sales Tax**

#### **Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

- i. The Company has filed an appeal before the Joint Commissioner of Tax (Appeals) Rajkot against Order No. 2295 dated 31.03.2011 of the Deputy Commissioner of Tax, Corporate Cell Ahmedabad. The Company was ordered to pay Rs. 10.68 Crores for the assessment period 2006-07 in respect of non-receipt of C&F forms, disallowance ITC on purchases by Power Plant, reversal of ITC, penalty & interest. The matter is currently pending.
- ii. There are 3 Sales Tax cases, appeals and show-cause cum demand notices pending amounting to Rs. 1.46 crores.

### **I. OTHER TAXES, FEES & CESS**

- a) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**
- b) Other Tax, Fees and Cess cases below Rs. 0.1 Crores : NIL**

### **J. MISCELLANEOUS CASES**

- a) Cases, appeals and notices against the Company : NIL**
- b) Cases and appeals by the Company : NIL**

## **Javashree Textiles**

### **A. CRIMINAL CASES**

- (a) Criminal cases filed against the Company : NIL**
- (b) Criminal cases filed by the Company :**
  - i) The Company has filed Case No. CR/376/2008 against M/s. R.K. Sood & Company, Ludhiana in the Court of the Additional Chief Judicial Magistrate, Serampore, Hooghly alleging dishonour of cheque issued under clause (b) of the proviso to Section 138 of the Negotiable Instruments Act, 1881. M/s. R.R. Sood had issued a cheque amounting to Rs. 0.04 Crores to the Company, which was dishonoured on presentation. The matter is currently pending.
  - ii) The Company has filed Case No. CR/6644/ 03 /2003 against M/s. C.S. Garments in the Court of the M.M. Court, Kolkata alleging dishonour of cheque issued under clause (b) of the proviso to Section 138 of the Negotiable Instruments Act, 1881. M/s. C.S. Garment had issued a cheque amounting to Rs. 0.01 Crores to the Company, which was dishonoured. The matter is currently pending.
  - iii) The Company has filed Case No. CR/ 461/06 & 2478 /2006 against M/s. New Transworld Business Solution Pvt. Ltd. in the Hon'ble Court of the M. M. Court, Kolkata alleging dishonour of cheque issued under clause (b) of the proviso to Section 138 of the Negotiable Instruments Act, 1881. M/s. New Transworld Business Solution had issued a cheque amounting to Rs. 0.01 Crores to the Company, which was dishonoured. The matter is currently pending.



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**B. LABOUR SUITS**

**(a) Labour suits filed against the Company in excess of Rs. 0.1 Crores:**

The Company under an agreement since 1989, engaged 17 labourers (“labourers”) through several CHA / FA agent (“agent”) to facilitate loading and unloading of export and import consignments. On the basis of said agreement, the payment was made through agent as per agreed rate bales wise but not in the form of wages or salary. The Company reimbursed the loading and unloading charges and other costs like custom duty etc. to the CHA/FA agents as per their bills.

S.R.O., Howrah send a notice dated 21.08.2006 under Section 7A Employee Provident Fund & Miscellaneous Provisions Act, 1952 (the “Act”) to the Company alleging the “charges of evasion” of Provident Fund, Family Pension and DLI of labourers. After several hearing, the R.P.F. Commissioner passed an order under Section 7A dated 18.05.2007 against the Company. Aggrieved by the said order, the Company filed Section 7B application before the Provident Fund Commissioner which was rejected on 02.04.2008.

The Company challenged both the orders dated 18.05.2007 and 02.04.2008 passed under Section 7A and 7B and filed writ petition being W.P. No. 16173 (W) of 2008 before the Hon’ble High Court at Kolkata. The judgment was passed by the said Court vide order dated 11.01.2010 *inter alia* dismissing the validity of the agreement and also the earlier orders passed under Section 7A and 7B by the P.F. Authority. In terms of said order dated 11.01.2010, the P. F. Commissioner SRO, Howrah initiated a proceedings afresh against the Company on the charge of “Evasion” of Provident Fund, Family Pension and DLI vide letter reference WB/ HWR/ WB/ 151/CC/ EX / 357 dated 30.09.2010.

After several hearings, the Regional Provident Fund Commissioner, S.R.O., Howrah passed the order on 23.12.2011 against the Company / Establishment *inter alia* extending due benefits in favour of the labourers under the Act i.e. EPF scheme, EDLI Scheme and EPS, 1995 Scheme from 01.03.1989 till 31.07.2006 being alleged due dates of their eligibility. Against the said order, the Company filed review petition under Section 7B of the Act which was rejected on 06.02.2012.

**(b) Labour suits filed against the Company for less than Rs. 0.1 Corers : NIL**

**(c) Aggregate of Labour suits filed by the Company: Amount not quantified.**

**C. CIVIL CASES**

**(a) Civil cases filed against the Company in excess of Rs. 0.1 Crores : NIL**

**(b) Civil cases filed against the Company for less than Rs. 0.1 Crores :**

- i) There are four -civil cases filed against the Company aggregating to Rs. 0.06 Crore which are pending at various courts.

**(c) Civil Cases filed by the Company:**

- i) There are 4 Civil Cases filed by the Company amounting to Rs. 0.89 crores.

**A. CENTRAL EXCISE CASES**

**(a) Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices:**

- i) There are 20 excise cases filed against the Company aggregating to Rs. 18.27 crores which are pending at various forums.

**(b) Aggregate of Excise cases for less than Rs. 0.1 Crores:**

- i) There are 32 excise cases filed against the Company aggregating to Rs. 0.95 crores which are pending at various forums.

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### **B. CUSTOMS**

#### **(a) Customs duty cases in excess of Rs. 0.1 Crores:**

- i) The Company has filed constitutional writ jurisdiction No. 3015 of 1987 (G.A. No. 3842/ 2006) against the Union of India and the Collector and Asst. Collector of Customs (respondents) in the Hon'ble High Court at Kolkata for levying a duty of 85% on two imported consignments when the duty should have been only 55%. The increase in duty is Rs. 0.26 Crores. This happened because the duty was increased in the 1987-88 Budget before the consignment reached Kolkata whereas the duty was only 55% when the consignment was booked. The Company has requested the Hon'ble Court to declare that increase in duty does not apply to the consignments in question and also asking the respondents to withdraw the purported assessment and not collect duty of more than 55%. The case was dismissed for default. The Company has filed an appeal against the order of dismissal before the Division Bench, Hon'ble Kolkata High Court, and the matter is currently pending..

#### **(b) Aggregate Custom cases for less than Rs. 0.1 Crores:**

- i) The Company has filed two writ applications before the Hon'ble High Court at Kolkata against customs authority. The total disputed amount in the above two cases is Rs. 0.03 Crores. No order has been passed as yet and the matters are currently pending.

### **C. SERVICE TAX**

#### **(a) Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores: NIL**

#### **(b) Aggregate Service Tax cases for less than Rs. 0.1 Crores: NIL**

### **D. SALES TAX**

#### **(a) Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

- i) There are 5 Sales Tax cases, appeals and show-cause cum demand notices amounting to Rs. 1.35 crores.

#### **(b) Aggregate Sales Tax cases for less than Rs. 0.1 Crores : NIL**

### **E. OTHER TAXES, FEES & CESS**

#### **(a) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

- i) The Company has filed W.P. No. 7832 (W) of 2005 against the State of West Bengal in the Hon'ble High Court at Kolkata for allegedly claiming land revenue of Rs. 0.20 Crores under the Land Revenue Act, 1956. The Company has submitted that the revenue imposed by the impugned Act has been imposed in an arbitrary manner. In the year 2003 the rate of revenue was again increased some 50 times. The Company has requested the Hon'ble Court to issue a writ in the nature of mandamus ordering the State of West Bengal and their agents to act and proceed in accordance with law and not to give effect to the impugned demand of revenue. Hon'ble High Court passed a stay order in favour of the Company and the Company is depositing the tax as per old rates.

#### **(b) Other Tax, Fees and Cess cases below Rs. 0.1 Crores:**

- i) The Company has filed four cases separately in the year 2004 against the Employee State Insurance Authority for illegally demanding interest of Rs. 0.23 Crores on the contribution, which was already, paid under Section 45A of the Employee State Insurance Act, 1948. The Employees Insurance Court, West Bengal granted a stay in favour of the Company. The matter is currently pending.

### **F. MISCELLANEOUS CASES**

#### **(a) Cases, appeals and notices against the Company : NIL**

#### **(b) Cases and appeals by the Company : NIL**

### **G. ARBITRATION PROCEEDINGS : NIL**

### **H. INTELLECTUAL PROPERTY RIGHTS : NIL**

## ***Information Memorandum***

### **Indo Gulf Fertilisers**

#### **A. CRIMINAL CASES**

##### **(a) Criminal cases filed against the Company:**

The Chief Agricultural Officer, Faridkot has filed a Criminal Complaint No. 22/95 dated 20.01.1995 before Additional Sessions Judge, Faridkot against Mr. K.K. Aggarwal, (the then General Manager) and partners of the distributor and salesman of Ashok Kumar Garg and Company for violation of Section 19 (i)(a) of Fertiliser Control Order, 1985. The Chief Agricultural Officer, Moga (“CAO”) has filed a supplementary complaint dated 18.03.2004 before the Additional Sessions, Moga and has mentioned that Indo Gulf Fertilisers and Chemicals Corporation Limited (a unit of Aditya Birla Nuvo Ltd. and referred as “IGF”) along with others is responsible under Section 24 of the Fertiliser Control Order, 1985. On 17.06.1993 the fertilizer Inspectors took a sample of ‘D.A.P. 18:46%’ from a shop in Baghapurana and after analysis of the sample found it to be non-standardized. The manufacturer of the sample is IGF. It has also been prayed that IGF is liable under Section 10 of the Essential Commodities Act, 1955 and may be impleaded as an additional accused. A revision petition has been filed by the Company before the Hon’ble High Court at Chandigarh and the said Hon’ble Court has stayed the proceedings of the trial Court at Moga. The matter is currently pending till decision of Hon’ble High Court of P&H Chandigarh and the Stay is continuing sine die as a decision of Hon’ble Supreme Court in another similar case viz. Hardeep Singh’s case is awaited.

##### **(b) Criminal cases filed by the Company:**

- i) The Company has filed Case No. 3900/2003 against M/s. Agarwal Traders and others in the Hon’ble Court of the Chief Judicial Magistrate, Lucknow under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque amounting to Rs. 0.27 Crores. Hon’ble High Court dismissed the complaint of IGF on 09.08.2007 and quashed the lower court proceedings. The Company has filed SLP before Hon’ble Supreme Court which was for admitted by the Court. The matter is currently pending.
- ii) The Company has filed Case No. 02/03 against M/s. Modern Fertilizers and others in the Court of the Chief Judicial Magistrate, Kolkata under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque amounting to Rs. 0.01 Crore. The matter is currently pending.
- iii) The Company has filed Case No. 625/2005 against M/s. Harihar Prasad Barnwal and others in the Court of the Chief Judicial Magistrate, Lucknow under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque amounting to Rs. 0.15 Crores. Hon’ble High Court stayed the proceeding of lower court. The counter affidavit for vacation of stay filed by the Company which is pending before Hon’ble High Court. The matter is currently pending..
- iv) The Company has filed Case No. 866/2005 against M/s. Vinod Kumar & Company and others (“Vinod Kumar”) in the Hon’ble Court of the Chief Judicial Magistrate, Lucknow under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque amounting to Rs. 0.05 Crores. Bailable warrant issued against the opposite Party for appearance. As the warrants were not executed, the Company moved application for issuance of NBW against opposite party for appearance before Court, application was allowed and NBW issued. In the meanwhile Vinod kumar filed an application under Section 482 of Cr.P.C. before Hon’ble High Court, Lucknow Bench and the said Court has stayed the proceedings of the lower court. The matter is currently pending.

#### **B. LABOUR SUITS**

##### **(a) Labour suits filed against the Company in excess of Rs. 0.1 Crores : NIL**

##### **(b) Labour suits filed against the Company for less than Rs. 0.1 Crores:**

- i) **There are three labour related cases were filed against the Company.** In Mr. Satish Kumar Vs. IGF the Hon’ble Labour Court, Faizabad dismissed the case Ex-Parte on 25.04.2008 under Case No.10/1997. In the case between Mr. R. B. Mandal Vs. IGF, Hon’ble High Court, Lucknow Bench directed the Labour Court, Faizabad to dispose it of expeditiously with in a period of six months vide its order dated 06.08.2008. The matter is currently pending.

##### **(c) Aggregate of Labour suits filed by the Company:**

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**C. CIVIL CASES**

**(a) Civil cases filed against the Company in excess of Rs. 0.1 Crores : NIL**

**(b) Civil cases filed against the Company for less than Rs. 0.1 Crores:**

i) There is one case filed against the Company before Civil Judge, Sultanpur for Rs. 0.07 crores. No order has been passed as yet and the matter is currently pending.

**(c) Civil Cases filed by the Company:**

ii) The Company has filed six cases aggregating to Rs. 0.15 Crores. No order has been passed as yet and the matters are currently pending.

**D. CENTRAL EXCISE CASES**

**(a) Each excise case in excess of Rs.0.1 Crores, which will even include show-cause plus demand notices : NIL**

**(b) Aggregate of Excise cases for less than Rs. 0.1 Crores : NIL**

**E. CUSTOMS**

**(a) Customs duty cases in excess of Rs. 0.1 Crores: NIL**

**(b) Aggregate Custom cases for less than Rs. 0.1 Crores: NIL**

**F. SERVICE TAX**

**(b) Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**(c) Aggregate Service Tax cases for less than Rs. 0.1 Crores : NIL**

**G. SALES TAX**

**(a) Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

i) For F.Y.2000-01 Joint Commissioner, Corporate Division has given effect of the appellate order vide order dated 19.02.2009, which he has reduced demand to Rs. 77,114/-. He has not considered payment of Rs.1.25 Lacs in the order for which an appeal has been filed before Sr. Joint Commissioner, Commercial Taxes, West Bengal. Sr. J.C. has also not allowed credit of Rs. 1.25 Lacs. An application for rectification has since been filed with the assessing authority to allow above credit and refund Rs. 47,886/- to IGF.

ii) IGF has filed 1<sup>st</sup> Appeal before Addl. Commissioner (Appeal) – III, Lucknow against order dated 31.05.2010 of Joint Commissioner, Corporate Circle – I, Lucknow wherein a demand of Rs.17.42 Crores towards penalty under Section 10(b) under Central Sales Tax Act, 1956 (“CST Act”) has been raised alleging wrong issue of Form C to Reliance Industries Ltd. / Niko (Neco) Ltd. for an aggregate amount of Rs.55.30 Crores against purchase of Natural Gas from Andhra Pradesh holding the same as intra-state purchase and not inter-state purchase. First Appeal has since been dismissed and 2<sup>nd</sup> appeal has been filed on 08.08.2011 before Commercial Tax Tribunal and the matter is currently pending.

Notice from Tribunal is still awaited.

The Company filed CTR No. 233 of 2010 before Lucknow Bench of the Hon’ble Allahabad High Court against above order for stay of demand. The Hon’ble High Court has passed interim order on 09.09.2010 staying operation of order for realization of penalty under Section 10(b) of CST Act till further order of the Court.

Hon’ble High Court of Allahabad, Lucknow Bench, Lucknow has decided the above sale of Natural Gas by RIL/BP/NIKO to its customers in Uttar Pradesh as Inter-State sale vide its Order dated 07.09.2012.

The Assessing Officer of Reliance Industries Limited refunded the amount of Rs. 8.54 crores on 28.12.2012 but the Assessing Officers of BP Exploration (Alpha) Ltd. (“BP”) and NIKO (NECO) Ltd. (“NIKO”) rejected Company’s refund application on the ground that BP and NIKO were not the parties to writ filed by RIL/Customers. The Company is in process of filing Clarification/Modification application before Hon’ble High Court for necessary direction to Assessing Authority of BP and NIKO to refund the VAT amount. The matter is currently pending.

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#### **(d) Aggregate Sales Tax cases for less than Rs. 0.1 Crores:**

- i) There are 14 cases pending amounting to Rs. 8.7 crores.

#### **H. OTHER TAXES, FEES & CESS**

#### **(e) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

### **Rajashree Gases**

#### **A. CRIMINAL CASES**

- i) **The Company has filed complaint Case No. 118/2002** against the United India Insurance Company Limited before the State Consumer Dispute Redressal Commission, Lucknow alleging that the United India Assurance Company Limited illegally repudiated the Company's request for refund of the premium amount. The Company had taken a policy, which entitled the Company to a refund of the premium up to a maximum of 50% downward of the sum insured. The policy was issued on estimated gross profit of Rs. 13.40 Crores but as actual profit was less than the estimated profit and so the Company requested the opposite party to refund the premium on the difference between the two. Thus the Company requested for a refund of Rs. 0.19 Crores plus interest. The matter is currently pending.

#### **(a) Other Tax, Fees and Cess cases below Rs. 0.1 Crores:**

- i) There is one Uttar Pradesh Trade Tax case pending against the Company. The aggregate amount involved is Rs. 0.06 Crores. The matters are currently pending. No change in Status.

### **Miscellaneous Cases**

#### **(a) Cases and appeal filed by the Company:**

- i) There are 13 cases and appeal filed by the Company amounting to Rs. 0.15 crores.

#### **(b) Cases and appeal filed against the Company:**

- i) There are 6 cases and appeal filed against the Company amounting to Rs. 3.5 Crore.

### **Arbitration Proceedings**

- i) Due to death of student in the Aditya Birla Public School ("ABP School") premises, FIR was filed by Mr. Parivesh Kumar Panday father of deceased student against Mr. J. R. Mohan, Mr. S. K. Jain, Mr. Sham Lal Ganguli & Principal ABP School at IGF Township Jagdishpur under Section 287, 304A, 201, 504 & 506 IPC under FIR No. 480/2008 before police station Kamrauli Jagdishpur. Bail was granted by Hon'ble Chief Judicial Magistrate, Sultanpur (CJM) against aforesaid four persons. Police station Kamrauli filed charge sheet against said persons before CJM. Thereafter Police dropped Mr. Sham Lal Ganguli from charge sheet. The Company filed an application under Section 482 of Cr.P.C. on behalf of Mr. J. R. Mohan, Mr. S. K. Jain, & Mrs. Anjali Srivastava before Hon'ble High Court, Lucknow bench and the said Court granted stay that is still subsisting. The matter is currently pending before CJM, Sultanpur, till final disposal of application before Hon'ble High court, Allahabad, Lucknow Bench.
- ii) Connecting Case :- FIR filed by Mr. Parivesh Pandey, Teacher in ABP School, Jagdishpur (Crime No. 160/2011) before P.S. Kamrauli against Mr. C.K. Datta, COO of IGF & Mrs. Anjali Srivastava, Principal of ABP School Jagdishpur, under Section 384 IPC. The Company has filed two W.P. under Section 482 Cr.P.C. on behalf of Mr. C.K. Datta & Mrs. Anjali Srivastava before Hon'ble High Court of Allahbad, Lucknow Bench, Lucknow for quashing the FIR relating to Crime No.160/2011 filed by above Teacher. The Hon'ble Court directed that till report under Section 173(2) Cr.P.C. is forwarded by the police, the petitioners shall not be arrested in the aforesaid case/ crime, subject to their full co-operation with the investigation. Thereafter, Police Station, Kamrauli Jagdishpur Indl. Area filed charge sheet against Mrs. Anjali Srivastava & Mr. Alope Ranjan AVP (HR) IGF, Jagdishpur before Chief Judicial Magistrate, Sultanpur (CJM) under Section 384 (Extortion) Case No. 99/2012, for appearance before Court and take Bail on 18.02.2012 thereafter next date fixed on 05.05.2012 for appearance & seeking bail from the CJM. The Company has moved an application under Section 482 before Hon'ble High Court, Lucknow Bench, Lucknow. The Hon'ble Court refused to quash the FIR and directed the Petitioners to surrender before CJM Court Sultanpur within two weeks time and seek bail from CJM Court Sultanpur. The Company has approached CJM Court for seeking bail as per Hon'ble High Court

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Order dated 27.03.2012 and Interim bail was granted on 11.04.2012 by Session Court in favour of Mrs. Anjali Srivastava & Mr. Alope Ranjan upto 23.04.2012. Further, bail has been granted but the matter is currently pending.

- iii) Mr. Jasbir Singh, Book Seller (“Jasbir”) inside the ABP School premises filed Civil Suit before Civil Judge Senior Division Sultanpur against Mr. J. R. Mohan, Mr. S. K. Jain, Principal ABP School & Chairman, Aditya Birla Group, seeking injunction to to restrain management of IGF from evicting Jasbir from the premises of ABP School set-up at IGF Township Jagdishpur. The Company has filed Vakalatnama on 15.3.2010 before Civil Judge Sultanpur. The Hon’ble Civil Court has not granted any stay in favour of Jasbir and thus he has filed appeal against said order of Civil Court before District Court. The said District Judge also upheld the order of Civil Judge and no relief is granted to Jasbir in the said Court. The case has been returned back to Civil Court for further hearing. The matter is currently pending.
- iv) ADM (Finance & Revenue) Sultanpur issued notice under Section 47-A / 33 / 350 of Stamps Act, 1899 (under valuation of the instrument, Six Lease Deeds Executed between IGF (ABNL) & UPSIDC on 05.11.2007 subsequent to merger of IGF with Aditya Birla Nuvo Limited). IGF appeared before Add. Inspector General of Stamps Sultanpur last date of hearing was 14.12.2009 for orders. In this case ADM (Finance & Revenue), Sultanpur has not yet ascertained liability against the IGF. The matter is currently pending.
- v) 150/2009 IGF filed Civil Suit against Mr. Rahul Misra & Others for the recovery of Rs. 203,000.00 before Civil Judge, Sultanpur due to violation of Service Agreement with Company. The summons have been issued for appearance of opposite parties before Hon’ble Court and the matter is currently pending.

WRIT PETITION No. 12573/2010 (Indo Gulf Fertilisers V/s State of U.P. & UPSIDC) filed against illegal demand of amount of Rs. 6,33,44,078.61 as Levy of maintenance charges on the plots an area on 833.04 acres situated in Jagdishpur Industrial Area along with interest up till 30.09.2010 by UPSIDC from IGF. The matter is currently pending.

### **Insulator, Rishra**

#### **A. CRIMINAL CASES**

##### **a) Criminal cases Filed against the Company :**

The Factory Inspector filed Criminal Case No. 390/12 against the Company in the Court of Chief Judicial Magistrate Chinsura, Hooghly in respect of fatal accident of Contract worker at the factory on 10.05.2012. The case has been filed under Section 92 of the Factories Act, 1948.

The Claim amount is yet to be determined since the case is under proceeding before the CJM, Court. The Company has complied with all the suggestions of the Factory Inspector as mentioned in their report and communicated to the Factory Inspector. The matter is currently pending.

##### **b) Criminal cases filed by the Company :**

###### **Criminal Cases in excess of Rs. 0.1 Crores:**

- i) The Company has filed Criminal Case in the Court at Serampore (W.B.) by Case No.537/2010 dt. 28.06.2010 under Section 138 of the Negotiable Instruments Act, 1881 due to dishonor of Cheque vide Cheque No.125154 dt.15.01.10 for Rs. 0.2373 Crores stop payment by party M/s. Mahavir Electro-Mech (P) Ltd., Bangalore against supply of Insulators. The matter is currently pending.

###### **Criminal Cases below Rs. 0.1 Crores : NIL**

#### **B. LABOUR SUITS:**

##### **a) Labour Suits Filed against the Company in excess of Rs. 0.1 Crores : NIL**

##### **b) Labour suits filed against the Company for less than Rs. 0.1 Crores:**

- i) There are four labour related cases filed against the Company in various Courts in India and the amount involved is approximately Rs. 0.20 Crores and interest provision Rs. 0.16 crores upto December 2012. No order has been passed as yet and the matters are currently pending.

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c) **Aggregate of Labour suits filed by the Company : NIL**

C. **CENTRAL EXCISE CASES**

a) **Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices:**

i) There are 7 excise cases and show-cause plus demand notices pending amounting to Rs. 3.76 crores.

b) **Excise cases for less than Rs. 0.1 Crores:**

There are approximately 47 excise related show cause notices sent to the Company to which the Company has replied. The amounts involved in these cases aggregate to Rs. 1.34 Crores and interest provision for Rs. 0.73 crore upto December 2012. No orders have been passed as yet and all the matters are currently pending.

D. **SERVICE TAX**

a) **Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

i) There are 3 Service Tax cases, appeals and show-cause cum demand notices pending amounting to Rs. 0.77 crores.

b) **Aggregate Service Tax cases for less than Rs. 0.1 Crores:**

i) There are two Service tax related show cause notices sent to the Company to which the Company has replied. The approx. amount involved in this case is Rs. 0.01 Crores. No order has been passed as yet and the matter is currently pending.

E. **SALES TAX**

a) **Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

i) There are 17 Sales Tax cases, appeals and show-cause cum demand notices pending amounting to Rs. 8.49 crores.

b) **Aggregate Sales Tax cases for less than Rs. 0.1 Crores:**

There are five cases against the Company involving a total amount aggregating to Rs. 0.21 Crores and interest provision Rs. 0.12 crores upto December 2012. No order has been passed as yet and the matters are currently pending.

c) **Other Taxes, Fees and Cess**

**I) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

i) The Company has filed a case in the Hon'ble High Court at Kolkata dated 14.07.1998 against General Furnace Construction Private Limited, Australia ("General Furnace"). The Company had placed orders with General Furnace for supply and commissioning of two shuttle kilns. General Furnace represented that the kilns were of superior quality but the performance of the kilns was entirely unsatisfactory. Despite efforts, General Furnace was unable to rectify the defects and the Company rejected the kilns. The Company demanded repayment of Rs. 129.11 Crores for the kilns but General Furnace refused to take back the kilns and repay the money. The Company has requested the Court for a decree of Rs. 129.11 Crores against General Furnace as well as interim interest and interest on judgement. The matter is currently pending.

ii) There are 3 cases, appeals and show-cause cum demand notices pending amounting to Rs. 8.74 crores.

**II) Other Tax, Fees and Cess cases below Rs. 0.1 Crores:**

i) There are three cases filed against the Company aggregating to Rs. 0.05 Crores. No order has been passed as yet and the matters are currently pending.

F. **MISCELLANEOUS CASES**

a) **Cases and appeals by the Company:**

i) The Company has filed 8 cases against the Employee State Insurance Corporation for demand notices issued by the Corporation amounting to an aggregate amount of Rs. 0.30 Crores and interest provision Rs. 0.48 upto December 2012. No order has been passed as yet and the matters are currently pending.

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### **b) Cases and Appeal Filled against the Company : NIL**

#### **G. ARBITRATION PROCEEDINGS**

- i) Arbitration is going on between the Company and Richardson & Cruddas Limited (“R&C”) arising out of a dispute under two contracts entered into between them in regard to erection of two electricity transmission lines. The Company has claimed against R&C for outstanding bills, retention money and labour charges for additional work. The Arbitration Tribunal by its order directed R&C to pay the Company on or before 31.07.2002, Rs. 1.09 Crores in respect of bills due for payment on the Jamshedpur-Rourkela line and Rs. 0.46 Crores on the Durgapur-Jamshedpur line, subject to verification whether the payments made directly by Power Grid Corporation of India Limited directly to the Corporation have been given credit for by the Company and deducting the amounts, if any, for which such credit has not been given by the Company in making its claim. The Arbitration Tribunal also directed R&C to pay Rs. 0.24 Crores in respect of the Jamshedpur-Rourkela line and Rs. 0.24 crores in respect of the Durgapur- Jamshedpur line withheld by it by way of retention money and a sum of Rs. 0.01 Crores towards the cost of arbitration proceedings. The award has been granted but R&C is ‘sick company’ and is currently under Board for Industrial and Financial Reconstruction (BIFR). The matter is currently pending.

### **Insulators, Halol**

#### **A. CRIMINAL CASES**

##### **a) Criminal cases filed against the Company:**

##### **b) Criminal cases filed by the Company:**

- i) There are 12 Criminal Cases having Nos. 1478/06 to 1489/06 filed by the Company at Criminal Court, Halol under Section 630 of the Companies Act, 1956 for failure to vacate the workers colony quarters accommodated by the discharged workmen.

#### **B. LABOUR SUITS**

##### **a) Labour suits filed against the Company in excess of Rs. 0.1 Crores : NIL**

##### **b) Labour suits filed against the Company for less than Rs. 0.1 Crores:**

- i) There are 11 Labour suits filed against the Company amounting to Rs. 0.03 crores.

##### **c) Aggregate of Labour suits filed by the Company:**

There is one case has been filed by the Company having No.11/04 against staff union’s charter of demand in the tribunal Court of Baroda which is currently pending.

#### **C. CIVIL CASES**

##### **a) Civil cases filed against the Company in excess of Rs. 0.1 Crores : NIL**

##### **b) Civil cases filed against the Company for less than Rs. 0.1 Crores:**

- i) There are 6 civil cases filed against the Company amounting to Rs. 0.16 crores.

##### **c) Civil Cases filed by the Company:**

- i) There are 7 civil cases filed by the Company amounting to Rs. 0.49 crores.

#### **D. CENTRAL EXCISE CASES**

##### **a) Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices:**

- i) The Additional Commissioner, Central Excise Vadodara-II issued OIO No.17/DEM/ADC/D.Halol/2005 Dtd.19.09.2005 to the Company demanding an aggregate sum of Rs. 0.31 Crores plus interest in respect of the alleged claim of Company of Cenvat credit of the duty paid for re-impotation of goods (refer Bill of Entry No. 1013 dtd 28.08.03, Siemens, China) under Notification No. 94 / 96 Cus Dtd.16.12.1996, Central Excise and Service Tax Appellate Tribunal (“CESTAT”) at Mumbai waive pre-deposit of duty and penalty and stay recovery thereof. Appeal is still pending. Stay



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application No. E / Stay / 2357 / 06 – Mum Dtd. 26.07.2006 in Appeal No. E / 2403 / 06 - Mum. (Reference BE No. 1013-28.08.2003, Siemens, China) Total liability with interest comes to Rs. 0.55 Crore as on December, 2010 and the matter is currently pending.

**b) Excise cases for less than Rs. 0.1 Crores:**

**E. CUSTOMS**

**a) Customs duty cases in excess of Rs. 0.1 Crores:**

- i) The Assistant Commissioner, Customs, ICD Vadodara, issued OIA bearing No.01/04 dated 23.08.2004 to the Company demanding an aggregate sum of Rs. 0.14Crores for the year 2003-04 in respect of the SAD and interest on SAD & Custom Duty paid for re-importation of goods from Siemens, China. The matter is currently pending with CESTAT, Mumbai vide Appeal No.C-52/05-Mum dt.10.01.2005.

**b) Aggregate Custom cases for less than Rs. 0.1 Crores:**

- i) There are 5 cases pending amounting to Rs. 0.16 crores.

**F. SERVICE TAX**

**a) Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

- i) The Company has filed appeal No. ST/138/06/MUM dated 05.06.2006 and stay application No. ST/STAY-1844/06-MUM against an order of Commissioner of Central Excise & Customs, Vadodara-II dated 25.01.2006 confirming the demand of Service Tax amounting to Rs. 0.22 Crores from the Company under Section 73(1)(a) of the Finance Act, 1994 and also the interest on it at the applicable rate as per the provisions of Section 75 of Finance Act, 1994. By the same order the Company has also been ordered to pay penalty of Rs. 500/- under Section 75(a) of Finance Act, 1994, penalty of Rs. 1000/- under Section 77 of Finance Act, 1994, penalty at the rate of Rs. 100/- per day under Section 76 of Finance Act, 1994 for the period 01.07.2003 to 08.07.2004 and penalty of Rs. 0.22 Crores under Section 78 of Finance Act, 1994. CESTAT ordered for payment of Rs. 0.05 Crores and dispensing off with pre-deposit of balance amount of principal and penalty during the pendency of the appeal.

As regards to the order dated 20.12.2010 passed by CESTAT in service tax matter being Appeal No. ST/138/2006, Company's appeal on merits has been dismissed by the CESTAT. The demand beyond the normal period of one year has also been set aside by the CESTAT. Therefore, demand for the rest of the period along with interest becomes payable and payment of penalty has been set aside.

**b) Aggregate Service Tax cases for less than Rs. 0.1 Crores : NIL**

**G. SALES TAX**

**a) Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**b) Aggregate Sales Tax cases for less than Rs. 0.1 Crores : NIL**

**H. OTHER TAXES, FEES & CESS**

**a) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**b) Other Tax, Fees and Cess cases below Rs. 0.1 Crores : NIL**

**I. MISCELLANEOUS CASES**

**a) Cases, appeals and notices against the Company:**

- i) Ministry of Electricity, Syrian Arab Republic, PEDEEE, Damascus, Syria had filed a case No. 684 / 2008 (1495 / 2006 and Suit No. 978 / 2007) against the Company before Syrian Arab Republic, State Council Court of Administrative Prosecution, Damascus, Syria. For demand of US\$ 2,28,000 as penalty, arrived upon in Contract No. 443/EXT/1994 for the delay in supply of 20 K.V. Long Rod Insulators and Support Insulators Medium Voltage The experts submitted the report dated 12.08.2007 to the Court to reduce the claim from US\$ 228000 to US\$ 129960. The Court called comments from both the parties on 06.05.2008. Due to the internal situation in Syria, the matter is currently pending.

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- ii) Ministry of Electricity, Syrian Arab Republic, PEDEEE, Damascus, Syria sent letter dated 06.11.2000 to pay a sum of US\$ 4204.8 as penalty, arrived upon in Contract No: 60/EXT/DIS/96 for the delay in supply of Lightning Arresters 66 K.V. Further vide letter-cum-fax dated 16.04.2008 for additional claim of US\$ 4.2 towards container penalty intimated. The Company has contested the claim by way of its reply dated 23.10.1998 but the same is not accepted by the other party. Due to the internal situation in Syria, the matter is currently pending.
- iii) Ministry of Electricity, Syrian Arab Republic, PEDEEE, Damascus, Syria sent letter dated 27.04.2002 and 01.04.2004 to pay a sum of US\$ 2362.50 as penalty, arrived upon in Contract No: 125/EXT/98 for the delay in supply of Post Insulators and US\$ 272 towards container's penalty. Due to the internal situation in Syria, the matter is currently pending.
- iv) Ministry of Electricity, Syrian Arab Republic, PEDEEE, Damascus, Syria had filed five Cases No. 1885 / 2006, 716 / T, 536 / 2008, 532 / 2008, 453 / 2008 suit No. 978 / 2007) against the Company before Syrian Arab Republic, State Council Court of Administrative Prosecution, Damascus, Syria towards delay penalty against contract No. 11 / EXT / 89, 256 / EXT / 92 371 / EXT / 94, 446 / EXT / 94, 7 / EXT / 95 respectively for US\$ 195721. Due to the internal situation in Syria, the matter is currently pending.
- v) Ministry of Electricity, Syrian Arab Republic, PEDEEE, Damascus, Syria sent letter dated 13.09.2003 to pay a sum of US\$ 23320.04 towards penalty, arrived upon in Contract No: 140/EXT/98 for the delay in supply of Single suspension string and single tension string for overhead lines and US\$ 16346 towards shortage of 1000 Nos. Strings. Due to the internal situation in Syria, the matter is currently pending.

### **b) Cases and appeals by the Company : NIL**

### **Hi-tech Carbon, Patalganga**

#### **A. CRIMINAL CASES**

- a) **Criminal cases filed against the Company : NIL**
- b) **Criminal cases filed by the Company : NIL**

#### **B. LABOUR SUITS**

- a) **Labour suits filed against the Company in excess of Rs. 0.1 Crores : NIL**
- b) **Labour suits filed against the Company for less than Rs. 0.1 Crores : NIL**
- c) **Aggregate of Labour suits filed by the Company : NIL**

#### **C. CIVIL CASES**

- a) **Civil cases filed against the Company in excess of Rs. 0.1 Crores :**
  - i) M/s. SPA White Private Limited filed the complaint application bearing No. 56/2008 located at Lohop village against the Company Civil Court, Khalapur alleging that the defendant has broken their compound Wall in Survey No.5 and obtained Injunction Order from the above Court for the development of the construction activities on the land of afore said survey No. The Company appealed in District Court, Alibag, however the District Judge rejected Company's appeal and the District Court sent the matter back to Civil Court, Khalapur for further proceeding. Thereafter, the Civil Judge appointed Commissioner to execute the land survey of the disputed land. The Commissioner executed the land survey after five months and submitted report to Civil Court, Khalapur in July, 2011. The matter is currently pending.
  - ii) Mrs. Pramila Joshi residing in New Delhi is having open land (Survey No.28 E) in the area of Vashiwadi village. She had filed suit against the Company and Mr. Rodeny GRS Enterprises (contractor engage for land acquisition) in the Civil Court, Khalapur by alleging that the Company constructed a Tower of Transmission Line on her land Survey No.28 E and requested the aforesaid Court to issue Injunction Order for stopping the construction and stringing work of the Transmission Line. However, the Court rejected her application to issue injunction order. Till date, the aforesaid Court has not taken up the matter on Board and has directed the plaintiff as well as respondent to sort the issue amicably with mutual understanding otherwise, the matter will be taken up by the Court on

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the board. The Court has also rejected the request of the plaintiff to pass status quo order against the respondent. Court had given order to both the parties to solve the issues up to 31.07.2012 and the plaintiff did not show willingness to settle the matter out of the Court hence the Civil Court has taken the matter on board. However, the plaintiff was not appearing before the Court and the matter is currently pending.

**b) Civil cases filed against the Company for less than Rs. 0.1 Crores : NIL**

**c) Civil Cases filed by the Company : NIL**

**D. CENTRAL EXCISE CASES**

**a) Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices : NIL**

**b) Excise cases for less than Rs. 0.1 Crores : NIL**

**E. CUSTOMS**

**a) Customs duty cases in excess of Rs. 0.1 Crores : NIL**

**b) Aggregate Custom cases for less than Rs. 0.1 Crores : NIL**

**F. SERVICE TAX**

**a) Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**b) Aggregate Service Tax cases for less than Rs. 0.1 Crores : NIL**

**G. SERVICE TAX**

**a) Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**b) Aggregate Sales Tax cases for less than Rs. 0.1 Crores :NIL**

**H. OTHER TAXES, FEES & CESS**

**a) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores: NIL**

**b) Other Tax, Fees and Cess cases below Rs. 0.1 Crores: NIL**

**I. MISCELLANEOUS CASES**

**a) Cases, appeals and notices against the Company : NIL**

**b) Cases and appeals by the Company: NIL**

**Hi-tech Carbon, Gummidipoondi**

**A. CRIMINAL CASES**

**a) Criminal cases filed against the Company: NIL**

**b) Criminal cases filed by the Company : NIL**

**B. LABOUR SUITS**

**a) Labour suits filed against the Company in excess of Rs. 0.1 Crores : NIL**

**b) Labour suits filed against the Company for less than Rs. 0.1 Crores : NIL**

**c) Aggregate of Labour suits filed by the Company: NIL**

**C. CIVIL CASES**

**a) Civil cases filed against the Company in excess of Rs. 0.1 Crores : NIL**

**b) Civil cases filed against the Company for less than Rs. 0.1 Crores : NIL**

**c) Civil Cases filed by the Company : NIL**

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### **D. CENTRAL EXCISE CASES**

#### **a) Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices:**

i) The Dy. Commissioner of Central Excise & Service Tax – LTU, Mumbai issued Demand cum Show Cause Notice bearing No.LTU/MUM/CX/GLT-6/ABN(HTC)43/2001-12/29518 DT.20.09.2011 to the company demanding Rs.22.39 Crores for the period Sep-2006 to Sep-2010. It has been pointed out that the company had wrongly availed Cenvat Credit CBFS and other inputs used in the manufacture of Electricity wheeled out to Electricity Board during the above said period. Reply has been filed on 09.11.2011, to the Commissioner of Central Excise & Service Tax, LTU – Mumbai stating that the lean gas is a by-product arising during the process of manufacture of Carbon Black. The matter is currently pending.

ii) There are 5 excise cases including show-cause plus demand notices filed against the Company amounting to Rs. 12.76 crores.

#### **b) Excise cases for less than Rs. 0.1 Crores:**

There are 13 excise related cases filed against the Company. The amounts in these cases aggregate to Rs. 0.28 crores.

### **E. CUSTOMS**

a) **Customs duty cases in excess of Rs. 0.1 Crores : NIL**

b) **Aggregate Custom cases for less than Rs. 0.1 Crores : NIL**

### **F. SERVICE TAX**

a) **Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

b) **Aggregate Service Tax cases for less than Rs. 0.1 Crores:**

i) There are 3 cases pending amounting to Rs. 0.10 crores.

### **G. SALES TAX**

a) **Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

b) **Aggregate Sales Tax cases for less than Rs. 0.1 Crores : NIL**

### **H. OTHER TAXES, FEES & CESS**

a) **Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

b) **Other Tax, Fees and Cess cases below Rs. 0.1 Crores : NIL**

### **I. MISCELLANEOUS CASES**

#### **a) Cases, appeals and notices against the Company:**

i) Tamil Nadu Pollution Control Board (“TNPCB”) while renewing the Pollution Consent for the year 2009, given the new proceedings No. T9/TNPCB/F.2690/TVLR/07 dated 09.06.2009 requesting the Unit to furnish concrete proposal for providing suitable scrubbing system for boiler in Line III (which shall be continued for Line I and Line II) or by source reduction in SO2 level in the raw material within a month. The company on 01.07.2009 has submitted the proposal relating to the above condition and requested the Chairman, TNPCB to accept the proposal. The matter is currently pending before TNPCB.

#### **b) Cases and appeals by the Company:**

i) There are 3 cases pending amounting to Rs. 5.05 crores.

## **Hi-tech Carbon, Renukoot**

### **A. CRIMINAL CASES**

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- a) **Criminal cases filed against the Company : NIL**
- b) **Criminal cases filed by the Company : NIL**
  
- B. LABOUR SUITS
  - a) **Labour suits filed against the Company in excess of Rs. 0.1 Crores : NIL**
  - b) **Labour suits filed against the Company for less than Rs. 0.1 Crores : NIL**
  - c) **Aggregate of Labour suits filed by the Company : NIL**
  
- C. INCOME TAX PROCEEDINGS : NIL
  
- D. CIVIL CASES
  - a) **Civil cases filed against the Company in excess of Rs. 0.1 Crores : NIL**
  - b) **Civil cases filed against the Company for less than Rs. 0.1 Crores : NIL**
  - c) **Civil Cases filed by the Company:**
    - i) The Company has filed a case against Biba Chem (Agent) aggregating to Rs. 0.19 Crores. No order has been passed as yet and the matters are currently pending before Hon'ble High Court of Delhi.
  
- E. CENTRAL EXCISE CASES
  - a) **Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices:**

The excise department has filed 20 cases for similar nature on reversal of modvat aggregating to Rs. 5.96 Crores on sales of Steam & Power (Exempted from Excise). The 1<sup>st</sup> case is already decided in Company's favour from CESTAT. Department has filed an appeal in High Court and the matter is currently pending. In another case from Excise department is filed for wrong availment of modvat on deemed export supply against CT-2 aggregating to Rs. 0.73 crores. The order from CESTAT is given order in Company's favour and department filed appeal in High Court which is currently pending
  - b) **Aggregate of Excise cases for less than Rs. 0.1 Crores:**

The excise department has filed 5 cases for similar nature on reversal of modvat aggregating to Rs. 0.29 Crores on sales of Steam & Power (Exempted from Excise). One case is already decided in favour of the Company by CESTAT. Department has filed appeal in High Court which is currently pending.
  
- F. CUSTOMS
  - a) **Customs duty cases in excess of Rs. 0.1 Crores : NIL**
  - b) **Aggregate Custom cases for less than Rs. 0.1 Crores : NIL**
  
- G. SERVICE TAX
  - a) **Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**
  - b) **Aggregate Service Tax cases for less than Rs. 0.1 Crores:**

There are 2 service tax cases pending amounting to Rs. 0.88 crores.
  
- H. SALES TAX
  - a) **Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

Three cases on demand of tax on export sales to Nepal is pending with HC Allahabad aggregating to Rs. 0.25 crores. All three cases are similar for different years. One case of Entry tax on import of CBFS in state of UP is pending with Hon'ble Supreme court challenging the validity of entry tax levy aggregating to Rs. 115.94 crores. The matter is currently pending.
  - b) **Aggregate Sales Tax cases for less than Rs. 0.1 Crores : NIL**
  
- I. OTHER TAXES, FEES, & CESS

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- a) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**
- b) Cases and appeal filed by the Company : NIL**

#### **Madura Garments (Madura Fashion & Lifestyle)**

##### **A. CRIMINAL CASES**

- a) Criminal cases filed against the Company : NIL.**
- b) Criminal cases filed by the Company :**
  - i) The Company has filed Case No.796/2004 against M/s. Ezy Slides Fastener and another (defendants) under Section 467 of IPC in the Court of the Additional Chief Metropolitan Magistrate, Bangalore. The defendants were suppliers from whom the Company purchased zips and other accessories. Over time the transactions between the Company and the defendants reduced but the defendants forged the signatures of the officials of the Company and fabricated documents. The defendants have also asked the Company to pay Rs. 0.02 Crores as central sales tax payable on purchase made by the Company from the defendants. The Company has now filed a Criminal Complaint for fraud and forgery. The matter is currently pending.
  - ii) The Company has filed Case No. 348/2004 against Vasanth Colour Labs in the Court of the Additional Chief Metropolitan Magistrate, Bangalore under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque amounting to Rs. 0.05 Crores. Vasant Color Labs has preferred an appeal in Crl.Appl No.879/08 before the Appellate Court against the Order by Magistrate Court in favour of the Company. The said appeal was decided in favour of the Company. The Accused has preferred an Crl. Revision No.1168/2010 before Hon'ble High Court of Karnataka, Bangalore. The matter is currently pending.
  - iii) The Company has filed a Private Complaint against M/s. Fashion World before the Hon'ble Chief Judicial Magistrate Court, Bangalore for dishonor of cheque amounting to Rs. 1.33 lacs. Hon'ble Court has registered the complaint as P.C.R No. 981/2011. The matter is currently pending.
  - iv) The Company has filed Private Complaint against M/s. LOOT, before the Hon'ble XIV ACMM, Bangalore for dishonor of cheque. The matter is currently pending.

##### **B. LABOUR SUITS**

- i) Mr. Prabhu, an ex-employee has filed a case against the Company under the provisions of Labour Laws being case number I.D. No. 59/2009 alleging illegal dismissal from services and claiming reinstatement of services along with back wages. The matter is currently pending.
  - ii) Mr. Bobby, an ex-employee has filed a case against the Company under the provisions of Labour Laws being case number I.D. No. 58/2009 alleging illegal dismissal from services and claiming reinstatement of services along with back wages. The matter is currently pending.
- a) Labour suits filed against the Company for less than Rs. 0.1 Crores : NIL**
  - b) Aggregate of Labour suits filed against the Company:**
    - i) There are 2 Labour suits filed against the Company amounting to Rs. 0.01 crores.

##### **C. CIVIL CASES**

- a) Civil cases filed against the Company in excess of Rs. 0.1 Crores:**

Mr. Trineth Khera has filed an Arbitration Petition bearing number 188 of 2010 before the Hon'ble High Court of Delhi against the Company for appointment of Arbitrator and making a claim of approximately Rs. 5.5 Crores. Hon'ble Delhi High Court passed Order dated 18.07.2011 directing the parties to submit to arbitration. Accordingly, the petitioner has filed his arbitration petition before the Delhi Arbitration Center. The matter is currently pending.

- b) Algae Apparels V MGEL (now merged with Aditya Birla Nuvo Ltd.)**

Lt. Col. Dhanlakshmi, proprietor of Algae Apparels ("Algae") invoked the Arbitration proceedings against the Company numbered as CMP.130/2008 claiming damages for losses incurred due to non utilization of

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services. The Company stopped placing orders with Algae since there were issues relating to quality and delay in completing job work due to which the Company lost work orders. The matter is currently pending before the Arbitrator.

### **c) Civil cases filed against the Company for less than Rs.0.1 Crore:**

- i) Agil Freight and Logistics Private Limited (“Agil Freight”) has filed a Civil Suit bearing No. O.S. No. 1100/2002 in the Court of the City Civil Court, Bangalore for recovery of Rs. 1,06,453/- against the Company. The matter is currently pending.

### **d) Civil Cases filed by the Company :**

- i) There are 7 Civil Cases filed by the Company amounting to Rs. 2.88 crores.

## **D. CENTRAL EXCISE CASES**

### **a) Each excise case in excess of Rs. 0.1 Crores, which will even include show-cause plus demand notices:**

- a) The Commissioner of Central Excise, Bangalore has filed an appeal in the Hon’ble High Court of Karnataka against an order by CESTAT, which quashed an order by the Bangalore Commissioner demanding the Company to pay excise duty of Rs. 2.08 Crores plus penalty of Rs. 2.08 Crores under Section 11AC of the Central Excise Act, 1944 and Rs. 0.21 Crores under Rule 25 of the Central Excise Rules, 1944. The duty was demanded under the proviso to Section 11A (1) of the Central Excise Act, 1944, allegedly payable on the Ready Made Garments during the period from 01.05.2001 to 31.01.2003. The Company imported certain varieties of men’s shirts in bulk, which were then subjected to refinishing work. It is alleged that the Company suppressed the fact of refinishing work, which amounts to manufacture. This contravenes provisions of Rules 4, 5, 6, 8, 20, 11 and 12 of Central Excise Rules, 2001. Hon’ble High Court disposed off the Department Appeal on the ground that the Tribunal had only remanded the matter to the Commissioner. Hon’ble High Court has further directed the Commissioner to decide the question of ‘manufacture and other attendant issues’. At the personal hearing the Commissioner of Central Excise passed the order 37/2007 dated 22.10.2007 confirming the duty amount of Rs. 2,08,47,542 and also imposed penalty of Rs. 2,08,47,542. Against the said order, the Company appealed before CESTAT Bangalore. CESTAT by way of its order 740/08 dated 07.07.2008 allowed the stay application and appeal. CESTAT further remanded the case for *de novo* consideration and directed to revise the demand after quantifying the CVD paid by the Company. The Commissioner has passed the order dated 24.08.2009 confirming the Demand after giving effect to the CVD portion to the extent proof was submitted by the Company. The demand stands reduced to Rs. 0.98 crores for duty and 0.98 crores as Penalty. The Company filed appeal against the said order in December, 2009. The matter is currently pending.
- ii) The Company (appellant) filed an appeal Stay Order No. 45/2006 in E/ST/664/05 in Original Case No. E/994/05 dated 12.01.2006. The Company has been supplying raw materials to job workers for manufacture of garments after availing CENVAT credit. The demand has been confirmed on the ground that the Company was not entitled to the benefit of exemption under Notification No. 38/2003-CE dated 30.04.2003 in respect of readymade garments procured from their job workers and the Company had wrongly availed the concession of the amending Notification No. 38/2000/-CE dated 30.04.2003 and in doing so contravened Section 11(A) of the Central Excise Act, 1944. The Company has been denied exemption on the ground that there was no sale of the garments by the job workers to the appellant and that the notification contemplates “purchase”. The Company appealed before CESTAT, Bangalore to stay the operation of the impugned order passed by the respondent, to waive the pre-deposit duty and stay its recovery. CESTAT, Bangalore after hearing Company’s case passed the final order allowing Company’s appeals with consequential relief and set aside the order passed by the Commissioner of Central Excise Bangalore. Against the said order of CESTAT the Commissioner of Central Excise –Bangalore filed an Appeal in Hon’ble Supreme Court vide Appeal No. 4763 65 of 2007. The matter is currently pending.

## **E. CUSTOMS**

### **a) Customs duty cases in excess of Rs. 0.1 Crores :**

There was a SCN issued by Commissioner of customs BLR dated 3.3.2006 by claiming violation of provision of EXIM policy related to Advance License obtained by Madura Coats. Commissioner of Customs had appealed before the Hon'ble Karnataka High Court against CESTAT order which is related to FY 1998-99 during Madura Coats period for Rs. 2.04 crores (Duty Rs. 0.99 plus Penalty & Fine Rs. 1.05) as demand.

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The said appeal has been admitted in the Hon'ble High court and the matter is currently pending.

**b) Aggregate Custom cases for less than Rs. 0.1 Crores : NIL**

**F. SERVICE TAX**

**a) Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**b) Aggregate Service Tax cases for less than Rs. 0.1 Crores : NIL**

**G. SALES TAX**

**a) Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

i) There are 3 cases pending amounting to Rs. 1.86 crores.

**b) Aggregate Sales Tax cases for less than Rs. 0.1 Crores:**

i) There are 6 cases pending against the Company in various locations which aggregate to an amount of Rs. 0.07 crores. No order has been passed as yet and the matters are currently pending.

**H. OTHER TAXES, FEES & CESS**

**a) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores:**

i) There are 2 cases appeals and show-cause cum demand notices pending amounting to Rs. 2.58 crores.

**b) Other Tax, Fees and Cess cases below Rs. 0.1 Crores : NIL**

**I. MISCELLANEOUS CASES**

**a) Intellectual property rights**

Trademark passing off case T.S No. 3729 of 2009 has been filed against the Company by Elite Shoe Co. Kolkata ("Elite Shoe") seeking permanent injunction restraining the Company from manufacturing or selling goods under the trade mark 'Elite'. The temporary injunction application filed by Elite Shoe has been partially allowed by the Court and the Company is allowed to manufacture, sell and market its products under the brand name "Peter England Elite" except leather goods and footwear. The opposite party has challenged the said order in the Hon'ble Kolkata High Court. Written statement and issues have been framed in the Original suit. This matter is currently pending.

**b) Cases, appeals filed by the Company**

O.S. 4/2012 – Trademark infringement case has been filed against the seller of infringed shoes in Trend, seeking permanent injunction restraining the defendants from manufacturing or selling goods under the trade mark "Peter England". The Hon'ble Court appointed a Court commissioner. Further, the Court ordered for issue of notice to defendants. The matter is currently pending.

### **CONSUMER CASES**

A consumer complaint bearing number Complaint No. 201 of 2010 has been filed by one Arunkumar Naryandas Tandon against Arpan as the First opponent and the Company as the Second opponent. The matter is currently pending.

1) Consumer Complaint No. 202/2010 has been filed by the Company against defendants i.e. M/s. Lalitha Textiles & Jewellery Mart (P.) Ltd. ("Lalitha Textiles"). Lalitha Textiles was selling spurious products in Madurai under the different effecting the business of the Company. The matter is currently pending.

2) A consumer complaint being numbered as 832/2012 has been filed by Rajiv Khabra against the Company before District Consumer Forum, Hyderabad alleging defective garments sold in Company's franchise store. The matter is currently pending.

3) The complaint CC-124/ 2012 filed by Mr. Rajkumar Kaithwas against the Company before Consumer Forum, Khandwa) in respect of the garments purchased by the complainant. The matter is currently pending.

**a) Cases and appeals by the Company:**

The Company has filed objection to the execution petition bearing No. 836/2009 in the City Civil Court,



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Bangalore. In this case, the Company had given some fabric to the judgement debtor (Konega International Private Limited) for certain job work. On completion of the job work, Konega was to return the end product to the Company. Due to dispute between the decree holder (Snowwhite Fashion Private Limited) the Court has passed an order of attachment of all moveable's of Konega kept in the premises of the judgement debtor. In this proceeding Company's stock was also attached along with other stocks. The matter is currently pending.

### **Birla Periclae**

#### **A. CRIMINAL CASES**

**a) Criminal cases filed against the Company : NIL**

**b) Criminal cases filed by the Company:**

The Company has filed Case Nos. 94/2000, 95/2000, 98/2000, 99/2000, 100/2000, 101/2000, 102/2000, 133/2000, 134/2000, 135/2000, 395/2001, 396/2001 Section 138 of the Negotiable Instruments Act, 1881 (the "Act") against Orissa Industries Limited, Rourkela (defendants) and its Directors the dishonour of cheques amounting to Rs. 3.03 Crores. The accused purchased sea water from the Company and issued the post dated cheques for the said amounts, which on presentation were dishonoured. Consequent to the Criminal Revision Petition filed for discharge of some directors in Metropolitan Session judge were allowed and the same was challenged in Hon'ble High Court by CrI. R.C No. 1249 to 1268 of 2003. The Hon'ble High Court has passed an order allowing the Criminal Revision Petitions and restored all the complaints against the directors. The directors of the other side have filed application for quashing of the complaint, vide CrI. P's No. 7362,7364,7365,7366,7367,7369 and 7464/2007 for which the Hon'ble High Court had dismissed all criminal petitions. The matters currently pending at 4<sup>th</sup> ACMM Court, Vizag.

#### **B. LABOUR SUITS**

**a) Labour suits filed against the Company in excess of Rs. 0.1 Crores : NIL**

**b) Labour suits filed against the Company for less than Rs. 0.1 Crores:**

Three employees of the Company have filed a Case No. 52/2000 against the Company in the Industrial Tribunal cum Labour Court, Vishakhapatnam for transferring them to Hi-Tech Carbon, Renukoot, a Unit of the Company. The employees allege that the transfer was not justifiable and unsustainable. The Company filed a writ petition No. 15793/2000 in the Hon'ble High Court at Andhra Pradesh and obtained a stay. Stay being continued at Hon'ble High Court matter in WP 15793/2000 no developments.

**c) Aggregate of Labour suits filed by the Company : NIL**

#### **C. CIVIL CASES**

**a) Civil cases filed against the Company in excess of Rs. 0.1 Crores : NIL**

**b) Civil cases filed against the Company for less than Rs. 0.1 Crores : NIL**

**c) Civil Cases filed by the Company : NIL**

#### **D. EXCISE CASES**

**a) Excise cases in excess of Rs.0.1 Crores:**

i) There are 3 Excise case pending amounting to Rs. 0.86 crores.

**b) Aggregate of Excise cases for less than Rs. 0.1 Crores : NIL**

#### **E. CUSTOMS**

**a) Customs duty cases in excess of Rs. 0.1 Crores : NIL**

**b) Aggregate Custom cases for less than Rs. 0.1 Crores : NIL**

#### **F. SERVICE TAX**

**a) Service Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

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**b) Aggregate Service Tax cases for less than Rs. 0.1 Crores : NIL**

#### **G. SALES TAX**

**a) Sales Tax cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**b) Aggregate Sales Tax cases for less than Rs. 0.1 Crores : NIL**

#### **H. OTHER TAXES, FEES & CESS**

**a) Cases, appeals and show-cause cum demand notices in excess of Rs. 0.1 Crores : NIL**

**b) Other Tax, Fees and Cess cases below Rs. 0.1 Crores : NIL**

#### **I. MISCELLANEOUS CASES**

**a) Cases, appeals and notices against the Company : NIL**

**b) Cases and appeals by the Company:**

- i) The Company has filed W.A. No. 1332 of 2004 against the Government of Andhra Pradesh and others (respondents) in the Hon'ble High Court of Judicature, Andhra Pradesh at Hyderabad. The appeal is against the order of the Single Judge dated 23.06.2004 passed in W.P. No. 6957 of 2001 filed by the Company against the order of the General Manager, District Industries centre cancelling the eligibility certificate granting rebate in electricity. The Company got 25% rebate in power bills for its unit in Vishakhapatnam. The maximum rebate for a total of 3 years was Rs. 0.5 Crores. The respondents issued an eligibility certificate to the Company granting the rebate. The Company started commercial production in February 1998 and full rebate was availed by the Company in certain months. Thereafter, Company started paying for electricity at the normal tariff. The Company had to close in December, 1998 due to adverse market conditions. The respondents then cancelled the eligibility certificate granted and adjusted the rebate of Rs. 0.5 Crores retrospectively from excess deposit lying in the account of the Company. The Company has filed appeal against this cancellation and the order delivered by Single Judge in the matter has been suspended. The matter is currently pending.

### **ABNL PENDING CASES**

#### **A. CRIMINAL CASES FILED AGAINST THE COMPANY:**

- i) Charanjeet Singh had filed Case No. 2339/02 against Mr. Kumar Mangalam Birla, Mr. S.K. Mitra and an ex-employee of the Lucknow Branch, Ashish Goel in the Court of the Metropolitan Magistrate, Kanpur for cheating, mischief and causing damage under Sections 417, 418, 419 and 420 of IPC in relation to a hire purchase transaction of the Company. The Company then filed criminal miscellaneous petition Nos. 8607/03 and 8608/03 on behalf of Mr. Kumar Mangalam Birla and Mr. S.K. Mitra in the Hon'ble High Court at Allahabad under SSection 482 of the Cr.P.C. against Charanjeet Singh. A second-hand Maruti was taken under hire purchase from the Company but Charanjeet Singh alleged that registration papers were not given to him and as a result he could not use the car as a taxi. He thus suffered losses and requested the Court of the Metropolitan Magistrate, Kanpur to summon Mr. Kumar Mangalam Birla and Mr. S.K. Mitra and try and convict them. Hon'ble High Court at Allahabad granted a stay on the proceedings at the Court of the Metropolitan Magistrate, Kanpur vide its order dated 16.10.2003. The stay is still in force and there are no further developments in the case.
- ii) The Enforcement Directorate, Mumbai filed a Criminal Case being CC No. 1349/s/02 before the Chief Metropolitan Magistrate, Mumbai, against 1) Birla Global Finance Ltd. 2) Mr. Adesh Gupta 3) Mr. Madhav Menon & Ors, wherein the company received summons from the Court on 16.04.2009. The matter arises out of FERA/ FEMA violations coupled with violations of RBI guidelines as to BTQ, while dealing in Foreign Exchange. The matter was kept on 11.08.09, when the Company on behalf of BGFL entered appearance and filed an application to bring on record, the Order passed by the Bombay as well as Hon'ble Gujarat High Courts whereby BGFL amalgamated with the Company therefore the Accused Company BGFL ceased to exist and treated as dissolved without winding up. Mr. Adesh Gupta and Madhav Menon the Accused Nos. 2 & 3 in the said Criminal Case have filed a Criminal Writ Petition before the Hon'ble Bombay High Court being No. 2007 of 2009 and obtained interim stay

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of the Criminal Proceedings pending before the MM Court. And on 27.01.2011 the said Writ Petition has been finally heard and disposed off allowing the same. The criminal proceedings against Petitioners are quashed.

And now Criminal Case before CMM Court, Esplanade adjourned to 14.10.2011 for further proceedings. On 14.10.2011 the Company had tendered an application to set aside proceedings against Mr. Adesh Gupta & Mr. Madhavan Menon (Accused No. 2 & 3). The Hon'ble Chief Metropolitan Magistrate stated that in compliance with the Order dated 27.01.2011 passed by the Hon'ble High Court the process issued against the above accused had already been set aside and therefore there was no need to file this application. The certified copy of the Roznama which records the quashing as aforesaid by the Hon'ble CMM Court has already been applied.

- iii) There are 4 other Criminal Cases filed against the Company aggregating to Rs. 0.0478 Crores. The matters are currently pending in various Courts. (Cases filed at Bhubaneswar-1, Delhi-1, Jaipur-1 & Lucknow-1)

#### **B. CRIMINAL CASES FILED BY THE COMPANY:**

- i) The Company has filed 7 other Criminal Cases at various Courts in the country aggregating to Rs. 0.2719 Crores. (Cases filed at Delhi-7).
- ii) There are approximately 594 Criminal Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881 pending at various Courts in the country aggregating to Rs. 3.411 Crores.

#### **C. CIVIL CASES FILED AGAINST THE COMPANY:**

- i) There are 12 civil cases filed against the company amounting to Rs. 0.24 crores.
- ii) State Bank of India (SBI) had instituted Suit No. 133 of 1993 in the High Court, Bombay against Bombay Mercantile Co-operative Bank Ltd. & Ors. wherein IGF has been made a party to the suit as Defendant No. 3. Now, as the High Court has transferred matters with claims below Rs. One Crore to the City Civil Court, the aforesaid matter has now been transferred from the High Court to the City Civil Court (City Civil Court Suit No. 108517 of 1993). The matter relates to the wrongful debit of the Company and filed against maintained with SBI and SBI has claimed Rs. 6,89,195/-(Rupees Six Lakhs Eighty Nine Thousand One Hundred and Ninety Five) with interest at the rate of 16.5% p.a. jointly and severally from the Defendants.. However, by order dated 18.12.1992 the Hon City Civil Court, the aforesaid matter has now been transferred from the High Court to the City Civil Court (City Civil Court to sue the Company. The matter was last listed for hearing before Murumkar, J in the City Civil Court on 20.03.2013 wherein the advocates appearing on behalf of the Company has stated that unnecessary hardship was being caused to the Company due to this misjoinder of parties and further requested the judge to keep the matter on the dismissal board as since the last two occasions, no one had appeared for the Plaintiff. On hearing the submissions made on part of the Company, Hon'ble Court passed an order to proceed ex-parte against Defendant No. 1 and Defendant No. 2 and adjourned the matter for recording ex-parte evidence. Further, the Company has also filed in the aforesaid matter, a Notice of Motion seeking relief that the Defendant be discharged from the list of Defendants as the Company is not a proper or necessary party to the suit. The matter is currently pending.

#### **D. CIVIL CASES FILED BY THE COMPANY:**

- i) The Company has filed 1 civil case aggregating to Rs. 0.24 Crores and the matters are currently pending. (Cases filed at Mumbai- RNK matter.) Civil Suit pertaining to RNK has been shifted to City Civil Court as per the directions of the Hon'ble Bombay High Court as the amounts involved are less than Rs.1 Crore.

#### **E. OTHER TAXES, FEES & CESS**

- i) The Additional Commissioner Enforcement Directorate, Department of Revenue, Government of India had imposed a penalty of Rs.0.081 crores against the Company for alleged violation of various Sections under Foreign Exchange Regulation Act read with Foreign Exchange Management Act amounting to US\$ 2,37,554.

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- ii) The Additional Commissioner of Income Tax and Adjudicating Officer under the Foreign Exchange Regulation Act, Mumbai heard the matter. The Additional Commissioner by his Order dated 10.06.2005 has imposed a penalty of Rs. 0.08 Crores against the Company and Rs.0.0575 crores against four ex-employees viz., Mr. Atul Jain, Mr. Madhav Vengurlekar, Mr. Jaswant Puthran and Mr. Orlando D'Souza. The Company has filed appeal No. 716 of 2005 before the Appellate Tribunal for Foreign Exchange, New Delhi against the Order of the Additional Commissioner. The Company paid the penalty and requested the Tribunal to quash and set aside the order dated 10.06.2005 passed by the Additional Commissioner and also to stay the impugned Order. The Tribunal, by its order dated 07.04.2006 granted stay of the impugned Order. The matter was argued on 25.11.2010. ***By order dated 25.11.2010 Appellate Tribunal observed that "the company cannot escape its civil obligations of paying penalty and in civil cases vicarious liability is always there. Merely because those employees are now terminated will not absolve the appellants company from its obligations to pay the penalty. Hence this appeal is without any merits and is dismissed".***

### CASES WHEREIN RNK IS A PARTY.

- i) RNK filed a private complaint No. 58/SW/ 2009 before 8<sup>th</sup> Addl M.M. Court, Esplanade, Mumbai against the Company and Mr. Bharat Singh, Managing Director of the Company alleging of having produced forged and fabricated documents in the Arbitration proceeding pending between the parties. The Company filed a Criminal WP No. 3284/2009 before Hon'ble Mumbai High Court for quashing & set aside the order issuing process against the Company & MD Mr. Bharat Singh. Writ petition was accepted on 05.03.2010 by Hon'ble Mumbai High court and proceedings in the said M.M. Court have been stayed. The matter is currently pending.
- ii) Ramniranjan Kedia Tourism Services Private Limited (RNK) (Customer of BGFL) did not oppose the scheme of amalgamation of Birla Global Finance Limited with the Company filed before the Hon'ble High Court of Bombay. However, later it filed a Company Application No. 525 of 2006 in the Hon'ble High Court of Bombay seeking recall of the order sanctioning the scheme and for a declaration that the scheme is not bonafide, is unjust and contrary to public interest. The said application was dismissed on 17.04.2007. Subsequently, RNK has filed an Appeal No.460/2007 on 30.5.2007 against the order dated 17.4.2007 before the Division bench in Hon'ble High Court of Bombay. On 05.03.08 the said Division Bench admitted the said Appeal. The Appeal is currently pending.
- iii) BGFL (now Aditya Birla Nuvo Ltd.) had initiated arbitration proceedings against Ram Niranjan Kedia Tourism Services Private Limited (RNK). BGFL had extended hire purchase and loan facility to RNK. After the hire purchase and loan agreements were entered into, RNK failed to make regular payment of the equated monthly instalments (EMI) due. The cheques given by RNK were dishonoured. In view of the above, after following proper procedure BGFL took possession of some of the vehicles. BGFL filed five arbitration claims before the Arbitral Tribunal of Indian Merchant's Chamber (IMC). BGFL also filed arbitration petition Nos. 271, 378, 379 and 381 of 2001 in the Hon'ble High Court at Mumbai seeking various reliefs under Section 9 of the Arbitration and Conciliation Act, 1996. By an ad-interim order dated 02.05.2001, the Court appointed the Court Receiver, Hon'ble High Court, Bombay to take possession of the vehicles of RNK. Pursuant to the order of the Hon'ble High Court of Bombay dated 28.08.2001 the petitions were made absolute and ad-interim order was made final. The Company has claimed Rs. 1.743 crores from RNK with interest under the arbitration proceedings. RNK filed counter-claims claiming Rs. 6.69 crores towards alleged wrongful possession of the vehicles by BGFL, replacement value of the vehicles with further interest until payment and/or realization and alleged that the Company has suppressed the true facts in its claims. RNK disputed Company's right under the hire purchase and loan agreements to take possession of the vehicles. RNK further alleged that even if the Company had any right, they did not follow the mandatory procedure under Section 51(5) of the Motor Vehicles Act, 1988. RNK has contended that due to the illegal repossession of the vehicles by the Company, RNK was entitled to raise debit notes on the Company on account of loss of business and profit. The Company has disputed RNK's claims and has returned the debit notes to RNK. RNK has claimed that even though the nomenclature of the agreement signed between RNK and the Company was that of a hire purchase, in reality RNK were at all material times the owners of the vehicles. RNK has further contended that the claims of the Company is false and frivolous and should be dismissed and has prayed for an award declaring that RNK are the owners of the vehicles and for an order to the Company to return the vehicles. After detailed hearing and submission of pleadings by respective parties and leading of evidence, on 23.03.2009 and correction of award on 22.05.2009 the Sole Arbitrator pronounced the awards in favour of the Company. Thereby RNK and its Directors were

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ordered and directed to pay to the Company the principal amount, costs and other dues with interest @ 12% per annum on principal amount from 05.04.2001 till payment or realization, whichever is earlier. RNK and its directors on 18.08.09 filed five Arbitration Petitions Nos. 629 to 633 of 2009 under Section 34 of Arbitration and Conciliation Act, 1996 before Hon'ble Bombay High Court challenging the said awards.

*RNK (now AIDEK) had filed Chamber Summons Nos.798 to 801 of 2012 in the Arbitration Petitions Nos.629 to 633 of 2009 to amend the present petitions to bring on record alleged facts that BGFL had by an agreement dated 29.03.2001 transferred to Birla Global Asset Finance Co. Ltd (BGAFCL) the entire business of retail finance, hire purchase and consumer durable finance and accordingly the Company had no locus standi (i) to initiate /maintain the initial arbitration proceedings or (ii) receive any award in its favour or (iii) defend the present arbitration petition..*

*The Company opposed the allegations and submitted its written reply that the hire purchase agreements entered into by BGFL with the RNK/AIEDK were not assigned under the said agreement and BGFL had written off the amounts due under the said hire purchase agreements as bad debts which is reflected in the letter dated 16.02.2004 addressed by BGFL to the Assistant Commissioner of Income Tax and a Certificate dated 10.09.2012 issued by the Assistant Commissioner of Income Tax. The total of entire bad debts listed in the said letter amounts to Rs.3402.52 Lacs which tallies with the figure of bad debts appearing in the Annual Report of the Respondent (BGFL).*

*Hon'ble High Court was of the view that there was no bar in law to amendment unless the amendments were of a frivolous nature and the merits of the matter could not be considered at hearing of the Chamber Summons and allowed the Chamber Summons. The Company has filed its reply to the Chamber Summons. Matter is currently pending.*

- iv) After receipt of original awards from the Arbitrator, the Company filed 5 (five) Section 9 Applications under the Arbitration and Conciliation Act, 1996, before the Hon'ble Bombay High Court with a prayer to secure the award amounts of Rs. 2.5 Crores from RNK and its directors. By this Application the Company also sought the permission of the court to sell the re-possessed vehicles lying in the custody of Court Receiver of Hon'ble Bombay High Court, and to appropriate the sale proceeds towards the award amount. The Hon'ble Bombay High Court has passed the Order in favour of ABFL on 18.03.2011 discharging the Court Receiver and permitted the Company to sell the vehicles bearing Registration Nos. MH01G6625, MH01G6623 and 01G6621 and to appropriate the sale proceeds thereof .
- v) Eight cases under Section 138 Negotiable Instruments Act were filed by BGFL before the Metropolitan Magistrate's 44<sup>th</sup> Court at Andheri, Mumbai, against Mr. Kamal Kumar Kedia and Mr. Vishal Kedia, Directors of by RNK towards bouncing of various cheques issued by RNK towards repayment of Hire Purchase Agreement(s) and Loan Agreement(s) entered into between BGFL and RNK. In relation to one of the said eight cases, on 20.09.2005 RNK filed an application under Section 195 of Criminal Procedure Code, 1973 for initiating proceedings for prosecution of BGFL for contempt alleging that BGFL, its representatives and its advocates, misled the Hon'ble Court about availability of Mr. Vishal Kedia and secured a non-bailable warrants against Mr. Vishal Kedia. BGFL files its reply denying the allegations. The matter is currently pending.
- vi) The Criminal Case vide 325/PW/2007 filed by Bandra Police at the instance of RNK was kept before the 9<sup>th</sup> Addl. CMM Court at Bandra on 30.11.2009. The matter is stayed by the Hon'ble Bombay High Court vide order dated 12.03.2008. The matter is currently pending.
- vii) Out of the vehicles repossessed by BGFL from RNK, 5 vehicles were sold to M/s. Sumaya Auto. Subsequently M/s. Sumaya Auto got the said vehicles transferred in their own name. Later RNK made an application before the Dy. R.T.O. (PEN), which cancelled the transfer of vehicles to M/s. Sumaya Auto. A Writ Petition was filed by Sumaya Auto against BGFL and RNK challenging the order. Also, RNK preferred an appeal against the said order before the Deputy Transport Commissioner, who by an order dated 06.12.2001 negated the charge in favour of BGFL and made RNK sole owner of the 5 vehicles. This order dated 06.12.2001 was challenged by both BGFL and M/s. Sumaya Auto through two separate Writ Petitions before the Hon'ble High Court at Mumbai. The Hon'ble Bombay High Court passed a common order dated 07.06.2002 in all three writ petitions wherein a Court Receiver was appointed and M/s. Sumaya Auto was appointed as the agent of the Court Receiver to be in possession of the vehicles without any security and royalty. This order was appealed by RNK under three Letter's Patent Appeal before the division bench of Hon'ble High Court at Mumbai. The said division bench through its order dated 31.07.2003 upheld the order dated 07.06.2002. Thereafter, RNK preferred a special leave petition before the Hon'ble Supreme Court of India, which was summarily dismissed vide

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order dated 03.12.2003. The aforementioned three Writ Petitions are pending for final hearing before the Hon'ble High Court of Bombay.

- viii) There is a police report which refers to BGFL, in the matter of investigation of transfer of vehicles to Sumaya Auto, based on a Criminal Complaint filed by RNK. BGFL is not named in the FIR. Few ex-employees of BGFL were named in the police report who have been granted bail/ anticipatory bail. On 02.04.2007 the Bandra Police filed a charge sheet against the three ex-employees of the BGFL. On 24.10.2007 RNK had filed an Application before the Bandra Court for re-investigation to take remedial measures on certain grounds. The said application is pending before the Metropolitan Magistrate's 9<sup>th</sup> Court at Bandra.
- ix) Meanwhile, those three ex-employees filed two separate Writ Petitions i.e. Writ Petition No. 458/2008 & 425/2008 in Hon'ble Bombay High Court for quashing of the charge-sheet filed by Bandra Police Station. These two Writ Petitions were listed before Hon'ble Bombay High Court on 12.03.08 for admission/stay of the criminal proceedings pending before Addl. Chief Metropolitan Magistrate's 9<sup>th</sup> Court at Bandra. After hearing the arguments the Hon'ble High Court admitted both the Writ Petitions and passed an order staying the criminal proceedings as prayed for. Hon'ble High Court also directed the Ex-Employees to implead the original complainant (RNK) as party-respondent to the Petitions. On 03.04.2008 RNK filed two Criminal Application Nos.114/2008 & 115/2008 in the above Criminal Writ Petitions for recall of the aforesaid order dated 12.03.2008 passed by Hon'ble High Court in the aforesaid Criminal Writ Petitions. On 12.06.2008 when the aforementioned two Criminal Applications of RNK came up for hearing the Hon'ble High Court rejected the said two Criminal Applications of RNK with an observation that the hearing of the Writ Petitions No. 458/2008 & 425/2008 is expedited. ***The matter is currently pending.***
- x) The statutory auditor of the erstwhile BGFL and the Company received a letter from the lawyers of RNK alleging fraud not disclosed in the BGFL auditor report for financial year 31.03.2005.
- xi) Ramniranjan Kedia Tourism Services Private Limited ("RNK") had filed three letters dated 10.10.2006, 13.10.2006 and 30.10.2006, *inter alia* to SEBI alleging that there were certain proceedings involving RNK which were not included in the draft letter of offer filed with SEBI. ABNL filed replies with SEBI providing its response to the allegations made by RNK.

### **APPEAL BEFORE THE SECURITIES APPELLATE TRIBUNAL:**

- i) RNK had filed an appeal before the Securities Appellate Tribunal (SAT) vide Appeal No.145 of 2006 in relation to the issue of observations by SEBI on the draft letter of offer and non disclosure of the details of the various litigations involving RNK. The appeal was heard on 21.12.2006. The Tribunal admitted the appeal but no stay was granted.
- ii) Being aggrieved by the order of SAT refusing to grant a stay, RNK had filed writ petition No.25 of 2007 before the Hon'ble High Court of Bombay against the Union of India and others, including ABNL, and after hearing the Hon'ble High Court of Bombay vide order dated 12.01.2007 dismissed the writ petition.
- iii) Vocation Investment & Finance Company Private Limited, Naresh Pachisia and Pachisia Mercantile Company Limited (the "**Appellants**") have filed Appeal No.18/2007 under Section 15T of the SEBI Act, 1992 against the Company and SEBI (the "**Respondents**") before the Securities Appellate Tribunal, Mumbai against the observation card/order dated 20.11.2006 issued by SEBI allowing the Company to proceed with its Rights Issue on the basis of the Letter of Offer dated 15.12.2006 (the "**LOF**"). The Appellants have alleged that the LOF contains false and inadequate disclosures in relation to statement of accounts for the period ended 30.09.2006, litigations and risks. There are several litigations pending by and against the Company involving Ramniranjan Kedia Tourism Services Private Ltd. and its directors Vishal Kedia and Kamal Kedia ("**RNK**"). The Appellants have alleged that the LOF contains false and inadequate information and that SEBI issued its order disregarding the complaints of RNK. The Appellants have further alleged that draft red herring prospectus filed by Idea Cellular Limited has not disclosed litigations between the Company and RNK as disclosed in the LOF.

The Appellants have requested the Tribunal to set aside the order passed by SEBI on 20.11.2006 and disallow the Company from proceeding with its Rights Issue. The Appellants have further requested the Tribunal to direct SEBI to take appropriate action against the Company in accordance with law, cost of the instant proceedings to be awarded to the Appellants and any such orders in favour of the Appellants for the protection of interest of investors. The Appellants have also prayed for interim relief of staying

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the impugned order of SEBI and proposed Rights Issue of the Company pending the adjudication of this appeal. The Appeal was fixed for hearing on 24.01.2007. The matter was admitted but however no stay was granted and it was directed that the matter to be clubbed with the Appeal filed by RNK before SAT being No.145 of 2006. Replies in both the appeals have been filed. On 17.01.2008 SAT passed a common order thereby rejecting both the Appeals.

Against the aforesaid order dt.17.01.2008 Vocation Investment & Finance Company Private Limited and RNK filed Civil Appeal No. 4964 of 2008 & Civil Appeal No. 4205 of 2008 respectively in the Hon'ble Supreme Court seeking inter alia allowance of their appeal and setting aside the judgment dated 17.01.2008 passed by SAT. The matter came up before the Hon'ble Supreme Court on 25.08.2008. Hon'ble Supreme Court has directed that notice be issued to the respondents for their reply. *The Company has filed its reply and the matter is currently pending.*

SAT Appeal No. 134 filed by - Ramniranjam Kedia Tourism Services Pvt. Ltd. & Anr. Vs. SEBI & Ors. alleging inadequate disclosure in rights issue document of Hindalco, came up for hearing on 14.11.2008, before the Hon'ble Securities Appellate Tribunal (SAT). Tribunal observed that the Appellants have no prima facie case for interim reliefs. Therefore the matter was kept for final Hearing on 09.07.2009. On 09.07.2009 the SAT was pleased to dismiss the appeal.

RNK had also filed SAT Appeal No. 35/09 before SAT alleging non disclosure of certain criminal proceedings while taking over Apollo Sindhoori Capital Investment Ltd., against the order dated-16/12/2008 passed by SEBI allowing Enam Securities Pvt. Ltd. to proceed with the open offer by the Company to the equity shareholders of Apollo Sindoori Capital Investment Ltd. This Appeal was clubbed with SAT Appeal No.134 of 2008, which were dismissed.

- iv) Against the aforementioned orders passed by the SAT, RNK had filed two Civil Appeals bearing Nos. 6669/2009 & 7218/2009 which are pending before Hon'ble Supreme Court of India.

## INCOME TAX PROCEEDINGS

### a) Appeals filed by the Company before the Commissioner of Income Tax (Appeals)

- i) Company has filed an appeal before the Commissioner of Income Tax (Appeals), LTU, Mumbai against the order dated 26.10.2009 of the Addl. Commissioner of Income Tax, Mumbai for the assessment year 1994-95, aggregating tax impact of approximately Rs.0.0230 Crores, on the issue of interest withdrawn on Self assessment tax paid. The matter is currently pending before CIT(A).
- ii) Company has filed an appeal before the Commissioner of Income Tax (Appeals), LTU, Mumbai against the order dated 08.11.2011 of the Asst. Commissioner of Income Tax, Mumbai LTU for the assessment year 1995-96, aggregating tax impact of approximately Rs.3.78 Crores, on the issue of taxability of Sales tax exemption availed from the state Govt. and interest charged under Section 234D. The matter is currently pending before CIT(A).
- iii) The Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai against the order dated 03.03.2008 of the Dy. Commissioner of Income Tax, Mumbai for the assessment year 2004-05, aggregating tax impact of approximately Rs. 0.065 Crores, on the issue of rejection of application under Section 154 for not granting TDS credit. The matter is currently pending before CIT(A).
- iv) Company has filed Three appeals before the Commissioner of Income Tax (Appeals), Mumbai against the order dated Feb 23, 2011, Feb 25, 2011 and 04.03.2011 respectively of the Dy. Commissioner of Income Tax, (TDS) Mumbai for the assessment year 2007-08, 2008-09 and 2009-10, aggregating tax impact of approximately Rs.0.2295 Crores, on the issue of short payment of TDS and Interest thereon. Order has not been passed as yet and the appeal is currently pending.
- v) Company has filed an appeal before the Commissioner of Income Tax (Appeals), LTU, Mumbai against the order dated 01.11.2011 of the Additional Commissioner of Income Tax, Mumbai LTU for the assessment year 2009-10, aggregating tax impact of approximately Rs.13.813 Crores, on the issue of Expenses disallowance of provision made for Leave salary, disallowance under Section 14A, Deduction under Section 80I A, order has not been passed as yet and the appeal is currently pending.
- vi) The Company has filed an appeal dated 06.01.2012 before the Commissioner of Income Tax (Appeals), against the order of the Addl. Commissioner of Income Tax LTU, Mumbai for the assessment year 2009-10 inter alia on the issues of Value of Fringe Benefit under Section 115WE(3) having tax impact of Rs. 0.41 crores. No order has been passed as yet and the matter is currently pending.
- vii) Company has filed an appeal before the Commissioner of Income Tax (Appeals) LTU, Mumbai against the order giving effect of Asst. Commissioner of Income Tax against the ITAT order for AY

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1996-97 aggregating the tax impact of Rs. 1.20 crores on the issue of taxability of Sales tax exemption availed from the State Govt, allowability of depreciation on assets not owned and withdrawing the interest on interest. The matter is currently pending before CIT(A).

- viii) Company has filed an appeal before the Commissioner of Income Tax (Appeals) LTU, Mumbai against the order giving effect of Asst. Commissioner of Income Tax against the ITAT order for AY 1997-98 aggregating the tax impact of Rs. 1.33 crores on the issue of taxability of Sales tax exemption availed from the state Govt, allowability of depreciation on assets not owned and withdrawing the interest on interest. The matter is currently pending before CIT(A)

### Income Tax cases in respect of erstwhile Aditya Birla Insulators Ltd. (ABIL)

- i) Pursuant to a scheme of amalgamation approved by the High Court of Gujarat at Ahmedabad, all businesses of ABIL have been amalgamated with the Company.

The Company has filed three appeals before the Commissioner of Income Tax (Appeals), LTU Mumbai against the orders dated 13.03.2012 of the Asst. Commissioner of Income Tax, LTU, Mumbai for the assessment year 2005-06, 2006-07 and 2007-08 aggregating tax impact of approximately Rs.0.0280 Crore, on the issue of levying of penalty under Section 271(1)(c) on disallowance of preliminary expenses. The matter is currently pending before CIT(A).

### Income Tax Cases in respect of Erstwhile MGCCPL

- i) Company has filed an appeal before the Commissioner of Income Tax (Appeals), LTU, Mumbai against the order dated 19.10.2012 of the Deputy Commissioner of Income Tax, Bangalore for the assessment year 2007-08, aggregating tax impact of approximately Rs. 2.21 Crores, on the issue of disallowance of provision for deferred tax from MAT and adjustment of refund which was not allowed to assessee, order has not been passed as yet and the appeal is currently pending. (CCPL).
- ii) Company has filed an appeal before the Commissioner of Income tax (Appeal) Circle 12(1), Bangalore against the order dated 30th Dec 2011 of the Asst. Commissioner of Income tax, Circle 12(1), Bangalore for the Assessment year 2009-10 aggregating the tax impact of Rs.0.14 Crore on the issue of disallowing the claim of additional depreciation which was acquired and put to use for less than 180 days in earlier financial year

### a) Appeals filed by the Company before the Income Tax Appellate Tribunal:

- i) The Company has filed appeal no. ITA/5421/M/05 dated 10.08.2005 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2000-01 aggregating tax impact of approximately Rs. 4.01 Crores, inter alia upholding the order of the assessing officer on the issues of disallowances of share buyback expenses, rural development expenses, depreciation on goodwill, Sales tax incentive. No order has been passed as yet and the matter is currently pending.
- ii) The Company has filed appeal no. ITA/5422/M/05 dated 10.08.2005 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2001-02 aggregating tax impact of approximately Rs. 6.22 Crores inter alia upholding the order of the assessing officer on the issues of disallowances rural development expenses, sales tax incentive, depreciation on goodwill, marketing and technical knowhow expenses, Interest under Section 234D, deduction under section 80HHC. No order has been passed as yet and the matter is currently pending.
- iii) ix) The Company has filed appeals nos. ITA/659/m/09 dated 02.02.2009 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2002-03 aggregating tax impact of approximately Rs. 7.86 Crores inter alia on the issues of rural development expenditure, Modvat credit, deduction claim under Section 36(1)(iii), Disallowance under Section 43Bf, Deduction under Section 80HHC, Depreciation on Goodwill, Marketing and technical Knowhow etc. No order has been passed as yet and the matter is currently pending.
- iv) The Company has filed appeals nos. ITA/660/m/09 dated 02.02.2009 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2003-04 aggregating tax impact of approximately Rs. 12.96 Crores inter alia on the issues of rural development expenditure, Modvat credit, deduction claim under Section 36(1)(iii), Disallowance under Section 43Bf, Deduction under Section 80HHC, deduction under Section 80IA & 80IB etc. No order has been passed as yet and the matter is currently pending.
- v) The Company has filed appeals nos. ITA/661/m/09 dated 02.02.2009 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2004-05 aggregating tax impact of approximately Rs.11.98 Crores inter alia on the issues of Modvat credit, deduction claim under Section 36(1)(iii), Deduction under Section 80HHC, deduction



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- under Section 80IA & 80IB etc. No order has been passed as yet and the matter is currently pending.
- vi) The Company has filed appeals nos. ITA/662/m/09 dated 02.02.2009 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2005-06 aggregating tax impact of approximately Rs. 4.94 Crores inter alia on the issues of Modvat credit, deduction claim under Section 36(1)(iii), Deduction under Section 80HHC, deduction under Section 80IA & 80IB, Disallowance under Section 43Bf, deduction under Section 80GGb etc. No order has been passed as yet and the matter is currently pending.
  - vii) The Company has filed appeals nos. ITA/8427/m/10 dated 03.12.2010 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2006-07 aggregating tax impact of approximately Rs.5.64 Crores inter alia on the issues of Modvat credit, deduction under Section 36(1)(iii), deduction under Section 80IA, Disallowance under Section 43Bf, Disallowance under Section 14A, Disallowance under Section 40(a)(ia)provision made etc. No order has been passed as yet and the matter is currently pending.
  - viii) The Company has filed appeals nos. ITA/7583/m/10 dated 03.11.2010 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2006-07 inter alia on the issues of Value of Fringe Benefit under Section 115WE(3) having tax impact of Rs. 0.24 crores. No order has been passed as yet and the matter is currently pending.(FBT)
  - ix) The Company has filed appeals nos. ITA/7584/m/10 dated 03.11.2010 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2007-08 inter alia on the issues of Value of Fringe Benefit under Section 115WE(3) having tax impact of Rs. 0.35 crores. No order has been passed as yet and the matter is currently pending.(FBT)
  - x) The Company has filed appeals nos. ITA/3703/m/11 dated 06.05.2011 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2007-08 aggregating tax impact of approximately Rs.15.69 Crores inter alia on the issues of Modvat credit, deduction under Section 36(1)(iii), deduction under Section 80IA, Disallowance under Section 43Bf, Disallowance under Section 14A, Disallowance under Section 40(a)(ia) provision made etc. No order has been passed as yet and the matter is currently pending.
  - xi) The Company has filed appeals nos. ITA/1693/m/12 dated 22.03.2012 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2006-07, inter alia on the issues of treating as an agent of M/s. New Cingular Wireless Services Inc. under Section 163 in respect of purchase of shares in Idea cellular limited from M/s. AT&T Cingular Services Inc Mauritius and treating as an agent of MMH Holdings LLC in respect of purchase of shares in ICL from ATTM. No order has been passed as yet and the matter is currently pending.
  - xii) The Company has filed appeals nos. ITA/3033/M/11 dated 03.05.2012 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2008-09 aggregating tax impact of approximately Rs. 11.22 Crores inter alia on the issues of Modvat credit, deduction under Section 36(1)(iii), deduction under Section 80IA, Disallowance under Section 43Bf, Disallowance under Section 14A, Disallowance under Section 40(a)(ia) provision made, deduction under Section 37(1), disallowance of contribution to General Electoral Trust etc. No order has been passed as yet and the matter is currently pending.
  - xiii) The Company has filed appeals nos. ITA/60/Mum/2011 dated 05.01.2011 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2005-06 in the case of Aditya Birla Insulator Ltd. (formerly known as Birla NGK Insulators) aggregating tax impact of approximately Rs. 0.01 crores. on the issue of disallowance of claim under Section 35D, unutilized cenvat credit etc. No order has been passed as yet and the matter is currently pending.
- b) Appeals filed by the Income Tax Department before the Income Tax Appellate Tribunal:**
- i) The Income Tax Department has filed appeal no. ITA/796/M/10, before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 1993-94 aggregating tax impact of approximately Rs. 3.37 Crores, inter alia on the issue of deletion of penalty in respect of tax depreciation on Boiler. No order has been passed as yet and the matter is currently pending.
  - ii) The Income Tax Department has filed appeal no. ITA/5561/M/05 dated 26.08.2005 before the Income Tax Appellate Tribunal, against the favourable order of the Commissioner of Income Tax (Appeals),

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Mumbai received by the Company for the assessment year 2000-01 aggregating tax impact of approximately Rs.9.31 Crores, inter alia on the issue of allowance of certain expenses, i.e. payments made to school, disallowance under section 14A, premium paid on redemption of debenture, marketing and technical know-how expenses and expenses on buy back of shares. No order has been passed as yet and the matter is currently pending.

- iii) The Income Tax Department has filed appeal no. ITA/5530/M/05 dated 25.08.2005 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2001-02, inter alia on the issue of allowance of certain expenses, i.e. disallowance under section 14A and disallowance under section 80 HHC. No order has been passed as yet and the matter is currently pending.
  - iv) The Income Tax Department has filed appeal no. ITA/615/M/09 dated 25.08.2005 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2002-03, inter alia on the issue of Modvat Credit, disallowance under section 14A and interest under Section 234D. No order has been passed as yet and the matter is currently pending.
  - v) The Income Tax Department has filed appeal no. ITA/616/M/09 dated 30.01.2009 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2003-04, inter alia on the issue of disallowance of expenses incurred on live stock, Modvat Credit, deduction under Section 80M and deduction under Section 80HHC. No order has been passed as yet and the matter is currently pending.
  - vi) The Income Tax Department has filed appeal no. ITA/617/M/09 dated 30.01.2009 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2004-05, inter alia on the issue of disallowance of, Modvat Credit, deduction under Section 40A(9) No order has been passed as yet and the matter is currently pending.
  - vii) The Income Tax Department has filed appeal no. ITA/618/M/095 dated 30.01.2009 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2005-06, inter alia on the issue of allowance of certain expenses, i.e. disallowance under section 14A payments made to Indrayon School and Modvat credit. No order has been passed as yet and the matter is currently pending.
  - viii) The Income Tax Department has filed appeal no. ITA/8483/M/2010 dated 06.12.2010 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2006-07, inter alia on the issue of Modvat credit. No order has been passed as yet and the matter is currently pending.
  - ix) The Income Tax Department has filed appeal no. ITA/3634/M/2011 dated 05.05.2011 before the Income Tax Appellate Tribunal, against the order of the Commissioner of Income Tax (Appeals), Mumbai for the assessment year 2007-08, inter alia on the issue of Modvat credit. No order has been passed as yet and the matter is currently pending.
- c) Appeals filed by the company before the Supreme Court of India:**
- i) The company has filed an SLP (SLP No. 23743 of 2011) before the Supreme Court against the order of High Court, Mumbai for the assessment year 2006-07 on the issue of treating the company as an agent of New Cingular Wireless Services Inc. as agent of MMH Holding LLC, under section 163(1) of the income Tax Act. The SLP has been admitted and no order has been passed as yet and the matter is currently pending.
  - ii) The company has filed an SLP (SLP No. 20345 of 2012) before the Supreme Court against the order of High Court, Mumbai for the assessment year 1977-78 on the issue of claim for set off under Section 80J(3), depreciation to be deducted while computing the deduction under Section 80 HH of the income Tax Act. Total tax impact of Rs. 0.46 crores. The SLP has been admitted and no order has been passed as yet and the matter is currently pending.
- d) Appeals filed by the Income Tax Department before the Supreme Court of India:**
- i) The Income Tax Department has filed an appeal before the Supreme Court against the order of High Court, Mumbai for the assessment year 1990-91 on allowability of certain expenses in the summary assessment proceedings as per the clause III of first provision to section 143 (1)(a) of the Income Tax Act. No order has been passed as yet and the matter is currently pending.
- e) Appeals filed by the Company before the High Court at Mumbai:**
- i) The Company has filed eight cases before the High Court, Mumbai on various issues, for amounts aggregating to Rs. 7.38 Crores. No order has been passed as yet and the matter is currently pending.
- f) Appeals filed by the Income Tax Department before the High Court, Mumbai:**

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- i) The Income Tax Department has filed five cases before the High Court at Mumbai on various issues, for amounts aggregating to Rs.3.3127 Crores. No order has been passed as yet and the matter is currently pending.

### **In respect of Indo Gulf Fertilizers Limited**

Pursuant to a scheme of amalgamation approved by the High Court of Allahabad at Lucknow and High Court of Gujarat at Ahmedabad, all businesses of IGF have been amalgamated with the Company w.e.f. 01.09.2005.

#### **a) Pending with the Supreme Court (IGFL):**

- i. The Company has filed a SLP (SLP No. 3310 of 2013) against the order of the High Court (appeal no. 155/09 dated 27.10.2009) dated 10.10.2012 for admitting question of law on maintainability of additional question during the final hearing under Section 260A(4) for AY 2003-04. The appeal is currently pending to be admitted.

#### **b) Pending with the High court (IGFL):**

- i) The department has filed appeal No. 72/2010 under Section 260A before High Court against the order of Income Tax appellate Tribunal order (appeal No. ITA/608/L/07 dated on 19.04.2010) for Assessment year 2003-2004., aggregating tax impact of Rs. 2.06 Crores on the issue of penalty towards expenses on machinery spares and catalyst. The appeal is currently pending.

#### **c) Appeal Before ITAT- IGFL**

- i) IGFL has filed appeal no. ITA 387/Luc/09 before ITAT against order dated 27.04.2009 of CIT(A) vide which CIT (A) has dismissed appeal for grant of further interest of Rs.0.11 crores.
- ii) IGFL has filed an appeal (ITA No. 67/Luc/2010) before ITAT against the order of Commissioner of Income Tax (Appeals) in Assessment Year 2006-2007 (5 month period) confirming the order dated 26-12-2008 of Addl. Commissioner of Income Tax range-1, Lucknow, on the issue of disallowance under Section 14A aggregating tax impact of Rs. 0.75 Crores. No order has been passed and matter is currently pending.

#### **d) Appeal before CIT(A)- IGFL**

- i) Two appeals have been filed by IGFL before CIT(A) for AY 2003-04 on 31.05.2011 against order dt. 11.02.2011 of A.O. on the issue of interest under Section 244A having impact Rs. 0.04 crores. No order has been passed and the matter is currently pending before CIT(A).
- ii) One appeal has been filed for AY 2006-07 on 04.01.2012 against order dated 01.12.2011 of AO vide which application under Section 154 for short allowance of interest of Rs. 0.08 crores. under Section 244A has been rejected. No order has been passed and the matter is currently pending before CIT (A).  
Income-tax cases in respect of Erstwhile Indo Gulf Corporation Limited (Merged with Hindalco Industries Limited w.e.f. 01.04.2002)

#### **e) Pending with High Court(IGCL)**

- i) The department has filed reference appeal no. 09/1995 & 10/1995 for AY 1989-90 before High Court on whether investment allowance is allowable on Forex fluctuation loss of Rs. 26.79 Crores, whether Investment Allowance is allowable on railway siding, computer, Fire & Safety Equipment etc. of Rs. 10.28 crores and whether Market Seeding operation loss of Rs.2.35 Crores can be capitalised for Dep., Investment allowance and some other misc. issues. Tax impact Rs. 4.45 crores.
- ii) The department has filed an appeal (Appeal no. 73/05) against order of ITAT quashing demand of withholding tax of Rs. 9.88 crores in respect of GDR issue under Section 195/201. ITAT allowed the appeal on time limitation. The matter is currently pending before High Court of Lucknow.
- iii) Department has filed appeal (Appeal No. 67/07) before High Court of Lucknow against ITAT order dismissing Deptt's Appeal No. ITA No.176/L/06 against order of CIT(A) deleting penalty of Rs. 7.35 crores. levied under Section 271(1)(c) against claim of exps. Of Rs. 24.51 crores. on replacement of catalyst and catalyst tubes as revenue expenditure. The matter is currently pending before High Court of Lucknow.
- iv) Department has filed appeal (Appeal No. 74/10) for AY 1998-99 before High Court of Lucknow against order dated 21.04.2010 of ITAT vide which DRR of Rs.3.75 crores. allowed to be reduced from the computation of liability under MAT. Tax impact Rs. 0.40 crores. The matter is currently pending before High Court of Lucknow.
- v) Department has filed 2 appeals (Appeal No. 12/2011, 13/2011) for AY 1999-00 before High Court of Lucknow on whether DRR of Rs. 51.25 crores allowed to be reduced from the computation of liability

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under MAT & against order of ITAT vide which penalty under Section 271(1)(c) deleted. Tax impact Rs. 11.44 crores. The matter is currently pending before High Court of Lucknow.

- vi) Department has filed 2 appeals (Appeal No. 6/2011, 14/2011) for AY 2000-01 before High Court of Lucknow against order of ITAT vide which deduction of Rs. 51.25 crores allowed under MAT & against order of ITAT vide which penalty under Section 271(1)(c) deleted.. Tax impact Rs. 11.98 crores. The matter is currently pending before High Court of Lucknow.

### **A. Appeal Before ITAT-IGCL**

- i) IGCL file Appeal no. ITA 262/A/99 before ITAT against order of CIT(A) against order under Section 143(3) as to whether investment allowance is allowable on gross income before setting off unabsorbed depreciation and whether deduction under Section 80HH is to be allowed on other income also and other issues. Tax Impact Rs.0.36 crores.
- ii) Deptt. Appeal No. 52/2003 was restored back by High Court of Lucknow to ITAT for fresh hearing. Issue involved is allowability of investment allowance of Rs. 0.60 crores on fire & safety equipment, hospital equipment, railway siding, communication equipment etc. and further Rs. 0.03 crores under Section 35D on increase in authorized share capital. Tax impact is Rs. 0.06 crores.

### **B. Appeal Before CIT(A)-IGCL**

- i) Company has filed one appeal for AY 1998-99 on 08.03.2011 against non-allowance of DRR of Rs. 3.75 crores. by A.O. vide order dt. 25.01.2011 while giving effect to ITAT's order. Tax impact Rs. 0.40 crores.
- ii) Company has filed one appeal on 31.05.2011 for AY 1995-96 against rejection of application under Section 154 vide order dt. 06.04.2011 for allowance of Interest under Section 244A short granted earlier. Tax impact Rs. 0.12 crores.
- iii) Company has filed one appeal on 31.05.2011 for AY 1997-98 against rejection of application under Section 154 vide order dt. 11.02.2011 for allowance of Interest under Section 244A short granted earlier. Tax impact Rs. 0.17 crores.
- iv) Company has filed four appeals for AY 1999-00 for short allowance of interest under Section 244A and against rejection of application under Section 154 for allowance of interest short granted aggregating to Rs. 2.17 crores.
- v) Company has filed five appeals for AY 2000-01 for short allowance of interest under Section 244A and against rejection of application under Section 154 for grant of interest short allowed aggregating to Rs. 1.03 crores.
- vi) ITAT vide its order dated 21.04.2010 for AY 1998-99 has restored back the matter to CIT(A) regarding allowability of expenditure of Rs. 0.32 crores on contribution to general electoral trust.
- vii) ITAT vide its order dated 30.05.2008 for AY 2002-03 has restored back to CIT(A) the issues on allowability of expenditure of Rs.0.02 crores on subscription & membership fees and Rs.0.01 crores on expenditure incurred at clubs and on admission of additional ground raised in respect of claim of depreciation on assets of Rs. 38.21 crores. kept ready but not put to use.
- viii) The Hon'ble High Court of Lucknow for AY 1989-90 restored back the appeal to CIT(A) in respect of allowability of investment allowance of Rs. 4.04 crores on forex fluctuation loss. The matter is currently pending before CIT(A).

### **In respect of Birla Global Finance Limited**

Income-tax cases in respect of erstwhile Birla Global Finance Limited (merged with Aditya Birla Nuvo Ltd. w.e.f. 01.09.2005).

### **A. Pending with High Court**

- i) **Department has filed 2** appeals in High Court pertaining to AY 1997-98 & 1999-00 on interest tax matter. The tax impact is Rs. 0.24 crores. The matters are currently pending before Hon'ble High Court.
- ii) Department has filed 3 appeals in High Court on various matters pertaining to AY 1992-93, 1997-98 & 1998-99. The tax impact is Rs. 0.48 lacs. The matters are currently pending in Hon'ble High Court.

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### **Birla SunLife AMC**

Except as described below, as on December 31, 2012, there are no outstanding or pending litigations, suits, criminal or civil prosecutions, proceeding or tax liabilities against our Company, our Directors, our Promoters or our Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional/ bank dues or dues payable to holders of debentures, bonds and fixed deposits (irrespective of whether they are specified under Part I of Schedule XIII of the Act), that would have a material adverse effect on our business:

- i) Sun Life Financial Inc.(SLF Inc.) and its subsidiaries are regularly involved in legal actions, both as a defendant and as a plaintiff. Management does not believe that the conclusion of any current legal matters, either individually or in the aggregate, will have a material adverse effect on SLF Inc.'s financial condition or results of operations.
- ii) A suit has been filed by a Bank before the Hon'ble High Court of Mumbai, against an investor holding units of mutual fund in the schemes of BSLMF on which lien has been marked in favour of the said bank. BSLAMC has also been made one of the parties in the said suit. The said bank has inter alia sought an injunction restraining the investor from encumbering, redeeming or in any manner disposing off the said units and also restraining BSLAMC from releasing the lien marked on the said units.
- iii) An Investor, claimed monetary losses of Rs.1.06 lac from BSLAMC in a case filed before the Hon'ble Civil Court, for an alleged delay in processing redemption request. There are cases pending before the Civil Court, Kolkata and High Court, Delhi, seeking injunction regarding transmission of units of Mutual Fund.
- iv) BSLAMC had taken premises on Lease for its branch office. The Lease period was 3 years, which was thereafter renewed by 3 years and then renewed by over one year. BSLAMC paid off all the rent/dues to the Landlord for the said period. However the Landlord claimed damages of Rs. 2.28 lacs from BSLAMC in the Hon'ble District Court, Jaipur, for not having received the peaceful & vacant possession of the Leased Premises from BSLAMC.
- v) There are cases pending before various Consumer Redressal Forums filed against BSLAMC. The value of the amount disputed / claimed aggregates to (approx) Rs.8.39 lacs.

### **Birla Sun Life Insurance Co. Ltd ("BSLI")**

Except as described below, as on December 31, 2012, there are no outstanding or pending litigations, suits, criminal or civil prosecutions, proceeding or tax liabilities against our Company, our Directors, our Promoters or our Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional/ bank dues or dues payable to holders of debentures, bonds and fixed deposits (irrespective of whether they are specified under Part I of Schedule XIII of the Act), that would have a material adverse effect on our business:

Legal Department of BSLI is handling Policyholder related complaints and Non-Policyholder related complaints:

#### **A. POLICYHOLDER RELATED COMPLAINT**

Policyholder related complaints, which are further divided into three major categories which are classified as:

- CLAIMS
- POLICYHOLDER
- INSURANCE ADVISORS RELATED

The complaints pertaining to the said categories are pending before various Forums, please find below the number of litigations pending before various forums and Courts:

As on 31<sup>st</sup> December 2012, total cases filed by the Company are 100 (appeals preferred by the Company) & the cases against the Company are 958 totalling to 1058 cases.

#### **B. Cases pending before District Consumer Forum:**

There are total 297 claim related cases pending in various District Consumer Forums, the total outstanding liability / amount claimed is Rs.8.8 cr (Rs. 88099016.89)

There are 253 policyholder related cases pending in various District Consumer Forums & the outstanding

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liability / amount claimed is Rs. 3.97 Cr (Rs. 39792213.45)

There are 46 Insurance Advisor related cases pending in various District Consumer Forums & the outstanding liability / amount claimed is Rs. 1.2 cr (Rs. 12653721.79)

#### **C. Cases pending before Insurance Ombudsman:**

There are total 32 claim related cases pending before the Insurance Ombudsman, the total outstanding liability / amount claimed is Rs.88.13 lakhs (Rs. 8813337)

There are 192 policyholder related cases pending before the Insurance Ombudsman & the outstanding liability / amount claimed is Rs. 1.77 Cr (Rs. 17723439)

There are 38 Insurance Advisor related cases pending before the Insurance Ombudsman & the outstanding liability/ / amount claimed is Rs. 23.70 lakhs (Rs. 2370710)

#### **D. Cases pending before Civil Court:**

There are total 33 claim related cases pending before the Civil court, the total outstanding liability / amount claimed is Rs.1.81 Cr (Rs. 18162503)

There are total 7 policyholder related cases pending before the Civil court & the outstanding liability / amount claimed is Rs. 1.77 Cr (Rs. 17723439)

There are 3 Insurance Advisor related cases pending before the Civil court & the outstanding liability / amount claimed is amounting to Rs. 429781.

#### **E. Cases pending before Consumer Conciliation Committee:**

Total claim related cases pending before the Consumer Conciliation Committee are nil.

Policyholder related cases pending before the Consumer Conciliation Committee are nil.

There are 3 Insurance Advisor related cases pending before the Consumer Conciliation Committee & the outstanding liability is amounting to Rs. 91184.

#### **F. Cases pending before High Court:**

##### **Against BSLI:**

Total claim related cases pending before High Court are 1 & liability amounting to/ amount claimed is Rs. 607096

Policyholder related & Insurance Advisor related cases pending before High Court are nil.

##### **By BSLI:**

Total claim related cases pending before High Court are 6 & the liability amounting to Rs. 37.5 Lakhs (Rs. 3750834)

Policyholder related & Insurance Advisor related cases pending before High Court are nil.

#### **G. Cases pending before State Commission:**

##### **Against BSLI:**

There are 24 total claim related cases pending before the State Commission & the liability amounting to Rs. 1.30 Cr (Rs. 13061657)

There are total 13 policyholder related cases pending before the State Commission & the liability amounting to Rs.1.86 Cr (Rs. 18610737)

There are total 2 insurance advisor related cases pending before the State Commission & the liability amounting to Rs. 71 Lakhs (Rs. 7174900)

##### **By BSLI:**

There are total 75 claim related cases pending before the State Commission & the liability amounting to Rs. 2.78 Cr (Rs. 27876898)

There are total 8 policyholder related cases pending before the State Commission & liability amounting to Rs.42.96 Lakhs (Rs. 4296298)

Total insurance advisor related cases pending before the State Commission are 3 & liability amounting to Rs. 13.55 Lakhs (Rs. 1355000)

#### **H. Cases pending before National Commission:**

##### **Against BSLI:**

Total claim related cases pending before National Commission are 2 & liability amounting to Rs. 10 Lakhs

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Total policyholder related cases pending before National Commission are 1 & liability amounting to Rs. 1 lakh  
Total insurance advisor related cases pending before National Commission are nil.

#### **By BSLI:**

There are total claim related cases pending before National Commission are 6 & liability amounting to Rs. 21.84 lakhs (Rs. 2184180)

The total policyholder related cases pending before National Commission are nil.

Total insurance advisor related cases pending before National Commission are 2 & liability amounting to Rs. 6.4 lakhs (Rs. 641012)

#### **I. Cases pending before other Forums:**

1 policyholder related case pending before the DRT (Debt Recovery Tribunal) & the amount involved is Rs. 14,600/-.

There are 4 Claim related cases pending in Lokadalat & the amount involved is Rs. 3495735/-

There are 6 Policy Holder related cases pending in Lokadalat & the amount involved is Rs. 328440/-

#### **J. NON-POLICYHOLDER LITIGATIONS**

There are total 29 non-policyholder related litigations.

Total Arbitration matter pending is 1 & the amount involved is nil (dispute relates to the security deposit lying with the landlord).

Total Civil cases pending are 9 & the amount involved is Rs. 19680351

Total criminal cases pending against BSLI are 4 & the amount involved is Rs. 321464

Total criminal cases by BSLI which are pending is 1 & the amount involved is nil.

Total labour cases pending are 9 & the amount involved is Rs. 6 lakhs plus reinstatement with backwages.

Total motor accident claims tribunal cases pending are 2 & the amount involved is Rs. 1750000

#### **The Minacs Group (USA) Inc.**

Cases filed against the Company

Labour cases:

10 cases have been filed by previous employees and government authorities before various forums against the Company. The cases have been filed on various grounds which includes i) wrongful dismissal (ii) wrongful demotion (iii) discrimination (iv) The Family and Medical Leave Act (FLMA) discrimination. These cases are pending at various stages of adjudication. Total amount claimed is about USD 100,000.

Cases filed by the Company: NIL

#### **Cases pertaining to Aditya Birla Money Limited (ABML)**

1. Mr. Abhay Raj Singh, a franchisee, had filed a civil case bearing Case No. 177/2011 on 02/12/2011 against the Company claiming a sum of Rs. 58824/- towards refund of deposit paid by him. The case is currently pending on the file of Civil Judge (Junior Division) Lucknow.
2. Mr. C. U Santosh, a landlord of Palarivattam branch premises of ABML has filed a civil case bearing R.C.P. No. 96 /2012 on 21/09/2012 against ABML claiming fixation of fair rent at Rs. 15000. Current Status: The case is pending on the file of Sub Court, Ernakulam.
3. Mr. Dharampal Singh Yadav, a client, had filed a cheque bounce case bearing Case No. 2755 of 2010 on 28/01/2012, against an ex-Branch Manager of the Company claiming a sum of Rs. 99000. The Company is also added as a party. The case is pending on the file of the Magistrate Court, Gwalior.
4. Mr. Dharmendra Kumar Singh, a client, had filed a civil case under Section 34 of the Arbitration and Conciliation Act, 1996 bearing Arbitration Appln. No. 100/2010 on 24/01/2011, against the Company claiming a sum of Rs. 351485/- The case is pending on the file of the District Judge, Varanasi.
5. Ms. Leela Devi Goyal & another (third parties) have filed a civil case bearing O.S.No.782/2010 on 10/01/2011. We are merely added as a garnishee. No monetary impact on us. The case is pending on the file of the I Senior Civil Judge, Hyderabad.
6. Mr. P.B. Subramaniam, the Ex-Executive Director of the Company had filed a civil case bearing O.S.No. 1086/2012 on 19/03/2012 seeking Injunction restraining Company from registering the SKODA CAR bearing Regn. No. TN01-Z 7575. The case is pending on the file of I ADHOC Court.

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7. Ms. Rajeswari, a client had filed a civil case bearing O.S. No: 483 of 2005 on 19/07/2004, against the Company claiming a sum of Rs. 938891. The client had filed the case for recovery of market value of the shares as mentioned in the suit schedule along with interest. The case is pending on the file of Vth Additional Senior Civil Judge, Vijaywada.
8. Ms. Richa Porwal had filed a civil case bearing Case No. 4 Of 2012 on 09/02/2012 against the Company claiming a sum of Rs. 50000. The complainant is claiming notional loss towards delayed capture of payment from HDFC Bank. ABML added as a party. The case is pending on the file of the District Forum, Ujjain,
9. Ms. Sarah Cherian, a client, had filed a civil case bearing CMA. No. 55/2011 on 07/10/2011 against the Company claiming a sum of Rs. 107864. The application is filed by the client against order passed on 30-06-2011 by the Sub Judge, Ernakulam in I A No.314/2011 in O S No.508/2010. The case is pending on the file of District Court, Ernakulam,
10. Ms. Sarah Cherian, a client, had filed a civil case bearing CMA. No. 82/2011 on 07/10/2011 against the Company claiming a sum of Rs. 107864/-. The application is filed by the client against order passed on 30-06-2011 by the Sub Judge, Ernakulam in I A No.315/2011 in O S No.508/2010. The case is pending on the file of District Court, Ernakulam.
11. Mr. Sarju Prasad Mandal, a third party, had filed a civil case bearing Case No. 6A/2012 on 25/07/2012, against the Company claiming a sum of Rs. 7500/- and is also praying direction to issue the account calculation / called for Original records / to produce order book, sell purchase and confirmation note of shares with final calculation / compensation as court deems fit. The case is pending on the file of V Civil Judge, Class-2, Durg.
12. Mr. Shafik Ahamed, a client, had filed a civil case bearing Case No. 33 of 2012 on 21/03/2012, against the Company claiming a sum of Rs. 50000. The complainant is claiming his deceased Son's shares available in the son's DP Account. The case is pending on the file of District Consumer Redressal Forum I, Bareilly.
13. Mr. Subramaniam M S & another had filed a civil case bearing CRP No: 2253 / 2010 on 13/07/2010, against the Company claiming a sum of Rs. 218135. Revision Petition filed by clients of the Company against allowance of Memo of name change filed by the Company in the appeal filed by clients.
14. Ms. Varalakshmi G & others had filed a civil case bearing LGC No: 8/2007 on 09/01/2007, against the Company, claiming an Area of 8577 square yards or 1.77 acres out of 10 acres of land under possession of the Company. The applicants claim that they are rightful owners of land for which the Company holds POA and Sale Agreement. The case is pending on the file of Special Court - Land Grabbing Act, Hyderabad.
15. Mr. Sunil Mohan Gupta, a client, had filed a civil case bearing Case No.ARB T N/264/11/2011 on 23/08/2011 against Company claiming a sum of Rs. 932057. The appeal has been filed by client to set aside the award of counter claim of Rs. 2.5 lakhs and to restore the rejection of his claim of 6.5 Lakhs amount with interest. The case is pending on the file of is pending on the file of Additional District Judge, Patiala House Courts, New Delhi.
16. The Company has filed Civil Appeal No. 3441/2007 on 07/05/2007 against SEBI seeking to quash the notice issued by SEBI claiming a sum of Rs. 27656667 as turnover fees. The same is pending on the file of Supreme Court.
17. Mr. Vivek Gope Sainani, a client, had filed a civil case bearing Spl.CS NO.509/09 on 01/09/2009, against Company claiming a sum of Rs. 3756864. Money Suit filed by client alleging that unauthorized trades were carried out in his account. The case is pending on the file of Senior Civil Judge, Vadodara, Gujarat.
18. Mr. Mohan Singh, a client, had filed a civil (Arbitration Appeal) case bearing Case No.ARB T N/263/11/2011 on 16/07/2011 against the Company claiming a sum of Rs. 29752. This is an appeal against Arbitration award dated 31.05.2011. The case is pending on the file of District and Sessions Judge, Patiala.
19. Mr. Kotapati Venkataratnam, a client, had filed a civil (Arbitration) case bearing Arb.O.P.No.1147/09 on 10/10/2009 against the Company claiming a sum of Rs. 800000. This an Appeal filed by client U/s.34 to set aside Arbitral Award passed by Arbitrator (NSE) rejecting the Arbitration case filed by client against the Company. The case is pending on the file of Prl. District Judge, LB Nagar, RR District, Hyderabad.
20. The Company has filed a civil (Arbitration) case bearing O.P. No.299 / 2009 on 01/06/2009 against a client Mr. Uma Chipli, seeking to set aside the arbitral award for a sum of Rs. 436410/- passed against the Company. The case is pending before High Court of Madras.
21. The Company has filed a civil (Arbitration) case bearing O.P. No. 133/ 2010 on 01/06/2009 against a client Mr. C H Gopal Reddy, seeking to set aside the arbitral award for a sum of Rs. 219155/- passed against the Company. The case is pending before High Court of Madras.
22. Mr. M. Prabhu, a client, had filed a civil (Arbitration) case bearing O.P.No. 354/2011 on 20/06/2011, against the Company under Sec. 34 of Arbitration & Conciliation Act to set aside the award dated 05.04.2010. The case is pending at High Court, Chennai.



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23. Mr. Rajendra Bipin Chandra Dalal, a client, had filed a civil (Arbitration) case bearing CMA. No: 992 / 2010 on 26/11/2010, against the Company under Sec. 34 of Arbitration & Conciliation Act to set aside the award given in favour of the Company and also to award a sum of Rs. 1900000/-. The case is pending at City Civil Court Ahmedabad.
24. The Company has filed a civil (Arbitration) case bearing Misc.Case No.739 / 2009 on 29/08/2008 against a client Mr. Pradip Ghosh, seeking to set aside the arbitral award for a sum of Rs. 650000/- passed against the Company. The case is pending before the District Court, Alipore.
25. Mr. Ritu Agarwal, a client, had filed a civil (Arbitration) case bearing R.S.No.48/2009 on 01/01/2009 against the Company claiming a sum of Rs. 909250. The client had filed the case due to non receipt of funds in her account. The same is pending on the file of District Judge, Lucknow.
26. Mr. Sridharan, a client, had filed a civil (Arbitration) case bearing O.S.A. No: 47/2010 on 23/02/2010, against the Company. The client is seeking through this appeal to set aside an Arbitration Award passed against him for recovery of amounts. The same is pending on the file of High Court.
27. Mr. Ashit Agarwal, a client, had filed a civil (Arbitration) case bearing R.S.No.58/2009 on 01/01/2009 against the Company claiming a sum of Rs. 2447274. The client had filed the case due to non receipt of funds in her account. The same is pending on the file of District Judge, Lucknow.
28. Mr. Kumaraswamy C had filed a civil (Arbitration) case bearing O.S.A. No.154/2010 on 17/11/2005 is pending on the file of High Court, Madras, against Company claiming a sum of Rs. 3097884. Application filed by client to set Aside the order passed by Madras High Court in our favour in O.P.No.844/2005 filed by Company against Award passed by Arbitrators.
29. Mr. Mithlesh Agarwal, a client, had filed a civil (Arbitration) case bearing R.S.No.47/2009 on 01/01/2009 against the Company claiming a sum of Rs. 1936360. The client had filed the case due to non receipt of funds in her account. The same is pending on the file of District Judge, Lucknow.
30. Mr. Padmanabha Kamat, a client, had filed a civil (Arbitration) case bearing MFA No: 3315/2009 on 26/08/2010, against the Company claiming a sum of Rs. 1011992. Client has filed this appeal against the order of District Court dismissing his appeal against the award passed in favour of the Company in 2001. The case is pending on the file of High Court, Bangalore.
31. Mr. A V Patel, a client, had filed a Consumer case bearing C.C.No. 397/2011 on 30/06/2011 against the Company claiming a sum of Rs. 996408. The same is pending on the file of Consumer Dispute Redressal Forum, Vadodara.
32. Mr. Abhay Raj Singh, a client, had filed a Consumer case bearing Case No. L/1/12/1168 on 05/11/2012. The same is pending on the file of District Consumer's Dispute Redressal Forum (Central) M Floor, Maharana Pratap I.S.B.T. Kashmere Gate, Delhi.
33. Mr. Iqbal Meethal Aboobucker, a client, had filed a Consumer case bearing CC. No. 61 /2011 on 28/03/2011 against Company claiming a sum of Rs. 766542.46. The complainant alleged non receipt of share certificates and unauthorised trades. The same is pending on the file of Consumer Dispute Redressal Forum, Kasaragod.
34. Mr. Jyothy Abraham, a client, had filed a Consumer case bearing Compt.No172/08 on 11/08/2008 against Company claiming a sum of Rs. 200000. The Complainant disputes certain transactions and claims compensation against alleged losses. The same is pending on the file of Consumer Forum, Kottayam.
35. Mr. Jyothy Abraham, a client, had filed a Consumer case bearing Compt.No.199/08 on 16/12/2008 against Company claiming a sum of Rs. 940207. The applicant claims damages for alleged loss due to sale of shares. The same is pending on the file of Consumer Forum, Kottayam.
36. Mr. Kailash Chandiwala, a client, had filed a Consumer case bearing CC.No. 31 /2012 on 04/05/2012 against Company claiming a sum of Rs. 510000. The same is pending on the file of District Consumer Forum, New Delhi.
37. Mr. Leelaben A Patel, a client, had filed a Consumer case bearing C.C.No. 370/2011 on 30/06/2011 against Company claiming a sum of Rs. 996408. The same is pending on the file of Consumer Dispute Redressal Forum, Vadodara.
38. Mr. Mahipat A. Patel, a client, had filed a Consumer case bearing C.C.No. 367/2011 on 30/06/2011 against Company claiming a sum of Rs. 996408. The same is pending on the file of Consumer Dispute Redressal Forum, Vadodara.
39. Mr. Mohammed Akbar Sayed, a client, had filed a Consumer case bearing CC 260/2010 on 30/06/2010 against Company claiming a sum of Rs. 342100. Consumer case filed by client claiming entire investment amount. The same is pending on the file of District Consumer Forum, Eluru.
40. Mr. Mohammed Saleem, a client, had filed a Consumer case bearing Compt.No.391/06 on 17/07/2006 against Company claiming a sum of Rs. 602835. The client disputes certain transactions and claims compensation against alleged losses. The same is pending on the file of Consumer Forum, Lucknow.

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41. Mr. Nupur A Patel, a client, had filed a Consumer case bearing C.C.No. 366/2011 on 30/06/2011 against Company claiming a sum of Rs. 996408. The same is pending on the file of Consumer Dispute Redressal Forum, Vadodara.
42. Mr. Ravindra Kumar Sharma, a client, had filed a Consumer case bearing C.C.No. 409/2011 on 14/06/2011 against Company claiming a sum of Rs. 127198. The client has occurred an opportunity loss of Rs.50000/-, due to non availability of loan from the banks. The same is pending on the file of District Consumer Forum at Indore.
43. Mr. Rohit A Patel, a client, had filed a Consumer case bearing C.C.No. 368/2011 on 30/06/2011 against Company claiming a sum of Rs. 996408. The same is pending on the file of Consumer Dispute Redressal Forum, Vadodara.
44. Mr. Shashi Kumar Jain, a client, had filed a Consumer case bearing Comp.No.219/2007 on 12/01/2007 against Company claiming a sum of Rs. 50000. Consumer Appeal filed by client against dismissal of consumer case filed by him before Consumer court, Nasik. The same is pending on the file of Cosumer State Commission, Bombay.
45. Notice has been received from the State Government of Karnataka seeking a sum of Rs. 90,60,000/- towards stamp duty (on retrospective basis) on 01/08/2009. Reply has been given seeking rationalization of stamp duty. Stamp duty was rationalized. No further demand was received.
46. Mr. Shiv Kumar Kanodia, a client, had filed a Consumer case bearing Compt.No.59/09 on 27/01/2009 against Company claiming a sum of Rs. 355000. Consumer case filed by client disputing squaring up of open position and claiming refund of money invested. The same is pending on the file of Consumer Forum, Delhi.
47. Mr. Shree Ravi Dutta Shukla, a client, had filed a Consumer case bearing CC.NO.278/09 on 08/04/2009 against Company claiming a sum of Rs. 40000. Consumer case filed by client claiming compensation for negligence in service. The same is pending on the file of District Consumer Forum, Kanpur.
48. Mr. Tejal A Patel, a client, had filed a Consumer case bearing C.C.No. 369/2011 on 30/06/2011 against Company claiming a sum of Rs. 996408. The same is pending on the file of Consumer Dispute Redressal Forum, Vadodara.
49. Mr. V.K. Pasupathi, a client, had filed a Consumer case bearing CC. No. 47 /2011 on 30/03/2011 against the Company on the file of District Consumer Reddressal forum (South), Chennai. The complainant claiming Rs. 27500 towards DLF issue, Rs. 50000 towards compensation for mental agony and Rs. 10000 towards cost of the complaint.
50. Mr. Ambalal V Patel, a client, had filed a Consumer case bearing C.C.No. 365/2011 on 30/06/2011 against Company claiming a sum of Rs. 1269583. The same is pending on the file of Consumer Dispute Redressal Forum, Vadodara.
51. Ms. Mayarani, a client, had filed a Criminal case bearing CC.NO.068/09 on 30/05/2009 against Company claiming a sum of Rs. 273000. Petition under Section 138 of Negotiable Instruments Act. The same is pending on the file of Judicial Magistrate Court,Gwalior,
52. Mr. Pallav Pal, a client, had filed a Criminal case bearing CR.No.125/08 on 04/04/2009 against Company claiming a sum of Rs. 92360. Criminal Complaint u/s.406,420,506,466/34 I.P.C. filed by client alleging criminal breach of trust and cheating. Claims towards unauthorized trade. The same is pending on the file of A.C.J.M, Jhargram.
53. Mr. Nageswara Rao, a client, had filed a Criminal case bearing Clr. OP 15813/2010 on 14/07/2010 against Company praying to dispense with personal appearance and stay proceedings of criminal case on cheque dishonour filed by the Company against the said client. The same is pending on the file of High Court of Madras.
54. Mr. Nagerwara Rao, a client, had filed a Civil case bearing no: AOP No: 91/2007 on 24/04/2007 against the Company claiming a sum of Rs. 3000000/- and also seeking to set aside the award issued in favour of the Company. The same is pending on the file of the II Additional District Judge, Guntur.
55. Ms. Meera Sinha, a client, had filed a civil case bearing Compt.No. 393 / 2012 on 25/12/2012 against Company claiming a sum of Rs.96266. Consumer case filed by client disputing unauthorized transactions and is seeking refund of money invested. The same is pending on the file of District Consumer Redressal Forum, Patna.
56. Ms. Ashima Das, a client, had filed a complaint case against Mr. Kumaramangalam Birla and others bearing criminal case no: A C 1804 / 2012 on 17/07/2012. The client is alleging that she was caused a loss of Rs. 5,12,000/- in addition to an earlier loss of Rs. 19,00,000/- The case is pending on the file of the Additional Chief Judicial Magistrate, Alipore.
57. The Company has filed a criminal revision petition under C R R Nos: 3439, 3440, 3441/ 2012, seeking set aside the order passed by the Additional Chief Judicial Magistrate, Alipore in complaint case no: A C 1804

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- / 2012 on 28 September 2012 and also sought for stay of all further proceedings in compliant case no: A C 1804/2012. Stay has been granted and the case is pending on the file of the High Court of Calcutta.
58. The Company has filed a writ petition under W.P. No: 26611/2011 on 18/11/2011 seeking quash of impugned order dated 26/09/2011 passed by the Regional Provident Fund Commissioner, Chennai seeking a sum of Rs. 1,40,36,578/- be paid towards provident fund liability. A stay was granted in our favour and the case is pending on the file of the High Court of Chennai.
  59. Income Tax department has preferred appeal against the Company vide T.C. No: 1411 / 2007 seeking to set aside the order of the ITAT in allowing the depreciation claimed by the Company on leased assets in the Assessment Year 1996-1997. The amount involved is Rs. 74,12,002/-. The case is pending on the file of High Court of Madras.
  60. Income Tax department has preferred appeals against the Company vide T.C. Nos: 364/ 2008 and 365/2008 seeking to set aside the order of the ITAT in allowing the depreciation claimed by the Company on leased assets in the Assessment Years 1997-1998 and 1998-1999. The amount involved is Rs. 28,70,847/-. Both the cases are pending on the file of High Court of Madras.
  61. Income Tax department has preferred appeal against the Company vide T. C No: 366/2008 seeking to set aside the order of the ITAT in allowing interest tax claim of the Company on leased assets in the Assessment Year 1998-1999. The amount involved is Rs. 16,32,925/-. The case is pending on the file of the High Court of Madras.
  62. The Company has filed appeal under ITA No: 351 / 2007 against the Assessment Order of the Joint Commissioner of Income Tax disallowing depreciation claimed on VSATs in the Assessment Year 2002 – 2003. The amount involved is Rs. 275682/- The appeal is pending on the file of the CIT (Appeal).
  63. The Company has filed appeal under ITA No: 569 / 2007 against the Assessment Order of the Joint Commissioner of Income Tax disallowing depreciation claimed on VSATs in the Assessment Year 2003 – 2004. The amount involved is Rs. 2297320/- The appeal is pending on the file of the CIT (Appeal).
  64. The Company has filed appeal under ITA No: 477 / 2008 against the Assessment Order of the Joint Commissioner of Income Tax involving disallowance under Section 14 A, Lease Rent and ROC in the Assessment Year 2004 – 2005. The amount involved is Rs. 402675/- The appeal is pending on the file of the CIT (Appeal).
  65. The Company has filed appeal under ITA No: 316 / 2008 against the Assessment Order of the Joint Commissioner of Income Tax involving disallowance under Section 14 A, Lease Rent and ROC in the Assessment Year 2005 – 2006. The amount involved is Rs. 4828213/- The appeal is pending on the file of the CIT (Appeal).
  66. The Company has filed appeal under ITA No: 364 / 2009 against the Assessment Order of the Joint Commissioner of Income Tax involving disallowance under Section 14 A and depreciation on VSAT in the Assessment Year 2006 – 2007. The amount involved is Rs. 5645919/- The appeal is pending on the file of the CIT (Appeal).
  67. The Company has filed appeal under ITA No: 299 / 2010 against the Assessment Order of the Joint Commissioner of Income Tax involving disallowance of depreciation on VSAT in the Assessment Year 2007 – 2008. The amount involved is Rs. 12652727/- The appeal is pending on the file of the CIT (Appeal).
  68. The Company is in receipt of SCN from the IT Department bearing no: 100/2009 pertaining to the Assessment Year 2008 – 2009 on disallowance of depreciation claimed by the Company and also under Section 14 A. The amount involved is Rs. 280783/-. Refund amount has been received.
  69. The Company is in receipt of SCN from the Service Tax department bearing no: 100/2009 pertaining to the period 01/04/2004 to 30/06/2008 claiming service tax on VSAT rentals received from franchisees of the Company. The amount involved is Rs. 7283390/-. Arguments are completed and orders have been reserved.
  70. The Company is in receipt of SCN from the Service Tax department bearing no: 7 /2010 pertaining to the period 01/04/2004 to 30/09/2009 claiming service tax on IPO brokerage received by the Company. The amount involved is Rs. 376714/-. Arguments are completed and orders have been reserved.
  71. The Company is in receipt of SCN from the Service Tax department bearing no: 119 /2011 pertaining to the period 01/10/2009 to 31/03/2010 and 01/04/2010 to 30/09/2011 claiming service tax on IPO brokerage received by the Company. The amounts involved are Rs. 21821/- and 26996/-. Arguments are completed and orders have been reserved.
  72. The Company is in receipt of SCN from the Service Tax department bearing no: 446 /2010 pertaining to the period 31/03/2009 to 30/11/2011 claiming service tax on NSDL and CDSL charges received by the Company. The amount involved is Rs. 248952/-. Arguments are completed and orders have been reserved.
  73. The Company is in receipt of SCN from the Service Tax department bearing no: 426 /2009 pertaining to the period 01/04/2006 to 16/05/2008 claiming service tax on Exchange Transaction charges received by the Company. The amount involved is Rs. 32034/-. Arguments are completed and orders have been reserved.

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### **OUTSTANDING LITIGATION - IDEA CELLULAR LIMITED**

#### **MAJOR CIVIL CASES:**

There are no civil cases with financial implication of more than rupees 25 Crore, either filed by or against the Company.

#### **MAJOR CRIMINAL CASES:**

There are two Major Criminal cases filed against the Company in Andhra Pradesh particulars of which are as follows:

- i) One Customer Mr. Vaddi Srinivasa Rao had filed a private complaint against IDEA {(i) IDEA CELLULAR LTD., represented by its Chairman, Mr. Kumar Mangalam Birla, (ii) The Chief Operating Officer, A.P. Circle, Idea Cellular Limited, Hyderabad, (iii) The Officer incharge, Idea Cellular Limited, Vijayawada} before the IV Addl. Chief Metropolitan Magistrate at Vijayawada vide Crime No. 393/2011, alleging that certain VAS ( Value Added Service) products were unilaterally activated and accordingly deducted the amounts without his consent. Post receipt of the complaint, the Honorable Magistrate had forwarded the complaint to Krishna Lanka Police Station at Vijayawada for investigation. During the course of investigation, Company has provided all the documents/ statements to close the matter as the dispute is of Civil nature and criminal charges under IPC are attracted. Accordingly, the Police have filed investigation report stating that the matter of the private complaint is a Civil dispute . The matter is pending for disposal.
- ii) One private complaint was filed by one customer Mr. Anil Kumar, against IDEA {(i) Idea Cellular Limited, represented by its Managing Director, Mr. Himanshu Kapania, (ii) Idea Cellular Limited, represented by its Chairman, Mr. Kumar Mangalam Birla and 7 others} before the II Addl. Chief Metropolitan Magistrate, Nampally, Hyderabad, vide Crime No. 90/2013, claiming that Anil Kumar is original owner of the mobile number 9553456789. The complainant alleged that the services on this number were suspended while Anil Kumar was in TATA DOCOMO network and the number was returned to Idea by TATA DOCOMO without his consent (basis a complaint from IDEA, that number was a fraudulent port out by the complainant to TATA DOCOMO and he illegally claimed the number). Aggrieved by the same the Complainant Mr. Anil Kumar had filed the present criminal case/private complaint against senior officials of the company. The court had referred the matter to Abids Police Station at Hyderabad for investigation. During the course of investigation Company had provided all the documents/ statements to stating that the matter is of Civil in nature. The matter is pending before the investigation officer.

#### **OTHER LITIGATION:**

- i) There are 875 cases of Stamp duty claims of Rs.60.89 Mn against the Company, where in Authorities of Registration and Stamps Department of UP and Delhi NCR, have issued demand notices alleging deficit stamp duty u/s 33 & 47 of the Indian Stamp Act, with respect to the agreements signed for installing telecom towers. Company is contesting the same. Subject Matter is pending before the Supreme Court.
- ii) There are 127 civil cases filed against the Company pertaining to various cell tower related disputes and claims of Rs.10.65 Mn .The cases are pending before various courts .
- iii) There are 79 Arbitration proceedings filed against the company for a claim of Rs. 42.14 Mn and the Company is contesting the same.
- iv) There are 184 consumer cases filed against the company for a claim of Rs.26.8 Mn.
- v) Company had filed 48 civil cases for various reliefs with respect to cell towers for claim of Rs.18.62 Mn .
- vi) Company had filed 348 civil cases for claims from distributors and vendors for an amount of 59.13 Mn
- vii) Company had filed 8 Appeals challenging consumer fora orders for an amount of Rs.12 Mn.

#### **DIRECT AND INDIRECT TAX MATTERS**

Major Direct and Indirect Tax related cases (in excess of Rs. 10 million) are given below-

##### **A. Income Tax (Including TDS matters)**

###### **1. Idea Cellular Ltd (ICL)**

Assessment years – 2001-2002, 2003-2004, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11

Disallowances made in the assessment order for aforesaid years mainly include disallowance of Revenue Share License Fees, interest attributable to interest free advances given to subsidiaries, disallowance u/s 40(a)(ia) of

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the IT Act (“the Act”) in respect of discount given to prepaid distributors and roaming charges paid to other operators, interest incurred for acquisition of erstwhile Spice Communications Limited (an entity which has since been amalgamated into the company) etc, aggregating to Rs.31490 Mn. Due to these disallowances, the returned tax losses are subject to outcome of these matters which are before the various Appellate authorities. During 2010-11, apart from disallowances relating to the above mentioned matters of Rs.15150 Mn, a demand have been raised on the net value of assets and liabilities of Rs.20690 Mn vested with the company consequent to scheme of arrangement pertaining to the telecom undertaking as de-merged from its wholly owned subsidiary i.e Aditya Birla Telecom Limited into the company as approved by the High Court. As the brought forward tax losses have got completely set off against the assessed Income, tax demands in 2010-11 including interest amounting to Rs. 15177 Mn have been raised. As mentioned above, the company is in appeal for the said matters before the ITAT / Commissioner of Income-tax (Appeals). On the current demand of Rs. 15177 Mn, the company is also in the process of getting the demand stayed till its appeal before the appellate authorities attains finality, based on the rectifications required on the demand, facts and judicial pronouncements on similar cases that exist in its favour.

### **2. *Erstwhile Idea Mobile Communications Ltd (since merged with Idea Cellular Limited)***

#### Assessment years – 2004-05 and 2005-06

The assessing officer has completed the assessments by making disallowances on account of expenses on variable revenue share license fees and deduction u/s 35ABB aggregating to Rs.1028 Mn. These disallowances have resulted in reduction of returned losses having no financial implications in the nature of tax demand. The company is in appeal for both the years before the ITAT / Commissioner of Income-tax (Appeals), which are pending to be heard.

### **3. *Erstwhile Spice Communications Ltd (since merged with Idea Cellular Limited)***

#### Assessment years –2003-2004, 2004-2005, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11

Disallowances made in the assessment order for aforesaid years mainly include disallowance of expenses on Management service charges 40(a)(ia) disallowance, disallowance u/s 68 etc. aggregating to Rs.8241 Mn. Due to these disallowances returned tax losses have got reduced and in AY 08-09 brought forward tax losses have got completely set off against the assessed Income. The normal tax liability of Rs. 670 Mns. determined in AY 08-09 has been fully adjusted against the refund due of earlier years. Further in AY 09-10/ AY 10-11 returned tax losses of the company has reduced without having any financial implication in the nature of tax demand. The company is in appeal for said years before the ITAT / Commissioner of Income-tax (Appeals), which are pending to be heard.

#### **Status of TDS matters:**

##### 1. Non deduction of Tax on Discount allowed to Prepaid Distributors (“Distributors”)

Hon’ble Delhi High Court has reversed the decision of Hon’ble ITAT, Delhi Bench for AY 03-04 & AY 04-05, holding that the relationship between the company and the distributors is of principal to agent and discount allowed is in the nature of commission subject to tax deduction u/s 194H of the Act. The company has filed SLP before the Hon’ble Supreme Court against the said order of Hon’ble Delhi High Court which has been admitted and matter is pending for final hearing.

Subsequent to pronouncement of Delhi High Court’s Decision, TDS authorities of various circles have raised demand for non deduction of tax u/s 194H of the Act for subsequent assessment years, aggregating to Rs. 1360 Mn. The company is in appeal for said orders before ITAT / Commissioner of Income-tax (Appeals), which are pending to be heard.

##### 2. Non deduction of Tax on Roaming Charges paid to other Operators

Subsequent to the decision of Hon’ble Supreme Court in the case of Bharti Cellular Ltd remanding back the case to AO to examine the technical expert to verify whether inter connectivity usage (“IUC”) charges qualify as technical services, the TDS Authorities of various circles have raised demand, aggregating to Rs.155 Mn, for non deduction of tax u/s 194J of the Act on roaming charges paid to other operators holding that roaming service is technical service and hence subject to tax deduction u/s 194J without accepting our contention that it is standard facility provided for use of network and not subject to TDS. The company is in appeal for said orders before ITAT / Commissioner of Income-tax (Appeals) which are pending to be heard.

#### **B. Service Tax**

- 1) Service Tax Department had contented that the Company had availed CENVAT credit in excess of 20% of Output liability even though the company were providing taxable as well as exempted services (IUC and

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Roaming services) in the past whereas company has pleaded that the restriction is not applicable for Capital Goods. Amount involved 229 Mn. Appeals filed by the company before the CESTAT are pending to be heard.

- 2) Service Tax Department had contented that duly paid on Towers, Shelters and OFC duct are exigible from the definition Capital goods and hence are not eligible for CENVAT Credit. Further the department also contented that CENVAT Credit on input services in relation to Erection & Installation of Towers & Shelters would not be allowed since the credit on Towers & Shelters is in itself not allowed. Amount involved 1049 Mn. Appeals pending at various appellate levels.
- 3) Service Tax Department had denied payment of service tax by the Company on Title Sponsorship to KPH Dream Cricket Pvt Ltd. and have instead demand service Tax on Sponsorship under reverse charge. Amount involved Rs. 17 Mn. Appeal has been filed and the matter is pending at CESTAT.

### **C. Sales Tax and VAT**

- 1) Sales Tax department in few states have issued notices demanding Sales Tax on SIM card treating the same as goods. Amount involved Rs. 31 Mn. Appeals pending at various appellate levels.
- 2) Sales Tax Department had raised demand on Infra sharing, VAS Revenue etc. amount involved Rs. 155 Mn. The matter is pending at various appellate level.

### **D. Entry Tax**

Sales Tax department had issued notices demanding entry tax on goods brought into respective states viz. SIM Cards, Plant & Machinery, Consumable etc. Amount involved Rs. 604 Mn. Presently matter is pending at various appellate level in various states.

## **REGULATORY AND CORPORATE MATTERS**

### **1. Merger of Spice Communications Limited**

The Division bench of Hon'ble Delhi High Court, vide its Order dated 13th July 2012 has reaffirmed High Court Order dated 5th February, 2010 and 4th July, 2011 sanctioning the Scheme of Amalgamation of erstwhile Spice Communications Limited (Spice) with the Company. The said order also re-vested unto the Company the telecom licenses which were transferred to and vested unto DoT pursuant to order dated 4th July 2011, passed by single Judge of Hon'ble Delhi High Court. Further the Division Bench of the Hon'ble High Court of Delhi has also pronounced that the Department of Telecommunications (DoT) has to take decision regarding transfer of licenses held by erstwhile Spice to the Company arising out of amalgamation within a period of three months (which had been extended to 5th January 2013 vide order dated 11th December 2012) and dispute, if any, between the Company and DoT related to transfer of licenses should be referred to Hon'ble TDSAT for resolution. The final decision of the DoT in the matter is awaited.

### **2. 3G Spectrum for Punjab Service Area**

The DoT, though, has earmarked the 3G spectrum in respect of Punjab service area, which was won by the Company in the 3G spectrum auction conducted by DoT in May, 2010, has not yet allowed commercial use of the same due to, inter alia, alleged violation of certain license conditions. The Company had approached the Hon'ble TDSAT and filed a Petition for necessary direction to the DoT to allow the commercial usage of allocated 3G Spectrum for Punjab service area. The TDSAT has dismissed the said petition in view of order passed by Delhi High Court in July, 2011 concerning amalgamation of erstwhile Spice Communications Limited with the Company, which was holding the operative 2G license in respect of Punjab service area. The Company has since filed an appeal against the order of TDSAT in the Supreme Court. The matter has been listed for hearing on 11<sup>th</sup> July, 2013.

### **3. One Time Spectrum Charges**

The DoT had issued demand notices towards one time spectrum charges for (i) for spectrum held beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to Rs. 3,691.30 Mn., and (ii) for spectrum held beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses amounting to Rs. 17,443.70 Mn. As the above demands amounts to alteration of financial terms of the licenses issued in the past, the Company therefore, petitioned the Hon'ble High Court of Bombay, which directed DoT to respond and not to take any coercive action and granted stay until next date of hearing. The date of hearing is yet to be fixed.

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### ***4. 3G Intra Circle Roaming Arrangements related Matters***

The Company had entered into roaming arrangements with other operators to provide 3G services in service areas where it did not win 3G spectrum. The DoT has sent Show Cause Notices to the Company and other roaming partners to stop providing the 3G services in select seeker service areas and also imposed penalty of Rs. 3000 million in respect of these select service areas. The Company filed a writ petition before the Hon'ble Delhi High Court, which had granted interim stay order subject to no new subscribers to be given 3G services. DoT has further alleged that there is a contempt of court order on the part of the Company and certain Directors and officials of the Company, which is being contested by the Company. The Company has also been impleaded in related matter before the Supreme Court (as 3G provider) filed by the other Roaming Partner, in the above case.

### ***5. AGR Related Matters***

- (i) The Hon'ble Supreme Court, vide its judgment dated 11<sup>th</sup> October 2011, has set aside orders dated 7<sup>th</sup> July 2006 and 30<sup>th</sup> August, 2007 passed by the Telecom Disputes Settlement & Appellant Tribunal (TDSAT) whereby TDSAT, on petition of certain Telecom Operators, had ruled that income derived by a telecom Operator from non licensed activities should not be taken into account while calculating the Adjusted Gross Revenue (AGR) which forms the basis on which License fee is paid to DoT. The Supreme Court while passing the above judgment held that under the National telecom Policy 1999, as the telecom Operators had signed the amended License Agreement under which a percentage of AGR was to be paid to DoT as License Fee instead of a fixed license fee, it was beyond the jurisdiction of the TDSAT to have entertained petitions from Telecom Operators and to decide on the definition of AGR without a specific demand being disputed before it. It has further held that TDSAT can go into the facts and materials related to the demand of a particular licensee if a licensee disputes the demand raised by the DoT and remitted the matters back to the Hon'ble TDSAT to pass fresh orders in accordance with law. The Hon'ble TDSAT has suo moto passed an interim order on 15<sup>th</sup> December 2011 directing DoT not to enforce any demand on this front. The Company filed petition before TDSAT challenging the past demands wherein TDSAT ordered DoT that no demands be enforced without leave of TDSAT. DoT has filed its reply but the matter is yet to be listed for hearing.
  - (ii) Post the aforesaid Supreme Court judgment, the Company filed a writ petition before the Kerala High Court for challenging the validity of the license terms seeking a change in the definition of AGR to exclude income from non-licensed activities. The Hon'ble Kerala High Court allowed the Company to calculate and pay AGR on old basis till disposal of the petition. The matter is further yet to be listed for hearing.
  - (iii) Based on Special Audit conducted in July 2009 for FY 2006-07 and 2007-08 by DoT appointed Auditors, the DoT has raised a demand notice in November, 2012 for Rs. 1,342 Mn towards alleged short payment of license fee (Rs. 651 Mn.) and interest thereon (Rs. 691 Mn.) due to difference of interpretation of Adjusted Gross Revenue (AGR) for financial years 2006-07 and 2007-08 between the Company and DoT. Based on the order(s) already obtained in favor of the Company in the matters listed above, the company filed a writ petition before the Kerala High Court, wherein the Kerala High Court vide its order dated 26<sup>th</sup> November, 2012, granted an interim stay on the said demands.
6. ***Case relating to clause in LoI 'no arrangement for providing 3G services' for awarding Unified License***  
 Subsequent to earmarking of Spectrum in respect of seven service areas won in the Auction held in November, 2012, the Company had applied for grant of Unified License. DoT while issuing LoI for grant of said licenses included compliance to a condition prohibiting the service provider from providing 3G services using 3G spectrum of other service providers. The Company filed a Writ Petition before the Delhi High Court, which granted interim relief by directing DoT to issue license without this prohibitive condition. The DoT has challenged this order before the Division Bench, which is pending for hearing on 8<sup>th</sup> July, 2013.
7. ***Case relating to Allocation of Spectrum in Jammu & Kashmir***  
 Subsequent to earmarking of Spectrum in respect of seven service areas won in the Auction held in November, 2012, the Company has been allocated the 2G Spectrum Spots in respect of Jammu & Kashmir which were not only different from the existing one (which were currently used) but were also prone to interference. The 2G spot currently used by the company was proposed to be allocated to another operator. The Company challenged the said action of DoT in Jammu & Kashmir High Court, which directed DoT to maintain status-quo regarding allocation of 2G Spectrum Spots and also directed DoT to submit report.
8. There are about 25 cases involving COAI (Cellular Operators Association of India), pending before various authorities, where the Company is an interested party to the said litigations.

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**XV. GOVERNMENT APPROVALS**

The Company was incorporated as Pantaloons Fashion Retail Limited on April 19, 2007 under the Act under CIN No. U1810MH2007PLC233901 and obtained the certificate of commencement of business on May 14, 2007

Consequent to vesting of the fashion retail business of Future Retail Limited with the Company , and pursuant to the Scheme, all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), patents, copyrights, records, designs, and all relevant intellectual property rights in the aforesaid, municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions under the Income Tax Act, 1961 (or any statutory modification or re-enactment thereof for the time being in force), all other rights including lease rights, prospecting licenses and mining leases, and the surface rights in relation thereto, receivables, and liabilities related thereto, licences, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the fashion retail business, stand transferred to and vested in or be deemed to be transferred to and vested in the Company as if the same were originally given or issued to or executed in favour of the Company , and the rights and benefits under the same shall be available to the Company.



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**XVI. ARTICLES OF ASSOCIATION**

**PRELIMINARY**

**INTERPRETATION**

The Regulations contained in Table “A” in Schedule I of the Companies Act, 1956 shall not apply to the Company, except in so far as the same are repeated or contained in these Articles.

In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

“**The Company**” or “**This Company**” means **Peter England Fashions and Retail Limited**.

“**The Act**” means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.

“**Annual General Meeting**” means the annual general meeting of the Company convened and held in accordance with the Act.

“**Articles of Association**” or “**Articles**” means the Articles of Association of the Company as originally framed or as altered from time to time in accordance with the Act.

“**Board**” or “**Board of Directors**” means the Directors of the Company collectively referred to in the Act.

“**Capital**” means the share capital for the time being raised or authorized to be raised for the purposes of the Company.

“**Directors**” means the directors for the time being of the Company.

“**Dividend**” includes interim dividend unless otherwise stated.

“**Executor**” or “**Administrator**” means a person who has obtained probate or letters of administration, as the case may be, from some competent court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorized to negotiate or transfer the shares of the deceased member.

“**Extraordinary General Meeting**” means an extraordinary meeting of the Company convened and held in accordance with the Act.

“**Financial Year**” shall have the meaning assigned thereto by the Act.

“**Managing Director**” shall have the meaning assigned thereto in the Act.

“**Member**” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.

“**Memorandum of Association**” means the Memorandum of Association of the Company as originally framed or altered from time to time.

“**Month**” means the English calendar month.

“**Office**” means the registered office, for the time being of the Company.

“**Officer**” shall have the meaning assigned thereto by the Act.

“**Ordinary Resolution**” shall have the meaning assigned thereto by the Act.

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“**Paid up**” includes “credited as paid up”.

“**Person**” shall include any association, corporation, company, firm as well as natural persons.

“**Proxy**” includes attorney duly constituted under a power of attorney.

“**Register**” means the register of Members to be maintained pursuant to the provisions of the Act.

“**Registrar**” means the Registrar of Companies, Maharashtra, situated at 100, EVEREST, MARINE DRIVE, MUMBAI- 400002.

“**Rs.**” means the lawful currency of India.

“**Seal**” means common seal for the time being of the Company.

“**Secretary**” means a company secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the Board to perform any of the duties of a Secretary subject to the provisions of the Act.

“**Share Warrant**” means share warrant issued pursuant to Section 114 of the Act.

“**Section**” means Section of the Act.

“**Special Resolution**” shall have the meaning assigned thereto by Section 189 of the Act.

“**Transfer**” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any shares or of any interest therein or the creation of any third party interest in or over the shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.

“**these Presents**” or “**Regulations**” means the Articles of Association as originally framed or altered from time to time and include the Memorandum of Association where the context so requires.

Words importing the singular number includes the plural number and vice versa. Words importing the masculine gender shall include the feminine gender.

Expressions referring to writing shall be construed as including references to printing lithography, photography and other modes of representing or reproducing words in a visible form.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in the Articles.

## **CAPITAL**

### *1. Authorised Share Capital*

The authorized share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association.

### *2. Shares at the Disposal of the Directors*

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right

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to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

#### 3. *Consideration for Allotment*

The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/ partly paid up shares and if so issued shall be deemed as fully/ partly paid up shares.

#### 4. *Restriction on Allotment*

- (a) The Directors shall in making the allotments duly observe the provisions of the Act;
- (b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and
- (c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

#### 5. *Increase of Capital*

The Company at its general meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with the Act and other applicable laws. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

#### 6. *Reduction of Capital*

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any capital redemption reserve account or securities premium account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

#### 7. *Sub-division, Consolidation and Cancellation of Share Certificate*

Subject to the provisions of Section 94 of the Act, the Company in general meeting, may by an Ordinary Resolution from time to time:

- (a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend, capital or otherwise as compared with the others
- (b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### 8. *New Capital Part of the Existing Capital*

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Except so far as otherwise provided by the conditions of the issue or by these Presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

9. *Power to Issue Shares with Differential Voting Rights*

The Company shall have the power to issue shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

10. *Power to Issue Preference Shares*

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

11. *Further Issue of Shares*

(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

- (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
- (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.
- (d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

- (a) If a Special Resolution to that effect is passed by the Company in general meeting, or
- (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

- (a) To extend the time within which the offer should be accepted; or

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- (b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:
  - (i) To convert such debentures or loans into shares in the Company; or
  - (ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in general meeting before the issue of the debentures or raising of the loans.

### ***12. Right to Convert Loans into Capital***

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

### ***13. Allotment on Application to be Acceptance of Shares***

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register, shall, for the purpose of these Articles, be a Member.

### ***14. Return on Allotments to be made or Restrictions on Allotment***

The Board shall observe the restrictions as regards allotment of shares to the public contained in Sections 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

### ***15. Money Due on Shares to be a Debt to the Company***

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

### ***16. Installments on Shares***

If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

### ***17. Members or Heirs to Pay Unpaid Amounts***

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the

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capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Regulations require or fix for the payment thereof.

### ***18. Variation of Shareholders' Rights***

- (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.
- (b) Subject to the provisions of Section 107(2) of the Act, to every such separate meeting, the provisions of these Regulations relating to meeting shall mutatis mutandis apply.

### ***19. Power to Establish Branch Offices***

The Company shall have power to establish branch offices subject to the provisions of Section 8 of the Act or any statutory modifications thereof.

### ***20. Payments of Interest out of Capital***

The Company shall have power to pay interest out of its capital on so much of the shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with Section 208 of the Act.

### ***21. Amalgamation***

Subject to provisions of these Articles, the Company if authorized by a Special Resolution passed at a general meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject however to the provisions of Section 391 to 394 of the Act.

## **SHARE CERTIFICATES**

### ***22. Rules to Issue Share Certificates***

The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules.

### ***23. (a) Every Member Entitled to Certificate for his Shares***

- (i) Every Member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance or renunciation or in cases of issues of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of the shares of the Company.
- (ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose.
- (iii) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating date of issue.

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*(b) Joint Ownership of Shares:*

Any two or more joint allottees of shares shall be treated as a single Member for the purposes of this Article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

Notwithstanding anything contained in preceding sub-clause (a) and (b), the Board of Directors of the Company may at their absolute discretion refuse sub-division of share certificates or debenture certificates into denomination of less than marketable lots except where sub-division is required to be made to comply with a statutory provision or an order of a competent court of law or a request from a member to convert holding of odd lot into transferable/marketable lot.

*(c) Director to Sign Share Certificates:*

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.

*(d) Issue of New Certificate in Place of one Defaced, Lost or Destroyed*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the Company.

*(e) Renewal of Share Certificate:*

When a new share certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No..... sub-divided/ replaced on consolidation of shares.

*(f) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No..... The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.*

*(g) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.*

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### **24. Responsibilities to Maintain Records**

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

### **25. Rights of Joint Holders**

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to these Regulations.

### **26. Limitation of Time for Issue of Certificates**

Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

## **UNDERWRITING & BROKERAGE**

### **27. Commission for Placing Shares, Debentures, etc**

- (a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares or debentures of the Company and provisions of Section 76 of the Act shall apply.
- (b) The Company may also, in any issue, pay such brokerage as may be lawful.

## **LIEN**

### **28. Company's Lien on Shares /Debentures**

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares.

### **29. Enforcing Lien by Sale**

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the



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name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such Member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for thirty days after such notice.

30. *Application of Sale Proceeds*

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### **CALLS ON SHARES**

31. *Board to have Right to make Calls on Shares*

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in general meeting.

32. *Notice for Call*

Thirty days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

33. *Call When Made*

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.

34. *Liability of Joint Holders for a Call*

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

35. *Board to Extend Time to Pay Call*

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no Member shall be entitled to such extension, save as a matter of grace and favour.

36. *Calls to Carry Interest*

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

37. *Dues Deemed to be Calls*

Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles

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as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

### ***38. Proof of Dues in Respect of Shares***

On any trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the Members in respect of whose shares the money is sought to be recovered appears entered in the Register as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuant to these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

### ***39. Partial Payment not to Preclude Forfeiture***

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

### ***40. Payment in Anticipation of Call May Carry Interest***

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

- (b) The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
- (c) The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company.

## **FORFEITURE OF SHARES**

### ***41. Board to Have Right to Forfeit Shares***

If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

### ***42. Notice for Forfeiture of Shares***

- (a) The notice shall name a further day (not earlier than the expiration of thirty days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.
- (b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

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### ***43. Effect of Forfeiture***

If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture, subject to applicable provisions of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

### ***44. Notice of Forfeiture***

When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

### ***45. Forfeited Share to be the Property of the Company***

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

### ***46. Member to be Liable Even After Forfeiture***

Any Member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

### ***47. Claims Against the Company to Extinguish on Forfeiture***

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

### ***48. Evidence of Forfeiture***

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

### ***49. Effecting Sale of Shares***

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

### ***50. Certificate of Forfeited Shares to be Void***

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

### ***51. Board Entitled to Cancel Forfeiture***

The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise

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disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

### **TRANSFER AND TRANSMISSION OF SHARES**

52. *Register of Transfers*

The Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

53. *Endorsement of Transfer*

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

54. *Instrument of Transfer*

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

55. *Executive Transfer Instrument*

Every such instrument of transfer shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer shall be in respect of same class of shares and should be in the form prescribed under the Act.

56. *Closing Register of Transfers and of Members*

The Board shall be empowered, on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the Office of the Company is situated, to close the transfer books, Register, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

57. *Directors may Refuse to Register Transfer*

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

58. *Transfer of Partly Paid Shares*

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

59. *Survivor of Joint Holders Recognized*

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to

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or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

### *60. Title to Shares of Deceased Members*

The executors or administrators or holders of a succession certificate or the legal representatives of a deceased Member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such Member, and the Company shall be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives shall have first obtained probate holders or letter of administration or succession certificate as the case may be, from a duly constituted court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of probate or letter of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

### *61. Transfers Not Permitted*

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

### *62. Transmission of Shares*

Subject to the provisions of the Act and these Presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, either by registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

### *63. Rights on Transmission*

A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

Provided that the Board may at any time to give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

### *64. Instrument of Transfer to be Stamped*

Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the dividend in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such dividend to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

### *65. Share Certificates to be Surrendered*

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred

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must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

### ***66. No Fee on Transfer or Transmission***

No fee shall be charged for:

- (a) registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document; and
- (b) sub-division and/ or consolidation of shares and debentures and sub-division of letters of allotment and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading;

### ***67. Company Not Liable to Notice of Equitable Rights***

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

### ***68. Transfer and Transmission of Debentures***

The provisions of these Articles, shall, mutatis mutandis, apply to the transfer of or the transmission by law of the right to debentures of the Company.

### ***69. Dematerialisation of Securities***

- (i) Definitions: For the purpose of this Article:

“*Beneficial Owner*” means a person whose name is recorded as such with a Depository.

“*Depositories Act*” means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

“*Depository*” means a company formed and registered under the Act and which has been granted a Certificate of Registration to act as a depository under the Securities and Exchange Board of India Act 1992.

“*Participant*” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

“*Record*” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

“*Registered Owner*” means a Depository whose name is entered as such in the records of the Company.

“*SEBI*” means the Securities and Exchange Board of India

“*Security*” means such security as may be specified by the Securities and Exchange Board of India from time to time.

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- (ii) *Company to Recognize Interest in Dematerialized Securities under the Depositories Act, 1996.*

The Company may exercise an option to issue, dematerialise, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

- (iii) *Dematerialisation/ Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

- (iv) *Option to Receive Security Certificate or Hold Securities With Depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

- (v) *Securities in Electronic Form*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

- (vi) *Beneficial Owner Deemed as Absolute Owner*

Except as ordered by a court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

- (vii) *Rights of Depositories and Beneficial Owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

- (viii) *Register and Index of Beneficial Owners*

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The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that state or country.

(ix) *Cancellation of Certificates upon Surrender by Person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

(x) *Service of Documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) *Allotment of Securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) *Transfer of Securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository.

(xiii) *Distinctive Number of Securities Held in a Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialized form.

(xiv) *Provisions of Articles to Apply to Shares Held in Depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

(xv) *Depository to Furnish Information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option to Opt Out in Respect of any Such Security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30



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(thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding Effect of this Article*

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these Presents.

### **70. Nomination Facility**

- (i) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.
- (ii) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.
- (iii) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.
- (v) Any person who becomes a nominee by virtue of the provisions of Section 109A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either
  - a) To be registered himself as holder of the shares or debentures as the case may be, or
  - b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of the deceased shareholder or debenture holder as the case may be.

- (vi) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.
- (vii) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

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Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

- (viii) A Depository may in terms of Section 109A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

### ***71. Buy Back of Shares***

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Sections 77A and other applicable laws, if any.

### ***72. Copies of Memorandum and Articles to be Sent to Members***

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of such sum as may be prescribed.

## **SHARE WARRANTS**

### ***73. Rights to Issue Share Warrants***

- (a) The Company may issue Share Warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.
- (b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

### ***74. Rights of Warrant Holders***

- (a) The bearer of the Share Warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.
- (b) Not more than one person shall be recognized as the depositor of the Share Warrant.
- (c) The Company shall, on two days written notice, return the deposited Share Warrant to the depositor.

### ***75. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a Share Warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.***

- (b) The bearer of a Share Warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company.

### ***76. Board to Make Rules***

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new Share Warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

77. *Rights to Convert Shares into Stock & Vice-versa*

The Company in general meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

78. *Rights of Stock Holders*

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

## **GENERAL MEETINGS**

79. *General Meetings*

- (a) The Company shall, in addition to any other meetings hold a general meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.
- (b) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

80. *Extraordinary Meetings on Requisition*

The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

81. *Notice for General Meetings*

All general meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member or other person to whom it should be given shall not invalidate the proceedings of any general meeting. The members may participate in general meetings through such modes as permitted by applicable laws.

82. *Shorter Notice Admissible*

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

83. *Special and Ordinary Business*

- (a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of

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dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

- (b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

84. *Quorum for General Meeting*

Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the *commencement of the meeting*.

85. *Time for Quorum and Adjournment*

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

86. *Chairman of General Meeting*

The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company.

87. *Election of Chairman*

If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman.

88. *Adjournment of Meeting*

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

89. *Voting at Meeting*

At any general meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

90. *Decision by Poll*

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

91. *Casting Vote of Chairman*

In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which

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the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.

92. *Poll to be Immediate*

- (a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.
- (b) A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at anytime by the person or persons who made the demand.

93. *Passing Resolutions by Postal Ballot*

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 or other applicable law to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, as amended from time.

### **VOTE OF MEMBERS**

94. *Voting Rights of Members*

- a) On a show of hands every member holding equity shares and present in person shall have one vote.
- b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his share of the paid up equity share capital.
- c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

95. *Voting by Joint-holders*

In case of joint-holders the vote of first named of such joint-holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

96. *Voting by Member of Unsound Mind*

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll vote by proxy.

97. *No Right to Vote Unless Calls are Paid*

No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

98. *Proxy*

On a poll, votes may be given either personally or by proxy.

99. *Instrument of Proxy*

The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney

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duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed must be deposited at the Office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting at which the proxy is used.

100. The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution.

### *101. Validity of Proxy*

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### *102. Corporate Members*

Any corporation which is a member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company (including the right to vote by proxy).

## **DIRECTORS**

### *103. Number of Directors*

Unless otherwise determined by general meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

The following shall be first directors of the Company

- (a) Mr. Adesh Kumar Gupta
- (b) Mr. Vikram Dhondurao
- (c) Mr Natarajan Vishwanathan Balachander

### *104. Share Qualification Not Necessary*

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

### *105. Director's Power to Fill-up Casual Vacancy*

The Board of Directors shall have power at any time and from time to time to appoint subject to the

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provisions of these Presents any person as a Director to fill a casual vacancy and any Director so appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.

### *106. Additional Directors*

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual General Meeting of the Company and shall be eligible for appointment by the Company as a Director at that Meeting subject to provisions of the Act.

### *107. Alternate Directors*

Subject to Section 313 of the Act, the Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the State in which the meetings of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the original Director returns to the State in which the meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original and not to the alternate Director.

### *108. Remuneration of Directors*

A Director (other than a Managing Director or Whole- Time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him. The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with the applicable provisions of the Act.

The Board of Directors may allow and pay or reimburse any Director who is not a bonafide resident of the place where a meeting of the Board or of any Committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

### *109. Remuneration for Extra Services*

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a member of any Committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

### *110. Continuing Director May Act*

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

### *111. Vacation of Office of Director*

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The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act.

### ***112. Equal Power to Director***

Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

## **ROTATION AND RETIREMENT OF DIRECTOR**

### ***113. One-Third of Directors to Retire Every Year***

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director(s), appointed shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

### ***114. Retiring Directors Eligible For Re-election***

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

### ***115. Which Director to Retire***

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

### ***116. Retiring Director to Remain in Office Till Successors Appointed***

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the retiring Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting

### ***117. Increase or Reduction in the Number of Directors***

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in general meeting may by Ordinary Resolution increase or reduce the number of its Directors.

### ***118. Power to Remove Director by Ordinary Resolution***

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in general meeting remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

### ***119. Right of Persons Other Than Retiring Directors to Stand for Directorship***



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A person not being a retiring Director shall, in accordance with Section 257 of the Act, be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as Directors.

### ***120. Directors may Contract with the Company***

- (a) Subject to the provisions of Section 295, 297, 299, 300, 302, 314 and other applicable provisions, if any, of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any company, body corporate or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.
- (b) A general notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section.

### ***121. Directors Not Liable for Retirement***

The Company in general meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

### ***122. Director for Companies Promoted by the Company***

Directors of the Company may be or become a Director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company subject to compliance with applicable provisions of the Act.

## **PROCEEDINGS OF BOARD OF DIRECTORS**

### ***123. Meetings of the Board***

- (a) The Board of Directors shall meet at least once in every three months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the provisions of the Act, provided that at least four such meetings shall be held in every year.
- (b) The Chairman may, at any time, and the company secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.
- (c) The Directors may participate in Board Meetings through such modes as permitted by applicable laws.

### ***124. Quorum***

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Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of Section 300 of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

#### ***125. Questions How Decided***

- (a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- (b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

#### ***126. Election of Chairman of Board***

- (a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairman of the Meeting.

#### ***127. Delegation of Powers***

- (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

#### ***128. Election of Chairman of Committee***

- (a) A committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one among themselves to be the Chairman of the Committee Meeting.
- (b) The quorum of a committee may be fixed by the Board of Directors.

#### ***129. Questions How Determined***

- (a) A committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes as the members present as the case may be and in case of an equality of vote the Chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

#### ***130. Validity of Acts Done by Board or a Committee***

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All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

### *131. Resolution by Circulation*

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

### *132. Maintenance of Foreign Register*

The Company may exercise the powers conferred on it by Sections 157 and 158 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit respecting the keeping any register.

### *133. Borrowing Powers*

- (a) The Board of Directors may from time to time but with such consent of the Company in general meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a general meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose and in particular, but subject to the provisions of Section 292 and 293 and other applicable provisions of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in general meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or Managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.
- (c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.
- (d) To the extent permitted under the applicable law and subject to compliance with the

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requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

### *134. Assignment of Debentures*

Debentures may be assignable free from any equities between the Company and the person to whom the same may be issued.

### *135. Term of Issue of Debentures*

Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by a Special Resolution.

### *136. Register of Charges*

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

### *137. Charge of Uncalled Capital*

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

### *138. Subsequent Assigns of Uncalled Capital*

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

### *139. Charge in Favour of Director for Indemnity*

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

### *140. Powers to be Exercised by Board only by Meeting*

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

- (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
- (ii) Power to issue debentures;
- (iii) Power to borrow money otherwise than on debentures;
- (iv) Power to invest the funds of the Company;
- (v) Power to make loans.

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- (b) The Board of Directors may by a resolution passed at a meeting delegate to any committee of Directors or the Managing Director or to any person permitted by applicable law the powers specified in sub clauses (a) (iii), (iv) and (v) above.
- (c) Every resolution delegating the power set out in sub clause (a) (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.
- (d) Every resolution delegating the power referred to in sub-clause (a) (iv) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.
- (e) Every resolution delegating the power referred to in sub-clause (a) (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

**141. Making Liability of Directors Unlimited**

The Company may, by Special Resolution in a general meeting, alter its memorandum of association so as to render unlimited the liability of its Directors or of any Director or manager in accordance with Section 323 of the Act.

**MANAGING DIRECTOR(S) and/ or WHOLE-TIME DIRECTOR(S)**

**142. Managing Directors/ Whole Time Directors**

- (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director and/ or Whole Time Directors for such term and subject to such remuneration, terms and conditions as they may think fit.
- (b) The Directors may from time to time resolve that there shall be either one or more Managing Directors and/ or Whole time Directors.
- (c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.
- (d) If a Managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/ Whole Time Director.
- (e) The Managing Director and/or Whole Time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or Whole Time Director.

**143. Powers and Duties of Managing Director or Whole Time Director**

The Managing Director/ Whole Time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

**144. Remuneration of Managing Directors/ Whole Time Directors**

Subject to the provisions of the Act and subject to such sanction of Central Government/ financial

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institutions as may be required for the purpose, the Managing Directors/ whole time Directors shall receive such remuneration (whether by way of salary, perquisites, commission or participation in profits or partly in one way and partly in another) as the Company in general meeting may from time to time determine.

#### ***145. Reimbursement of Expenses***

The Managing Directors/ whole time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

#### ***146. Business to be Carried on by Managing Directors/ whole time Directors***

- (a) The Managing Directors/ whole time Director shall have subject to the supervision, control and discretion of the Board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these Presents to be exercised or done by the Company in general meeting or by Board of Directors and also subject to such conditions or restrictions imposed by the Act or by these Presents.
- (b) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ whole time Director and he shall have all the powers except those which are by law or by these Presents or by any resolution of the Board required to be done by the Company in general meeting or by the Board.
- (c) The Board may, from time to time delegate to the Managing Director or whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these Presents.

### **COMMON SEAL**

#### ***147. Custody of Common Seal***

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

#### ***148. Seal How Affixed***

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 Directors or or any two persons as the Board may appoint for the purpose. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by a Director or the persons/secretary aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

Provided that certificates of shares may be under the signatures of such persons as provided by the Companies (Issue of Share Certificates) Rules, 1960 in force from time to time. Save as otherwise expressly provided by the Act a document or proceeding requiring authentication by the Company may be signed by a Director, or the Secretary or any other Officer authorised in that behalf by the Board and need not be under its Seal.

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149. The Company may exercise the powers conferred by Section 50 of the Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose.

### **DIVIDEND**

150. *Right to dividend*

- (a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these Presents and subject to the provisions of these Presents as to the reserve fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.
- (b) Any amount paid up in advance of calls on any shares may carry interest, but shall not entitle the holder of the share to participate in respect thereof or confer a right to participate in the profits or dividends subsequently declared.

151. *Declaration of Dividends*

The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

152. *Interim Dividends*

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

153. *Dividends to be Paid Out of Profits*

No dividend shall be payable except out of the profits of the Company for that year or any other undistributed profits except as provided by Section 205 of the Act.

154. *Reserve Funds*

- (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.
- (b) The Board may also carry forward any profits when it may think prudent not to appropriate to the reserve.

155. *Deduction of Arrears*

Subject to Section 205 of the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever wither alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

156. *Adjustment of Dividends Against Calls*

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Any general meeting declaring a dividend may make a call on the Members as such amount as the meeting fixed, but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Members be set off against the call.

**157. *Receipt of Joint Holder***

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

**158. *Notice of Dividends***

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

**159. *Dividends Not to Bear Interest***

No dividends shall bear interest against the Company.

**160. *Transfer of Shares and dividends***

Subject to the provisions of Section 206A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**161. *Unpaid or Unclaimed Dividend***

- (a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Peter England Fashions and Limited".
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investors Education and Protection Fund established under section 205C of the Act.
- (c) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

### **CAPITALISATION OF PROFITS**

**162. *Capitalisation of Profits***

- (a) The Company in general meeting, may, on recommendation of the Board resolve:
  - (i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (i) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
  - (i) Paying up any amounts for the time being unpaid on shares held by such members



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respectively

- (ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
  - (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).
- (c) A share premium account may be applied as per Section 78 of the Act and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (d) The Board shall give effect to the resolution passed by the Company in pursuance of these Regulations.

#### *163. Power of Directors for Declaration of Bonus Issue*

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and
  - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
- (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also
  - (ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (c) Any agreement made under such authority shall be effective and binding on all such members.

### **ACCOUNTS**

#### *164. Books of Account to be Kept*

- (a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.
- (b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns made upto date at intervals of not more than three months, shall be sent by Branch Office to the Company at its Office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.
- (c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its

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transactions.

#### ***165. Where Books of Accounts to be Kept***

The books of accounts shall be kept at the Office or at such other place in India as the Directors think fit.

#### ***166. Inspection by Members***

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

#### ***167. Board's Report to be Attached to Balance Sheet***

- (a) Every balance sheet laid before the Company in general meeting shall, as required under Section 217 of the Act, have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any reserves in such balance sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the Financial Year of the Company to which the balance sheet related and the date of report.
- (b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the Financial Year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (c) The Board's report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the report pertains.
- (d) The Board shall also give the fullest information and explanation in its report or in cases falling under the proviso to Section 222, in an addendum to that report on every reservation, qualification or adverse remark contained in the Auditors' report.
- (e) The Board shall have the right to assign any person being a Director with a duty of seeing that the provisions of sub-clauses (a) to (d) of this Article are complied with.

### **AUDIT**

#### ***168. Accounts to be Audited***

Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

- (a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.
- (b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (c) The Company shall within seven days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

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- (d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in general meeting.
- (e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Section 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.
- (g) None of the persons mentioned in Section 226 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

#### ***169. Audit of Branch Offices***

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### ***170. Remuneration of Auditors***

The remuneration of the Auditors shall be fixed by the Company as authorized in general meeting from time to time.

### **SERVICE OF DOCUMENTS AND NOTICE**

#### ***171. Service of Document on the Company***

A document may be served on the Company or an Officer by sending it to the Company or Officer at Office of the Company by registered post, or by leaving it at the Office or by such other methods as may be permitted under law.

#### ***172. How Document is to be Served on Members:***

- (a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any Member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him.
- (b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.
- (c) *Where a document is sent by post*
  - (i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of

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posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and

- (ii) Unless the contrary is provided, such service shall be deemed to have been effected
  - a. In the case of a notice of a meeting, at the expiry of forty-eight hours the letter containing the notice is posted; and
  - b. In any other case, at the time at which the letter would be delivered in ordinary course of post.

#### ***173. Members to Notify Address in India***

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### ***174. Service on Members Having No Registered Address***

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

#### ***175. Service on Persons Acquiring Shares on Death or Insolvency of Members***

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

#### ***176. Persons Entitled to Notice of General Meetings***

Subject to the provisions of the Act and these Articles, notice of general meeting shall be given:

- (i) To the Members of the Company as provided by these Presents.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a member.
- (iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.

#### ***177. Notice by Advertisement***

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

#### ***178. Members Bound by Document Given to Previous Holders***

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from

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whom he derived his title to such share.

179. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

### **AUTHENTICATION OF DOCUMENTS**

180. *Authentication of Documents and Proceedings*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorized Officer of the Company and need not be under its seal.

### **WINDING UP**

181. *Application of Assets*

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

182. *Division of Assets of the Company in Specie among Members*

If the Company shall be wound up whether voluntarily or otherwise the liquidators may with sanction of a Special Resolution divide among the contributories in specie or kind or any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

### **INDEMNITY AND RESPONSIBILITY**

183. *Director's and Others' Right to Indemnity*

- (a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director or Director, Officer or employee or in any way in the discharge of his duties.
- (b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

184. *Not Responsible for Acts of Others*

- (a) Subject to the provisions of Section 201 of the Act, no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property

### ***Information Memorandum***

acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

- (b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

### **SECRECY CLAUSE**

#### *185. Secrecy*

No Member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

#### *186. Duties of Officers to Observe Secrecy*

Every Director, Managing Directors, Manager, Secretary, Auditor, trustee, members of Committee, Officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

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**XVII. DOCUMENTS FOR INSPECTION**

- (a) Memorandum and Articles of Association of the Company along with Certificate of Incorporation and Certificate of Commencement of Business issued by Registrar of Companies, .
- (b) The Order of the Hon'ble High Court of Bombay dated March 01, 2013 sanctioning the Scheme of Arrangement.
- (c) Letters issued by BSE and NSE according to their no objection to the Scheme.
- (d) Copy of Tripartite Agreement with National Securities Depository Ltd. and Central Depository Services (India) Ltd.
- (e) Memorandum of Understanding with the Registrar and Share Transfer Agent.
- (f) Annual Report containing the Audited Accounts of the Company as of March 31, 2012, 2011, 2010, and 2009 and Audited Financial Statements for March 31, 2013. .
- (g) SEBI Letter granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of Shares of the Company .

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**XVIII. DECLARATION**

All statements made in this Information Memorandum are true and correct.

On behalf of the Board of Directors of the Company

**For Pantaloons Fashion & Retail Limited**

  
**Geetika Anand**  
**Company Secretary**



Place: Mumbai  
Date: July 15, 2013