

Birla Pacific Medspa Limited

(Our Company was incorporated on July 15th, 2008 under the name of Birla Pacific Medspa Private Ltd. Subsequently the Company was converted into a Public Limited Company on July 14th, 2010 and the name was changed to Birla Pacific Medspa Ltd.)

Registered and Corporate Office: Dalamal House, 1st Floor, 206, J.B.Marg, Nariman Point Mumbai – 400 021.

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Contact person: Ms. Khyati Mashru, Company Secretary and Compliance Officer **E-mail:** complianceofficer@birlapacificmedspa.com

The Company is promoted by Mr. Yashovardhan Birla and Birla Wellness & Healthcare Private Limited, a Yash Birla Group company.

ISSUE OF [●] EQUITY SHARES OF Rs. 10/- EACH FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE AGGREGATING TO Rs. 6517.50 LAKHS (HEREINAFTER REFERRED TO AS THE “ISSUE”) TO THE PUBLIC. THE ISSUE WOULD CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.	
PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH	
THE ISSUE PRICE: Rs. [●] PER EQUITY SHARE OF FACE VALUE OF Rs. 10/- EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE.	
<p>This Issue is being made in terms of regulation 26(2)(a)(i) and b(i) of SEBI (ICDR) Regulations, 2009, as amended from time to time, where by, at least 50% of the offer to public shall be allotted to QIBs, failing which the full subscription monies shall be refunded. (In case of delay, if any in refund, Birla Pacific Medspa Limited shall pay interest on the application money at the rate of 15% per annum for the period of delay). In case of revision in the Price Band, the Bidding Period/ Issue Period will be extended for three additional working days after such revision, subject to the total Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited (the “BSE”) and National Stock Exchange of India Limited (the “NSE”), whose online IPO System will only be available for bidding, by issuing press release and also by indicating the change on the website of Book Running Lead Manager (the “BRLM”) and the terminals of the members of Syndicate. The Issue is being made through the 100% Book Building Process wherein at least 50% of the offer to the public shall be allocated on a proportionate basis to eligible Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all eligible Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, upto 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first issue of Equity Shares of the Company, there has been no formal market for its Equity Shares. The face value of the equity shares is Rs 10/- and the issue price is [●] times of the face value. The Issue Price (as determined by the Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares by way of Book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Equity Shares issued in this Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the statements in the Section titled “Risk Factors” beginning on page xi of this Red Herring Prospectus.</p>	
ISSUER’S ABSOLUTE RESPONSIBILITY	
<p>Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this RHP 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
IPO GRADING	
<p>This Issue has been graded by M/s Brickworks Ratings India Pvt Ltd and has been assigned the “BWR IPO Grade 2” indicating “below average fundamentals”, through their letter dated 26th May 2011. For further details in this regard please refer “General Information” and “Material Contracts and Document for Inspection” on page 7 and 307 respectively of the Red Herring Prospectus.</p>	
LISTING	
<p>The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange (“BSE”). Our Company has received in-principle approval for listing of the equity shares from BSE vide its letter No. DCS/IPO/NP/IPO-IP/1021/2010-11 dated September 21, 2010. For the purpose of this Issue, the designated Stock Exchange will be Bombay Stock Exchange (“BSE”).</p>	
BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>ARIHANT capital markets ltd SEBI Registration No.: INM 000011070 3rd Floor, Krishna Bhavan, 67, Nehru Road, Vile Parle (East), Mumbai- 400 057 Tel: +91- 22- 4225 4800/847 Fax: +91- 22- 4225 4880 Email: amol.kshirsagar@arihantcapital.com Website: www.arhantcapital.com Contact person: Mr. Amol Kshirsagar</p>	 <p>Adroit Corporate Services Pvt Ltd 19/20, 1st Floor, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059 Tel: +91 22 – 28594060/ 6060/ 0942/ 4442 Fax: +91 22 – 28503748 Email: veenashetty@adroitcorporate.com Website: www.adroitcorporate.com SebiRegn No. : INR000002227 Contact person: Ms. Veena Shetty</p>
BID/ISSUE PROGRAMME	
BID/ISSUE OPENS ON: JUNE 20, 2011	BID/ISSUE CLOSES ON: JUNE 23, 2011

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SECTION I - DEFINITIONS AND ABBREVIATIONS

I. CONVENTIONAL / GENERAL TERMS:

Birla Pacific Medspa Limited/ BPML/ Evolve/ The company/ Company/ We/ Us/ Our/ our Company/ the Issuer	Unless the context otherwise indicates or implies refers to Birla Pacific Medspa Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the state of Maharashtra
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TERM	DESCRIPTION
Articles / Articles of Association / AoA	Articles of Association of Birla Pacific Medspa Limited
BSE	Bombay Stock Exchange Limited, Mumbai
CDSL	Central Depository Services (India) Ltd
Companies Act	The Companies Act, 1956, as amended from time to time for the time being in force
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time for the time being in force
Depository Participant/ DP	A depository participant as defined under the Depositories Act
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed there under for the time being in force
Financial Year/FY /Fiscal	Period of twelve months ended March 31 st of that particular year.
FIs	Financial Institutions
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
Indian GAAP	Generally Accepted Accounting Principles in India
IT Act	The Income-Tax Act, 1961, as amended from time to time and for the time being in force
Memorandum / Memorandum of Association / MoA	The Memorandum of Association of Birla Pacific Medspa Limited
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000.
NSDL	National Securities Depository Ltd.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Bodies
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.

II. ISSUE RELATED TERMS:

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, issue of Equity Shares pursuant to this Issue.
Allottee	The successful applicant to whom the Equity Shares are being / or have been issued or transferred
ASBA	An application for subscribing to an issue, containing an authorisation to block the application money in a bank account.
ASBA Investor	An Investor who intends to apply through ASBA process and (a) is a “Resident Retail Individual Investor”, “High Networth Individuals”, “Corporate Investors” etc. except Qualified Institutional Buyers. (b) is applying through blocking of funds in a bank account with the SCSB.
ASBA Form	Bid cum Application form for an ASBA Investor intending to subscribe through ASBA
Banker(s) to the Issue	ICICI Bank Ltd, Axis Bank Ltd and HDFC Bank Ltd
Basis of Allotment	The basis on which Equity Shares will be allotted to bidders under the issue and which is described in “Issue Procedure – Basis of Allotment”
Bid	An indication to make an offer, made during the Bidding Period by a prospective investor to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue.
Bid/ Issue Closing Date	June 23,2011, the date after which the members of the Syndicate will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper.
Bid/ Issue Opening Date	June 20,2011, the date on which the members of the Syndicate shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper.
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of this Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Prospectus and the Bid-cum-Application Form.
Bid/ Issue Period	The period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date
Book Building Process / Method	Book building mechanism as provided under Chapter XI of the SEBI ICDR Regulations 2009, in terms of which this Issue is made.
BRLM	Book Running Lead Manager to this Issue, in this case being - Arihant Capital Markets Ltd.
CAN/ Confirmation of Allotment Note	The note or advice or intimation of allotment of Equity Shares sent to the Bidders who have been allotted Equity Shares after discovery of Issue Price in the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.



Term	Description
Cut-off	The Issue Price finalized by our Company in consultation with the BRLMs and it shall be any price within the Price Band. A Bid submitted at the Cut-off Price by a Retail Individual Bidder is a valid Bid at all price levels within the Price Band.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the Registrar of Companies, Maharashtra, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	In this case being the Bombay Stock Exchange Limited, Mumbai.
DRHP	Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the equity shares are offered and the size (in terms of value) of the Issue
ECS	Electronic Clearing Service
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into among our Company, the Registrar to this Issue, the Escrow Collection Banks and the BRLM in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders.
Escrow Collection Bank(s)/ Banker(s) to this Issue	The banks, which are registered with SEBI as Banker (s) to the Issue at which the Escrow Account for the Issue will be opened, in this case being ICICI Bank Ltd, Axis Bank Ltd and HDFC Bank Ltd
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Indian National	A citizen of India as defined under the Indian Citizenship Act, 1955, as amended, who is not an NRI.
Issue size	Initial Public Offering of [●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] Per Equity Share Aggregating to Rs.6517.50 Lakhs (Hereinafter Referred to as the "Issue") to the Public. The issue would constitute [●] % of the fully diluted Post Issue Paid-Up Capital of our company.
Issue/ Bidding Period	The period between the Bid / Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Issue Price	Rs [●] (inclusive of a premium of Rs [●]) per share of equity share of face value of Rs 10 each, the final price at which Equity Shares will be issued and allotted in terms of the RHP or Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date.
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid.
Mutual Funds	Mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NEFT	National Electronic Fund Transfer
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual



Term	Description
	Bidders and who have Bid for Equity Shares for an amount more than Rs. 2,00,000.
Non Institutional Portion	The portion of this Issue being up to 15% of the Issue consisting of [●] Equity shares of Rs.10 each available for allocation to Non Institutional Bidders.
Offer Document	DRHP/ RHP and Prospectus
Price Band	The price band of a minimum price ("Floor Price") of Rs. [●] and the maximum price ("Cap Price") of Rs. [●] and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLM will finalise the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies, Maharashtra, Mumbai containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information.
Public Issue Account	Account opened with the Banker to this Issue to receive monies from the Escrow Account for this Issue on the Designated Date.
QIB Margin Amount	An amount representing 100% of the Bid Amount.
QIB Portion	Consists of issue of [●] Equity Shares of Rs. 10 each at a price of Rs. [●] for cash being at least 50% of the Issue, to be allotted to QIBs.
Qualified Institutional Buyers or QIBs	Public financial institution as defined in section 4A of the Companies Act, 1956, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority (IRDA), provident funds with minimum corpus of Rs. 2,500 lakhs and pension funds with minimum corpus of Rs.2,500 lakhs . National Investment Fund set up by Resolution F.NO. 2/3/2005 DD 11 Dated Nov.23,2005
Red Herring Prospectus/RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the number of equity shares to be offered under this Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with the Registrar of Companies, Maharashtra, Mumbai at least three days before the opening of this Issue. It will become a Prospectus after filing with the Registrar of Companies, Maharashtra, Mumbai, after pricing and allocation.
Refund Banker	Axis Bank Limited
Refunds through electronic transfer of funds	Means refunds through ECS, Direct Credit, NEFT or RTGS as applicable
Registrar/ Registrar to this Issue	Registrars to this issue being Adroit Corporate Services Pvt Ltd having its Registered Office as indicated on the cover page
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for an amount less than or equal to Rs.2,00,000 in any of the bidding options in this Issue.
Retail Portion	Consists of issue of [●] Equity Shares of Rs. 10 each for cash at a price of Rs [●], being up to 35% of the Issue, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
RTGS	Real Time Gross Settlement



Term	Description
Self Certified Syndicate Banks (SCSB)	SCSB is a banker to an Issue registered under SEBI (Bankers to an Issue) Regulations 1994 and which offers the service of making an Application Supported by Blocked Amount and recognized as such by the Board.
Stock Exchanges	Bombay Stock Exchange Limited
Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into between our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate members are appointed by the BRLM and in this case being Arihant Capital Markets Limited
Transaction Registration Slip/ TRS	The slip or document issued by the Syndicate Members to the Bidders as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members.
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Working Day	All days other than a Sunday or a public holiday (except during the Bid/Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business

III. COMPANY/ INDUSTRY-RELATED TERMS:

TERM	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Auditors	The statutory and tax auditors of our Company is M/s Kanu Doshi Associates, Chartered Accountants
Board of Directors	The Board of Directors of Birla Pacific Medspa Limited or a committee thereof
Compliance Officer	Compliance Officer of our Company in this case being, Ms. Khyati Mashru, Company Secretary
Director(s)	Director(s) of our Company unless otherwise specified
Equity Shares	Equity shares of face value of Rs.10 each of our Company unless otherwise specified in the context thereof
Equity Shareholders	Persons holding Equity shares of our Company unless otherwise specified in the context otherwise.
Face Value	Value of paid-up Equity Capital per Equity Share, in this case Rs. 10/- each.
FVCI	Foreign Venture Capital Investor registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
Non-Resident	An applicant who is not an NRI or FII and not a person resident in India.
Promoter(s)	Mr. Yashovardhan Birla and Birla Wellness & Healthcare Pvt Ltd, a Yash Birla Group company.
Promoter Group	Unless the context otherwise specifies, includes those entities mentioned in the section 'Our Promoters' beginning on page 80 of this RHP.
Registered Office of our Company	Registered Office of our Company is situated at Dalamal House, 1 st Floor, 206, J.B. Marg, Nariman Point, Mumbai – 400 021. Maharashtra.

IV. GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our company and industry, the following glossary provides a description of some of the technical terms i.e terms used and understood in common medical parlance and abbreviations commonly used:

Abdominoplasty or “tummy tuck” is a cosmetic surgery procedure used to make the abdomen more firm. The surgery involves the removal of excess skin and fat from the middle and lower abdomen in order to tighten the muscle and fascia of the abdominal wall.

Botox: A highly purified preparation of botulinum toxin A, a toxin produced by the bacterium *Clostridium botulinum*. Botox is for injection, in very small amounts, into specific muscles. It acts by blocking the transmission of nerve impulses to muscles and so paralyzing the muscles. Botox is a brand name that has passed into popular usage as a synonym for **Botulinum toxin**.

Cosmetic surgery : A division of plastic surgery, involving procedures such as, eyelid surgery, liposuction, breast augmentation, rhinoplasty and facelifts, that are carried out to improve the physical appearance of a person. Also known as “aesthetic” surgery.

Dental implant A titanium post or fixture placed in the jaw to serve as an anchor on which artificial teeth are attached.

Dermatology: The branch of medicine that involves the treatment of diseases of the skin, such as allergies, eczema, acne, moles and skin cancer.

A **facelift**, technically known as a **rhytidectomy**, *surgical removal of wrinkles*, is a type of cosmetic surgery procedure used to give a more youthful appearance. It usually involves the removal of excess facial skin, with or without the tightening of underlying tissues, and the redraping of the skin on the patient’s face and neck.

Implant dentistry refers to the use of titanium dental implants to replace missing teeth.

I-lipo refers to the latest in laser lipolysis, offering a way to achieve inch loss and body contouring with no pain, no needles and no down time.

Liposuction, also known as lipoplasty (“fat modeling”), liposculpture suction lipectomy or simply lipo (“suction-assisted fat removal”) is a cosmetic surgery operation that removes fat from many different sites on the human body. Areas affected can range from the abdomen, thighs and buttocks, to the neck, backs of the arms and elsewhere.

A **medical spa** or **med spa** is a loose term that describes any retail cosmetic medical business that operates under the supervision of a licensed health care professional, such as a medical doctor and offers non-surgical cosmetic ‘medical’ treatments. Medical spas may offer additional treatments that can only be administered by licensed medical practitioners.

Microdermabrasion (often referred to as Microderm) is a family of cosmetic procedures popular in day spas, doctors’ practices, and medical spas in which the stratum corneum (dead outermost surface of the skin) is partially or completely removed by light abrasion, to remove sun-damaged skin and to remove or lessen scars and dark spots on the skin. Microdermabrasion can be used medically for scar removal and can also be used for treatment of acne.

Orthodontics: The branch of dentistry that involves the correction of mal-alignment of teeth and jaws using braces.

Paedodontics: The branch of dentistry that involves the treatment of dental disease in children and includes the monitoring of the growth and development of the jaws and dentition.

Periodontics: The branch of dentistry that involves the treatment of diseases affecting the gums and tissues supporting the teeth.

Plastic surgery is a medical specialty concerned with the correction or restoration of form and function. While famous for aesthetic surgery, plastic surgery also includes two main fields: body modification and reconstructive surgery. The word “plastic” derives from the Greek *plastikos* meaning to mold or to shape; its use here is not connected with the synthetic polymer material known as plastic.

Reconstructive surgery A division of plastic surgery that corrects deformities that are present at birth, e.g cleft surgery or the result of trauma or tumour resection.

Rhinoplasty (Greek: *Rhinos*, “Nose” + *Plassein*, “to shape”) is a surgical procedure to improve the function (reconstructive surgery) or the appearance (cosmetic surgery) of a human nose. Rhinoplasty is also commonly called “nose reshaping” or “nose job”. Rhinoplasty can be performed to meet aesthetic goals or for reconstructive purposes to correct trauma, birth defects or breathing problems.

Wellness: The concept of a balanced and healthy life and the active process taken to achieve this state including maintaining good nutrition, exercise and stress-control.

V. ABBREVIATIONS:

ABBREVIATION	FULL FORM
AY	Assessment Year
BCCL	Bennett Coleman & Co. Ltd.
BIFR	Board For Industrial & Financial Reconstruction
BPML	Birla Pacific Medspa Limited
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CIN	Company Identification Number
CIT	Commissioner Of Income Tax
DPID	Depository Participant Identification
EBDITA	Earnings Before Depreciation, Interest, Tax and Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Equity Share i.e. profit after tax divided by outstanding number of Equity Shares at the year end.
FCNR Account	Foreign Currency Non Resident Account
FICCI	Federation of Indian Chambers of Commerce and Industry
FIPB	Foreign Investment Promotion Board
GoI	Government of India
HNI	High Net worth Individual
HR	Human Resources
HUF	Hindu Undivided Family
INR/ Rs	Indian Rupees
JV	Joint Venture
JVC	Joint Venture Company
JVA	Joint Venture Agreement
Ltd.	Limited
Mkt.	Market
MoU	Memorandum of Understanding
N. A. / n.a.	Not Applicable
NAV	Net Asset Value being paid-up Equity Share Capital plus free reserves



	(excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit & Loss account, divided by number of issued Equity Shares.
NRE Account	Non Resident External Account
NRI	Non-Resident Indian
NRO Account	Non Resident Ordinary Account
OCB	Overseas Corporate Bodies
P/E Ratio	Price/Earnings Ratio
PacMed	Pachealth Medical Services Pvt Ltd
PHH/ Pacific Healthcare	Pacific Healthcare Holdings Ltd.
PAN	Permanent Account Number
Pvt./ Pte	Private
Pvt. Ltd.	Private Limited
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, 100, Everest Building, Marine Lines, Mumbai 400 002 Maharashtra, India.
RoNW	Return on Net Worth
Sec.	Section
UIN	Unique Identification Number
u/s	Under section
VCF	Venture Capital Funds
VP	Vice President
YBG	Yash Birla Group

SECTION II – GENERAL

CERTAIN CONVENTIONS: USE OF FINANCIAL AND MARKET DATA

In this RHP, the terms “we”, “us”, “our”, the “Company”, “our Company”, “BPML” “Birla Pacific”, unless the context otherwise indicates or implies, refers to Birla Pacific Medspa Limited. In this RHP, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lakh or Lac” means “one Hundred thousand”, the word “Crore” means “hundred Lakhs”, the word “million (million)” means “ten lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this RHP, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. Throughout this RHP, all figures have been expressed in Lakhs of Rupees, except when stated otherwise. All references to “Rupees” and “Rs” in this RHP are to the legal currency of India.

Unless indicated otherwise, the financial data in this RHP is derived from our restated standalone financial statements prepared in accordance with Indian GAAP and included in this RHP. Unless indicated otherwise, the operational data in this RHP is presented on a standalone basis and refers to the operations of our Company. We have had three accounting periods so far – the first accounting period from 15th July 2008 to 30th September 2009, the second accounting period from 1st October 2009 to 31st March 2010. Our subsequent financial years will commence on April 1 and end on 31st March so all references to a particular 31st March year are to the twelve-month period ended 31st March of that year.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this RHP will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this RHP should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in this RHP, please refer to the section titled “Definitions and Abbreviations” beginning on page i of this RHP. In the section titled “Description of Equity Shares and Terms of the Articles of Association”, defined terms have the meaning given to such terms in the Articles of Association of our Company.

Market data used throughout this RHP has been obtained from internal Company reports and data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although, we believe market data used in this RHP is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.



FORWARD-LOOKING STATEMENTS

This RHP includes certain forward looking statements with respect to our financial condition, results of operations and business. These forward-looking statements can generally be identified by the fact that they do not relate to any historical or current facts. Forward-looking statements often use words such as “anticipate”, “expect”, “estimate”, “intend”, “plan”, “believe”, “will”, “may”, “should”, “would”, “could” or other words with similar meaning. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. By their nature, forward looking statements are subject to risk and uncertainty and there are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by, such 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, regulatory changes pertaining to the industries in India in which we have businesses and our ability to respond to them, our ability to successfully implement strategy, growth and expansion of our business, technological changes, exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, 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, changes in domestic laws, regulations and taxes and changes in competition in the industry.

For further discussions of factors that could cause our actual results to differ, please see the sections titled “Risk Factors” and “Management Discussion and Analysis” beginning on pages xi and 135 of this RHP. 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. Neither we, nor the Selling Shareholders, nor the BRLM nor the other Underwriters, nor any of their respective affiliates have any obligation 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 come to fruition. In accordance with the SEBI requirements, the Company, the Selling Shareholders, the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges are received in relation to the Equity Shares.

SECTION III – RISK FACTORS

RISK FACTORS

An investment in equity shares involves a degree of financial risk. You should carefully consider all information in this RHP, including the risks described below, before making an investment in our Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our business. Any of the following risks, as well as the other risks and uncertainties discussed in this RHP, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline. In addition, the risks set out in this RHP may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future.

Note: Unless specified or quantified in the relevant risk factors below, our Company is not in a position to quantify the financial or other implication of any risks mentioned herein under:

Materiality:

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

- a) Some events may not be material individually, but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may have material impact in future.

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.

INTERNAL RISK FACTORS

Risks relating to Our Company and Business

1. Outstanding Litigations filed against the company

- (i) Civil Cases : Nil
- (ii) Criminal cases : Nil

2. Litigations filed against Promoter & Promoter Company

Name	Nature of Litigation	No. of Cases
Mr. Yashovardhan Birla (Promoter)	Civil Case	NIL
	Criminal Case	NIL
Birla Wellness & Healthcare Pvt. Ltd	Civil Case	NIL
	Criminal Case	NIL

**Litigations filed against Directors**

Name	Nature of Litigation	No. of Cases
Mr. Yashovardhan Birla	Civil Case	NIL
	Criminal Case	NIL
Dr. William Lai Leong Chong	Civil Case	NIL
	Criminal Case	NIL
Mr. P.V.R. Murthy	Civil Case	NIL
	Criminal Case	NIL
Dr. Abhijit Desai	Civil Case	NIL
	Criminal Case	NIL
Mr. Mohandas Shenoy Adige	Civil Case	NIL
	Criminal Case	NIL
Mr. Anoj Menon	Civil Case	NIL
	Criminal Case	NIL
Mr. Vijay Agarwal	Civil Case	NIL
	Criminal Case	NIL
Mr. Rajesh Shah	Civil Case	NIL
	Criminal Case	NIL
Mr. Venkateswaralu Nelabhotla*	Civil Case	NIL
	Criminal Case	NIL
Mr. Upkar Singh Kholi*	Civil Case	NIL
	Criminal Case	NIL

* These directors have been inducted in our Board on 23rd November 2010

Litigations against the Promoter Group Companies

Name	Nature of Litigation	No. of Cases	Amount (Rs. in Lacs)
Birla Power Solutions Limited	Sales Tax Cases	11	969.17
	Criminal Cases filed by the company	60	197.04
	Civil Cases filed by the company	21	185.46
	Consumer Forum and MRTP	23	17.52
	Labour cases against the company	3	2.25
Birla Cotsyn (India) Limited	Labour cases against the company	30	11.27
	Labour cases filed by the company	7	Not Ascertainable
	Civil cases filed by the company	8	16.58
Zenith Birla (India) Limited	Labour cases against the company	12	5.00
	Civil cases against the company	11	64.57
	Civil Cases filed by the company	24	397.56
	Excise, Customs, Income Tax Sales Tax against the company	17	545.68
	Excise, Customs, Income Tax Sales Tax by the company	12	198.52
	Criminal Cases filed by the company	3	6.78
Birla Precision Technologies Limited	Civil Cases filed by the company	4	2.39
	Criminal Cases filed by the company	1	0.10
	Labour cases against the company	1	Not Ascertainable
Birla Shloka Edutech Limited	Criminal Cases filed by the company	1	0.08
	Civil Case filed against the company	2	7.32
	Income Tax Case	1	83.62



Name	Nature of Litigation	No. of Cases	Amount (Rs. in Lacs)
Birla Capital & Financial Services Limited	Income Tax Case	1	532.22
Birla Transasia Carpets Limited	Excise, Income Tax, Sales Tax	19	142.60
	Labour cases against the company	17	Not Ascertainable
	Criminal Cases filed by the company	3	18.36
	Civil Cases filed by the company	2	93.24
	Pollution Control Cases	2	Not Ascertainable
Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited)	Employees Providend Fund Case	1	2.35
	Criminal Cases filed by the company	2	59.13
	Sales Tax	2	2.56
	Labour case against the company	1	Not Ascertainable
Melstar Information Technologies Limited	Civil Cases filed against the company	5	0.91
	Civil Cases filed by the company	1	1.22
	Income Tax Laws	1	8.06
	ESIC	1	1.36
Asian Distributors Private Limited	Civil Cases filed by the company	1	2.73
Birla AccuCast Limited	Civil Cases filed against the company	7	26.46
Birla Bombay Pvt Ltd	Cases filed against the company	1	Not Ascertainable
	Cases filed by the company	1	Not Ascertainable
Birla Infrastructure Limited	Consumer Dispute	1	Not Ascertainable
	Cases filed by the company	1	30.60
	Income Tax case	2	19.11
Birla International Pvt. Ltd	Wealth Tax, Income Tax	2	Not Ascertainable
	Criminal case	1	0.50
Birla Viking Travels Private Limited	Case Filed by the company	3	32.99
Godavari Corporation Limited	Tax Cases	8	200.16
	Criminal cases filed against the company	1	Not Ascertainable
	Civil cases filed by the company	1	Not Ascertainable
Nirved Traders Pvt. Ltd.	Criminal case against the company	1	Not Ascertainable
	Civil Case filed by the company	1	Not Ascertainable
	Tax Cases	2	638.37
Shearson Investment Pvt. Ltd.	Criminal Case against the company	1	Not Ascertainable
	Civil case filed by the company	1	Not Ascertainable
	Tax Cases	3	191.06

3. **One of the promoter's group companies namely Birla Bombay Pvt. Ltd appears in the RBI Defaulters List.** Birla Bombay Pvt. Ltd., one of our promoter group company, had issued a Bank Guarantee in favour of State Bank of India (SBI), Akola branch, on behalf of Akola Oil Industries Ltd (AOIL) for securing credit facilities availed by AOIL. AOIL defaulted in its repayment commitments to SBI and as a consequence SBI had filed recovery proceedings for recovery of Rs 2986.95 Lakhs before DRT at Nagpur wherein Birla Bombay Pvt. Ltd was made one of the defendants by the Bank. However, DRT vide its Order No.OA474/2001 dated 4th October, 2004 passed an order stating that Birla Bombay, as guarantor is not liable for any dues of State Bank of India and the amount is to be recovered from the borrower. Now, SBI had filed an appeal on 6th April 2005 before Debt Recovery Appellate Tribunal, Vide appeal no.105/05 which is pending. Birla Bombay Pvt. Ltd holds 14.37% of the equity capital of AOIL as on 15th November 2010. Barring this, Birla Bombay Pvt. Ltd, does not have any relation with AOIL.

4. We have issued Equity Shares to the promoters in last twelve months at par and the price of such issuances may be lower than the Issue Price

“Details of such issuances are in the table below:

Sr. No.	Date of Allotment	Names of Allottees	No. of Shares	Face Value (Rs)	Issue Price (Rs)
1.	25/06/2010	Birla Wellness & Healthcare Pvt Ltd	2,27,00,000	10	10
2.	15/02/2011	Birla Wellness & Healthcare Pvt Ltd	22,50,000	10	10

The details of allotment done on 06/01/2010 to Birla Wellness & Healthcare Pvt Ltd have been deleted as the said shares having been allotted more than 12 months hereof, are now eligible to be reckoned for minimum promoter contribution

The company has issued the shares at par in consistence with the financial parameters and level of business operations as prevailing at the relevant point of time.

5. In the past, our company has given short term interest-free unsecured loans to group companies.

We have provided interest-free unsecured loans to our group companies during the six month period ended 31st March 2010. Although, the said loans have since been fully repaid to us, the provision of interest-free unsecured loans by us to our group companies in future might adversely affect our operations and imply opportunity costs on us besides possibility of loss of principal and interest. However, in the past, we have provided only short term loans to group companies which were repayable on demand. The details of such unsecured loans extended and recovered are as under:

Loan advanced (Rs. in lacs)	Date of Advance	Name of Party	Amount Recovered (Rs. in lacs)	Date of Recovery
250.00	4th Feb 2010	Nirved Traders Pvt. Ltd	250.00	31st March 2010
250.00	8th Feb 2010	Nirved Traders Pvt. Ltd	250.00	31st March 2010
250.00	10th Feb 2010	Sherson Investment & Trading Pvt. Ltd	250.00	31st March 2010
250.00	15th Feb 2010	Sherson Investment & Trading Pvt. Ltd	250.00	31st March 2010

As on date, no amount of short-term interest-free, unsecured loan to group companies is outstanding. Presently, the management of the company does not have any intention of providing such loans to any group company, except in the event of any exigency.

6. There were delays in schedule of implementation and proposed utilization of funds raised in four of the previous issues of our group companies, which resulted in non adherence to financial plans envisaged. The investors may incur opportunity cost for their funds because of this delay.

Following table illustrates the details of delay in schedule of implementation and proposed utilization of funds raised in previous issues of our group companies.

Sr. No	Name of Group Company	Reason for Delay
1.	Zenith Birla (India) Limited (ZBIL)	The delay in the project has been on account of certain modification in the Project Plan due to change in product specification to match with the current customer preferences.
2.	Birla Machining & Toolings Limited (Previously known as Dagger Forst Tools Ltd.)	Due to overall slowdown in the economy, the auto and auto component industry was adversely affected and the demand for machining work was further reduced. Due to these reasons the company has slowed down the implementation of the project.
3.	Birla Power Solutions Limited	The delay in the project was on account of delay in delivery of Plant & Machinery from suppliers, however, there was no cost overrun.

4.	Birla Cotsyn (India) Limited	The project also involved the setting up of apparel manufacturing plant and retail outlets. Following the global slowdown which adversely affected Indian economy too, the management of the said company has decided to review the viability and proceed cautiously in the best interests of the company and its stakeholders. The management would take firm steps to implement the project after redrawing its strategies keeping in mind the emerging scenario in this segment.
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(For more details please refer to Performance vis-à-vis Objects given in section “Regulatory and Statutory Disclosures” beginning on Page No.213 to Page No. 229 of this Offer Document)."

In case of delays in implementation schedule of our project, the financial position and business operations of our company will be adversely affected."

7. Our Promoter/Group Companies have incurred losses during the past years.

Promoter Company

(Rs. in Lakhs)

Sr. No.	Name of the company	FY 2010	FY 2009	FY 2008
1.	Birla Wellness & Healthcare Pvt. Ltd.	(59.92)	(57.89)	-

Listed Group Companies

(Rs. in Lakhs)

Sr. No.	Name of the company	FY 2010	FY 2009	FY 2008
1.	Birla Capital & Financial Services Ltd.	-	(3.44)	-
2.	Birla Transasia Carpets Ltd.	(169.19)	(175.57)	(80.50)
3.	Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited)	(1727.64)	(525.42)	-
4.	Melstar Information Technologies Ltd.	(298.12)	(113.14)	(134.79)

Unlisted Group Companies

(Rs. in Lakhs)

Sr. No.	Name of the company	FY 2010	FY 2009	FY 2008
1.	Asian Distributors Pvt. Ltd.	(3.96)	(3.61)	-
2.	Birla Accucast Ltd.	-	(369.30)	(94.26)
3.	Birla Concepts (India) Pvt. Ltd.	(113.59)	(19.53)	(31.66)
4.	Birla Edutech Ltd.	(267.60)	(0.98)	-
5.	Birla Electricals Ltd.	-	(2.12)	(0.92)
6.	Birla Global Corporate Pvt. Ltd.	(13.07)	-	(7.00)
7.	Birla Infrastructure Ltd.	(21.00)	(14.71)	-
8.	Birla Kerala Vaidyashala Pvt. Ltd.	(172.39)	(48.87)	-
9.	Birla Surya Limited	(257.05)	(0.44)	-
10.	Birla Research & Lifesciences Ltd. (previously known as Birla Lifesciences Pvt. Ltd)	(97.03)	(179.38)	-
11.	Birla Lifestyle Pvt. Ltd.	(16.12)	(46.51)	(5.64)
12.	Godavari Corporation Pvt. Ltd.	(17.12)	(36.67)	(245.92)
13.	Nirved Traders Pvt. Ltd.	(154.47)	(130.03)	-
14.	Shearson Investments & Trading Company Pvt Ltd	(66.70)	-	-

8. Two of our group companies Birla Transasia Carpets Ltd. and Birla Accucast Ltd. have been referred to BIFR.

Our two group companies, Birla Transasia Carpets Ltd. (“BTCL”) and Birla Accucast Ltd has been referred to BIFR:

BTCL has been declared a Sick Industrial Company within the meaning of clause (O) of the sub section (10) of the section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 by the Board for Industrial & Financial Reconstruction (BIFR) in its meeting held on 28.06.99 and registered as case no. 43/99 with the Board. BTCL has been directed by the BIFR for submission of Draft Rehabilitation Scheme (DRS) for its consideration and approval in its meeting held on 26.09.05. BTCL has submitted DRS scheme to operating agency Punjab National Bank (PNB) and PNB has submitted DRS to BIFR and awaiting final order of Hon’ble BIFR. The BIFR meeting held on 14/06/2007 directed to the Operating Agency (PNB) to re-submit the DRS for final decision. The revised DRS was discussed in a joint meeting held on 17/01/2008 at PNB, Head office, New Delhi. The same DRS after duly incorporating views/ consents of all involved agencies were circulated to the members on 12/05/2008. The net worth of the company as on 31st March 2010 is Rs. (3208.92) Lakhs. For more details, see Page no. 105 of this Offer Document

In respect of another group company, Birla Accucast Limited, BIFR had approved Scheme of Rehabilitation on 2nd February 2010. The BIFR having noted that the scheme has been substantially implemented.has discharged the company from the purview of SICA/BIFR vide its order dated 11th April, 2011. The said order also noted that The net worth of the company as on 31st March 2010 has turned positive. For more details, see Page no. 108 of this Offer Document.

Our Company does not have common pursuit with the above companies and hence, the same shall not have any adverse impact on our performance.

9. Negative covenants in our Share Cum Warrant Subscription Agreement with Bennett Coleman & Co. Ltd. may adversely affect our business operations.

We have entered into a Share cum Warrant Subscription Agreement with M/s. Bennett Coleman & Co. Ltd., which have several covenants in relation to various aspects of business operations of the company. The agreement provides for certain negative covenants such as barring the promoters from engaging directly or indirectly in any venture the core business of which competes with the business of our company, barring the company from selling/ assigning our rights to any of the brands/ licenses currently owned by us, requiring us to undertake all our transactions with related parties on arms length basis, prohibiting any merger, demerger of any division, or restructuring without the consent of BCCL, etc which may impede our decision making ability and lead to adverse impact on our business operations. However, the said Agreement ceases to be operative upon listing of our company’s shares on stock exchange(s) and no rights of BCCL would subsist post- listingof our shares on Stock Exchange.. For detailed description of the key terms and conditions of the Agreement, please refer para “Key terms and conditions of the Agreement” on page no. 61 of this Offer Document

10. We have negative cash flows in the past

Particulars	For the period ended 31st December 2010 (Rs)	For the period ended 31st March 2010 (Rs)	For the period ended 30th September 2009 (Rs)
Net cash from (used in) operating activities	(268,079,603)	(114,434,956)	(45,087,402)
Net cash from (used in) investing activities	(9,247,296)	(6,675,475)	(61,962,884)
Net cash from (used in) financing activities	282,727,647	110,923,355	119,590,178
Net Cash Flow	5,400,748	(10,187,076)	12,539,892

Negative operating cash flow indicates that our company is not generating cash as a result of our normal business operations. Negative cash flow in respect of investing activities reflect the cash used by us towards payment for long term assets and the positive cash flow from financing activities indicates the cash generated by issue of shares or raising of long terms loans by our company.



11. Globally, technology in the field of medical equipments has been rapidly evolving backed by continuous research. Innovations in technology can render existing medical equipments obsolete.

The quality of services in healthcare and wellness is dependent on the quality of medical equipments that will be used for treating our clients. Advancing technology in the field of medical equipments and treatment pattern have the potential of rendering our medical equipments obsolete thereby affecting our competitiveness and consequently our financial position. Although our equipments are not over two years old and expected to be in vogue for upto seven years, innovative technologies that may emerge can render our present or proposed equipments obsolete within short span of time, thereby requiring us to make further investments or alter our business strategies.

12. Our success depends upon our ability to attract and retain the Key Management and other personnel

Our success depends on the expertise, experience and continued efforts of our key managerial personnel, doctors on our panel and also on our directors and our promoters. In particular, our company relies on the experience and expertise of Dr. Abhijit Desai for successful implementation of its project and continued business operations. Dr. Desai presently holds 2,25,000 equity shares in our company, which constitutes a very small shareholding. Our future performance may be affected by any disruptions in the continued service of these persons, particularly Dr. Desai

13. We do not have firm contractual arrangement with our panel of doctors.

At present, our company has a panel of 12 specialist doctors from various fields of beauty and cosmetic industry such as dental, dermatology and cosmetology. The arrangement between our company and our panel of doctors has been entered into by exchange of letters whereby the panel of doctors have agreed to provide their services to our centres on a mutually agreed basis. Firm contracts have not been entered into keeping in mind the nature of business of the company and its current development stage as firm contracts would mandate minimum payments to doctors irrespective of revenue generated.

Since we have not entered into any firm contractual agreement with our panel of doctors we cannot assure that the services of these doctors would be continuously available to us in future. Also, the success of our plans of expansion of our centres would depend on our ability to have firm arrangements with a number of specialist doctors at various centres, we cannot assure that we would be able to identify or have such firm arrangements with required number of doctors. In the event of our failure to do so, our expansion programme and our business operations at the centres may be adversely affected.

14. Our Promoters will continue to hold a significant portion of our Equity Shares after the Issue and can influence our corporate actions.

Following the completion of the Issue, our Promoters and Promoter Group will own an aggregate of [●] of our issued and paid-up Equity Share Capital. As a result, our promoter Group will have the ability to exercise significant influence over all matters requiring shareholder's approval, including the election of directors and approval of significant corporate transactions. Our Promoter Group will also be in a position to influence any shareholder action or approval requiring a majority vote, except where it is required by applicable laws to abstain from voting. The significant ownership of promoters may also have the effect of delaying, preventing or deterring a change in control. Our Promoters and/or the members of our Promoter Group will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and/or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares. For further details, see the sections titled "Capital Structure" and "Our Promoters" beginning on page no.16 and 80 respectively in this RHP.

15. Our expansion plan is at a preliminary stage. If we are unable to commence operations under current expansion plan as expected, there may be a cost or time overrun, which may adversely affect our project cost and the results of our operations.

Medical & Spa outlets typically have long gestation period. These outlets provide services relating to personal health and wellness, and hence require strong brand building and creation of customers' loyalty. Gaining of customers' faith and confidence particularly in matters relating to personal health and wellness is a process which can take time and therefore a business model that is based on such service providing outlets have long



gestation period. The scheduled completion target for our Project is an estimate and is subject to delays as a result of, among other things, unforeseen interior problems, force majeure events, availability of financing, unanticipated cost increases or changes in scope and inability in obtaining government approvals, any of which could give rise to cost overruns or the delay in our implementation schedule. Failure to complete the project according to its specifications or schedule, if at all, may give rise to potential liabilities. As a result, our returns on investments may be lower than originally expected, which may have a material adverse impact on the business operations of our Company.

16. Our Promoters and Directors have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Promoters

Our Promoters are interested in our Company to the extent of their shareholding in our Company and may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Directors

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them, that may be subscribed by or allotted to them, the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

For more details, see the sections, "Capital Structure", "Our Management" and "Financial Information of Our Company" beginning on pages 16, 64 and 117 respectively of this Offer Document."

17. We have not placed orders for any of the medical equipments to be installed at our centers, which amount to Rs. 3,250 lakhs. Any delay in procurement of these equipments may delay the implementation schedule which may also lead to increase in prices of these equipments, further affecting our cost, revenue and profitability.

We have estimated the requirement of medical equipments based on quotations or internal estimates based on prevailing market prices of manufacturers/ suppliers of equipment. However, as on date of filing this RHP, we have not placed orders for any of the medical equipments as the delivery takes places within a period of 4-6 weeks from the date of placing the order. Also the orders are normally placed only on finalizing the location of the center and taking possession of the same, so that the delivery could be directly received at the centers. We cannot assure that we would be able to acquire the medical equipments required for the same, or acquire them at the prices as quoted/estimated in this RHP. Any delay in acquisition of the equipments required to be acquired herein could lead to time and cost overruns, and may have a material adverse effect on our business, results of operations and financial condition.

18. We have a short operating history as our company was incorporated in July 2008. Hence it is difficult to estimate our future performance. We have incurred losses during the financial period of fourteen and half months ended 30th September 2009, six months period ended 31st March 2010 and nine months ended 31st December 2010. If we are not able to operate effectively, our operations and results may suffer, which may have a material adverse impact on our future performance.

We have a short operating history from which one cannot evaluate our business, future prospects and viability. One should not evaluate our prospects and viability based on the performance of any of our affiliates. We currently have limited revenue generating operations. Presently, our centres are incurring losses. We have incurred net loss of Rs. 457 lacs for the period ended 30th September 2009, Rs.328 lacs for the six-month period ended 31st March 2010 and Rs.368 lacs for the nine months ended 31st December 2010. There can be no guarantee that we will make profits in the future. As a result, we cannot give any assurance about our future performance or that our business strategy will be successful.

19. We have taken over the business undertaking of Pachealth Medical Services Pvt. Ltd., on a slump sale basis as a going concern for payment of consideration of Rs. 410 Lakhs.

Pursuant to a Business Transfer Agreement dated 14th November 2008, we have taken over the business undertaking of Pachealth Medical Services Pvt. Ltd., for a consideration of Rs.410 Lakhs. Pachealth Medical



Services Pvt. Ltd., was promoted by PHH and its associate Dr. Abhijit Desai, PHH is our erstwhile JV partner and Dr. Abhijit is our managing director. Though Pachealth Medical Services Pvt. Ltd was making loss, the synergy between the proposed business of our company and the then existing business of Pachealth Medical Services was instrumental to our company's decision to takeover their business. Hence rather than promoting a new joint venture company to commence business activity afresh, take-over of the running business of Pachealth was considered as more beneficial to our company and the promoter of Pachealth, Dr. Desai was appointed as the Managing Director of our company.

No independent valuer has valued the consideration paid to Pachealth. The valuation was based on the balance sheet drawn up as on 30th November 2008 vide supplemental agreement dated 18th March 2009 to the original Business Transfer Agreement dated 14th November 2008. Further, the Business Transfer Agreement provided that steps would be initiated for liquidation of Pachealth Medical Services Pvt. Ltd., within 90 days of completion of takeover of business undertaking by us. No such steps have yet been initiated owing to procedural reasons. However, Pacmed has confirmed that as on date, they do not have any business operation and will not undertake any business operation that may directly or indirectly compete with our business. The 'Business Undertaking' comprised of movable assets, insurance policies, licenses and permissions, agreements, transferring employees vide clause 4 of the Business Transfer Agreement.

20. The deployment of the issue proceeds is entirely at the discretion of the Management / Company and no independent agency has been appointed to monitor its deployment.

The utilization of proceeds of the Issue has been determined based on our management's internal estimates and no bank or financial institution has appraised the use of proceeds to be raised through the Issue. A Project Monitoring Committee has been formed consisting of 2 independent directors and the Managing Director. This Committee will monitor the implementation of the project as well as the use of proceeds of the Issue. In addition, the audit committee of the Board, comprising of 3 independent and one non-independent directors, will also be monitoring the use of proceeds of the Issue. Thus the utilization of IPO proceeds will be monitored in all by 5 independent directors and hence there will not be any conflict of interest. We will disclose the details of the utilisation of the Issue proceeds, including interim use, under a separate head in our financial statements for fiscal 2011, 2012 and 2013, specifying the purpose for which such proceeds have been utilized as per the disclosure requirements of our listing agreements with the Stock Exchanges in India.

We may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our project expenditure programmes or relocation of some of the aforesaid proposed retail outlets and our results of operations may be adversely impacted.

In terms of Clause 16 (1) of the ICDR Regulations, 2009, there is no requirement of Monitoring Agency as the issue size is less than Rs. 500 Cr. Our Board will monitor the utilization of the proceeds of the Issue. The Audit Committee in accordance with its terms of reference will also be monitoring the utilization of proceeds of the issue Pursuant to Clause 49 of the listing agreement, our Company shall on a quarterly basis disclose the uses and application of the proceeds. The utilization of the proceeds will be provided under a separate head in our balance sheet till such time the funds have been fully utilized along with details. The details of the investments in which the unspent amount is temporarily deployed will also be mentioned. No conflict of interest is envisaged, since the committees and the Board will function with the common objective of ensuring smooth and timely project implementation and utilization of proceeds towards the intended purposes

21. We have not undertaken any independent appraisal for proposed fund requirement

The funds being raised through the Issue are proposed to be used for establishing 55 outlets of Evolve Medspa in various cities and for Brand Promotion. The fund requirement is based on our management estimates' and has not been appraised by any bank/financial institution. These are based on current conditions. In view of the highly competitive nature of our industry we may have to revise our management estimates' from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our project expenditure programs or relocation of some of our outlets and an increase in our proposed expenditure for particular project and our results of operations may be adversely impacted.



22. We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule of our project and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page no.23 of this RHP.

23. All our present spa & cosmetic outlets are located and proposed outlets would be located in places not owned by us but taken on contractual agreement basis. We have taken 5 properties on lease to operate our centres currently. The non renewal of lease or any deficiency in the title / ownership rights / development rights of the owners may impede the operation of our outlets.

Our spa & cosmetic outlets are not owned by us. The important terms and conditions of the lease are given in detail on page no. 57 of this document. Our proposed outlets are also planned to be located on places not owned by us. We take property on lease which may not be renewed. The non renewal of lease or any deficiency in the title / ownership rights of such third parties may lead to legal implications which can result in us having to vacate the premises or increase our cost of operations thus affecting our profits.

24. Presently, we do not own any trademarks. Registration of our logo/trademark “Evolve” is pending before the Trademark Registry. Unauthorized parties may infringe upon or misuse our brand name.

Pachealth Medical Services Pvt. Ltd, from whom our company had purchased the business, had made an application to the Trade Mark Registry, Mumbai to register our trademark, “Evolve” on September 1, 2008. The brand has not been registered yet and is in the process of registration with the Trade Mark Registry. Pacmed have undertaken to transfer the trademark in the name of our company without payment of any further consideration.

We have also applied for registration of trademarks in respect of ‘EVOLVE Medspa Beautiful Science. Beautiful You. A Yash Birla – Pacific Venture’ and ‘EVOLVE Medspa Beautiful Science Beautiful You.’ on 18th May 2010, which are yet to be registered in the name of the Company. In case we are unable to achieve successful registration of the above mentioned trademarks, we may be subject to loss of brand equity with consequential financial loss. However, since the application for registration of the Brand Name has been accepted by the Trade Mark Registry, there is strong possibility of the said application being approved and our brand name being registered

25. We have entered into a number of related party transactions for the nine months period ended 31st December 2010 amounting to Rs. 1526 lacs which may involve conflicts of interest

We have entered into a number of related party transactions. The total amount of related party transaction for the nine months period ended 31st December 2010 amounted to Rs.1526 lacs. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. The conflict of interests would be resolved by entering into transactions at the prevalent market rates where applicable and also by the interested parties refraining from being a part of the decision making process. For further details, see the section titled “Financial Information of Our Company” beginning on page no 117 of this Offer Document

26. Our Company operates from the premises owned by our group company, Nirved Traders Pvt Ltd.

As on the date of this DRHP, our Company operates from the premises owned by our group company, Nirved Traders Pvt Ltd. located at Dalamal House, 1st Floor, 206 J. B. Marg, Nariman Point, Mumbai - 400021. No objection letter has been given by M/s. Nirved Traders Pvt. Ltd. to our company for using the said premises as the registered office & corporate office; In addition to our company, the registered offices of 4 of our group companies namely Zenith Birla (India) Ltd., Birla Cotsyn (India) Ltd., Birla Accucast Ltd., and Birla Edutech Ltd. are also situated in the same premises. Neither our company nor any of the other group companies pay any rent to Nirved Traders Pvt. Ltd., the owner of the premises. This arrangement would be continuing as long as Mr. Yash Birla continues to be the promoter of our company. Further, any adverse impact on the title/ownership rights of our owner, from whose premises we operate our registered office or breach of the contractual terms or non renewal of the operational business agreement may impede our Company’s operations...



27. Our growth strategy to expand into new geographic areas exposes us to certain risks.

We intend to expand our presence both geographically and in terms of number of outlets. Metros and fast developing smaller towns are currently under-served and give a greater scope for our services. Presently our presence is largely in and around Mumbai. Our proposed business plan seeks to extend our outlets to other parts of India including non-metro cities and towns. Pursuance of such a growth strategy may expose us to risks which may arise due to lack of understanding / economic conditions and culture of these areas. If we are not able to manage the risk of such expansion it could have a material adverse affect on our operations. For details of likely locations and the likely number of outlets at each please refer para “Details of the Capital Expenditure for the expansion plan” under section ‘Objects of the Issue’ on page no. 23 of this Offer Document..

28. We may not be able to find ideal locations to open and operate outlets.

We are in the business of healthcare & wellness and operate through highly modernized Centers. Success of our business is highly dependent on optimizing the center / outlet locations at a competitive cost. We cannot assure you that we will be able to expand and grow at the rate at which we may desire to, as we may not be able to book / find locations that we believe will be necessary for implementing our expansion plans. If we are not able to book / find the locations at the time and place that we desire, the same may have a material adverse impact on our results of operation.

29. We face the risk of potential liabilities from lawsuits or claims by customers

We face the risk of legal proceedings and claims being brought against us by our customers for any unsatisfactory services or any deficiency in our services to them. We could also face liabilities should our customers face any loss or damage due to unforeseen incident such as fire, accident, etc. in our outlets, which could cause financial and other damage to our customers. Although we have an umbrella insurance policy which covers us towards public liability to the extent of Rs. 1 crore, it may not protect us fully from all potential liabilities or claims.

30. Our insurance cover may be inadequate to fully protect us from all losses

We have an umbrella insurance policy covering office contents, baggage, public liability etc. for total insured amount of Rs. 501.60 lakhs, details of which are disclosed on page number 56 of this RHP. However, our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverages. We cannot assure that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, we are not covered by business interruption policy. Interruption of our business operations for any reasons including on account of fire, flood, any natural calamities etc. may have a material and adverse impact on our business operations and profitability

31. Our business is highly dependent on consumer spending patterns, which is also dependent on the general economic condition of our country.

We are in the business of wellness healthcare and beauty. The growing middle and upper class of Indian population is our main target business segment. Hence our business is highly dependent on their spending pattern which again depends on the general economic conditions in the country and the surplus available with consumers for spending on matters of wellness and beauty. Any slow-down in the economic activity of our country will adversely affect the consumer surplus available for spending towards wellness, healthcare and beauty.

32. Our business and financial performance could be adversely affected if we are unable to maintain or improve our brand image.

We are in the business of Spas & Cosmetic Surgery & Dentistry. Our brand name, Evolve, has significantly contributed to the success of our business. We believe that our success depends on our ability to maintain the Brand name through ace quality and customer service. If we are unable to respond in a timely and appropriate manner to changing consumer demand, our brand name and brand image may be impaired and may result in a significant decrease in net sales or leave us with a substantial amount of unsold inventory. Our services must



appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to rapid change. We cannot assure that our brand will be effective in attracting and growing our customer base.

33. We face competition from other wellness and beauty outlets, including independent Doctors and unorganized beauty and cosmetic salons. Any inability to compete with them could adversely impact our business and financial operations

We face competition from other wellness and healthcare centers. The presence of Indian and International players in the marketplace has created tremendous competition in the wellness industry and the dynamics of industry are also changing, consequent to such structural changes. Also we compete from the local / unorganized beauty & cosmetic saloons. If we are unable to compete successfully, we would lose our customers, which would negatively impact our sales and financial performance. For details of wellness & healthcare market in India, please refer to section titled “Industry Overview” on page no 44 of this RHP

34. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Our company has not declared any dividend since inception in July 2008. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

35. Any future equity offerings or issue of options under future employee stock option scheme may lead to dilution of investor’s shareholding in our company.

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent we decide to grant options to be issued under an employee stock option scheme. We do not have any ESOP scheme currently.

36. In the pre issue scenario, BCCL holds 22.81% of the equity share capital of the company and thus is the second largest shareholder of our company.

BCCL is a strategic investor in our company and is neither a promoter nor is in any way involved in the management of the Company. By virtue of its present shareholding, it is presently the second largest shareholder after our promoter, M/s. Birla Wellness & Healthcare Pvt. Ltd.

37. Our company was initially promoted as a joint-venture between Yash Birla Group and Pacific Healthcare Holdings Ltd, Singapore. However, the joint venture agreement is no longer operative.

Following reduction of shareholding of Pacific Healthcare Holdings Ltd., in our company to less than 25%, the joint venture agreement dated April 17, 2008 pursuant to which our company was formed, ceases to be operative and the Joint Venture stands terminated automatically together with all rights and obligations. Further Pacific Healthcare Holdings Ltd. has ceased to be co-promoter with effect from June 25, 2010.

EXTERNAL RISK FACTORS

38. Any changes in the regulatory framework could adversely affect our operations and growth prospects

We are subject to various regulations and policies. For details see section titled “Key Industry Regulations” beginning on page no 58 of this RHP. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

39. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and



liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

- 40. Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares. Any resultant slow down in the Indian markets may be mitigated by having centers with low break even values.**

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, making travel and other services more difficult and ultimately adversely affecting our business. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares. Other acts of violence or international hostilities such as war outside India, including those involving the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could adversely affect the world economic environment, which could adversely affect our business, financial condition, results of operations and cash flows, and more generally, any of these events could lower confidence in India.

- 41. In future we may depend on banks and financial institutions and other sources for meeting our short and medium term financial requirements.**

Any delay in the disbursement of funds from these bodies can be a bottleneck to our project execution capabilities and thereby our results of operations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms. Any increase in interest expense may have a material adverse effect on our business prospects, financial condition and results of operations.

- 42. An active market for the Equity shares may not develop which may cause the price of the equity shares to fall and may limit investor's ability to sell the Equity Shares.**

The Equity Shares are new issues of securities for which there is currently no trading market. Applications have been made to the BSE for the Equity Shares to be admitted to trading on the BSE. No assurance can be given that an active trading market for the equity shares will develop or as to the liquidity or sustainability of any such market, the ability of the holders of the Equity Shares to sell their Equity Shares or the price at which share holders will be able to sell their Equity Shares if an active market for the Equity Shares fail to develop or be sustained, the Trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at price that could be lower than the original Equity price of the issue.

- 43. The market value of the Equity Shares may fluctuate due to the volatility of the securities markets.**

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian Companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on the market sentiment.

- 44. Shareholders will bear the risk of fluctuation in the price of Equity Shares.**

The market price of the Equity shares may be affected by fluctuations in the stock markets and it is impossible to predict whether the price of the Equity Shares will rise or fall. Trading prices of the Equity Shares will be influenced by, among other things, our financial position, the results of operations and political, economic, financial and other factors.



45. Future issues or sales of equity Shares of our company may significantly affect the trading price of the Equity Shares.

Future issue of Equity Shares / convertible instruments by our company or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of the Equity Shares. Other than the lock-in of Pre-issue capital as prescribed under SEBI (ICDR) Regulations, 2009, none of the shareholders are subject to any lock-up arrangements restricting their ability to issue Equity Shares or the Shareholder's ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, his shares.

PROMINENT NOTES

1. Issue Of [●] Equity Shares Of Rs. 10/-each for cash at a price of Rs. [●] per Equity Share aggregating upto Rs. 6,517.50 Lakhs (hereinafter referred to as The "Issue").The Issue would constitute [●]of the fully diluted Post Issue Paid-Up capital of our Company.
2. Investors are free to contact the BRLM or the Compliance Officer for any complaints / information / clarification pertaining to this Issue. For contact details of the BRLM, please refer to the cover page of this RHP.
3. The pre-issue net worth of our Company was Rs. 3746.68 Lakhs as per our restated audited financial statements as on Dec 31, 2010.
4. The average cost of acquisition of Equity Shares by our Promoters Birla Wellness & Healthcare Pvt Ltd is Rs.10 per Equity Share.
5. Book value per Equity Shares (of face value Rs.10/-) of our Company, as per our restated audited financial statements as on December 31, 2010 was Rs 11.34.
6. Trading in equity shares of our Company for all the investors shall be in dematerialised form only.
7. Our company has not issued any shares for consideration other than cash.
8. Our Promoters, Directors or Key Managerial Personnel do not have any interest in our Company, except as disclosed in the sections titled "Capital Structure", "Our Management", "Our Promoters" and "Details of Group Companies" beginning on pages 16,64,80 and 85, respectively, of this Red Herring Prospectus.
9. All information shall be made available by the BRLM and our Company to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
10. Investors are advised to refer to the paragraph on "Basis for Issue Price" on page No. 29 of this RHP before making an investment in this Issue.
11. This Issue is being made through 100% Book Building Process wherein atleast 50% of the Net Issue to the Public will be available for allocation to Qualified Institutional Buyers ("QIB") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Funds Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, upto 15% of the Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
12. Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Bidders



such as address, bank account details for printing on refund orders and occupation. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form and also update their demographic details with their respective depository participant.

13. Investors are advised to go through the paragraph on “Basis of Allotment” beginning on page No.255 of this RHP.
14. In the event of the Issue being oversubscribed, the allocation shall be on a proportionate basis to QIBs, Retail Individual Bidders and Non-Institutional Bidders. For details, refer to the chapter titled “Issue Procedure” on page No. 236 of this RHP.
15. Our Company, and the BRLM will update the Offer Document in accordance with the Companies Act and the SEBI (ICDR) Regulations 2009 and our Company and the BRLM will keep the public informed of any material changes relating to our Company till the listing of our shares on the stock exchange.
16. Our promoters, their relatives and associates, promoter group and our directors have not entered into any of the transactions in our Equity Shares directly or indirectly in the past six months except as mentioned under notes to the capital structure on page No.16 of this RHP.
17. There has been no financing arrangement whereby our Promoter Group, directors of our Promoter Company, Birla Wellness & Healthcare Pvt. Ltd., Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six (6) months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
18. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the related party transactions contained in the section titled “Financial Information of Our Company” on Page No.117 of this RHP.
19. The aggregate value of transactions by the issuer with group / associate companies during the last two accounting periods is Rs.6962.14 Lacs. For details on Related Party Transactions, please refer the section titled "Financial Statements" beginning on page 117 of this Red Herring Prospectus..
20. Our company was originally incorporated in the name of ‘Birla Pacific Medspa Priavte Limited.’ on July 15, 2008 under the Companies Act, 1956 in the State of Maharashtra. The company was converted to a Public Company and the name was consequently changed to ‘Birla Pacific Medspa Limited’ and a fresh Certificate of Incorporation consequent to Change of Name was obtained from Registrar of Companies, Maharashtra on 14th July 2010. The objects clause of Memorandum of Association of our company has not been amended since incorporation
21. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Company.

SECTION IV – INTRODUCTION

This is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should read the entire RHP, including the information on “Risk Factors” and our “Financial Statements” and related notes beginning on page no.xi and 117 respectively of this RHP, before deciding to invest in our Equity Shares.

SUMMARY

Overview of Wellness & Lifestyle industry

Wellness is closely linked to the overall achievement of an individual’s needs. Wellness is driven by five main needs – Biological, Esteem, Aesthetic, Cognitive and Self-Actualization. These individual needs are being influenced by changing and evolving lifestyle trends. Wellness is linked to a selected set of clearly identified and explicit needs like

- Keeping Fit
- Protect skin
- Exercise and de-stressing
- Peace of mind

Evolution of Wellness Industry

Wellness of the body and mind has become a biological need in the 21st century. Earlier, masses were not so conscious about their looks & body image. Their idea of Wellness was limited to basic skin and hair care. People preferred home cooked food and there were fixed working hours. Then there was a phase which showed a growing obsession with appearance. The focus was shifted to treatment based & beauty enhancing products. Also, junk food was preferred over home food and lifestyle changed with longer working hours. Nowadays, people look at ‘holistic wellness’ i.e. outward appearance and mental peace. There are a range of products to use, from natural & organic to ayurvedic & allopathic. The preference to fast food & ready to eat meals and a sedentary lifestyle has resulted in an ever growing need for exercise and body enhancing cosmetic surgeries.

Growth in Wellness industry

As per a study made by FICCI - Ernst and Young, the Indian wellness services market is expected to remain buoyant and has the potential to sustain a compounded annual growth rate (CAGR) of approximately 30-35% for next five years. The wellness services market is estimated at Rs 11,000 crores. Further, the FICCI-EY report, titled Wellness- Exploring the untapped potential, highlights that the growth is expected on the back of favorable market demographics, consumerism, globalization, changing lifestyles, increasing availability across categories and regions and rising awareness among people. The Report has classified the wellness industry into seven core segments within different products & services, such as Allopathy, Alternative therapies, Beauty, Counseling, Fitness/slimming, Nutrition and Rejuvenation. Of these, rejuvenation services such as spas, alternative therapies, ayurveda treatments and beauty services are expected to show growth rates as high as 30%. At the same time, fitness comprising gyms and slimming centers are expected to grow by more than 25%. Nutrition products, including dietary supplements, health food and drinks have shown a growth rate of 8-10%, whereas allopathy as a segment was not classified due to its traditional linkage to healthcare. According to the report, the increasing level of activity is arising from the entry of several providers such as organized Indian and international players; expansion by existing companies to new product categories and regions; strategic alliances across the value chain, interest by private equity investors and also players in allied industries like hotels and real estate entering the wellness segments. The report also points to a trend of players moving towards offering a ‘one-stop-solution’ for all Wellness based needs by adding more products and services across various segments in wellness. There are also clear customer preferences in each region with regard to



each segment. While alternate therapies are the most popular choice of people in southern India, customers in north are inclined towards beauty, while the maximum number of fitness/ slimming centres is in the west. The report shows that across segments, on an average more than 50% of the market is unorganized and highly segmented with several small and regional players. While ayurveda and alternative treatments are predominantly unorganised; health foods and drinks and dietary supplements are more organised. The larger service providers face a challenge from the presence of the unorganized sector as it puts tremendous pressure on pricing and therefore margins.

Source: <http://www.indiaprwire.com/pressrelease/health-care>

An insight of the prominent sub sects of Wellness Industry

Cosmetic surgery was originally designed to restructure the face of the wounded or deformed. As time has passed, cosmetic procedures have become routine surgeries used to optimize the features of people's faces, making them look more attractive and youthful. Cosmetic procedures, plastic surgery, botox (LINK BOTOX)], and liposuction can enhance the features of bodies, but they cannot replace the importance of maintaining a healthy and fit body with careful meal choices and routine exercise. The cosmetic surgery industry is heavily regulated in India. All practitioners are required to be certified by the Indian Medical Council (IMC).

Dermatology treats disorders relating to the skin, hair, and nails. Skin being an outer protective covering of the body, is exposed to the environment, which makes it vulnerable to growths, rashes, discoloration, cysts, burns, injuries, infections, and other disorders. There are many common skin disorders like Bacterial Skin Infections, Fungal Skin Infections, Viral Skin Infections, Viral Exanthems (Rashes), and Parasitic Skin Infections that require the clinical care of a physician or other healthcare professional. Today the dermatology market remains highly competitive, with developers ranging from Big Pharma to biotechnology and specialty pharmaceutical firms.

Dentistry is mainly concerned with tooth decay, disease of the supporting structures, such as the gums, and faulty positioning of the teeth. Dentistry began with tooth extraction. However fillings of lead, tin, and gold and devising artificial dentures marked the beginning of modern Dentistry. Today, the new developments in dentistry include the implantation of artificial teeth or binding posts into the gums or jawbone; antibiotic fiber for periodontal disease; root canal surgery, a procedure that ameliorates pain while permitting teeth to remain in place; and nearly painless lasers to repair dental cavities, usually making local anesthesia unnecessary.

The '**med spa**' segment of the wellness industry is today, an opportunity brimming with possibilities of significant growth. Moreover this segment doesn't require a huge capital investment and is mainly dominated by unorganized players which leave lots of room for expansion and consolidation at a later stage when huge business houses enter this arena.

OUR GROUP

Yash Birla Group is one of India's leading industrial groups.

The group has diversified interest in industries like steel pipes, machine tools, cutting tools, tool holders, iron castings, power solution products, multipurpose engines pumps, electrical appliances, textiles, carpets, furnishing, lifestyle, InfoTech, publication, travel, electricity, property development, cotton ginning etc

The major companies in the group includes Zenith Birla (India) Ltd, Birla Cotsyn (India) Ltd., Birla Power Solutions Ltd, Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited), Birla Precision Technologies Limited (formerly Birla Kennametal Ltd), Birla Transasia Carpets Ltd, Birla AccuCast Ltd, Birla Electricals Ltd, Birla Lifestyle Ltd, Birla Concepts (India) Pvt. Ltd, Birla Shloka Edutech Ltd, Melstar Information Technologies Ltd.

ABOUT OUR COMPANY & ITS BUSINESS

Mr. Yash Birla through one of his group companies, Birla Wellness & Healthcare Pvt Ltd, is the promoter of our company. Nirved Traders Pvt. Ltd., Godavari Corporation Pvt. Ltd., and Shearson Investment and Trading Co. Pvt. Ltd., hold more than 99.99% of the equity share capital of Birla Wellness & Healthcare Pvt. Ltd. 100% of the shareholding of Nirved Traders Pvt. Ltd., Godavari Corporation Pvt. Ltd., and Shearson Investment and Trading Co. Pvt. Ltd., are held by Yash Birla Group Companies.

History of our company

Mr. Yash Birla had entered into a Joint Venture Agreement on 15th April 2008 through Birla Wellness and Healthcare Private Ltd., a company which is fully owned by his group companies, with Pacific Healthcare Holdings Ltd, a company incorporated under the laws of Singapore and Dr. Abhijit Desai, to form Birla Pacific Medspa Pvt Ltd. with equal shareholding between Yash Birla Group and PHH & its associate Dr. Desai put together. PHH is one of East Asia's leading healthcare providers, with healthcare facilities in Singapore, Hong Kong, and China.

Accordingly, our company, was incorporated on 15th July 2008 to carry on in India and abroad the business of beauty and healthcare treatments, health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments, Sanatorium centers, and to manufacture soaps consumables, oils, medicines, body sprays and scents, creams, powders, natural and artificial skin and hair conditioners. However our company presently does not carry on the business of manufacturing of soaps, consumables, etc.

We presently operate our healthcare centres under the brand name EVOLVE. As on date, we operate five own EVOLVE centres in Mumbai at Walkeshwar, Bandra, Andheri, Worli & Borivali. and 2 centers on franchise basis at Thane and Chennai.

Our Centers act as a single stop set up for beauty related medical procedures in India which gives our company an edge over local unorganized players. The few organized players in the segment also offer similar services, but these are not doctor led but technician led which, we believe, will lose acceptability in the long term with increased awareness among consumers. Our erstwhile JV partner Pacific, have the proven experience and expertise through their presence in Singapore, China and Hong Kong. This, coupled with the goodwill of the Yash Birla Group in India, is expected to enable our company to deal with competition.

Pursuant to clause 17.1 of the said JV agreement, the Joint Venture stands automatically terminated together with all rights and obligations since the shareholding of PHH has been reduced to 17.82% on 25th June 2010.

However, PHH Ltd vide their letter dated 2nd July, 2010 has assured their support to the Company for all its future endeavors and would continue to be associated with the Company only as a shareholder and would participate in the growth of the Company. Further, they do not have any objection to the continued use of PHH

logo and the words “Pacific” in the name of the company. In addition, the PHH or its Associates shall not directly or indirectly be involved in any business in India, which is in direct competition with the business of the Company. Dr. William Lai Leong Chong, the promoter & principal shareholder of PHH Ltd has assured that he will be personally available to provide any business related advice for the company which may facilitate the company’s future plans.

Our Competitive Strength

1. In-house panel of qualified and specialist doctors to facilitate our doctor-led approach for treatment.
2. Wide range of specialized treatments in cosmetic surgery, dermatology and dentistry as compared with competition.
3. Competitive pricing with cost leadership.
4. Association of Pacific Healthcare, Singapore, one of the Asia’s leading healthcare providers, our erstwhile JV partner.

THE ISSUE

Equity Shares Offered: Public Issue of Equity Shares by our Company	[●] Equity Shares of Rs.10 each for cash at a price of Rs [●] aggregating Rs. 6517.50 lacs.
Of which A) Qualified Institutional Buyers Portion	[●] Equity Shares of Rs.10 each for cash at a price of Rs [●] aggregating to Rs.3258.75 lacs, constituting atleast 50% of the issue to the Public (allocation on proportionate basis) out of which 5% i.e. [●] Equity Shares will be available for allocation to Mutual Funds only and the remaining QIB portion will be available for allocation to QIBs, including Mutual Funds.
B) Non-Institutional Portion	[●] Equity Shares of Rs.10 each for cash at a price of Rs [●] aggregating Rs. 977.625 Lacs constituting upto 15% of the issue to the Public. (allocation on proportionate basis)
C) Retail Portion	[●] Equity Shares of Rs.10 each for cash at a price of Rs [●] aggregating Rs 2281.125 Lacs constituting upto 35% of the issue to the Public (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	46966218 Equity Shares of Rs.10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of Rs.10 each
Objects of the Issue	Please refer to chapter titled “Objects of the Issue” on page no. 23 of this RHP

*Under subscription, if any, in any of the categories, other than in QIB category, would be allowed to be met with spill over from any of the other categories at the sole discretion of our Company, in consultation with the BRLM and the designated Stock Exchange.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations and restated as described in the Auditor's Report of our statutory auditors M/s Kanu Doshi, Chartered Accountants dated 15th February 2011 in the section titled "Financial Information" of this RHP. You should read this financial data in conjunction with our financial statements for the period from 15th July 2008 to 30th September 2009, for the six months ended 31st March 2010 and for the nine months ended 31st December 2010 including the Notes thereto and the Reports thereon, which appears under the paragraph on "Financial Information" in this Offer Document, and "Management Discussion and Analysis" on page 135 of this Offer Document.

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(Amount in Rs.)			
Particulars	For nine months ended 31st December 2010	For six months ended 31st March 2010	For the fourteen and half months ended 30th September 2009
INCOME			
Sales:			
of products manufactured	-	-	-
of products traded in	16,450,451	15,287,391	17,047,471
Total	16,450,451	15,287,391	17,047,471
Other Income	252,570	-	-
Increase/(Decrease) in Stock	312,832	358,571	628,324
Total Income	17,015,853	15,645,962	17,675,795
EXPENDITURE			
Purchase / Raw material consumed	1,657,082	2,622,855	3,252,936
Staff Costs	6,669,132	5,234,296	4,771,459
Administration expenses	38,308,241	34,735,331	49,044,780
Selling & Distribution expenses	7,031,303	5,797,314	6,269,948
Finance Charges	105,673	76,645	95,822
Total Expenditure	53,771,431	48,466,441	63,434,945
Net Profit before Taxes & Extraordinary items	(36,755,578)	(32,820,479)	(45,759,150)
Taxation	-	-	-
Less: Provision for current tax (including Wealth tax)	-	-	-
Less: Provision for deferred tax (net)	-	-	-
Less : Provision for Fringe Benefit tax	-	-	(15,948)
Effect of adjustments on tax	-	-	-
Net Profit before Extraordinary items	(36,755,578)	(32,820,479)	(45,775,098)
Add: Extraordinary items	-	-	-
Net Profit/ (loss) after tax	(36,755,578)	(32,820,479)	(45,775,098)



Summary Statement Assets & Liabilities, As Restated

(Amount in Rs.)

	Particulars	As on 31st December 2010	As on 31 st March 2010	As on 30 th September 2009
A	Fixed Assets :			
(i)	Gross Block	77,327,930	64,943,167	61,167,513
	Less: Accumulated Depreciation	(21,106,691)	(13,365,264)	(8,406,278)
	Net Block	56,221,239	51,577,903	52,761,235
	Less: Revaluation Reserve	-	-	-
	Net Block after adjustment for Revaluation Reserve	56,221,239	51,577,903	52,761,235
(ii)	Capital work in Progress	-	3,695,192	795,371
	TOTAL (A)	56,221,239	55,273,095	53,556,606
B	Investments (B)	-	-	-
C	Current Assets , Loans & Advances:			
	Inventories	1,344,754	1,031,922	673,351
	Sundry Debtors	962,780	921,612	875,319
	Cash & Bank Balances	7,753,564	2,352,816	12,539,892
	Loans & Advances	355,832,901	123,906,012	22,298,400
	TOTAL (C)	365,893,999	128,212,362	36,386,962
	TOTAL (A+B+C)	422,115,238	183,485,457	89,943,568
D	Less :Liabilities & Provisions:			
	Secured Loans	-	-	-
	Unsecured Loans	1,000,000	-	-
	Net Deferred Tax liabilities	-	-	-
	Current Liabilities & provisions(including Share application money and money received on equity warrants)	46,447,073	157,395,033	80,217,666
	TOTAL (D)	47,447,073	157,395,033	80,217,666
	Net worth– (A+B+C – D)	374,668,165	26,090,424	9,725,902
	Represented By:			
(i)	Share Capital	447,162,180	104,686,000	55,501,000
(ii)	Share Premium	42,857,140	-	-
(iii)	Profit & Loss Account debit balance	(115,351,155)	(78,595,576)	(45,775,098)
	Net worth–(i+ ii - iii)	374,668,165	26,090,424	9,725,902

Notes:

Being the first year of accounting the accounts have been made from the date of registration 15th July 2008 to 30th September 2009, the second report has been prepared for six months ending 31st March 2010 and third report has been prepared for nine months ending 31st December 2010.

GENERAL INFORMATION

Our Company was incorporated on July 15, 2008 under the name and style of Birla Pacific Medspa Private Ltd. and converted into a Public Limited Company and name changed to Birla Pacific Medspa Limited on July 14, 2010.

Registered Office

Dalamal House, 1st Floor,
206, J.B. Marg, Nariman Point,
Mumbai, Maharashtra 400021
Phone No.: +91-22- 66168400
Fax No: +91-22-22047835

CIN No : U85100MH2008PLC184689

Website : www.birlapacificmedspa.com

Contact Person: Ms. Khyati Mashru, Company Secretary & Compliance Officer

Email : ipo@birlapacificmedspa.com

Address of Registrar of Companies:

Registrar Of Companies, Mumbai, Maharashtra
100 Everest Building, Marine Lines,
Mumbai – 400002,
Maharashtra,
India

BOARD OF DIRECTORS:

Our Company is currently managed by Board of Directors comprising of 10 directors and 1 alternate director. The Board of Directors consists of the following persons:

NAME OF THE DIRECTOR	DESIGNATION	STATUS
Mr. Yashovardhan Birla	Chairman	Non- Independent and Non-Executive
Dr. William Lai Leong Chong	Director	Non- Independent and Non- Executive
Dr. Abhijit Prabhakar Desai	Managing Director	Non- Independent and Executive
Mr. P.V.R .Murthy	Director	Non- Independent and Non-Executive
Mr. Venkateswaralu Nelabhotla	Additional Director	Non- Independent and Non-Executive
Mr. Mohandas Shenoy Adige	Director	Independent
Mr. Vijay Agarwal	Director	Independent
Mr. Anoj Menon	Director	Independent
Mr. Rajesh Shah	Director	Independent
Mr. Upkar Singh Kholi	Additional Director	Independent
Mr. Tushar Dey	Director	Alternate Director to Dr. William Chong

PROFILE OF THE DIRECTORS

CHAIRMAN

Mr. Yashovardhan Birla aged 43 years is the Chairman of our Company. He has been the Chairman of the diversified Yash Birla Group for about two decades. He is the great-grandson of late Shri R.D.Birla. Mr. Yashovardhan Birla is M.Com, LLB by academic qualifications. He took over the reins of the group in 1990 at a very young age of 23 years and has successfully steered the group to its present position of eminence. He has been credited with the integration of various group companies, infusing a strong sense of global vision and taking an integrated approach to the group.



Mr. Yash Birla on 15th day of April 2008 entered into a Joint venture through Birla Wellness and Healthcare Private Ltd., a company which is owned by his group companies, with Pacific Healthcare Holdings Ltd., and Dr. Abhijit Desai to combine their expertise and resources to establish a Joint Venture Company viz Birla Pacific Medspa Ltd to carry on the Medispa Business in India. Thus Mr. Birla has been instrumental in the formation of our company.

MANAGING DIRECTOR

Dr. Abhijit Desai, aged 36 years, is a MBBS, DVD, is one of the Dermatologists from Mumbai. Dr. Abhijit Desai had been very closely associated with the Pacific Healthcare Singapore for over a decade. In addition to being the Managing Director of our company, he is also responsible to manage the overall medical procedures including selection, appointment and empanelment of doctors for the company.

OTHER DIRECTORS

Mr. P.V.R .Murthy aged 58 years, is a Chartered Accountant and MBA by academic qualification. He has over three decades of experience in the finance sector. He has worked as a part of the Top Management with various companies over a span of 16 years in the capacity of Managing Director, Director, CEO and Advisor prior to joining the Yash Birla Group of Companies. At YBG, he has been actively managing the affairs of the company by looking after Financial Resource Management of all the group companies, Business restructuring, Disinvestments, Merger & Acquisitions, MIS, Management, Internal and Statutory audit, Integrated ERP systems across group companies, Corporate Governance, Investments in new projects, expansion/diversification of the existing Group companies etc He provides valuable guidance to the company in the matters of finance with his vast experience.

Dr William Chong, aged 47 years is the Executive Director & CEO of Pacific Healthcare Holdings Ltd. He charts the corporate direction and business strategies for PHH in Singapore. He is also a practicing dental surgeon at Pacific Healthcare Specialist Centre, Singapore. His guidance and assistance is available to our Company and management at all the stages of its development and strategic decisions.

Mr.Venkateswaralu Nelabhotla, aged 49 years, is a Mechanical Engineer from NIT Allahabad and has done his post graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Presently he is working as the CEO and Director in Birla Wellness & Healthcare Pvt. Ltd., a Yash Birla Group company, promoter of the Birla Pacific Medspa Ltd. He has over 23 years of working experience in the leadership and top management roles in the businesses of consumer products, lifesciences and pharmaceuticals in both Indian and global markets. Before joining YBG, he was the CEO and Executive Director of Emami Ltd at Kolkata. He also has the experience of working in senior positions at Cavinkare Pvt. Ltd., Aurobindo Pharma Ltd and Shantha Biotech heading their Marketing, Sales and Global business development. He has been responsible for advising and overseeing the matters of marketing and monitoring the Company's performance against the strategic business plans.

Mr. Mohandas Shenoy Adige aged 66 years, has 40 years of cross functional experience in metal industry with exposure to various functional areas including techno-commercial areas of project management. He is a member of regional council of Confederation of Indian Industry (CII). He is well experienced in revival and turnaround of ailing units through re-engineering and reorganization. He has retired as the Managing Director of Nagpur Power and Industries Limited. He brings to our company his valuable business experience and commercial knowledge in and guides the management in its business strategy

Mr. Vijay Agarwal aged 53 years is a Practicing Chartered Accountant for the last 27 years, specializing in Corporate Advisory, Tax and Audit field. His expertise is available to the company on the matters Corporate Advisory, Tax and Audit etc. including compliance and corporate governance.

Mr. Anoj Menon aged 37 years is a B.Com & LLB, working as a partner at M/s. Desai & Diwanji, Advocates & Solicitors. He is a Corporate Lawyer specializing in Mergers and Acquisitions, Private Equity Investment,



Private Investment in Public Equity, Corporate Advisory, Foreign Direct Investment, Capital Markets, SEBI Laws, Drug Laws and Dispute Resolution. Mr. Menon has an experience of over 14 years in this field. He has been providing his expert advice to the Company on matters of Corporate Laws.

Mr. Rajesh Shah aged 57 years is a Chartered Accountant by qualification. He is partner with M/s. A.J. Shah & Co. Chartered Accountants since 1979. He is also member in various Committees like Taxation Committee, Bombay Chartered Accountants' Society, Managing Committee, International Fiscal Association (IFA), India Branch, New Delhi, Arbitration Panel – Bombay Stock Exchange Limited, Indian Council of Arbitration (MICA), Taxation Committee, Indian Merchant Chambers etc. He has 29 years of experience in Tax and Audit field. He has been providing necessary guidance to the company on the matters of Tax and Audit.

Mr. Upkar Singh Kohli aged 63 years is a Mechanical Engineer by qualification and has almost 35 years of experience in the banking industry. In August 2007, he has retired as Executive Director of Dena Bank. During his career he had rich experience of handling Investment & Treasury, Foreign exchange, Planning & Development, Vigilance and HR functions in different capacities in Punjab & Sind Bank. He provides valuable inputs on various matters relating to corporate management including finance and administration.

Mr. Tushar Dey aged 47 years is a qualified Company Secretary and also holds a Bachelors degree in General Law. He has over 20 years of experience in handling Legal and Secretarial matters. He specializes in Mergers & Acquisitions, IPO, GDR/ADRs, Corporate Legal, Corporate Governance, Civil and Criminal Litigation, IPR, FEMA and Labour Law matters. He has been responsible for advising and counseling in the matters of compliance and corporate governance.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Khyati Mashru

Company Secretary & Compliance Officer

Birla Pacific Medspa Limited,

1st Floor, Dalamal House,

Nariman Point, Mumbai – 400 021.

Tel: +91-22-2282 1173/74,

Fax: +91-22-2204 7835

Email : complianceofficer@birlapacificmedspa.com

Investors can contact the Compliance Officer in case of any pre-issue or post-issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

BOOK RUNNING LEAD MANAGER

Arihant Capital Markets Limited

67 Nehru Road,

3rd Floor, Krishna Bhavan,

Vile Parle (East)

Mumbai - 400057

Tel: Ph: 022-4225 4800 Fax: 022- 4225 4880

Website: www.arihantcapital.com

Email: amol.kshirsagar@arihantcapital.com

Contact Person: Mr. Amol Kshirsagar

LEGAL ADVISORS TO THE ISSUE

M/s Hemant Sethi & Co.

302, Satnam Bldg, 3A

Sion West, Mumbai - 400022

Tel: Ph: 022-2407 8557 Fax: 022- 2407 9230

Website: www.hemantsethi.com

Email: hemant@hemantsethi.com



THE YASH BIRLA GROUP



Contact Person: Mr. Hemant Sethi
BANKERS TO OUR COMPANY

HDFC BANK LTD

386, Veer Savarkar Marg, Opp. Siddhivinayak Temple, Prabhadevi, Mumbai - 400 025

YES BANK LTD.

Mittal Chambers, Nariman Point, Mumbai-400 021

REGISTRAR TO THE ISSUE

Adroit Corporate Services Pvt Ltd

SEBI Regn No: INR000002227

19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai- 400 059.

Tel : Ph: 91 - 22 - 2859 6060/2859 4060 Fax: 91 - 22 - 2850 3748

Website: www.adroitcorporate.com

Email: birla_ipo@adroitcorporate.com

Contact person: Ms Veena Shetty /Ms Gayathri.C.V.

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

ICICI BANK LIMITED

SEBI Regn No. INB100000004

Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001

Tel: 91 - 22 – 6631 0325

Fax: 91- 22 - 6631 0350

Website: www.icicibank.com

Contact Person: Ms. Himabindu. K

Email: kuchuri.himabindu@icicibank.com

HDFC BANK LTD

SEBI Regn No.INB100000063

Lodha-I Think Techno Campus,
O-3 Level,Next to Kanjurmarg Railway Station,
Kanjurmarg(East), Mumbai – 400 042.

Tel : 91 22 30752928

Fax : 91 22 25799801

Website: www.hdfcbank.com

Contact Person : Mr. Deepak Rane

Email : deepak.rane@hdfcbank.com

AXIS BANK LIMITED

SEBI Regn. No. IBNI00000017

Laxmi-The Mall, Building no.5
Laxmi Industrial estate, New Link road
Andheri(West), Mumbai – 400 053

Tel: 91- 22 - 66044747/720

Fax: 91- 22 -66044799

Website: www.axisbank.com

Contact Person: Mr. Shrikant Pathak

Email : srikant.pathak@axisbank.com

SYNDICATE MEMBERS

Arihant Capital Markets Limited

67 Nehru Road,
3rd Floor, Krishna Bhavan,
Vile Parle (East)
Mumbai - 400057

Tel: Ph: 022-4225 4800 Fax: 022- 4225 4880

Website: www.arihantcapital.com

Email: amol.kshirsagar@arihantcapital.com

Contact Person: Mr. Amol Kshirsagar

Broker Registration No: 42548

SELF CERTIFIED SYNDICATE BANKS



The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

AUDITORS

Statutory Auditor

M/s Kanu Doshi Associates,

Chartered Accountants

158, Udyog Bhavan,

Sonawala Road, Goregaon (E),

Mumbai - 400063

Tel No: 91 - 22 – 32016745/ 32914648

Fax: 91 – 22 – 26863011/ 26864385

Website: www.kanudoshigroup.com

Contact Person: Mr. Jayesh Parmar

Email: jayesh.parmar@kanudoshigroup.com

CREDIT RATING

As this is an Issue of Equity Shares, there is no requirement of credit rating for this Issue.

IPO GRADING AGENCY

Brickwork Ratings India Private Limited

55, 3rd Floor, 1 Main Road,

J P Nagar, III Phase,

Bangalore – 560078

Tel No: 91 – 80 - 40409940

Fax: 91 – 80 - 26593673

Website: www.brickworkratings.com

Contact Person: Mr. Jatin Vyas

Email: jatin.v@brickworkratings.com

IPO Grading

This Issue has been graded by Brickworks Ratings India Private Limited and has been assigned the “IPO Grade [2]” indicating below average fundamentals for the issue in relation to the other listed equity securities in India. BWR assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 signifying strong fundamentals and Grade 1 signifies poor fundamentals of the issue in relation to the other listed equity securities in India. Vide its letter dated 26th May 2011, which is valid for a period from 22nd May, 2011 till 30th June 2011.

IPO Grade Rationale

The grading factors positive prospects for the wellness industry, Birla Pacific Medspa’s Management’s substantial domain knowledge and experience in the wellness industry and the reputation of Pacific Healthcare Holdings Ltd. The grading is constrained by delays in project implementation and poor financial performance of the Yash Birla Group of companies raising IPO funds in the past, Birla Pacific Medspa’s negative cash flows and losses, short history of two years of operations, full funding from IPO proceeds and project implementation spread over three years. In absence of funding or appraisal by a bank or term lending institution, the project cost is estimated by the company management.

A copy of the report provided by the IPO Grading Agency, furnishing the rationale for its grading will be made available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

MONITORING AGENCY

As per regulation 16 of the SEBI (ICDR) Regulations, monitoring agency is required to be appointed in case the issue size exceeds Rs.500 crores. Since our proposed issue size will not exceed Rs.500 crore, we do not propose to appoint a Monitoring Agency. However, a Committee of Directors, viz, Project Monitoring Committee has been formed to monitor the implementation of the project as well as utilization of the issue proceeds. Further, as per the Clause 49 of the Listing Agreement to be entered into with the stock exchanges upon listing of the equity shares and the Corporate Governance requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING AGENCIES

Our project has not been appraised by any entity or agency.

TRUSTEES

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Arihant Capital Markets Limited is the sole Book Running Lead Manager to the Issue, inter-se allocation of responsibilities is not applicable.

BOOK BUILDING PROCESS

Book Building refers to the process of collection of bids from investors on the basis of this RHP. The Issue Price is fixed after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) Book Running Lead Manager, in this case being Arihant Capital Markets Limited.
- (3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/ NSE and eligible to act as underwriters. The syndicate members are appointed by the BRLM.
- (4) Registrar to the Issue, in this case being Adroit Corporate Services Pvt. Ltd.
- (5) Escrow Collection Banks
- (6) Self certified syndicate banks

The securities are being offered to the public through the 100% Book Building Process in accordance with the SEBI ICDR Regulations 2009 wherein: (i) atleast 50% of the Issue to the public shall be available for allocation on a proportionate basis to QIBs, of which 5% shall be available for allocation to mutual funds only on proportionate basis and the remaining QIB portion shall be available for allocation to the QIB bidders including mutual funds subject to valid bids being received at or above the Issue Price (ii) up to 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, and (iii) up to 15% of the Net Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders subject to valid Bids being received at or above the Issue Price in accordance with this RHP.

QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date and are required to pay 100% Margin Amount upon submission of their Bid cum Application form during the Bid/ Issue period

as per the provisions of the SEBI (ICDR) Regulations. For details see the chapter titled “Terms of the Issue” on page No. 232 in this RHP.

The Company shall comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the Arihant Capital Markets Limited as the Book Running Lead Manager to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Steps to be taken by a Bidder to make a Bid:

1. Check eligibility for making a Bid (see section titled “Issue Procedure” on page no. 236 of this Red Herring Prospectus);
2. Ensure that you have a dematerialized account and the dematerialized account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that you have mentioned your PAN (see “Issue Procedure” on page no.236 of this Red Herring Prospectus); and
4. Ensure that the Bid cum Application Form/ASBA Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form/ASBA Form;

Illustration of Book Building and Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 60/- to Rs. 72/- per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price will be made available at the websites of the bidding centres during the Bidding/ Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.66 in the above example. Our Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below Rs.66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

Bid/Issue Period

BID/ISSUE OPENS ON	JUNE 20, 2011
BID/ISSUE CLOSES ON	JUNE 23, 2011

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non- Institutional Bidders and (ii) until 5.00 p.m. or such extended time as

permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays). The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations, 2009, provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date. In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

Withdrawal of the Issue

The Company in consultation with the BRLM, reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly. If the company withdraws the issue after Bid/issue closing date and there after determines that it will proceed with an initial public offering of its equity shares, it shall file a fresh draft red herring prospectus with the Board.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with Registrar of Companies, Maharashtra, Mumbai the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and not joint, and are subject to certain conditions as specified in such agreement.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Lacs)
[•]	[•]	[•]
[•]	[•]	[•]
TOTAL	[•]	[•]

The amount of underwriting would be finalized after pricing and actual allocation. In the opinion of the Board of Directors of our Company (based on a certificate given by the Underwriters), the resources of all the above



mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full, in terms of the Regulation 15 (b) of SEBI (ICDR) Regulations. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount. For further details about allocation please refer to “Other Regulatory and Statutory Disclosures” on page 213 of this RHP.

CAPITAL STRUCTURE

Share Capital as on date of filing the RHP with SEBI:

SHARE CAPITAL	(Rs. in Lakhs)	
	Aggregate Nominal Value	Aggregate Value at Issue price
1. AUTHORISED CAPITAL 125,000,000 Equity shares of Rs.10/- each	12,500.00	12,500.00
2. ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE 46,966,218 Equity shares of Rs.10 /- each fully paid up	4696.62	4696.62
3. PRESENT ISSUE IN TERMS OF THIS RHP Public Issue of [●] equity shares of Rs. 10/- each	[●]	6517.50
Of which		
Qualified Institutional Buyers portion of at least [●] equity shares	[●]	3258.75
Non Institutional Portion of up to [●] equity shares	[●]	977.63
Retail portion of up to [●] equity shares #	[●]	2281.12
4. PAID-UP EQUITY CAPITAL AFTER THE ISSUE [●] Equity Shares of Rs. 10 each	[●]	[●]
5. SHARE PREMIUM ACCOUNT		
• Before the Issue	-	428.57
• After the Issue	-	[●]

Under-subscription, if any, in any category other than QIB, would be met with spill-over inter-se from any other categories, at the sole discretion of the company and BRLM.

The Present Issue has been authorized by Board of Directors on 11th May 2010 and by the shareholders on 4th June, 2010.

Details of Increase in Authorised Capital:

Our Company was incorporated on 15th July 2008 with an initial Authorised Capital of Rs.3,00,00,000 divided into 30,00,000 Equity shares of Rs.10 each. The subsequent changes are given below.

Date of Change	Increased from (Rs.)	Increased to (Rs.)	AGM/EGM
July 14, 2008	-	30,000,000	On Incorporation
March 12, 2009	30,000,000	100,000,000	EGM held on 12/03/2009
June 19, 2009	100,000,000	150,000,000	EGM held on 19/06/2009
June 4 th , 2010	150,000,000	1,250,000,000	EGM held on 4/06/2010

Notes to the Capital Structure

1. Share Capital History

The following is the history of the equity share capital of the Company up to the date of this RHP.

Date of Allotment of Equity Shares	No. of shares Alloted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Paid up Share Capital (Rs.)	Nature of / Reasons for Allotment
12-Aug-2008	10000	10000	10	10	Cash	100000	Subscriber to Memorandum
16-Mar-2009	2990000	3000000	10	10	Cash	30000000	Further Issue of shares
23-Jun-2009	2550100	5550100	10	10	Cash	55501000	Further Issue of shares
06-Jan-2010	4918500	10468600	10	10	Cash	104686000	Further Issue of shares
25-June-2010	23533333	34001933	10	10	Cash	340019330	Further Issue of shares
21-July-2010	10714285	44716218	10	14	Cash	447162180	Further Issue of shares
15-Feb-2011	2250000	46966218	10	10	Cash	469662180	Further Issue of shares

Note: We have not issued any shares for consideration other than cash

On 06/01/2010, the following Equity shares were allotted at par

Date	Name of Allottees	No of shares allotted	Face Value (Rs)	Issue Price (Rs)	Type of Issue
06/01/2010	Birla Wellness & Healthcare Pvt., Ltd.*	2468500	10	10	Further Issue of Shares
06/01/2010	Pachealth Medical Services Pvt., Ltd.#	2450000	10	10	Further Issue of Shares
	Total	4918500			

On 25/06/2010, the following shares were allotted at par

Date	Name of Allottees	No of shares allotted	Face Value (Rs)	Issue Price (Rs)	Type of Issue
25/06/2010	Birla Wellness & Healthcare Pvt., Ltd.*	22700000	10	10	Further Issue of Shares
25/06/2010	Pacific Healthcare (India) Pvt., Ltd.#	833333	10	10	Further Issue of Shares
	Total	23533333			

On 21/07/2010, the following shares were allotted at Rs.14 per share.

Date	Name of Allottees	No of shares allotted	Face Value (Rs)	Issue Price (Rs)	Type of Issue
21/07/2010	Bennett Coleman & Co. Ltd #	10714285	10	10	Further Issue of Shares
	Total	10714285			

Note: * indicates Promoter

indicates Not related

It may kindly be noted that no valuation has been done for allotment of shares at par. In respect of allotment to Bennet Coleman & Co. Ltd., the price of Rs 14 per share has been arrived at based on the audited figures as at 31st March 2010 before restatement, wherein the NAV per share was Rs. 14.52 .

2. Promoter's Contribution and Lock-in Period

a) Capital built-up of Promoters

Name of the Allottee	Date of Allotment	No. of equity shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration
Birla Wellness & Healthcare Pvt Ltd	16/03/2009	1490000	10	10	Cash
	23/06/2009	1275000	10	10	Cash
	06/01/2010	2468500	10	10	Cash
	25/06/2010	22700000	10	10	Cash
	15/02/2011	2250000	10	10	Cash
	Sub Total	30183500			
Dr. Abhijit Desai*	16/03/2009	225000	10	10	Cash
	SubTotal	225000			
Mr. P.V.R. Murthy*	12/08/2008	5000	10	10	Cash
	Sub Total	5000			
Mr. Anuj Batra	12/08/2008	5000	10	10	Cash
Transferred to Mr. GL Lath	08/06/2010	(5000)	10	10	Cash
	Sub Total	0			
Mr. G L Lath*	08/06/2010	5000	10	10	Cash
	Sub Total	5000			
Total		30418500			

* These are Persons forming part of the promoter group.

**b) Promoters Contribution and Lock in**

Name of the Promoter	Number of Equity Shares	Face Value (Rs.)	% of Post Issue Paid Up Capital
Birla Wellness & Healthcare Pvt Ltd	[●]	10	20.00
Total			20.00

Pursuant to SEBI (ICDR) Regulations 2009, Clause 36, an aggregate of 20% of the Post-Issue Paid-up Equity Share Capital held by the promoters would be locked-in for a period of three years from the date of allotment. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present Issue. The equity shares offered under lock-in by the promoters are eligible under regulation 33(1)(b)(i) of the ICDR regulations, 2009. These securities will not be disposed / sold / transferred by the Promoters during the period starting from the date of filing the Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in the RHP.

NOTES:

The Equity Shares that are being locked-in are not ineligible for computation of Promoters contribution under regulation 33 of the SEBI Regulations. In this connection, as per regulation 33 of the SEBI Regulations, we confirm the following:

- The Equity shares offered for minimum 20% Promoters contribution are not acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or against shares which are otherwise ineligible for computation of Promoters contribution;
- The Equity shares offered for minimum 20% Promoters contribution were not issued to the Promoters upon conversion of a partnership firm;
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters contribution are not subject to any pledge; and
- The promoters have confirmed in writing to pay to the issuer Birla Pacific Medspa Limited, the difference if any, between the price at which the equity shares are offered / allotted to the Public in the proposed Initial Public Offer and the price at which the shares were allotted to them in the preceding one year and which forms part of the said shares offered for lock-in. towards the minimum promoters' contribution stipulated under regulation 32(1)(a) of the SEBI (ICDR) Regulations 2009.
- Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up equity share capital from the date of allotment in the proposed public issue. Promoters' contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- Shares held by the person other than the Promoters, prior to this Issue, which are subject to lock in as per Regulation 37 of SEBI (ICDR) Regulations 2009, may be transferred to any other person holding shares which are locked in, subject to continuation of lock -in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.
- Shares held by Promoter(s) which are locked in as per the relevant provisions of Regulation 36 of the SEBI Regulations, may be transferred to and amongst Promoter/Promoter group or to a new promoter or persons in control of the Company, subject to continuation of lock -in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, as applicable. As per Regulation 39 of SEBI (ICDR) Regulations, 2009, the locked-in Equity Shares held by the Promoter(s) can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan. Provided that if securities are locked in as minimum promoters' contribution under Regulation 36 of the SEBI Regulations, the same may be pledged, only if, in addition to fulfilling the requirements of this clause, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue. Other than those shares that are locked in as promoter's contribution for three years, the entire pre-issue share capital will be locked in for a period of one year from the date of allotment in this public issue.

3. Details of Shares of our Company Pledged by Promoter Companies: NIL

4. Shareholding Pattern:

The table below presents the shareholding pattern of the Company before and after the proposed issue:

Sr. No.	Shareholder		Pre Issue	Post Issue	
		No of Shares	% of Holding	No of shares	% of Holding
1.	PROMOTERS				
(A)	Indian Promoter				
i	Individuals	0	0.00	[•]	[•]
	Sub Total (i)	0	0.00	[•]	[•]
ii.	Companies / Trusts				
	Birla Wellness & Healthcare Pvt Ltd	30183500	64.27	[•]	[•]
	Sub Total (ii)	30183500	64.27	[•]	[•]
	TOTAL (A) (i+ii)	30183500	64.27	[•]	[•]
(B)	Foreign Promoter				
i	Individuals	0	0.00	[•]	[•]
	Sub Total (i)	0	0.00	[•]	[•]
ii	Companies	0	0.00	[•]	[•]
	Sub Total (ii)	0	0.00	[•]	[•]
	TOTAL (B) (i+ii)	0	0.00	[•]	[•]
(C)	Promoter Group				
	Dr. Abhijit Desai	225000	0.48	[•]	[•]
	Mr. PVR Murthy	5000	0.01	[•]	[•]
	Mr.G.L.Lath	5000	0.01	[•]	[•]
	TOTAL (C)	235000	0.50	[•]	[•]
	TOTAL PROMOTERS (A+B+C)	30418500	64.77	[•]	[•]
2.	NON PROMOTERS				
i	Pacific Healthcare (India) Pte. Ltd, Singapore	3383333	7.20	[•]	[•]
ii	Pachealth Medical Services Pvt Ltd	2450000	5.22	[•]	[•]
iii.	Bennett, Coleman & Company Ltd	10714385	22.81	[•]	[•]
iv.	Indian Public includes Employees & Institutions	-	-	[•]	[•]
	TOTAL NON PROMOTERS (i+ii)	16547718	35.23	[•]	[•]
	GRAND TOTAL (1+2)	46966218	100.00	[•]	[•]

Note:- The business undertaking of PacHealth Medical Services Private Limited was acquired on 'slump-sale' basis through a Business Transfer Agreement dated November 14, 2008 and supplemental agreement dated March 18, 2009 keeping in view the business synergy between the proposed line of business of our company at the time of formation and then existing business model of PacHealth Medical Services Private Limited. The acquisition helped our company to commence business operations with immediate effect and initiate marketing of our products and services. The shares were allotted at par and valuation was based on the capital employed by PacHealth Medical Services Private Limited as certified in its audited balance sheet as on 30th November 2008.

5. Equity Shares held by top Ten Shareholders

i) Top ten shareholders two years prior to the date of RHP:

Sr. No	Name of the shareholders	No. of shares	% age
1.	Mr. P.V.R. Murthy	5000	0.17
2.	Mr. Anuj Batra	5000	0.17
3.	Birla Wellness & Healthcare Pvt. Ltd	1490000	49.67
4.	Dr. Abhijit Desai	225000	7.5
5.	Pacific Healthcare (India) Pte Ltd, Singapore	1275000	42.5
	Total	3000000	100.00

ii) Top ten shareholders 10 days prior to the date of RHP

Sr. No	Name of the shareholders	No. of shares	% age
1	Birla Wellness & Healthcare Pvt Ltd	30183500	64.27
2	Bennett, Coleman & Co Ltd	10714385	22.81
3	Pacific Healthcare (India) Pte Ltd	3383333	7.20
4	Pachealth Medical Services Pvt Ltd	2450000	5.22
5	Dr. Abhijit Desai	225000	0.48
6	Mr. G L Lath	5000	0.01
7	Mr. P.V.R. Murthy	5000	0.01
	Total	46966218	100.00

iii) Top ten shareholders as on the date of RHP

Sr. No	Name of the shareholders	No. of shares	%
1	Birla Wellness & Healthcare Pvt Ltd	30183500	64.27
2	Bennett, Coleman & Co Ltd	10714385	22.81
3	Pacific Healthcare (India) Pte Ltd	3383333	7.20
4	Pachealth Medical Services Pvt Ltd	2450000	5.22
5	Dr. Abhijit Desai	225000	0.48
6	Mr. G L Lath	5000	0.01
7	Mr. P.V.R. Murthy	5000	0.01
	Total	46966218	100.00

6. There have been no purchases and sales of the securities of our Company by the Directors and their relatives, the Promoters, or the Promoter Group, during a period of six months preceding the date of this RHP except as stated in table 2(a) of this section.
7. **Buy-back and Standby Arrangement:** Our Company, its Promoters, Directors or the Lead Managers have not entered into any buy-back and/ or standby arrangements for purchase of Equity Shares of our Company from any person.
8. The securities which are subject to lock-in shall carry the inscription “non-transferable” and the non-transferability details shall be informed to the depositories. The details of lock-in shall be provided to the stock exchanges where the shares are to be listed, before listing of the securities.
9. In the case of over-subscription in all categories, at least 50% of the Issue to the Public shall be available for allotment on a proportionate basis to QIBs, of which 5% shall be available for allotment on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; upto 15% of the Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.



10. If the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be allocated proportionately to QIB Bidders.
11. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. The number of Equity Shares to be issued to the Promoters and subject to lock-in will be determined after finalization of Issue Price. The number of shares to be issued to the Promoters will be such so as to ensure that the minimum contribution of 20% of the Post Issue paid-up capital is made and that the same is locked in for a period of 3 years.
12. Our Company has not raised any bridge loan against the proceeds of the Issue
13. As of the date of this RHP, there are no outstanding financial instruments or warrants or any other right that would entitle the existing Promoter or Shareholders, or any other person any option to receive Equity Shares after the offering.
14. Our Company has not issued any bonus shares out of revaluation reserves. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this RHP to SEBI until the Equity Shares issued/ to be issued through the Prospectus are listed or application money refunded on account of failure of Issue.
15. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
16. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. Additionally, if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider using our Equity Shares as currency for acquisitions or participation in such joint ventures we may enter into and/or we may raise additional capital to fund accelerated growth, subject to the compliance with the relevant guidelines/regulations etc.
17. No single applicant can make an application for number of shares, which exceeds the number of shares offered, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
18. The total number of members of our Company as on the date of filing RHP is seven.
19. Our Company has not made any issue of Equity Shares other than as stated above, during the last one year.
20. The company does not currently have any Employee Stock Option Plan.
21. As on date of filing of this Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up.
22. Since the entire money of Rs. [●] per share (Rs. 10/- face value plus Rs. [●] premium) is being called on application, all the successful applicants will be issued fully paid-up shares only.
23. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our promoters to the persons who receive allotments, if any, in this issue.
24. We confirm that our BRLM, Arihant Capital Markets Ltd. does not hold any equity share in our company.

SECTION-V - OBJECTS OF THE ISSUE

The objects of the issue are

- 1) To meet the capital expenditure towards establishing 55 outlets of Evolve Medspa across various cities and places.
- 2) To meet expenses towards brand promotion.
- 3) To meet the working capital requirements for running the above centres.
- 4) To meet Issue related expenses.
- 5) To enlist our Company's Shares on Bombay Stock Exchange Limited (BSE).

Funds Requirement

(Rs. In lacs)		
Sr. No.	Particulars	Amount
1.	Capital Expenditure for Setting up 55 centers across the country	4950.00
2.	Working Capital Requirements	70.00
3.	Brand Promotion	600.00
4.	Issue Expenses	650.00
5.	Contingencies	123.75
6.	Preliminary & preoperative expenses	123.75
	Total	6517.50

Our fund requirements as stated above are based on the current business plan. In view of the highly competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently the fund requirement may also change. This may include rescheduling of the capital expenditure programmes and increase or decrease in the capital expenditure for a particular purpose vis-à-vis current plans at the discretion of the management.

Further our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below

The main objects clause and objects incidental or ancillary to the main objects clause of the Memorandum of Association enables our Company to undertake the existing activities and the activities for which the funds are being raised by our Company, through this Issue.

Means of Finance:

(Rs. In Lacs)	
Particulars	Amount
Present Issue to Public	6517.50
TOTAL	6517.50

Details of the capital expenditure for the expansion plan:

Under the proposed expansion plan, our company proposes to set up additional 75 Evolve Medspa Centers in various cities across the country out of which 55 centres are proposed to be financed by the proceeds of the present issue and the remaining through internal sources for which we have entered into an arrangement with Picadilly Projects Pvt. Ltd. The centers are to be fully equipped with Dental and Dermat Set up spread across an area of 1500 to 2500 sq ft space i.e. an average area of 2000 square feet. Some of the selected centers will be having the facility of Operation Theatre also.

We have till now established 5 Centres in Mumbai at Walkeshwar, Bandra, Worli, Borivali and Andheri and have franchisees at Thane, Mumbai and in Chennai. We are planning to set up the additional centres across various metro and non metro cities in India. Some of the likely locations for our outlets are as under:

<u>City</u>	<u>No. of centres</u>		<u>City</u>	<u>No. of centres</u>
Mumbai	5		Ludhiana	1
Delhi	4		Chandigarh	1
Kolkata	3		Surat	1
Chennai	3		Cochin	1
Bangalore	4		Lucknow	1
Pune	3		Kanpur	1
Ahmedabad	3		Goa	1
Hyderabad	2		Jaipur	1
			Unidentified	20
Grand Total				55

The above list is only indicative, the final number of centres that will be opened in each city and the locations of the unidentified 20 centers will depend upon the market potential and other relevant factors at the time of setting up of centers.

Overall Investment:

Estimated Capex of establishing one Evolve Centre:

Particulars	Amount (Rs. In Lacs)
Expenses on Interior Designing @ Rs. 2000 per sq feet on an estimated average area of around 2000 sq.feet	40.00
Medical Equipments	44.00
Others (Deposits, etc)	6.00
Total	90.00

Expenses on Interior Designing

The expenses on interior designing have been assumed to cost Rs. 2000 per square feet on an estimated average area of around 2000 sq. feet per centre. The estimates have been made on the basis of the actual expenditures incurred on the centers already opened and also on the basis of the quotations received from interior contractors with whom we regularly deal. The cost of interior designing includes the cost of civil works, carpentry, electrical work, furniture and fixtures, computer and other office equipments and other interior related works. M/s. JTCPI Designs, an interior designing firm, have vide their quotation dated 16th March 2011 indicated the above cost (incl.CST) which is as under.



S.No.	Description	Area Considered	Rate	Amount
I	CIVIL WORK	2,000	1,075.00	2,150,000.00
1	Miscellaneous civil works			
2	False Ceiling & POP punning			
3	Gypsum Ceiling & POP punning, painting			
4	GENERAL FURNITURE INCLUDES:			
	Fixed furniture and loose furniture including Partition, full ht storages, counters, doors, etc.			
5	Vinyl/Hard Flooring			
II	ELECTRICAL WORK INCLUDES:	2,000	450.00	900,000.00
	Lighting & small power installation, raceways, cables, power points.			
V	AIR CONDITIONING (High side and low side work)	2,000	350.00	700,000.00
	Duct able split Machine, ducting, electrical cabling, ducting, insulation, grills for supply and return, gas charging, testing commissioning.			
VI	CHAIRS	2,000	75.00	150,000.00
	Chairs of m.s. frame work, 5 prong castors base, fabric mesh uphoistery back, syncro tilt, gar lift, fixed hard PU arms, tension adj knob, single point locking.			
VII	Miscellaneous and contingences including planters, artefacts etc.	2,000	50.00	100,000.00
	Grand Total		2,000.00	4,000,000.00

M/s. JTCPI Designs is not a related party and is not in any way connected with the Company.

Cost of Medical Equipments per centre:

(Rs. In Lacs)

S.No	Medical Equipments make and specification	Name of the supplier	Qty	Invoice No/ Quotation No and Date	Total Cost
1	FOTONA "DUALIS XP Plus" Long Pulsed Nd:YAG Surgical Laser System with Standard and Additional Accessories	Mikro Scientific Instruments Pvt Ltd	1	D 7X FOTONA 11.1503 dated 15th March 2011	29.53 (incl CST @ 5%)
2	Diamond Microdermabrator with Standard Accessories	Mikro Scientific Instruments Pvt Ltd	1	D 7X FOTONA 11.1503 dated 15th March 2011	1.26 (incl CST @ 5%)
3.	CO2 Laser, 15 W (table top) with Standard Accessories	Mikro Scientific Instruments Pvt Ltd	1	D 7X FOTONA 11.1503 dated 15th March 2011	1.69 (incl CST @ 5%)



3	Dental Chairs, Instruments and accessories	Doshi Marketing Corporation	10	dated 15 th March 2011	11.04
4	Others (Misc. items)				0.48
	Total				44.00

Deposits & Other Expenses

It is assumed that 6 months rent is payable as security deposit to the landlords for the premises to be taken on rent for running the centres. On an average of Rs .6 lacs has been assumed to be the deposit to be paid per center. However depending upon the city, location and area of the center the deposit amounts will vary. For the metro centers the deposits payable may be higher while for non- metro centers it could be lesser than Rs. 6 lacs.

Working Capital requirements

The company operates in an industry sector wherein the requirement of working capital is not much. Working capital requirement in this industry is mainly on account of the levels of inventory required to be kept at the Centers and manpower costs. Based on our experience in the existing centers, the requirement of working capital is estimated at around Rs. 2.33 Lacs per centre which is arrived at on the basis of one month's expenses on the following basis, on an average:

Salaries	No.	Rs.	Rs.	Rs.
- Technicians	2	20000	40000	
- Administrative staff	2	7500	15000	
- Others	2	5000	10000	
				65000
Rent				100000
Inventory				50000
Electricity				6000
Telephones				2500
Misc. Expenses				10000
				233500

Based on the above and based on the proposed schedule of implementation, the working capital requirement is estimated as under:

Year	2011-12	2012-13	Total
No. of centres	15	15	
Working capital per centre	2,33,500	2,33,500	
Total working capital (Rs.)	35,03,000	35,03,000	70,06,000
Say (Rs. in lacs)			70.00

It has been assumed that every centre will be able to meet its working capital requirement out of its revenue generation after one year. From the third year onwards, the company plans to meet the working capital requirements from its internal accruals.

Brand Promotion

In order to strengthen our position in the cosmetic dental and dermat and medical services industry, we need to undertake extensive sales and marketing activities to promote our brand on a continuous basis. These activities



are integral to creating, maintaining and enhancing brand visibility and correspondingly to create, sustain and enhance our market share in the industry. Our marketing efforts will be mainly through mass communications using various media including television, press, hoardings, radio, cinema and the internet. We intend to invest further Rs. 600 lakhs over the next 3 years to strongly build up our brand image.

Rs. in lacs				
Brand Promotion	2011-12	2012-13	2013-14	Total
- Print Media	40	40	75	155
- Electronic media	60	60	50	170
- Hoardings	50	50	25	125
- Event Sponsorships	50	50	50	150
	200	200	200	600

Issue Expenses:

Sr. No.	Particulars	Amount (Rs. in. Lacs)	% of Issue Expenses	% of Issue
1	Fees to BRLM, Underwriting Commision, Brokerage and other selling expenses	225	34.62	3.45
2	Advertisement & Marketing Expenses	150	23.08	2.30
3	Printing, stationery & dispatch	125	19.22	1.92
4	Miscellaneous Expenses including fees payable to SEBI, Stock Exchanges, Registrars, Grading agency, etc.	150	23.08	2.30
	Total	650	100.00	9.97

The Company have undertaken that the differential amount as applicable will be collected from its promoters, pursuant to the differential price between the upper price band in the IPO and the price at which their promoters, were allotted shares in the one year preceding the Issue. This amount will be utilised for General Corporate Purposes

Contingencies:

The expenses towards contingencies are estimated at the rate of 2.5% of the total capital expenditure requirements.

Preliminary and Preoperative expenses:

The expenses towards preliminary and preoperative expenses are estimated at the rate of 2.5% of the total capital expenditure requirements.

Schedule of Implementation:

(Rs. in Lacs)					
Sr. No.	Particulars	2011-12	2012-13	2013-14	Total
	<i>No. of Centres</i>	<i>15</i>	<i>15</i>	<i>25</i>	<i>55</i>
1.	Capex for setting up of centres	1350.00	1350.00	2250.00	4950.00
2.	Working Capital Requirements	34.95	35.05		70.00
3.	Issue Expenses	650.00	0.00	0.00	650.00
4.	Contingencies	33.75	33.75	56.25	123.75
5.	Preliminary & Pre operative Expenses	33.75	33.75	56.25	123.75
6.	Brand Promotion	200.00	200.00	200.00	600.00
	Total Fund utilization	2302.45	1652.55	2562.50	6517.50



Interim Use of Funds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the funds in interest or dividend bearing liquid instruments including deposits with banks and investment in mutual funds and other financial products such as capital protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures. Such investments would be in accordance with any investment criteria approved by the Board of Directors from time to time. Issue proceeds shall not be utilized for equity/ equity related instruments

Monitoring of Utilization of Funds

As our Issue size is less than Rs. 500 Crores, we have not appointed any monitoring agency to monitor the utilization of issue proceeds, as the same is not required as per SEBI ICDR regulations, 2009. A Committee of Directors has been formed viz, the Project Monitoring Committee to monitor the implementation of the project and the utilization of proceeds of this Issue on a regular basis.

We will disclose the utilization of the proceeds raised through this Issue under a separate head in our financial statements clearly specifying the purpose for which such proceeds have been utilized. No part of this Issue proceeds will be paid by us as consideration to our Promoters, Directors, key managerial personnel or entities promoted by our Promoter, save and except in the normal course of business.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on quarterly basis disclose to the Audit Committee the application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than as stated in this RHP and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Our Company shall be required to inform the material deviations in the utilisation of the issue proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviation/ adverse comments of the Audit Committee public through advertisement in newspaper.

BASIC TERMS OF ISSUE

The Equity shares being offered are subject to the provision of the Companies Act, 1956, our Memorandum and Articles of Association, the terms of this offer document and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

BASIS FOR ISSUE PRICE

The issue price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the equity shares by the book building process. The face value of the Equity Shares is Rs.10 and the Issue Price is [●] times the face value at the lower end of the price band and [●] times the face value at the higher end of the price band.

Investors should review the entire Red Herring Prospectus, including the sections titled "Risk Factors", "Our Business Overview" and "Financial Information of Our Company " beginning on pages xi, 49 and 117, respectively, of the Red Herring Prospectus to get a more informed view before making the investment decision. The trading price of the Equity Shares of Our Company could decline due to these risks and the investors may lose all or part of their investment.

Qualitative Factors

Promoted by established Industrial House

Our company is part of the Yash Birla Group. The Yash Birla Group is an INR 30 Billion conglomerate of over 20 companies having diversified business interests ranging from Auto Engineering, Power Solutions, Textiles and Machines Tools to emerging sectors of today like Education, Information Technology, Solar Power, Health and Wellness. Today the group has 9 listed entities in India.

Experience of erstwhile JV partner:

Our erstwhile JV partner, Pacific Healthcare are one of the leading healthcare companies of Singapore and one of East Asia's leading healthcare providers, with facilities in Singapore, Hong Kong and China. Their experience and expertise will be available to us in developing and growing our business in India.

Key Managerial personnel

Our management is in the hands of qualified professionals who have vast experience in the field of healthcare. Their knowledge and experience in the business is expected to facilitate our project implementation within the estimated cost and time schedule. Dr. Abhijit Desai, Managing Director of our company is a renowned dermatologist having over 10 years experience in skin care and beauty segment of healthcare. Our health centres are proposed to be serviced by experienced medical personnel drawn from the faculty of dermatology and dentistry.

Quantitative Factors on Standalone Basis

Our company was incorporated on 15th July 2008. As such, we have limited historical financial information for calculation of the various ratios required to form the basis for the issue price. Accordingly, the price per share of the issue is based on our future growth strategy rather than on the current or past performance. Our first audited financial statement was for the period commencing July 15, 2008 upto September 30, 2009. Subsequently, we have prepared our audited financial statements for the six months period commencing from October 1, 2009 to March 31, 2010 and for the nine months period from 1st April 2010 to 31st December 2010. The financial information presented in this section is derived from our Company's restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1) Adjusted earning per share (EPS) weighted

For the period	EPS (Rs.)	Weightage
1 st April 2010 to 31 st December 2010	(1.11)	3
1 st October 2009 to 31 st March 2010	(4.15)	2
15 th July 2008 to 30 th September 2009	(23.95)	1
Weighted average	(5.93)	

Note: EPS represents basic earnings per share calculated as per Accounting Standard 20 issued by Institute of Chartered Accountants of India. As we have incurred losses during the aforesaid periods, the earnings per share are negative for the said periods.

2) Price Earning ratio (P/E ratio)* in relation to the Issue Price of Rs [●] per share

As we have been incurring losses and our earnings per share is negative, Price Earning share cannot be computed.

As there is no comparable listed company in the cosmetic & medical services of the wellness & healthcare sector, it is not possible to generate a peer group for the company which can be used for comparison.

3) Return on Net worth (RONW)

Our company has incurred losses for the financial periods ended 30th September 2009, 31st March 2010 and 31st December 2010. In view of the losses incurred, the RONW is negative for the said periods.

4) Minimum return on total Net worth after issue needed to maintain pre-issue EPS:

As our company has been incurring losses and RONW is negative, this is not applicable.

5) Net Asset Value (NAV) per share (Rs.)

As on December 31 st 2010	8.38
Issue Price*	[●]
After Issue	[●]

**would be finalized after discovery of the Issue Price through Book Building process*

6) Comparison with Industry Peers and Industry average

There are no strictly comparable listed companies with a similar portfolio of cosmetic & medical services in the wellness and healthcare business. Hence no peer comparison is made.

7) The face value of our Equity Shares is Rs. 10 and the Issue Price is Rs. [●] i.e., [●] times of the face value.

The BRLM believes that the Issue Price of Rs. [●] with a face value of Rs. 10 and premium of Rs. [●] per Equity Share is justified in view of the above parameters. Please refer to the section titled "Risk Factors" beginning on page xi of this Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Information of Our Company" beginning on page 117 of this Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To

The Board of Directors,
Birla Pacific Medspa Limited
Dalamal House, 1st Floor, J.B.Marg,
Nariman Point,
Mumbai - 400 021.

Dear Sirs,

Sub: Statement of Possible Tax Benefits

We refer to the proposed Initial Public Offer of Birla Pacific Medspa Limited (the “Company”) and hereby report that the enclosed annexure, states the possible tax benefits that may be available to the Company and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961, Wealth Tax Act, 1957 presently in force in India as of date.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The preparation of the contents stated is the responsibility of the Company’s management. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance Act, 2010, where applicable.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been / would be met with;
- the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. While all reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.



THE YASH BIRLA GROUP



This report is intended solely for information and for the inclusion in the offer Document in connection with the proposed follow on offer of the equity shares of the Company to the public and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For and on behalf of
Kanu Doshi Associates
Chartered Accountants

Sd/-
Jayesh Parmar
Partner
Membership No. 45375
Firm Registration No: 104746W

Mumbai
May 25, 2011

Annexure

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS.

Under the Income-tax Act, 1961 (“the IT Act”):

A) SPECIAL TAX BENEFITS:

As per the existing provisions of the IT Act and other laws as applicable for the time being in force, the Company and its share holders will not be entitled to any special Tax Benefit under any law.

B) GENERAL TAX BENEFITS:

To the Company:

1. Tax Rates:

The corporate tax rate shall be 30% (plus applicable surcharge, education cess and secondary and higher education cess).

2. Tax under Section 115JB:

The Company is liable to pay income tax at the rate of 18.5% (plus applicable surcharge, education cess and secondary and higher education cess) on the Book Profit as per the provisions of Section 115JB if the total tax payable as computed under the IT Act is less than 18.5% of its Book Profit as computed under the said Section.

3. Benefit under Section 115JAA (1A):

Under Section 115JAA (1A) credit shall be allowed of any MAT paid under Section 115JB of the I.T. Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the I.T. Act. However, no interest shall be payable on the tax credit under this sub-section. Such MAT credit shall be available for set-off up to 10 years succeeding the year in which the MAT credit initially arose.

4. Exemption under Section 10(34):

In accordance with Section 10(34), dividend income (referred to in Section 115-O) will be exempt from tax.

5. Exemption under Section 10(38):

If the Company invests in the equity shares of another company, as per the provisions of Section 10 (38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

6. Exemption under Section 10(35):

Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hands of the Company, under Section 10(35) of IT Act.

7. Preliminary Expenses under Section 35D:

The Company will be entitled to amortise, over a period of five years, all expenditures in connection with the proposed public issue subject to overall limit specified in the Section.

8. Exemption under Section 54EC:

Long-term capital gains (other than those exempt under Section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

(a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

(b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted (earlier) shall be chargeable to tax during the year of such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed Rs.50 lakhs.

9. Benefit under Section 72:

Any unabsorbed business loss is allowed to be carried forward for a period of eight assessment years; and under Section 32(2) any unabsorbed depreciation is allowed to be carried forward indefinitely.

10. Tax Rate under Section 111A:

Short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess and secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

11. Tax Rate under Section 112:

In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

a) 20 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed after indexation of the cost.

Or

b) 10 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed without indexation.

12. Tax on distributed profits of domestic companies under Section 115 O:



Any amount declared, distributed or paid by the company by way of dividend shall be charged to additional income tax at the rate of 15% plus applicable surcharge, education cess and secondary and higher education cess.

To Resident Shareholders:

1. Exemption under Section 10(34):

Any income by way of dividends (whether interim or final) referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

2. Exemption under Section 10(38):

Any income arising from transfer of a long term capital asset being an equity share in a Company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

3. Computation of Capital Gains under Section 48:

Section 48 prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to Section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

4. Exemption under Section 54EC:

Long-term capital gains (other than those exempt under Section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

(a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

(b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted (earlier) shall be chargeable to tax during the year of such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed Rs.50 lakhs.

5. Exemption under Section 54F:

Subject to the conditions specified in Section 54F, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares is used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer. If only part of the net consideration is so

reinvested, the exemption available shall be in the same proportion as the cost of the new asset bears to the net consideration.

If new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

6. Under Section 56(2) (vii):

Where an individual or a Hindu undivided family receives from any person on or after the 1st day of October, 2009, any property, other than immovable property (which includes shares & securities [being capital asset of the assessee]),

(i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;

(ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received

- (a) from any relative; or
- (b) on the occasion of the marriage of the individual; or
- (c) under a will or by way of inheritance; or
- (d) in contemplation of death of the payer or donor, as the case may be; or
- (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act; or
- (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
- (g) from any trust or institution registered under Section 12AA of the IT Act.

For this purpose, ‘relative’ means

- (i) spouse of the individual;
- (ii) brother or sister of the individual;
- (iii) brother or sister of the spouse of the individual;
- (iv) brother or sister of either of the parents of the individual;
- (v) any lineal ascendant or descendant of the individual;
- (vi) any lineal ascendant or descendant of the spouse of the individual;
- (vii) spouse of the person referred to in clauses (ii) to (vi);]

7. Set off of losses under Section 74:

Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long term capital gains.

8. Tax Rate under Section 111A:

Short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess and secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of

shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

9. Tax Rate under Section 112:

In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

a) 20 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed after indexation of the cost.

Or

b) 10 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed without indexation.

To Non Resident Indian Shareholders:

1. Exemption under Section 10(34):

Any income by way of dividends (whether interim or final) referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

2. Exemption under Section 10(38):

Any income arising from transfer of a long term capital asset being an equity share in a Company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

3. Under Section 48:

Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

4. Exemption under Section 54EC:

Long-term capital gains (other than those exempt under Section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

(a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

(b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted (earlier) shall be chargeable to tax during the year of such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed Rs.50 lakhs.

5. Exemption under Section 54F:

Subject to the conditions specified in Section 54F, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares is used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer. If only part of the net consideration is so reinvested, the exemption available shall be in the same proportion as the cost of the new asset bears to the net consideration.

If new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. Under Section 56(2) (vii):

Where an individual or a Hindu undivided family receives from any person on or after the 1st day of October, 2009, any property, other than immovable property (which includes shares & securities [being capital asset of the assessee]),

- (i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;
- (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received

- (a) from any relative; or
- (b) on the occasion of the marriage of the individual; or
- (c) under a will or by way of inheritance; or
- (d) in contemplation of death of the payer or donor, as the case may be; or
- (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act; or
- (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
- (g) from any trust or institution registered under Section 12AA of the IT Act.

For this purpose, 'relative' means

- (i) spouse of the individual;
- (ii) brother or sister of the individual;
- (iii) brother or sister of the spouse of the individual;
- (iv) brother or sister of either of the parents of the individual;
- (v) any lineal ascendant or descendant of the individual;
- (vi) any lineal ascendant or descendant of the spouse of the individual;
- (vii) spouse of the person referred to in clauses (ii) to (vi);]

7. Set off of losses under Section 74:

Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains. Long term capital loss suffered during

the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' Long term capital gains.

8. Benefit under Section 90(2):

The Non Resident Indian shareholder has an option to be governed by the provisions of the tax treaty, if they were beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country.

9. Tax Rate under Section 111A:

Short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess and secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

10. Tax Rate under Section 112:

In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

- a) 20 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed after indexation of the cost.
- Or
- b) 10 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed without indexation.

However, as per second proviso of Section 48, benefit of indexation is not available to Non Residents.

A Non Resident Indian has the option to be governed by the provisions of Chapter XII – A of the IT Act, according to which:

A. Under Section 115E:

Where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge, education cess and secondary and higher education cess). Also, where shares in the Company are subscribed for in convertible foreign exchange by a Non-Resident India, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge, education cess and secondary and higher education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

B. Under provisions of Section 115F:

Long term capital gains (in cases not covered under Section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under Section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in Section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

C. Under provisions of Section 115G:

It shall not be necessary for a Non-Resident Indian to furnish his return of income under Section 139(1) if his income chargeable under the IT Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

D. Under Section 115 H:

Where Non Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII – A shall continue to apply to him in relation to such investment income derived from the specified assets for the year and subsequent assessment years until such assets are converted into money.

E. Under Section 115-I:

A non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the IT Act declaring therein that the provisions of this Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the IT Act shall apply.

To Other Non Resident Shareholders:

1. Exemption under Section 10(34):

Any income by way of dividends (whether interim or final) referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

2. Exemption under Section 10(38):

Any income arising from the transfer of a long term capital asset being an equity share in a Company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

3. Under Section 48:

Capital Gains arising out of transfer of capital asset being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gain shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.

4. Exemption under Section 54EC:

Long-term capital gains (other than those exempt under Section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

(a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

(b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted (earlier) shall be chargeable to tax during the year of such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed Rs.50 lakhs.

5. Exemption under Section 54F:

Subject to the conditions specified under Section 54F, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer. If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of the new asset bears to the net consideration. However, in case the new asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted (earlier) shall be chargeable to tax during the year such transfer or conversion.

6. Benefit under Section 90(2):

Provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non Resident would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non Resident.

7. Tax Rate under Section 111A:

Short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess and secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

8. Tax Rate under Section 112:

In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

a) 20 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed after indexation of the cost.

Or

b) 10 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed without indexation.

However, as per second proviso of Section 48, benefit of indexation is not available to Non Residents.

To Mutual funds

1. Benefit under Section 10(23D):

Mutual Funds registered under the Securities and Exchange Board of India or regulations made thereunder or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

To Foreign institutional investors ('FIIs')

1. Exemption under Section 10(34):

Any income by way of dividends (whether interim or final) referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

2. Exemption under Section 10(38):

Any income arising from the transfer of a long term capital asset being an equity share in a Company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

3. Exemption under Section 54EC:

Long-term capital gains (other than those exempt under Section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

(a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

(b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted (earlier) shall be chargeable to tax during the year of such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed Rs.50 lakhs.

4. Benefit under Section 90(2):

Provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.

5. Under Section 115AD (1) (ii) and 115 (1) (iii):

As per the provisions of Section 115 AD of the IT Act, FIIs will be taxed on the capital gains that are not exempt under Section 10(38) of the IT Act at the following rates:

Nature of Income	Rate of Tax (%)
Long Term Capital Gain	10
Short Term Capital Gain	30



The above tax rates would be increased by the applicable surcharge, education cess and secondary and higher education cess. The benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the IT Act are not available to FIIs. According to Section 111A of the IT Act, short term capital gains on sale of equity shares where the transaction of sale is chargeable to securities transaction tax shall be subject to tax at a rate of 15% (plus surcharge, education cess and secondary and higher education cess).

To venture capital companies/ funds

1. Exemption under Section 10(23FB):

Any income of Venture Capital companies/ Funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the IT Act, any income derived by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

Under The Wealth Tax Act, 1957:

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

Notes:

- *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 equity shares;*
- *The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws, including as laid down by the circular 4/2007 dated 15th June 2007 issued by CBDT concerning capital gain, for availing concessions in relation to capital gains tax;*
- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 issue;*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and*
- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint share holders.*

SECTION VI – ABOUT US

INDUSTRY OVERVIEW

The Health Industry

The health industry has emerged as one of the most challenging sectors as well as one of the largest service sector industries in India with estimated revenue of US\$35 billion; it constitutes 5.2% of India's GDP and employs 4 million people. The Indian health industry is expected to grow at 15% per annum to US\$78.6 billion, reaching 6.1% of GDP and employing 9 million people by 2012.

Recognizing the significant potential and challenges in the health sector, the government has prioritized it in the Eleventh Five Year Plan. The private sector plays a significant role by contributing 4.3% of GDP and 80% share of healthcare provision. However, deficiencies persist with respect to access, affordability, efficiency, quality and effectiveness, despite the high level of overall private and public expenditure on health.

In order to be comparable with the healthcare parameters of other developing countries, India's healthcare sector faces many challenges. For example, to reach a ratio of two beds per 1000 population by 2025, an additional 177 billion beds will be required which will need a total investment of US\$86 billion. There is an acute shortage of doctors, nurses, technicians and healthcare administrators and an additional 0.7 million doctors are needed to reach a doctor population ratio of 1:1000 by 2025. Although the health insurance sector is projected to grow to US\$3.8 billion in collected premiums by 2012 from the annual collected premium of US\$711 million in 2006, there is a dismal health insurance penetration rate; at present only 2% of the total population is insured.

For the desired changes and a healthy growth of the healthcare sector, a well-defined partnership between the government and the private sector is essential.

Source: Ficci.com

Growth in the Healthcare Sector

The healthcare industry in the country, which comprises hospital and allied sectors, is projected to grow 23 per cent per annum to touch US\$ 77 billion by 2012 from the current estimated size of US\$ 35 billion, according to a Yes Bank and an industry body report published in November 2009. According to the report, diagnostics would contribute US\$ 2.5 billion to the healthcare industry by 2012.

An increasing number of public and private healthcare facilities are expected to propel demand for the industry, accounting for another US\$ 6.7 billion in this period.

The sector has registered a growth of 9.3 per cent between 2000-2009, comparable to the sectoral growth rate of other emerging economies such as China, Brazil and Mexico. According to the report, the growth in the sector would be driven by healthcare facilities, private and public sector, medical diagnostic and pathlabs and the medical insurance sector.

Source: www.ibef.com

Investments in Healthcare

As per data released by the Department of Industrial Policy and Promotion (DIPP), the drugs and pharmaceuticals sector has attracted FDI worth US\$ 1.66 billion between April 2000 and January 2010, while hospitals and diagnostic centres have received FDI worth US\$ 761.18 million in the same period.

Healthcare major, Fortis Hospitals plans to invest US\$ 53.7 million, to expand its facilities pan-India.

Moreover, in March 2010, Fortis Healthcare announced the largest overseas acquisition by an Indian company in the healthcare space. It bought the entire 23.9 per cent stake held by TPG Capital in Singapore's Parkway Holding Ltd for US\$ 686 million.

Asia's leading hospital chain, Columbia Asia Group, which already has six hospitals in the country, plans to ramp-up its operations in India by opening eight more multi-speciality community hospitals with a total capacity of 800 beds by mid-2012. The group has earmarked a total investment of US\$ 177.1 million for the 14 hospitals.

Notwithstanding the current economic slowdown, the US\$ 2.26 billion Indian wellness services market is expected to grow at about 30-35 per cent for the next five years on the back of rising consumerism, globalization and changing lifestyles, according to a FICCI-Ernst & Young study.

Source: www.ibef.com/ FICCI-E&Y study

Government Initiative for Healthcare Sector

The Government launched the National Rural Health Mission (NRHM) in 2005. It aims to provide quality healthcare for all and increase the expenditure on healthcare from 0.9 per cent of GDP to 2-3 per cent of GDP by 2012.

During the 2009 interim budget, the government allocated US\$ 2.42 billion for NRHM.

The Tamil Nadu government has allocated US\$ 698.16 million for health and family care for the year 2009-10, up from US\$ 564.34 million a year ago. The increased budget includes creating a mega blood bank—Asia's largest—in Chennai and upgrading several hospitals, besides launching a new insurance scheme.

The government has announced a US\$ 63.2 million initiative to promote domestic manufacture of medical devices such as stents, catheters, heart valves and orthopedic implants that will lead to lower prices of these critical equipment.

Source: ibef.org

Evolution of Wellness Industry

Wellness of the body and mind has become a biological need in the 21st century. Earlier, masses were not so conscious about their looks & body image. Their idea of Wellness was limited to basic skin and hair care. People preferred home cooked food and there were fixed working hours. Then there was a phase which showed a growing obsession with appearance. The focus was shifted to treatment based & beauty enhancing products. Also, junk food was preferred over home food and lifestyle changed with longer working hours. Nowadays, people look at 'holistic wellness' i.e. outward appearance and mental peace. There are a range of products to use, from natural & organic to ayurvedic & allopathic. The preference to fast food & ready to eat meals and a sedentary lifestyle has resulted in an ever growing need for exercise and body enhancing cosmetic surgeries.

Wellness Industry in India

Wellness is closely linked to the overall achievement of an individual's needs. Wellness is driven by five main needs – Biological, Esteem, Aesthetic, Cognitive and Self-Actualization. These individual needs are being influenced by changing and evolving lifestyle trends. Wellness is linked to a selected set of clearly identified and explicit needs like

- Keeping Fit
- Protect skin
- Exercise and de-stressing
- Peace of mind

Wellness as an offering has been prevalent since the ancient times in India. The pioneering work of our ancestors in the areas of ayurveda and traditional medicine stand as leading lights for many users and practitioners to this date. What has changed since then has been the dedication that entrepreneurs, practitioners and regulators in this space have shown to kick-start the organized industry in India.

The wellness industry is classified into seven core segments within different products and services, such as



- Allopathy
- Alternative therapies
- Beauty
- Counseling
- Fitness and slimming
- Nutrition
- Rejuvenation.

Beneficiaries

The innate human desire for achieving balances, both in body and mind, is at risk in our fast-paced society today. Rising stress levels for individuals is threatening the stability of physical and mental faculties. Added to that, societal changes and exposure to an international lifestyle has prompted more than a generation of our society to seek assistance in achieving this balance. It is this large bedrock of users with diverse backgrounds, distributed locations and strong financial ability that we believe the wellness industry in India needs to tap into.

Wellness offerings have also seen increased demand from corporate clients. A greater corporate focus on employee welfare and a desire to inculcate beneficial wellness practices into employees' lifestyles has resulted in a new breed of corporate clients for wellness players.

Estimating India's market for 'wellness' services at Rs.110 billion (\$2.2 billion), it is projected this industry to grow at an annual rate of 30-35 percent.

'This growth is expected on the back of favourable market demographics, consumerism, globalisation, changing lifestyles, increasing availability across categories and regions and rising awareness among people,' says the joint report of the Federation of Indian Chambers of Commerce and Industry (FICCI) and Ernst and Young.

According to the report, the increasing level of activity is arising from the entry of several providers such as organised Indian and international players, expansion by existing companies, strategic alliances and interest among private equity investors and hospitality and realty industries.

Growth of Wellness Industry in India

Wellness, Exploring the Untapped Potential, a FICCI-Ernst & Young (EY) initiative studied this upcoming industry very closely in terms of growth and potential for future.

The wellness industry comprises two segments

- Wellness services
- Wellness products

At the end of 2008, the wellness services market stood at Rs 11,000 crore and the wellness products industry was around Rs 16,000 crore. With an overall estimated CAGR (compound annual growth rate) of over 20% till 2012, this combination of products and services represents the untapped potential that we seek to communicate to the various stakeholders in the wellness industry through the report.

The FICCI-EY wellness report, has adopted a forward looking approach to identifying key opportunities, challenges and potential solutions that an emerging industry sector might face in its journey through the phase of growth. The report identifies an ecosystem consisting of users, providers and facilitators that are referred to as the wellness economy. Each of the stakeholders within the wellness economy plays a critical part in growing the wellness space.

The Indian Wellness Service market is expected to be buoyant and has the potential to sustain a compounded annual growth rate (CAGR) of approximately 30-35% for the next 5 years, says the FICCI-E&Y study report. This growth is also evident by robust performance of Indian companies. The growth is aided by large and growing addressable retail consumer base. The attractiveness is also due to high presence of unorganized players leading to the need for corporate and organized brands. Across segments, on an average more than 50% of the market is unorganized and highly segmented with several small and regional players. Further India's

‘Wellness’ space is still at a nascent stage as compared to international markets thus representing significant opportunities to grow this market. The growth in the ‘Wellness’ space is expected to be fuelled by the large and growing addressable retail consumer class. This class of population is also backed by a strong growth in their disposable income resulting in increasing household consumption.

An insight of the prominent sub sects of Wellness Industry

The growth drivers of this industry are the increasing consciousness of one’s looks along with a desire for quick- fix solutions and growing influence of western lifestyle. Impetus is also provided by the growing medical tourism industry in India due to the high cost advantage. These segments are at a very nascent stage as compared to international markets. Further a few large players with most players being regionally focused also indicates the infancy stage of these segments.

Some of the double digit growth segments are Spas, Cosmetic surgery, and treatment based beauty products etc.

Cosmetic surgery was originally designed to restructure the face of the wounded or deformed. As time has passed, cosmetic procedures have become routine surgeries used to optimize the features of people’s faces, making them look more attractive and youthful. Cosmetic procedures, plastic surgery, botox (LINK BOTOX)], and liposuction can enhance the features of bodies, but they cannot replace the importance of maintaining a healthy and fit body with careful meal choices and routine exercise.

Dermatology treats disorders relating to the skin, hair, and nails. Skin being an outer protective covering of the body, is exposed to the environment, which makes it vulnerable to growths, rashes, discoloration, cysts, burns, injuries, infections, and other disorders. There are many common skin disorders like Bacterial Skin Infections, Fungal Skin Infections, Viral Skin Infections, Viral Exanthems (Rashes), and Parasitic Skin Infections that require the clinical care of a physician or other healthcare professional. Today the dermatology market remains highly competitive, with developers ranging from Big Pharma to biotechnology and specialty pharmaceutical firms.

Dentistry is mainly concerned with tooth decay, disease of the supporting structures, such as the gums, and faulty positioning of the teeth. Dentistry began with tooth extraction. However fillings of lead, tin, and gold and devising artificial dentures marked the beginning of modern Dentistry. Today, the new developments in dentistry include the implantation of artificial teeth or binding posts into the gums or jawbone; antibiotic fiber for periodontal disease; root canal surgery, a procedure that ameliorates pain while permitting teeth to remain in place; and nearly painless lasers to repair dental cavities, usually making local anesthesia unnecessary.

The ‘**med spa**’ segment of the wellness industry is today, an opportunity brimming with possibilities of significant growth. Moreover this segment doesn’t require a huge capital investment and is mainly dominated by unorganized players which leave lots of room for expansion and consolidation at a later stage when huge business houses enter this arena.

OUR BUSINESS OVERVIEW

History of our Company:

Our company was incorporated pursuant to a Joint Venture Agreement between Birla Wellness & Healthcare Pvt. Ltd., Pacific Healthcare Holdings Limited and Dr. Abhijit Desai.

Birla Wellness & Healthcare Pvt Ltd, is part of the Yash Birla Group which is a leading industrial conglomerate in India.

Pacific Healthcare Holdings Ltd, (PHH) is a company incorporated on January 26, 2001 under the laws of Singapore and through its affiliates, related companies and subsidiaries has a network of clinics and specialist centers offering a wide range of healthcare services, which include specialist medical and dental services, wellness and day surgery centres and nursing home facilities.

PHH is a Singapore Stock Exchange listed company. It was formed through the amalgamation of several medical specialist and dental practices, following which PHH became the holding company of the group. The Directors of PHH are as under:

Name	Designation
1. Mr. Chandra Mohan	Director
2. Lee Kiam Hwee	Director
3. Chong Lai Leong William Dr	Director
4. Kwan Benny Ahadi	Director
5. Marcel Han Liong Tjia	Director
6. Sri Widati Ernawan Putri	Director

Source: <http://www.pachealthholdings.com>

Dr Abhijit Desai, is a dermatologist and a Director and shareholder in PacHealth Medical Services Private Limited, a Company jointly promoted by PHH and its associate Dr. Desai in Mumbai for carrying on the business of medical spa for providing a holistic system of healthcare.

Accordingly, our company was incorporated on 15th July 2008 to carry on in India and abroad the business of beauty and healthcare treatments, health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments, Sanatorium centers, and to manufacture soaps consumables, oils, medicines, body sprays and scents, creams, powders, natural and artificial skin and hair conditioners. However presently our company is not carrying on the business of manufacturing soaps, oils etc.

It was agreed by and between the parties vide clause 4.3 of the Joint Venture agreement dated 15th April 2008 between our promoter company Birla Wellness and Healthcare Pvt. Ltd., PHH and Dr. Abhijit Desai that our company's shareholding pattern would be such that the shareholding of Yash Birla Group and that of PHH taken together with shareholding of its associate Dr. Abhijit Desai would be always equal. It was agreed that for the purposes of the JV Agreement, the shareholdings of PHH and Dr. Desai would be always taken together.

Clause 17.1 of the Joint Venture Agreement provided that the said JV agreement would cease to be operative, if the shareholding of either party fell below 25% at any point of time. The shareholding of PHH has been reduced to 17.82% on 25th June, 2010 and consequently, the JV agreement has ceased to be operative and as a result PHH and associates have ceased to be co-promoters of our company. However, PHH vide their letter dated July 2, 2010, have informed as under:



- a) They have assured support to our company in all our endeavours;
- b) They will continue to be associated with our company only as a shareholder and participate in the growth of the company;
- c) They have conveyed their no objection to continued usage of PHH logo and the words "Pacific" in the name of our company;
- d) They have confirmed that they or their associates shall not directly or indirectly be involved in any business in India which is in direct competition with our business;
- e) In the event of PHH deciding to divest their shareholding in our company, the Yash Birla Group shall have the right of first refusal for a period of 30 days.
- f) Dr. William Chong, the promoter and principal shareholder of PHH has assured that he will be personally available to provide any business related advice for our company which may facilitate our future plans.

Business Transfer

Clause 8.1 of the JV Agreement provided for our company on incorporation and capitalization, to acquire the business undertaking of PacHealth Medical Services Private Limited. PacHealth Medical Services Private Limited was engaged in the business of providing a wide range of healthcare services including specialist medical and dental services, wellness and day surgery centres and was operating such a centre in Mumbai at Prabhadevi. PacHealth Medical Services Private Limited was promoted by Pacific Healthcare Holdings Ltd., Singapore and Dr. Abhijit Desai.

We acquired the business undertaking of PacHealth Medical Services Private Limited on slump sale basis through a Business Transfer Agreement dated November 14, 2008 and supplemental agreement dated March 18, 2009 for a total consideration of Rs. 410 lacs. The rationale for acquiring the business on slump sale basis was that it was found advisable to incorporate a new company and structure its shareholding in terms of the JV agreement and then take over the running business of PacMed through a slump sale since the procedure was simpler and faster. The consideration for acquisition was arrived at based on the capital employed by PacHealth Medical Services Private Limited at the Cosmetic, Medical and Dental Centre at Prabhadevi in Mumbai on the basis of the Balance sheet as on 30th November 2008. The aforesaid agreements resulted in our company acquiring the business undertaking of PacHealth Medical Services Private Limited on a going concern basis.

The JV agreement further provided that within 90 days of transfer of business undertaking of PacHealth Medical Services Private Limited, effective steps would be taken for its liquidation. However, no effective steps have been taken in this regard and PacHealth Medical Services Private Limited continues to exist but does not have any business operations. The non-initiation of the process of liquidation of PacMed is due to procedural reasons, and one of its major shareholders include PHH, a listed company on the Singapore stock Exchange. Further PacHealth Medical Services Pvt Ltd had given an undertaking that they will not directly or indirectly be involved in any business which is in direct competition with our business.

The Business Transfer Agreement provided, inter alia, that 'Business Undertaking' shall consist of the movable assets being the plant, machinery, equipment, apparatus, furniture and other articles and effects, Memorabilia, unfinished and finished merchandise, all customer lists and vendor lists, of PacHealth Medical Services Private Limited to the extent relating to the undertaking(s), wherever located, and all files and documents (including credit information and other business and financial records, files, books and documents (whether in hard copy or computer format) of PacHealth Medical Services Private Limited relating to the undertaking, the technical and other know-how manuals data, software(s), floppies, compact discs, all advertising, marketing, sales and promotional materials, all rights of PacHealth Medical Services Private Limited under all sales and purchase orders, and under all bids and offers to the extent such offers are transferable and all of such assets relating to the undertaking and capable of being delivered by physical delivery. The undertakings comprising the said Moveable Assets, the Insurance Policies, the Licenses and Permissions, the Agreements, the Transferring Employees are collectively referred to as the "Business Undertaking".

ABOUT OUR BUSINESS

We presently operate our med spa centres under the brand name “EVOLVE”. A med spa or medical spa is a hybrid between a medical clinic and a day spa and operates under the supervision of medical doctor. Each of our med spa centres is doctor-led and is designed to offer scientific makeover solutions for enhancing one’s beauty. We have a panel of doctors who are qualified and experienced in their respective specialties. Using the state-of-the-art equipments at our centres, they provide patient-centric solutions for safe treatments. All consultations and procedures are carried out with utmost privacy and in pleasant, comfortable and specially designed rooms.

Concept of Evolve MedSpa

We are setting up a chain of medical wellness centres throughout India focusing on cosmetic surgery, cosmetic dermatology and dentistry which will operate under the brand name of EVOLVE.

Our centres in Mumbai at Walkeshwar, Andheri, Bandra, Worli and Borivali are already operational. In addition to above company-operated centres, The Company intends to discontinue the practice of opening Franchisee Centres. However the two Franchisee centres operating at Thane and Chennai. the company has franchisee centres at Chennai and Thane, Maharashtra which will continue to operate till the date of conclusion of their agreement. i.e January 31, 2014 and 1st June, 2012 respectively. As the Company intends to discontinue the practice of opening Franchisee Centres.

I. Rationale of Business Model

With the increase in affluence in India, there is a corresponding increase in awareness of beauty and cosmetic treatments. Media attention has also triggered demand for services relating to beauty and skincare. There is also a growing youth population getting beauty conscious and having good spending power. Further, there are very few corporate single-stop set-up for all beauty related medical procedures in India which gives us an edge over local unorganized competition. The organized players in the segment normally offer treatments which are not doctor-led but technician-led which approach is likely to lose acceptability in the coming years as awareness increases.

Our business model is drawn from the experience of our erstwhile JV partner PHH, who are one of the leading healthcare providers based in Singapore and cater to clientele from several countries. PHH is an integrated healthcare provider offering a comprehensive range of services in specialist medical care, general practice medicine, dentistry, health screening, wellness services, as well as the operation of nursing homes, day surgery centres and a compounding pharmacy. Its integrated healthcare services allows patients to be treated in a multi-disciplinary manner supported by a team of more than 100 dedicated healthcare professionals through a wide network of clinics and facilities designed for the patients’ total health and well-being.

II. Description Of Services

Evolve Med Spa, offers comprehensive treatments in the areas of Cosmetic Dermatology, Cosmetic Surgery and Advanced Dentistry. It also offers a range of spa services – wet & dry under its wellness initiative.

Some of the standard services offered by Evolve are as under:

Cosmetic Dermatology:

a. Botox & Filler

Botox is an U.S. FDA approved option to temporarily reduce frown lines, and wrinkles. Wrinkle is the thin, creased and sagging skin that is noticeable on the face, neck and hands. The effect lasts for 4-6 months.



Fillers are used to plump thin lips, enhance shallow contours, soften facial creases and smoothen the furrows of aging. The effect lasts for 8-12 months. As a person ages, tissues begin to sag due to the effects of gravity, sun exposure, diet, genetics, and years of facial movement and expression. All these factors contribute to the development of lines, wrinkles and folds in the face. Fillers give shape with the body's own natural material called collagen or hyaluronic acid.

The result is instantaneous and produces a natural enhancement that is gentle and safe to persons's skin.

b. Laser Hair Reduction

Laser hair removal is a gentle and effective way to permanently reduce unwanted hair from virtually any area of the body.

c. Skin Tightening

Laser skin tightening is a minimally invasive, non-surgical process that uses an infrared light source (a laser) to tighten skin by heating the collagen under the skin's surface, causing the skin to contract (tighten). Facial skin tightening is noticeable immediately after the treatment, and there is no downtime, making this an increasingly popular procedure. Additional skin tightening occurs over the next few months, but optimal results usually require two or three treatments about a month apart.

d. Skin Rejuvenation

Skin rejuvenation is a treatment to resurface a person's skin, or to improve the texture, clarity and overall appearance of skin. Skin rejuvenation can be achieved in a number of ways, ranging from laser, light and other energy-based treatments to chemical peels and other non-ablative methods. The result is a smoother, clearer and more youthful appearance to the person's skin

e. Microdermabrasion

Microdermabrasion is a technique for removing the topmost layer of skin leaving it supple and vibrant. The DiamondTome™ Wand removes this layer of skin by gently exfoliating the skin with natural diamond chips, while at the same time vacuuming the dead skin cells away in a sterile and controlled manner. Removing this outer layer of dead skin cells leaves a smoother texture and promotes the growth of healthy new skin cells.

Cosmetic Surgery:

a. Liposuction

Lipolysis is breaking of the upper layer of the body fat with the help of ultra sonic rays, after breaking the body fat the next step is toning and tightening of the skin and reshaping of the body, in every sitting the patient loses at least 2 ½ inches overall in the full area covered, minimum of 6-8 sittings are required for this treatment.

b. Face Lift

Technically known as rhytidectomy, a facelift is a surgical procedure to improve visible signs of aging in the face and neck, such as sagging in the midface, deep creases below the lower eyelids, deep creases along the nose extending to the corner of the mouth, fat that has fallen or is displaced, loss of muscle tone in the lower face may create jowls, loose skin and excess fatty deposits under the chin and jaw can make even a person of normal weight appear to have a double chin

c. Breast Augmentation & Reduction

It is a surgical procedure done to enlarge the size of a woman's breast. It is commonly done after breast feeding or for small breasts. Breast implant is a medical device used to enlarge the size of a woman's breasts. Breast implants contain an outer silicone shell that contains a filler material, which provides the implant its size and shape. The filler material used in breast implants may be saline (salt water) or silicone. Silicone breast implants provide the most natural look and feel.

d. Rhinoplasty

Rhinoplasty is a surgical procedure which is usually performed to improve the function and/or the appearance of a human nose. Rhinoplasty is also commonly called a "nose reshaping" or "nose job". Rhinoplasty can be performed to meet aesthetic goals or for reconstructive purposes to correct trauma,



birth defects or breathing problems. It can be combined with other surgical procedures such as chin augmentation to enhance the aesthetic results. Recovery period is 1 week.

- e. **Hair Transplant**
Hair loss is primarily caused by a combination of aging, a change in hormones, and a family history of baldness. As a rule, the earlier hair loss begins, the more severe the baldness will become. Hair loss can also be caused by burns or trauma, in which case hair replacement surgery is considered a reconstructive treatment. Hair transplantation involves removing small pieces of hair-bearing scalp grafts from a donor site and relocating them to a bald or thinning area. Grafts differ by size and shape.
- f. **I-lipo**
iLipo™ is the latest in laser lipolysis, offering a way to achieve inch loss and body contouring with no pain, no needles and no down time. I-lipo is a low level laser diode system and therefore is painless and completely safe. It can target fat reduction in specific problem area.

Advanced Dentistry:

- a. **Dental Implants**
Complete dentures are fabricated when the patient has all of his or her teeth missing. It generally takes 4 or sometimes more appointments to make a set of standard dentures.
- b. **Pediatric Dentistry**
Paediatric dentistry is an age defined speciality that provides both primary and comprehensive preventive and therapeutic oral health care for infant and children through adolescence, including those with special health care needs. The present trends in pediatric dentistry comprises of Preventive dentistry, Public health care, Child psychology and management, Clinical dentistry, Preventive and interceptive orthodontics, Special care dentistry.
- c. **Single sitting root canal**
The purpose of root canal treatment is to create an end result where the tissues that surround a tooth's root will maintain a healthy status despite the fact that the tooth's nerve has undergone degenerative changes.

Evolve had been chosen as the Smile, Makeover and Wellness Partner by the prestigious beauty pageant Pantaloons Femina Miss India 2009.

III. Description Of Company Operated Facilities

Walkeshwar, Mumbai

The medical centre is located at Dongershey Road in the prime area of Walkeshwar. It is on the ground floor of a multi storey building and has a gross floor area of 2500 sq ft of which 1900 sq ft is used for medical treatments and 600 sq ft is used for spa business. This centre consists of 1 dental room, 1 dermat room, 1 slimming and 1 lasik room. In addition to above, there are 3 rooms focusing on spa and reflexology business.

Bandra, Mumbai

The medical centre is located on the bustling Hill Road in Bandra, the prime western suburb of Mumbai. It is on the ground floor of multi story building and is spread on a gross floor area of 1500 sq ft. It has a full fledged dermatology and dental set up along with an exclusive area catering to i-lipo & slimming services.

Andheri, Mumbai

The centre is located off New Link Road at Andheri West. It is on the ground floor and is spread on a gross floor area of 1950 sq ft. It has a full fledged dermatology and dental set up. I-lipo & slimming services have been introduced with effect from 1st August 2010.

Atria Mall, Worli, Mumbai

It is located at the prime Atria mall at Worli near Haji Ali with a carpet area of 725 square feet. It has full fledged dermatology, dental, slimming & i-lipo services.

Borivali, Mumbai

The centre is located at Purva Plaza, Shimpoli Road, Opp. Reliance Energy, Borivali (West) near the railway station. It is spread on a gross floor area of 1026 sq. ft. It has full fledged dermatology, dental slimming & i-lipo services.

IV. Description Of Franchisee Owned Facilities

Thane, Maharashtra

This medical centre is located on the Tiku Ji Ni Wadi Road in Thane (about 35 kms off Mumbai) on the first floor of a multi storied building. The centre is run by a qualified plastic surgeon Dr Sameer Karkhanis and is equipped with two state of art operation theatres with seven recovery beds and a full fledged dermatology set up.

Chennai

Our Evolve centre operates from the premises of Le Waterina Resort & Spa located at Sriperumbudur and Thiruvannamiyur, Chennai.

The Company intends to discontinue the practice of opening Franchisee Centres. However the two Franchisee centres operating at Thane and Chennai will continue to operate till the date of conclusion of their agreement. i.e January 31, 2014 and 1st June, 2012 respectively.

Some of our facilities



Dental Imaging



Dental Operator



Dental Operator



Dermatology Laser



Dental Operator



Dental Operator



Dermatology



Operating Room



Spa Room



Dental Room



Dental Room



Dermatology Consultation Room

Source: www.evolvedmedspa.org

COMPETITION

There are not many corporate single-stop set-up for different beauty related medical procedures in India which gives our company an edge over local competition. The few organized players in the segment also offer treatments which are not Doctor-led but technician-led which, with increased awareness, is likely to lose acceptability in coming years. We believe, with the experience of our erstwhile JV partner PHH, who has assured their continued support in the operations of the company, in the field of healthcare services and the business experience of the Yash Birla Group, we are well-placed to successfully compete in our business.

BUSINESS STRATEGY

We propose to set up Evolve Medspa centres across Tier I and Tier II cities in India. The present business plan in relation to which the Issue is being made envisages further expansion by setting up additional 55 centres in various parts of India. These centres would be set up as our own centres. We do not propose to aggressively promote the franchisee model for our business expansion and will adopt franchisee model only in exceptional cases where we are able to identify qualified and experienced medical professional willing to align with our business concept and model.

The scope of services offered by our Evolve Medspa is designed so that it becomes a one stop shop for most beauty and cosmetic treatments ranging from cosmetic surgery, cosmetic dermatology and dentistry. Our business strategy is thus one of its kind in India. The approach of our company is completely doctor-led right from counseling to post evaluation. Currently, we have a panel of 12 doctors who offer their services as consultants on part-time basis, at our centres. The panel comprises specialists from the fields of dental care, dermatology and cosmetic surgery.

Presently, some of our centres are equipped with in-house operation theatres with cutting edge technologies and in-house recovery rooms of international standards. The expansion plan that we are unfolding, also envisages such facilities in some of the centres. We believe that these attributes would make our company an integrated wellness outfit with competitive pricing.

MARKETING STRATEGY

Our company through its Evolve centres, is positioned on the med spa platform, which clearly differentiates it from the other players. We ensure that the people who provide the treatments are qualified doctors and not just plain technicians. Moreover, our brand Evolve has been launched as a 'one stop shop' for end to end makeover solutions; be it cosmetic dermatology, cosmetic surgery, advanced dentistry, weight reduction programs and surgeries. We offer a complete experience in the Med Spa category.

In view of the growing corporate focus on employee welfare and a desire to inculcate beneficial wellness practices into employees' lifestyles, we have plans to develop corporate clientele by offering healthcare packages to their employees.

Value leadership over cost leadership is the driving force of Evolve which has helped build both market share and mind share. We have an in-house panel of well qualified and specialist doctors. Cross referral opportunities from over 12 specialist doctors spread across the city of Mumbai who are in our panel enables reference and cross selling of our services. Yash Birla Group, as an established industrial group in India, will enable us in gaining trust of our Indian customers.

Our company's vision is to become the preferred choice for end-to-end make over solutions, in a scientific manner for the discerning consumers who would not want to compromise on the quality; method and professionalism. The focus will continue with long term brand building using effective print and television vehicles coupled with strong experiential marketing program using below the line execution experts for participation in exhibitions, trade fairs, medical tourism fairs, in mall promotions and other potential places. We

will also focus on internet marketing to promote our brand in other countries to drive footfalls in our centres in India.

OUR COMPETITIVE STRENGTH

In the Indian Medspa market, there are several small and medium sized players offering services in the cosmetic and beauty treatments. But most of them, often managed by one or two doctors, specialize in any one particular service say cosmetic dermatology or cosmetic dentistry or any other activity such as slimming/weight loss and other cosmetic surgeries. When a customer approaches these small/ medium sized players, very often it leads to vicious circle of referrals. In case of Evolve, it's a completely doctor led approach starting from counseling to post evaluation. We offer the latest medical related beauty treatments in the areas of cosmetic surgery, cosmetic dermatology and dentistry under the supervision of medical professionals and doctors from the respective field –offering everything under one roof. Despite being doctor led and expertise derived from our erstwhile JV partner, our services are offered at very competitive prices compared to our peers.

SWOT Analysis

Strengths

1. Goodwill of Yash Birla Group in India, an immediate trust factor to customers.
2. One-stop centre offering the latest in medical related beauty treatments under cosmetic surgery, cosmetic dermatology and dentistry – one of the first entrants in India offering everything under one roof.
3. Strong international reputation and experience of PHH, our erstwhile JV partner, who have conveyed their continued support and no objection to continue usage of the words “Pacific” in the name of our company.

Weaknesses

1. Dependence on specialised manpower mitigated by having lead doctor with equity interest and expertise of Pacific healthcare.
2. Equipment obsolescence mitigated by the fact that this is new technology, i.e. only 2 years old and expected to be in vogue for 7 years.

Opportunities

1. Increasing media attention on cosmetics
2. Inherent interest in cosmetics in Mumbai, best known for setting fashion and trends throughout India
3. Increasing wealth in India increases number of customers seeking latest treatment
4. Growing youth population getting beauty conscious with significant spending power

Threats

1. Other players in market mitigated by being part of Yash Birla group
2. Slow down in India mitigated by having centres with lower break even values

Insurance Policies

The following have been covered under an Umbrella policy. The details are as under:

S.No.	Policy No	Description	Expiry date	Sum Assured (Amt in Rs.)	Premium amount (Amt in Rs.)	Insurance Company
1.	124201/48/2012/10	Office Contents	31 st March 2012 midnight	40,009,736	30,007	The Oriental Insurance Company Ltd.
2.	124201/48/2012/10	Money Insurance (In Transit)	31 st March 2012 midnight	100,000	200	The Oriental Insurance Company Ltd.



3.	124201/48/2012/10	Baggage	31 st March 2012 midnight	50,000	250	The Oriental Insurance Company Ltd.
4.	124201/48/2012/10	Public Liability	31 st March 2012 midnight	10,000,000	8,000	The Oriental Insurance Company Ltd.

PROPERTY - Leasehold Property

Sr. No.	Leave and License Agreement Date	Name of the Licensor	Location	Area (Sq. ft.)	Period	Consideration (Rs.)
1	15/01/2009	Daanish Syscom Ltd.	Natasha Co-op. Hsg. Soc. Ltd, 52, Hill Road, Bandra West, Mumbai - 400 052	750	5 years ending 31st December 2013	Rent: 1,00,000 per month Security Deposit: 3,00,000*
2	5/12/2009	Daanish Syscom Ltd.	(Mezzanine Floor) Natasha Co-op. Hsg. Soc. Ltd, 52, Hill Road, Bandra West, Mumbai - 400 052	750	5 years ending 4th December 2014	Rent: 1,00,000 per month Security Deposit: 3,00,000*
3	29/04/2009 and as amended on 16/09/2009	Shanti Enterprises	Basement 2, Veena Apts, Walkeshwar Road, Mumbai – 400 006	2500	5 years ending 30th November 2013	Rent: 5,12,500 per month Security Deposit: 41,25,000
4	19/09/2009	Nabila Faisal Saya	Abhisekh Premises Co-op Hsg Society, Plot no. C/5 Dalia Industrial Estate, Off New Link Road, Andheri W, Mumbai – 53	1930	5 years ending 18th September 2014	Rent: 1,75,500 per month Security Deposit: 10,53,000
5	09/08/2010	Rajshree B Jain	Unit No. 222, 2 nd Floor, Atria, The Millennium Mall, CSno. 54(part) Lower Parelivision, Dr. Annie Besant Road, Worli, Mumbai – 400 018	725	33 months from 9 th November 2010 to 8 th August 2013.	Rent: 1,20,000/- Security Deposit – 2,50,000/-
6	26/08/2010	Shree Balaji Enterprise	Purva Plaza, Shimpoli Road, Opp. Reliance Energy, Borivali (West), Mumbai – 400 092	1026	1 st June 2010 to 31 st May 2015	Rent: 50,000/- per month. Security Deposit 3,00,000/- **

* In addition to this, the Company has placed an advance of Rs 4,50,000 each with the owner of the property and a rent of Rs. 1,50,000/- each per month towards the amenities and services provided.

** In addition to this, the Company has placed an advance of Rs 3,00,000/- with the owner of the property and a rent of Rs. 50000/- per month towards the amenities and services provided.

Financial Indebtedness of our Company: Nil



KEY INDUSTRY REGULATIONS

There are no regulations specific to our industry.

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI, which is regulated by the FIPB.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Out side India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As laid down by the FEMA Regulations, no prior consents and approvals are required from the RBI, for FDI under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. Presently, investments in companies engaged in the med spa segment of wellness sector fall under the RBI’s ‘automatic route’ for FDI/NRI investment of up to 100%.

OUR HISTORY AND CORPORATE STRUCTURE

History and Major Events

Our Company was incorporated on 15th July 2008 under the name and style of Birla Pacific Medspa Private Ltd. and our Company was converted into a Public Limited Company and the name was changed to Birla Pacific Medpsa Limited on 14th July 2010.

Changes in Registered Office of the Company

There are no changes in the Registered Office of our Company. Since incorporation, it is situated at Dalamal House, 1st Floor, Nariman Point, Mumbai - 400021

Major events in the History of Our Company:

April 15, 2008	Joint Venture Agreement was entered into between the Yash Birla group and Pacific Healthcare, a company incorporated under the laws of Singapore and its associate Dr. Abhijit Desai to form our company namely Birla Pacific Medspa Pvt. Ltd.
July 15, 2008	Our company was incorporated under the name style of M/s Birla Pacific Medspa Private Ltd.
November 14, 2008	Business Transfer Agreement (as amended by supplemental agreement dated 18 th March 2009) between our Company & Pachealth Medical Services Private Limited for the purchase of the business undertaking of the latter on a slump-sale basis as a going concern and completed acquisition of Business Undertaking of PacHealth Medical Services Private Limited and commenced med spa operations at Prabhadevi in Mumbai under the brand name Evolve.
February 2, 2009	Opened centre at Walkeshwar, Mumbai,
February, 2009	Started Franchisee centre at Thane, Maharashtra
March 2009	Agreement with Bennet Coleman & Co. Ltd. for subscription to warrants entitling BCCL to apply for equity shares of our company for an aggregate amount of Rs. 1500 lacs.
April 7, 2009	Opened centre at Bandra, Mumbai.
May 2009	Started Franchisee centre at Chennai, Tamil Nadu
January 13, 2010	Opened centre at Andheri in Mumbai
March 2010	Prabhadevi centre merged with Bandra centre thus expanding the scope of services at Bandra centre
August 2008 / May 2010	Application for registration of Trade Marks “Evolve”
June 25, 2010	Consequent upon the shareholding of PHH reducing below 25% in the JV, the JV agreement stands automatically terminated pursuant to clause no. 17.1 of the JV agreement dated 15 th April 2008.
July 14, 2010	Converted into Public Limited company and name modified to Birla Pacific Medspa Ltd
July 2010	Evolve MedSpa won the “Best Med Spa” of The Year 2010 Award by Vogue, the up market fashion and lifestyle magazine in India.
August 2010	Started i-lipo first time at Evolve
August 14, 2010	Opened centre at Borivali, Mumbai
October 18 2010	Opened centre at Atria Mall, Worli, Mumbai
December 21 2010	BPML had signed a Limited Liability Partnership Agreement with 7 Gynecologists from Mumbai to form a “Birla IVF LLP”

Main Objects of our Company:

The main object of the company is to carry on in India and abroad the business of beauty and healthcare treatments in the areas of Cosmetic Dermatology, Cosmetic Surgery and Advanced Dentistry; spa services,

health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments, Sanatorium centers, and to manufacture soaps consumables, oils, medicines, body sprays and scents, creams, powders, natural and artificial skin and hair conditioners.

AMENDMENTS TO OUR MEMORANDUM/ ARTICLES OF ASSOCIATION

The amendments to our Memorandum and Articles of Association, apart from the changes in the Authorized Share Capital of the Company are as follows:

Sr. No.	Changes in Memorandum, Articles of Association	Date of General Meeting
1.	Adoption of Memorandum and Articles of Association	12 th August 2008 – Board Meeting
2.	The Articles of Association was amended by adding the Article No. 11A after Article No. 11 as follows: 'The company may issue any securities/ instruments, warrants, debentures, etc. convertible in part/ full at option of the company/security holder/ instrument holder into equity shares of the company. The Board of Directors would be authorized to issue such securities/ instruments to existing share holders in proportion to their shareholding or with consent of the existing share holders to any other person as the Board may deem fit.'	12 th March 2009 – EGM
3.	Adoption of new set of Articles of Association consequent upon the Company entering into a Share Cum Warrant Subscription Agreement of 24 th March 2009 with Bennett Coleman Company Ltd. by amending various clauses as per the conditions precedent of the said agreement	24 th April 2009 – EGM
4.	Adoption of new set of articles incorporating the provisions applicable to the public limited companies.	28 th May 2010 EGM
5.	Amendment in the object clause in the Memorandum of Association of the company incorporating the areas of Cosmetic Dermatology, Cosmetic Surgery, Advanced Dentistry and spa services as part of the business of the company	28 th May 2010 EGM

Changes in the Registered Office of the Company:

Since Inception the Company has been operating with Registered Office at Dalamal House, 1st Floor, 206, JB Marg, Nariman Point, Mumbai - 400021. There has been no change in the registered Office of the Company

The Subsidiaries

The Company does not have any Subsidiaries.

Shareholders Agreement

A Share Cum Warrant Subscription (SWS) Agreement has been entered between the Company & its promoters and Bennett, Coleman & Co. Ltd. dated March 24, 2009 and as amended by agreement dated May 5, 2010. BCCL has excised its Warrants on 21st July 2010 and 10714285 equity shares have been allotted to it @ Rs 14 per Share for an aggregate amount of Rs 1500 lacs. The price of Rs 14 per share has been arrived at based, on audited balance sheet as on 31st March 2010 (before restatement), wherein the NAV per share was Rs. 14.52 per share.

Key terms and conditions of the agreement

The company and its promoters have entered into a share cum warrant subscription agreement with Bennett Coleman & Co. Ltd.(BCCL) on 24th March 2009 as amended by agreement dated 5th May 2010 under which BCCL subscribed to 15 Warrants of aggregate value of Rs.10,000,000 per Warrant.

The main terms and conditions of the agreement/s are as under:

- 1) Each Warrant entitles BCCL to subscribe to and be allotted the BCCL Shares, calculated as follows:

$$\text{BCCL Shares} = \text{Warrant Exercise Amount} \div \text{Subscription Price}$$

The Subscription Price is Rs.14/- per Share (Rupees Fourteen only), which has been mutually agreed to between the Parties.

However the Company and the Promoters agree that in the event the IPO of the Shares of the Company and listing of the Subscription Shares is not completed on or before 30th June 2011, the Company shall, and the Promoters shall cause the Company to, issue and allot additional Shares to BCCL for no additional consideration such that the weighted average price of the BCCL Shares and such additional Shares allotted to BCCL shall be equal to Rs. 12/- (Rupees Twelve only). In the event the Company is unable to issue such additional Shares for no additional consideration, the Promoters shall sell such additional Shares for no additional consideration to BCCL, such that the weighted average price of the BCCL Shares and such additional Shares acquired by BCCL from the Promoters in the manner indicated herein shall be equal to Rs. 12 (Rupees Twelve only).
- 2) In the event the IPO of the shares of the Company and the listing of the Subscription Shares is completed on or prior to June 30, 2011 at a price per Share being less than Rs. 12/- (Rupees Twelve), the Promoters hereby covenant and undertake, jointly and severally, to transfer such number of Shares to BCCL for no additional consideration such that the weighted average price of the Subscription Shares together with the Shares transferred by the Promoters, or any of them, as the case may be, is equal to Rs. 12 (Rupees Twelve only). It is clarified that the transfer of Shares by the Promoters, or any of them, as the case may be, shall take place on the next succeeding Business Day after the completion of the statutory lock-in as per the applicable Law of the entire pre-issue share capital currently prescribed in clause 37 of Chapter IV of the ICDR Regulations, as may be amended from time to time. The Promoters, jointly and severally, undertake to keep available such number of Shares as may be required to fulfil their obligations in terms hereof and ensure that the same are not subject to the three year lock-in on a promoter's contribution under the ICDR Regulations. However, in case the shares proposed to be transferred by the promoters to BCCL is under the three year's lock in provisions of ICDR Regulations, then the said transfer will be effected after the completion of the three year lock-in. The Promoters shall issue necessary instructions to their depository participant for transfer of such Shares to BCCL.
- 3) The SWS Agreement shall terminate upon listing of the Subscription Shares on any recognized stock exchange in India, provided that all obligations arising prior to such listing shall continue to survive till such obligations are fulfilled.
- 4) The Company and the Promoters, jointly and severally, covenant that they shall use reasonable endeavours to cause an initial public offering of the Shares of the Company ("IPO") within a period of 5 (five) years from the date hereof, including but not limited to obtaining all consents and approvals (corporate and otherwise) for the same in accordance with applicable Laws.
- 5) The Company hereby agrees and covenants with BCCL that it shall make, and the Promoters shall cause the Company to make all necessary endeavours to ensure the growth of the Business. The Promoters shall not either by themselves, jointly and severally, or together with any other Person, directly or indirectly engage, in any venture the core business of which competes with the Business. The Company shall ensure that the Promoters shall not either by themselves, jointly and severally, or together with any other Person, directly or indirectly engage, in any business which competes with the Business. It is specifically clarified that Pacific Healthcare (India) Pte Ltd, Singapore shall not either by themselves, jointly and severally, or together with any other Person, directly or indirectly engage in the Business (as defined hereinabove) in the territory of India. Additionally, the Promoters shall continue to be associated on a full-time basis, exclusively with the Company in relation to the Business.



- 6) The Promoters and the Company hereby agree that any Intellectual Property rights developed or acquired in future through the Company or any of its personnel in relation to the Business, shall be registered in the name of the Company and shall be to the benefit of the Company, to the exclusion of all others, including the Promoters, in perpetuity on and from the date hereof. After the Closing Date, the Company shall have valid and enforceable rights to use all Intellectual property necessary for use in connection with its business.
- 7) The Promoters and the Company hereby undertake and agree that BCCL and/or any affiliate of BCCL shall not be represented to any Person or in any disclosure, named or deemed as a 'promoter' in the prospectus or any other documents related to a public offering or otherwise and shall not be required to offer or make available the Shares held by BCCL for the purposes of any mandatory lock-in as applicable to 'promoters' under the SEBI (ICDR) Regulations in respect of public offerings or otherwise, nor shall any declaration or statement be made in this regard or in respect of making BCCL a "person acting in concert" with the Promoters (or any of them, as the case may be) either directly or indirectly in filings with regulatory or governmental authorities as also stock exchanges, offer documents or otherwise. The Company hereby covenants that it shall not sell license assign or in manner part with all or a part of its rights to any of the brands currently owned by the Company or acquired by the Company in future without having obtained the prior written consent of BCCL.
- 8) The Company hereby covenants that it shall not sell license assign or in manner part with all or a part of its rights to any of the brands currently owned by the Company or acquired by the Company in future without having obtained the prior written consent of BCCL.
- 9) The Company hereby agrees and covenants with BCCL that the Company shall and the Promoters shall cause the Company to take all necessary steps to ensure that all transactions of the Company with related parties shall take place on arms-length basis.
- 10) The Promoters shall not Transfer any part of their shareholding in the Company without the prior written consent of BCCL. Further the Promoters shall make available to BCCL details, including as to price, of all sales carried out in terms of Tag Along clause, not later than 7 (Seven) days from the date of entering into an agreement for such sale. Provided that this Article shall not be applicable to Transfer of Shares inter-se Promoters.
- 11) The Promoters and the Company agree that the Company shall not be merged with any other company, any division demerged, or in any way restructured without obtaining the prior written consent of BCCL for the scheme of merger, demerger or other restructuring as the case may be.
- 12) The Company and the Promoters hereby agree and covenant that the Company shall within 30 (thirty) days from the date hereof maintain insurance with financially sound and reputable insurance companies, in such amounts and against such risks as are usually insured against in the industry on a best practices basis.

Our Company undertakes that no part of our company's money would be utilized to fulfill the obligations, if any, under the above mentioned share holders agreement with BCCL. Relevant regulations including Substantial Acquisition of shares and Takeover Regulations shall be complied with by us. Also no special rights will be conferred on BCCL post-listing of our shares on Stock Exchange and our company will not be bound by the agreement as the same will cease to exist.

Benefits to our company from the Agreement:

Our company is in the field of providing healthcare, wellness and beauty related products and services. Being a consumer oriented service industry, we need to create brand image through publicity and advertisement. The agreement with Bennett & Coleman provides our company with a platform to launch all-India publicity in a cost-effective manner through leading national newspapers and other media alternatives. Bennett & Coleman controls leading newspapers like Times of India, Economic Times, Navbharat Times besides popular TV channels and internet portals. Therefore, the agreement will help the company to launch its products and services at national level and create a positive brand image for the company.

Obligations on our company in terms of the Agreement:

The benefits of agreement would be restricted to our publicity and advertising campaigns over media controlled by Bennett & Coleman Limited and will not cover our campaigns using other platforms or other newspapers etc. Hence in order to take benefit of our agreement, we may be obliged to omit or lower focus on other avenues, which may adversely affect our publicity campaigns.”

The Agreement does not confer any ‘first right’ on Bennet & Coleman and in any event, ceases to operate upon listing of the shares on Stock Exchange.

In addition to the above SWS agreement, our company has entered into a Line of Credit Agreement with BCCL on 24th March 2009. The main terms and conditions of this agreement are as under:

- 1) The Company shall make payment to BCCL or the relevant Non-Print Entity of an amount equivalent to 33% (Thirty Three percent) of the value of the advertisement (“**Down Payment**”) released in the Media, in cash, in accordance with the extant policy of BCCL or the Non-Print Entity in whose Non-Print Medium such advertisement is being released, as and when the Company releases the advertisement. It being clarified that the Down Payment shall not form a part of the Credit Amount and shall not be adjusted against / reduced by the amount of the Deposit.
- 2) The balance 67% (Sixty Seven percent) of the value of advertisement released in the Media: (i) shall constitute a part of and be counted towards the Utilized Credit Amount for the purposes of this Agreement; (ii) shall not in the aggregate exceed the Credit Amount; and (iii) shall be paid as per terms of the agreement.
- 3) The Company shall only be permitted to use upto 30% of the Credit Amount for the purposes of advertising in the Non-Print Media.

Other than the Share Cum Warrant Subscription Agreement entered with BCCL mentioned above, the Company has not entered into any shareholders agreement.

Other Agreements / Arrangements

For the purpose of setting up 20 med spa centres out of our internal sources, we have entered into an arrangement with Piccadilly Projects Pvt. Ltd. The salient features of the said arrangement, as per arrangement letter dated January 21, 2010 are given below:

- ✓ Analysing the business potential and recommending best locations from our choice of cities
- ✓ Shortlisting properties available at the location & finalizing the premises for the prospective centres
- ✓ Assistance in obtaining various approvals and licenses from the concerned authorities for the centre
- ✓ Selecting of interior designers, civil contractors to setting up fully furnished & well equipped centres
- ✓ Handling Purchase process of Specified Equipments from Shortlisting Suppliers to procurement & installation
- ✓ Assistance in selecting the franchisee partners across India & abroad

The said arrangement requires an amount of Rs. Twenty Crores to be paid as advance. The arrangement provides for authority to negotiate with the parties involved and all the payments to them to be made by Piccadilly Projects Pvt. Ltd. out of the advance placed by us with Picadilly.

Except the Joint Venture agreement, Business Transfer Agreement and the Arrangement for setting up centres, mentioned above, under ‘major events in the history of our company’ and the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by our Company, our Company has not entered into any other Agreement / Contract.



OUR MANAGEMENT

Our Company functions under the control of a Board consisting of professional Directors who sets policy guidelines and the Managing Director along with other key personnel are responsible for day to day management of the company.

Name, Age, Address, Designation and Occupation	Date of Appointment	Qualification	Other Directorships
Mr. Yashovardhan Birla S/O. Mr. Ashokvardhan Birla Age: 43 yrs Address: Birla House, 21, Mount Pleasant Road, Mumbai - 400006 Director/ Chairman Non Executive & Non Independent DIN: 00005804 Term: Permanent	15 th July 2008	M.Com, L.L.B	<ul style="list-style-type: none"> • Asian Distributors Pvt. Ltd • Birla Bombay Pvt. Ltd • Birla Brothers Pvt. Ltd • Birla Precision Technologies Limited • Birla Power Solutions Ltd. • Birla Machining & Toolings Limited • Shearson Investment & Trading Co. Pvt. Ltd. • Birla Viking Travels Pvt. Ltd. • Zenith Birla (India) Ltd. • Birla Wellness & Healthcare Pvt. Ltd. • Birla Surya Ltd. • Birla Edutech Ltd. • Lakshmi Properties Ltd. • Ashok Birla Apollo Hospital Pvt. Ltd* • Birles Cotsyn (India) Ltd. • Melstar Information Technologies Ltd • Birla Shloka Edutech Limited • Birla Research & Lifesciences Ltd. • Birla Urja Limited • Birla Integrated Textile Park Ltd.* • Birla Ayurveda Pvt. Ltd.*
Mr. William Lai Leong Chong S/O. Mr. Robert Chong Yongsung Age: 47 yrs Address: 26, Cuscaden Road, # 13-01 Singapore - 249722 Director Non Executive & Non Independent DIN: 01740853 Term: Liable to retire by rotation	13 th February 2009	BDS, MScD, FRACDS	<ul style="list-style-type: none"> • Asia Lifeline Medical Services Pte Ltd • Atria Pan Dental Group Pte Ltd • Cross Marketing Services Pte Ltd. (previously known as Mainstream Medi Pte. Ltd.) • Customized Health Solutions Pte. Ltd • Entrust Healthcare Pte. Ltd. (previously known as Dental Implants Consultancy Pte. Ltd) • Ikids Paediatric Practice Pte. Ltd. • MD Specialist Healthcare Pte Ltd • Pacific Cancer Centre Pte. Ltd. • Pacific Health Therapies Pte. Ltd. • Pacific Healthcare (India) Pte. Ltd • Pacific Healthcare (Indonesia) Pte. Ltd. • Pacific Healthcare Asia Pte. Ltd. • Pacific Healthcare Holdings Ltd • Pacific Healthcare Specialist Services Pte Ltd.



Name, Age, Address, Designation and Occupation	Date of Appointment	Qualification	Other Directorships
			<ul style="list-style-type: none"> • Pacific Heart, Stroke & Cancer Centre Pte Ltd. • Pacific Investments Pte. Ltd. • Pacific Specialist Services Pte. Ltd. • Pacificvision Medical Pte. Ltd. • Prestige Healthcare Investments Pvt Ltd • Robertson Choo Oehlers Lee & Lye Pte Ltd • Specialist Surgery and Laser Centre Pte Ltd • Synergy Healthcare Investments Pvt Ltd • The Wellness Lounge Pte. Ltd.
Dr. Abhijit Prabhakar Desai S/O Mr. Prabhakar Ramchandra Desai Age: 36 yrs Address: 2, Seeta RK Vaidya Road, Above Sindhudurg Hotel, Dadar, Mumbai-400028 Managing Director Executive & Non Independent DIN: 01691432 Term: Expires on 11 th March 2014	13 th February 2009 (Appointed as Managing Director on 12 th March 2009)	MBBS, DVD	<ul style="list-style-type: none"> • Laxminarayan Hotels Pvt Ltd.* • Altech Containers Pvt Ltd.* • Pachealth Medical Services Pvt Ltd.
Mr. P.V.R.Murthy S/O. Mr.P.Dakshina Murthy Age: 58 years Address: A/4, Sagar Darshan Off Carter Road, Bandra (West), Mumbai – 400 052. Director Non Independent and Non Executive DIN: 00232048 Term: Liable to retire by rotation	20 th August 2008	B.Com, F.C.A, M.B.A	<ul style="list-style-type: none"> • Birla Power Solutions Limited • Birla Precision Technologies Limited • Birla Cotsyn (India) Ltd. • Zenith Birla (India) Ltd. • Melstar Information Technologies Ltd. • Sanguine Media Limited • Birla Wellness and Healthcare Pvt Ltd. • Birla Infrastructure Ltd • Birla Kerala Vaidyashala Pvt. Ltd. • Birla Urja Ltd • Birla Energy Infra Ltd • Ashok Birla Apollo Hospital Pvt. Ltd* • Birla Edutech Ltd. • Birla Surya Ltd. • Birla Research & Lifesciences Ltd. • Abhirama Steels Pvt. Ltd. • Abhirama Hotels and Resorts Pvt. Ltd. • Birla Integrated Textile Park Ltd.* • Birla Aircon Infrastructure Pvt. Ltd.



Name, Age, Address, Designation and Occupation	Date of Appointment	Qualification	Other Directorships
Mr. Venkateswaralu Nelabhotla S/O. Mr. Anjaneya Sharma Nelabhotla Age: 49 years Address: 2103, 21 st Floor, Phoenix Towers B, 141, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Additional Director Non Independent and Non Executive DIN: 03288992 Term: Liable to retire by rotation	23 rd November 2010	B.E., PGDM from IIM, Ahmedabad.	<ul style="list-style-type: none"> • Customer Lab Pvt. Ltd. • Birla Research & Lifesciences Ltd. (previously known as Birla Lifesciences Pvt. Ltd) • Birla Wellness & Healthcare Pvt Ltd
Mr. Mohandas Shenoy Adige, S/o Mr. Gopal Shenoy Adige Age: 66 Years Address: 2, Pearl, Plot 163, Sector 28, Vashi, Navi Mumbai – 400 703 Independent and Non Executive Director DIN: 00280925 Term: Liable to retire by rotation	8 th June 2010 (regularized on 22 nd June 2010)	B.Sc (Engg), M.Met, Diploma in Operational & Financial Mgt.	<ul style="list-style-type: none"> • Nagpur Power & Industries Ltd. • Artefact Projects Ltd. • Birla Precision Technologies Ltd. • Birla Cotsyn (India) Ltd. • Birla Shloka Edutech Limited • AHG Metal Endustri Urunleri Ticarete Ve Sanayi, Istanbul, Turkey • Melstar Information Technologies Ltd. • Birla Energy Infra Ltd • Faiz Super Alloys Pvt. Ltd.
Mr. Vijay Agarwal S/o Mr. Gopikishan Radhakishan Agarwal Age: 53 Years Address: 503, Jolly Bhavan, No.1, New Marine Lines, Mumbai – 400 020. Independent and Non Executive Director DIN: 00058548 Term: Liable to retire by rotation	8 th June 2010 (regularized on 22 nd June 2010)	FCA	<ul style="list-style-type: none"> • Themis Medicare Ltd. • Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited) • Birla Shloka Edutech Limited • Nucsoft Ltd. • Compuage Infocom Ltd. • Gujarat Themis Biosyn Ltd. • OSS Software Solutions Lab Pvt. Ltd. • Richter Themis Medicare (I) Pvt. Ltd. • Tiveni Sangam Estate Pvt. Ltd. • Sanskar Foundation (Sec. 25 Co.) • Sparc Samudaya Nirman Sahayak (Sec. 25 Co.) • Pramerica Trustees Pvt. Ltd. • Collins Stewart Inga Pvt Ltd • Madura Garments International Brands Company Ltd
Mr. Anoj Menon S/o Mr. Arvind Raman Menon Age: 37 years Address: Desai & Diwanji, Lentin Chambers, Dalal Street, Fort,	8 th June 2010 (regularized on 22 nd June 2010)	B.Com, LLB	<ul style="list-style-type: none"> • Melstar Information Technologies Ltd. • Birla Shloka Edutech Limited • Zenith Birla (India) Ltd.



Name, Age, Address, Designation and Occupation	Date of Appointment	Qualification	Other Directorships
Mumbai – 400 001 Independent and Non Executive Director DIN:01332699 Term: Liable to retire by rotation			
Mr. Rajesh Shah S/o Mr. Virendra Shah Age: 57 years Address: 4-B, Pleasant Palace, Friends Society , Plot no. 4, N.S. Road No. 5, JVPD Scheme, Vile Parle (w), Mumbai 400056 Independent and Non Executive Director DIN:00079576 Term: Liable to retire by rotation	8 th June 2010 (regularized on 22 nd June 2010)	B.Com (Hons), FCA	<ul style="list-style-type: none"> • Birla Power Solution Ltd. • Melstar Information Technologies Ltd. • Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited) • Mehta & Padamsey Surveyours (Bombay) Pvt Ltd
Mr. Upkar Singh Kohli S/o Mr. Awtar Singh Kohli, Age: 63 years Address: J170, Rajouri Garden, New Delhi -110027. Independent and Non Executive Director DIN:02528045 Term: Liable to retire by rotation	23 rd November 2010	B.E., CAIIB	<ul style="list-style-type: none"> • Birla Power Solution Ltd • Birla Cotsyn (India) Ltd • U. V. Asset Reconstruction Pvt. Ltd • STI India Ltd • Union KBC Trustees Co. Pvt. Ltd. • CM Farming Co. Pvt. Ltd.* • Avon Organic Ltd • Birla Surya Ltd. • Weizmann Forex Ltd.
Mr. Tushar Dey S/o Mr. Sunil Dey Age: 47 years Address: 302, EMP 34, Evershine Millenium Paradise, Thakur Village, Kandivali (E), Mumbai - 400 101 Alternate Director to Dr. Chong Non Executive & Non Independent DIN: 00857241 Term: Same as Dr. William Chong	8 th June 2010	B.Com, ACS, BGL	<ul style="list-style-type: none"> • Birla Surya Ltd. • Birla Global Corporate Pvt. Ltd.* • Birla Accucast Ltd. • Birla Kerala Vidhyashala Ltd. • Birla Instructure Limited • Birla Shloka Edutech Limited • Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited) • Birla Aircon Infrastructure P. Ltd.

* These Companies in which Directors of our Company are holding Directorships as mentioned above have not filed Balance sheets and Annual Returns with the ROC for certain years as required under the provisions of the Companies Act, 1956

**PROFILE OF THE PROMOTER DIRECTOR:**

Mr. Yashovardhan Birla aged 43 years is the Chairman of our Company. He is the Chairman of the diversified Yash Birla Group for well over 20 years. He is the Great-grandson of late Shri R.D.Birla. Mr. Yashovardhan Birla is M.Com, LLB by academic qualifications. He took over the reins of the group in 1990 at a very young age of 23 years and has successfully steered the group to its present position of eminence. He has been credited with the integration of various group companies, infusing a strong sense of global vision and taking an integrated approach to the group. Mr. Birla is also on the Board of Directors of 19 other Group companies. These companies include Zenith Birla (India) Limited, Birla Precision Technologies Ltd (formerly known as Birla Kennametal Limited), Birla Power Solutions Limited, Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited), Birla Shloka Edutech Ltd etc.

DIRECTORS OTHER THAN PROMOTERS OF OUR COMPANY:

Dr William Chong aged 47 years is a Director of our Company. He is the Executive Director & CEO of Pacific Health Holdings Ltd. He charts the corporate direction and business strategies for Pacific Healthcare in Singapore. In Pacific Healthcare he leads a team of more than 100 healthcare professionals with operations in Singapore, China and Hong Kong. He is also a practicing dental surgeon in Singapore at Pacific Healthcare Specialist Centre. He was chosen as one of the finalists for the “Ernst & Young Entrepreneur of the Year Awards” in 2005. He is also a member of the Network India Steering Committee.

Dr. Abhijit Desai aged 36 years is the Managing Director of our company. He is a Dermatologist from Mumbai. He had been very closely associated with the Pacific Healthcare Singapore for over a decade. Dr. Desai has been a visionary in field of cosmetic medicine. He put his unique concept of having various fields of cosmetic medicines like dermatology, surgery and dentistry into reality by setting up a comprehensive cosmetic medical and dental center with Pacific Healthcare in India. He is an active member of various national and international organizations like Indian Association of Dermatologists, Venerologist and Leprologist, American Society of lasers in Medicine and Surgery and World Society of Anti-Aging Medicine.

Mr. P.V.R .Murthy aged 58 years, is a Chartered Accountant and MBA by academic qualification. He has over 3 decades of experience in the finance sector. He has worked as a part of the Top Management with various companies over a span of 16 years in the capacity of Managing Director, Director, CEO and Advisor prior to joining the Yash Birla group of Companies. At YBG, he is looking after financial resource management of all the group companies, business restructuring, disinvestments, Merger & Acquisitions, MIS, Management, Internal and Statutory Audit, Integrated ERP systems across group companies, corporate governance, investments in new projects, expansion/ diversification of the existing group companies etc.

Mr.Venkateswaralu Nelabhotla, aged 49 years, is a Mechanical Engineer from NIT Allahabad and has done his post graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Presently he is working as the CEO and Director in Birla Wellness & Healthcare Pvt. Ltd., a Yash Birla Group company, promoter of the Birla Pacific Medspa Ltd. He has over 23 years of working experience in the leadership and top management roles in the businesses of consumer products, lifesciences and pharmaceuticals in both Indian and global markets. Before joining YBG, he was the CEO and Executive Director of Emami Ltd at Kolkata. He also has the experience of working in senior positions at Cavinkare Pvt. Ltd., Aurobindo Pharma Ltd and Shantha Biotech heading their Marketing, Sales and Global business development.

Mr. Mohandas Shenoy Adige, aged 66 years, has 40 years of cross functional experience in metal industry with exposure to various functional areas including techno-commercial areas of project management. He is a member of regional council of Confederation of Indian Industry (CII). He is well experienced in revival and turnaround of ailing units through re-engineering and reorganization. He has retired as the Managing Director of Nagpur Power and Industries Limited. He is a Member of All India Management Association/ Bombay Management Association (BMA), Indian Institute of India Foundrymen and Indian Institute of Materials Management.



Mr. Vijay Agarwal aged 53 years is a Practicing Chartered Accountant for the last 27 years, specialising in Corporate Advisory, Tax and Audit field.

Mr. Anoj Menon aged 37 years is a B.Com & LLB, working as a partner at M/s. Desai & Diwanji, Advocates & Solicitors. He is a Corporate Lawyer specializing in Mergers and Acquisitions, Private Equity Investment, Private Investment in Public Equity, Corporate Advisory, Foreign Direct Investment, Capital Markets, SEBI Laws, Drug Laws and Dispute Resolution. Mr. Menon has an experience of over 14 years in this field.

Mr. Rajesh Shah aged 57 years is a Chartered Accountant by qualification. He is partner with M/s. A.J. Shah & Co. Chartered Accountants since 1979. He is also member in various Committees like Taxation Committee, Bombay Chartered Accountants' Society, Managing Committee, International Fiscal Association (IFA), India Branch, New Delhi, Arbitration Panel – Bombay Stock Exchange Limited, Indian Council of Arbitration (MICA), Taxation Committee, Indian Merchant Chambers etc. He has 29 years of experience in Tax and Audit field.

Mr. Upkar Singh Kohli aged 63 years is a Mechanical Engineer by qualification and has almost 35 years of experience in the banking industry. In August 2007, he has retired as Executive Director of Dena Bank. During his career he had rich experience of handling Investment & Treasury, Foreign exchange, Planning & Development, Vigilance and HR functions in different capacities in Punjab & Sind Bank.

Mr. Tushar Dey aged 47 years is a qualified Company Secretary and also holds a Bachelors degree in General Law. He has over 20 years of experience in handling Legal and Secretarial matters. He specializes in Mergers & Acquisitions, IPO, GDR/ADRs, Corporate Legal, Corporate Governance, Civil and Criminal Litigation, IPR, FEMA and Labour Law matters.

Confirmation from Directors.

None of our directors hold or have held Directorships, in companies which are/were suspended from being traded on the BSE/NSE during the past 5 years

Some of our directors hold or have held Directorships, in companies which are/were delisted from the stock exchanges, the details whereof are given below:

Sr. No.	Name of the Company	Listed on	Date of delisting	Type of Delisting	Reasons for delisting	Date of relisting	Term of director
1.	Birla Shloka Edutech Limited	October 1994	CSE – 01.10.2010 ASE – 18.01.2011	Voluntary Delisting	Due to insignificant trading volumes	Not Applicable	Mr. Yashovardhan Birla since 25th May, 2009 till date. Mr. Tushar Dey since 30th March, 2009 till date. Mr. Mohandas Shenoy Adige since 25th May, 2009 till date. Mr. Vijay Agarwal since 25th May, 2009 till date. Mr. Anoj Menon since 25th May, 2009 till date.

None of our directors other than disclosed above, hold or have held Directorships, in companies which are/were delisted from any stock exchanges.

Compensation of Whole Time Directors

Dr. Abhijit Desai was appointed as a Director of our company on February 13, 2009. The Board of Directors of our Company at their meeting held on March 12, 2009, had appointed Dr. Abhijit Desai as the Managing Director, for a period of five years commencing from 12th March 2009 to 11th March 2014. Except Dr. Desai, there is no compensation paid to the Chairman or any other Director of our Company.

Terms and conditions of appointment of the Managing Director:

During the terms of his office, he shall be paid remuneration including benefits, allowances and perquisites for his service as Managing Director as follows:

- I. Remuneration:** Salary, perquisites and all other allowances including treatment fees received by him shall not exceed Rs. 75,00,000/- per annum.

The perquisites and allowances shall include:-

All expenses, which may be incurred on house in accordance with the Managing Director's status, including but not limited to insurance, security charges, maintenance and repair of the house and the furniture, fixtures and furnishings therein, gas, electricity and water along with all amenities, facilities and utilities.

Club Fees: Fees of Corporate/ Health Clubs (not exceeding 2 clubs)

Medical Reimbursements: Medical expenses incurred by the Managing Director for himself and his family shall be reimbursed by the Company, either directly or through Mediclaim Insurance, subject to the ceiling of one month's salary.

Leave Travel Assistance: The Managing Director shall be eligible for Leave Travel assistance for self and family once in a year in accordance with the rules of the Company.

Valuation of perquisites: Perquisites mentioned in above shall be evaluated in accordance with the Income Tax Rules, 1961 wherever applicable, and in other cases at the actual cost to the Company.

II. Conveyance: Free use of Company's car for the work of the Company along with driver, insurance, petrol, cost of repairs, overhauling, maintenance and garage rent.

Communication Facilities: The Company shall bear all expenses for the Communication facilities installed at the Managing Director's residence including but not limited to Telephones (landlines/mobiles), Faxes, Computers/ Laptops, Internet Connection.

Entertainment, Travelling and other incidental expenses: The Company shall reimburse entertainment, travelling and other incidental expenses actually and properly incurred by the Managing Director as may be granted from time to time to the Top Management for the Company, in accordance with the relevant schemes.

III. Leave: The Managing Director shall be eligible for leave as per the Rules of the Company and encashment of leave at the end of tenure.

The Company's contribution to the Provident Fund, Superannuation Fund (or other benefit permissible in lieu thereof) or annuity fund will be as per the rules of the Company and the same will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable in accordance with the gratuity Scheme of the Company provided that it does not exceed one half month's salary for each completed year of continuous service.



Note: For the purpose of perquisites stated above, family means the spouse, the dependent children and dependent parents of the appointee.

The perquisites indicated in Category- III shall not be included in computation of the ceiling on remuneration specified in Category I of this section.

The above terms are subject to the approval of Central Government under the applicable provisions of The Companies Act 1956. The Central Government has vide its approval letters dated 31/12/2010 and 16/03/2011 under the Sections 198 (4), 309(3) and 310 of the Companies Act, 1956 approved the payment of remuneration of Rs. 52,68,061 (Rupees Fifty Two Lacs Sixty Eight Thousand and Sixty One Only) per annum with effect from 14/07/2010 to 11/03/2013 to Dr. Abhijit Desai as Managing Director of the Company.

Other Confirmations

Further, all our Directors have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Accordingly not less than one third of the Board of Directors comprises of non-executive and independent Directors.

Sr. No.	Name of the Director	Status
1.	Mr. Mohandas Shenoy Adige	Independent, Non Executive – Director
2.	Mr. Vijay Agarwal	Independent, Non Executive – Director
3.	Mr. Rajesh Shah	Independent, Non Executive – Director
4.	Mr. Anoj Menon	Independent, Non Executive – Director

There is no service contract between our Company and its Directors except the Managing Director.

Audit Committee

Audit Committee is constituted by Board of Directors in their meeting held on 8th June 2010 consisting of 4 directors as mentioned hereunder:.

The Audit Committee provides directions to and reviews functions of the Audit Department. The Committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various internal audit reports and other year-end certificates issued by the statutory auditors. Quarterly and Annual Accounts will be reviewed by the Audit Committee, prior to their presentation to the Board along with the recommendations of the Audit Committee. It will also review with the management, the utilisation of proceeds of a public or rights issue and make appropriate recommendations to the Board to take up steps in the matter. Besides, Audit Committee will be authorized to exercise all such powers as are required under the amended Clause 49 of the Listing Agreement.

Composition of Audit Committee:

Sr. No	Name of the Director	Designation	Nature of Directorship
1.	Mr. Rajesh Shah	Chairman	Independent and Non executive
2.	Mr. Vijay Agarwal	Member	Independent and Non executive
3.	Mr. MS Adige	Member	Independent and Non executive
4.	Mr. PVR Murthy	Member	Non Independent and Non executive

Share Transfer and Investors Grievance Committee

The Share Transfer and Investors Grievance Committee constituted by the Board of Directors in their meeting held on 8th June 2010 consisting of 3 directors as mentioned below.

The Committee inter alia, approves issue of Duplicate share certificates & reviews all matters connected with the Securities transfer. The Committee also looks into redressing of Shareholders/Investors Complaints like transfer of shares, Non receipt of Balance sheet, Non receipt of Dividend warrants & also handles the queries/complaints relating to Dematerialization of shares etc. The committee oversees the performance of the Registrar & transfer agent & recommends measures for the overall improvement of the quality of Investors services.

Composition of Shareholders/ Investor Grievance Committee

Sr. No	Name of the Director	Designation	Nature of Directorship
1.	Mr. Anoj Menon	Chairman	Independent and Non executive
2.	Mr. MS Adige	Member	Independent and Non executive
3.	Dr. Abhijit Desai	Member	Non Independent and executive

Remuneration Committee

The Remuneration Committee was constituted by our Directors at their Board meeting held on 8th June 2010. The Committee's goal is to ensure that the Company attracts and retains highly qualified employees in accordance with its business plans, that the Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate.

Composition of Remuneration Committee

Sr. No	Name of the Director	Designation	Nature of Directorship
1.	Mr. Rajesh Shah	Chairman	Non-Independent and Non executive
2.	Mr. MS Adige	Director	Non- Independent and Non executive
3.	Mr. Vijay Agarwal	Director	Non-Independent and Non executive

The terms of reference of the Remuneration Committee include the following:

- To determine the remuneration, review performance and decide on variable pay of Executive Directors/ CEO ;
- Establishment and administration of employee compensation and benefit plans.

IPO Committee

Our Company for the purpose of giving effect to the proposed IPO has formed a IPO Committee on 8th June 2010 in its Board of Directors meeting, consisting of the following:

Composition

The composition of the Committee is as follows:

Name	Title	Status
Mr. MS Adige	Chairman	Independent Director
Dr. William Chong	Member	Non Independent & Non Executive Director
Mr. Anoj Menon	Member	Independent Director
Mr. PVR Murthy	Member	Non Independent & Non Executive Director

The Committee is authorized on Behalf of the Board to undertake the following acts:

1. To appoint various intermediaries required for the forthcoming Public Issue including Book Running Lead Manager, Bankers to the Issue, and Registrars to the Issue, Underwriters and Syndicate Members.
2. To approve and file the DRHP ,RHP, Prospectus with SEBI pursuant to Section 60B of the Companies Act, 1956.
3. To approve the amendments in the DRHP as advised by SEBI.
4. To decide the price band for the Follow-on Public Issue.
5. To approve and file the RHP/ Prospectus with Registrar of Companies, Maharashtra, Mumbai pursuant to Section 60B of the Companies Act, 1956.
6. To finalise the basis of allotment and accordingly allot the shares to the successful applicants in the forthcoming Follow on Public Issue.
7. To approve and file the Prospectus with the Registrar of Companies pursuant to section 60 of Companies Act, 1956.
8. To file such other documents with SEBI, RoC, Stock Exchanges and other statutory authorities as may be required from time to time.
9. To consider and approve such other matters and do all such acts, deeds and things as may be necessary for facilitating the forthcoming Public Issue of the Company.

Project Monitoring Committee

Our Company for the purpose of giving effect to the proposed IPO has formed a Project Monitoring Committee on 8th June 2010 in its Board of Directors meeting, consisting of the following:

Composition

The composition of the Committee is as follows:

Name	Title	Status
Mr. Rajesh Shah	Chairman	Independent, Non Executive Director
Dr. Abhijit Desai	Member	Non Independent, Executive Director
Mr. Anoj Menon	Member	Independent, Non Executive Director

The committee will be responsible to monitor the establishment of new centres. The Committee will also monitor utilization of proceeds of the initial public issue.

INTERESTS OF DIRECTORS

Except as stated in Related Party Transactions under section titled “Financial Information of Our Company” beginning on page 117 of this Offer Document, and to the extent of shareholding in our Company, the directors do not have any other interest in the business. The directors are interested to the extent of shares allotted to them. Except to the extent of their compensation stated in Related Party Transactions under section titled “Financial Information of Our Company” beginning on page 117 of this Offer Document, and their shareholding or shareholding of companies they represent, the Directors, other than the Promoters who are also Directors, do not have any other interest in our Company.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

The Articles of Association provide that the Directors and officers shall be indemnified by our Company against loss in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favor or is acquitted in such proceeding.

Statement Showing Shares held by the Directors

Sr. No.	Name of the Director	Number of Shares held
1	Dr. Abhijit Desai	2,25,000
2	Mr. P. V. R. Murthy	5,000

Changes in the Board of Directors in the last 3 years

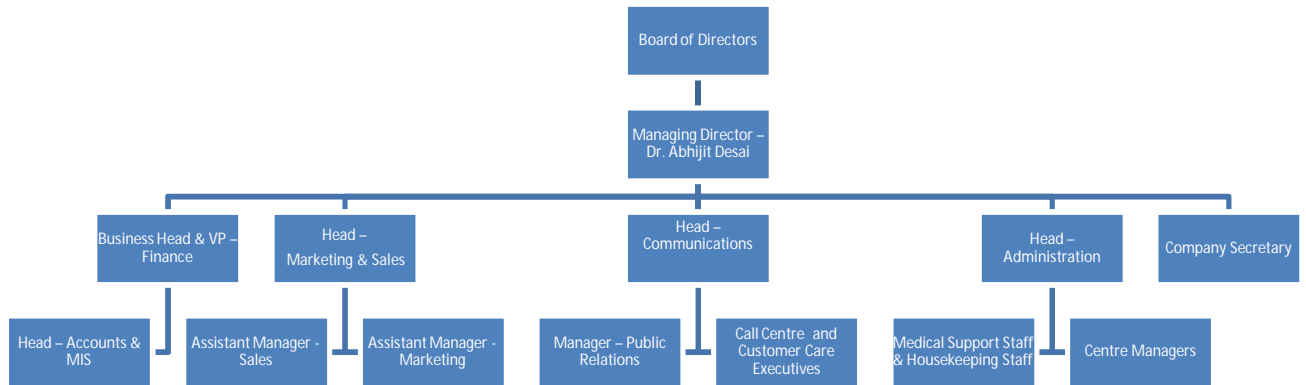
The following are the changes in the Board of Directors in the last 3 years and no changes thereafter have taken place:

Sr. No.	Name	Designation	Date of Appointment	Date of Cessation	Remarks
1.	Mr. Yashovardhan Birla	Chairman/ Director	15/07/2008	-	Since Incorporation
2.	Mr. Anuj Batra	Director	15/07/2008	13/02/2009	Resigned on account of Personal Reasons
3.	Mr. Abhijit Prabhakar Desai*	Managing Director (MD)	13/02/2009	-	Appointed as MD on 12/03/2009
4.	Mr. PVR Murthy*	Director	08/12/2008	-	Fresh Appointment
5.	Mr. William Chong*	Director	13/02/2009	-	Fresh Appointment
6.	Mr. Mohandas Shenoy Adige#	Director	08/06/2010	-	Fresh Appointment
7.	Mr. Vijay Agarwal#	Director	08/06/2010	-	Fresh Appointment
8.	Mr. Anoj Menon#	Director	08/06/2010	-	Fresh Appointment
9.	Mr. Rajesh Shah#	Director	08/06/2010	-	Fresh Appointment
10.	Mr. Tushar Dey	Alternate Director to Dr. Chong	08/06/2010	-	Fresh Appointment
11.	Mr. Venkateswaralu Nelabhotla	Additional Director	23/11/2010	-	Fresh Appointment
12.	Mr. Upkar Singh Kohli	Additional Director	23/11/2010		Fresh Appointment

Note: * Regularized as director on 13th January 2010.

Regularized as director on 22nd June 2010

ORGANISATION CHART



KEY MANAGEMENT PERSONNEL:

Our company is headed by key executives who have long experience in the field of activities related to wellness & healthcare. Our company is headed and run by persons with long years of experience in their respective fields.

Sr. No	Name	Designation	Age (in yrs)	Qualification	Experience (Years)	Date of Joining	Functional Responsibility	CTC per annum (Rs. in Lakhs)	Previously Employed
1	Dr. Abhijit Desai	Managing Director & Consultant Dermatologist	37	MBBS, DVD	12	Dec 1, 2008	Medical inputs, business development & Strategy	12.00#	Private Practice
2	Mr. Saharsh Daga	Business Head & VP – Finance	31	B Com, FCA	9	Oct 1, 2009	Finance, Business Development & Strategy	31.00	Birla Wellness & Healthcare Pvt Ltd
3	Ms Amishi Vora	Head – Marketing & Sales	28	B Com	4	August 1, 2009	Sales & Marketing	3.60	Kaya – Marico Ltd
4	Mr Manohar Pujary	Head – Accounts & MIS	45	B Com	16	Dec 1, 2008	Accounts & MIS	2.16	Birla Lifestyle Ltd
5.	Ms Khyati Mashru	Company Secretary	27	B Com, ACS	3	8 th June 2010	Secretarial work	4.80	Dagger Forst Tools Ltd

This does not include the fees payable towards consultation, treatment fees, etc.

- None of the above has any family relationship.
- All the key managerial personnel mentioned above are the permanent employees of our Company.

Dr. Abhijit Desai

Dr. Abhijit Desai aged 36 years is the Managing Director of our company. He is a Dermatologist from Mumbai. He has been very closely associated with the Pacific Healthcare Singapore for more than a decade. Dr. Desai has been a visionary in field of cosmetic medicine. He put his unique concept of having various fields of cosmetic medicines like dermatology, surgery and dentistry into reality by setting up a comprehensive cosmetic medical and dental center with Pacific Healthcare in India. He is an active member of various national and international organizations like Indian Association of Dermatologists, venerologist and Leprologist, American Society of lasers in Medicine and Surgery, World Society of Anti-Aging Medicine.

Mr. Saharsh Daga

He is the Business Head & VP – Finance of Birla Pacific Medspa Ltd. He has 8 years experience in accounting, finance & business support in varied companies such as Ernst & Young, ICICI Bank, Asian Paints and Hindustan Unilever in past 8 years.

**Ms. Amishi Vora**

She is the Head – Marketing & Sales of our company. She has 4 years of experience in Sales/ Marketing, Business Development and Corporate Sales. Before joining the Company, she was working with Kaya Skin Care Ltd as Assistant Clinic Manager – Channel Sales handling Front Desk and interaction with clients/ corporates for investments and sales.

Mr. Manohar Pujary

He is the Head – Accounts & MIS of our Company and has over 16 years of experience.

Ms. Khyati Mashru

She is the Company Secretary of the company. She has more than 3 years of experience in handling secretarial matters. She joined YBG in July 2008.

Panel of Doctors/ Consultants:

The following are the specialist doctors in the panel of the company offering their services on part time basis as consultant in our centers.

S.No	Name	Qualification	Area of Specialisation
1.	Dr. Dilip Deshpande	MDS (Bom)	Maxillofacial Prosthodontist and Implantologist
2.	Dr. Vidya D Nath	MDS (Bom); M.Sc (Lon)	Prosthodontist and Implantologist
3.	Dr. Arun Khatavkar	MDS (Bom)	Endodontist
4.	Dr. Jyothi Kapadia	BDS	Advance certificate in Aesthetic Dentistry and in TMD and Occlusion
5.	Dr. Sandeep Sattur	MS; M Ch, Mamber ISHRS,	Hair Restoration
6.	Dr. Jignesh Kothari	MDS (Mum); FLOS (Paris); Cert. LO (UK) (Germany); President – Lingual Orthodontist Society (India)	Orthodontist & Lingual specialist
7.	Dr. Sagar Salunke	BDS	General Dentistry
8.	Dr. Shazia Upadhye	BDS	General Dentistry
9.	Dr. Lakshyajit D Dhami	M.S., M.Ch.(Plastic)	Cosmetic, Plastic & Laser Surgeon
10.	Dr. Sameer Karkhanis	M.S. (General Surgeon), D.N.B. (Plastic Surgery)	Cosmetic Surgery, Brazil Aesthetic & Plastic Reconstructive Surgeon
11.	Dr. Priyam Kembre	MD, DDV	Consultant Dermatologist
12.	Dr. Anuya Anil Manerkar	MBBS, DDV	Consultant Dermatologist

Shareholding of Key Managerial Personnel: None of our Key Managerial Personnel other than Dr. Abhijit Desai, Managing Director hold any shares in our company.

Statement Showing Shares held by the Key Managerial Personnel

Sr. No.	Name of the Employee	Number of Shares held
1	Dr. Abhijit Desai	2,25,000

Bonus or Profit Sharing Plan for the Key Managerial Personnel: Our Company doesn't have any plan for Bonus or Profit Sharing for the Key Managerial Personnel.



THE YASH BIRLA GROUP



Changes in the Key Managerial Personnel in the last three years:

Name	Designation	Date of Joining	Date of Leaving	Remarks
Dr. Abhijit Desai	Managing Director*	1 st Dec 2008	-	Fresh appointment
Mr. Saharsh Daga	Business Head & VP – Finance	1 st Oct 2009	-	Fresh appointment
Mr. Manohar Pujary	Head – Accounts & MIS	1 st Dec 2008	-	Fresh appointment
Ms. Amishi Vora	Head – Marketing & Sale	1 st Aug 2009	-	Fresh appointment
Ms. Khyati Mashru	Company Secretary	8 th June 2010	-	Fresh appointment

* since 12th March 2009

EMPLOYEES:

The present employee strength of our Company is 37 .

Payment or Benefit to Officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Prospectus or is intended to be paid, other than in the ordinary course of their employment.

OUR PROMOTERS

Our Company is promoted by Mr. Yashovardhan Birla and one of his group companies, Birla Wellness & Healthcare Private Limited.

DETAILS OF PROMOTER:

I. Mr. Yashovardhan Birla



Designation	Chairman
Personal Address	Birla House, 21 Mount Pleasant Road, Mumbai – 400 006
Qualification	M.Com; LLB
Nationality	Indian
PAN	AAJPB2505N
Voter ID Number	-
Driving License Number	-
Passport Number	F3355431

Mr. Yashovardhan Birla, aged 43 years, is a Masters in Commerce and LLB. He is the great-grandson of late Shri R. D. Birla. Mr. Yashovardhan Birla is the Chairman of our Company and the diversified Yash Birla Group for well over 19 years. He took over the reins of the group in the year 1990 at a very young age of 23 and has successfully steered the group to its present position of eminence. Under the guidance of Mr. Birla, the Group is striving to build on and contribute to the expansion of Birla Conglomerate through identifying and exploiting various business opportunities.

Promoter Group:

The following individuals are also part of the Promoter Group:

1. Dr. Abhijeet Desai
2. Mr. P. V. R. Murthy.
3. Mr. G.L. Lath

For more details about the background of Dr. Abhijeet Desai, Mr. P. V. R. Murthy and Mr. G.L.Lath, please refer to Chapter “Our Management”, para “Directors Other than Promoters Of Our Company” on page No. 64 of this RHP.

Relatives of the Promoter that form part of the Promoter Group is as under:

Promoter	Name of Relative	Relationship
Mr. Yashovardhan Birla	Mrs. Avanti Birla	Wife
	Ms. Shloka Sujata Birla	Daughter
	Mr. Vedant Vardhan Birla	Son
	Mr. Nirvaan Birla	Son

Declarations

The Permanent Account Number, Bank Account details and Passport Number of our Promoters have been submitted to Bombay Stock Exchange Limited, on which our Company proposes to list its Equity Shares at the time of filing of the Draft Red Herring Prospectus.

Our Promoters, Promoter Group and Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters was or also is a promoter, director or person in control

of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, our Promoters have not been identified as a willful defaulter by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

Relationship between Promoters

Except as stated otherwise, there is no relation between any Promoters.

Interest of Promoters and Common Pursuits

Our Promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company. Further, our Promoters, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees constituted thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the Articles.

Our Promoters may be deemed to be interested to the extent of the Equity Shares held by them, their friends and relatives, and benefits arising from his holding directorship / employment in our Company. They may also be deemed to be interested in the transactions entered into by our Company and the ventures where he is interested as a Promoter, Director or otherwise.

Payment or Benefit to Promoters of Our Company

No payment has been made or benefit given to our Promoters in the two years preceding the date of the RHP or is intended to be given by us except mentioned / referred to in this Chapter and in Page no 117 under Related Party Transactions, under the Chapter “Financial Information of our company” of the RHP and the purchase consideration paid to Pachealth Medical Services Private Limited for acquiring its business.

DETAILS OF PROMOTER COMPANY:

Birla Wellness and Healthcare Pvt. Ltd:

Date of incorporation	Our Company was incorporated on 9 th May 2006 under the name and style of ‘Raih Healthcare Systems Private Limited’. The name was changed to ‘Birla Wellness And Healthcare Private Limited’ vide a fresh Certificate of Incorporation dated 3 rd October 2007 by the Registrar of Companies, Maharashtra
CIN	U85120MH2006PTC161718 dated 3 rd October 2007
Registered Office Address	Industry House, 159, Backbay Reclamation, Churchgate, Mumbai – 400 020
Permanent Account Number	AADCR3038F
Nature of Business	Wellness & Healthcare

List of Promoters:

- Nirved Traders Private Limited
- Shearson Investment & Trading Company Private Limited
- Godavari Corporation Private Limited

Board of Directors as on 31st March 2011

<i>Sr. No</i>	<i>Name</i>	<i>Designation</i>
1	Mr. Yashovardhan Birla	Director
2	Mr. P. V. R. Murthy	Director
3	Mr. Venkateswaralu Nelabhotla	Director

Shareholding Pattern as on 31st March 2011

Name	No. of Shares	%
Nirved Traders Pvt. Ltd.	10626514	21.25
Godavari Corporation Pvt. Ltd.	16163000	32.33
Shearson Investment And Trading Co. Pvt. Ltd.	23208000	46.42
Shri K. P. Chokhani & Shearson Investment Trading Co.	100	-
Shri G. L. Lath & Birla International Pvt. Ltd.	100	-
Shri Arun Singhi & Shearson Investment Trading Co.	100	-
Shri Purushottam Sharma & Birla International Pvt. Ltd.	100	-
Ms. Kajaal Anand & Shearson Investment Trading Co.	100	-
Total	49998014	100.00

The brief financials are given below:

(Rs in Lakhs)

<i>Particulars</i>	For the Year ended 31st March		
	2010	2009	2008
Total Income	9.30	7.29	-
Profit / Loss After Tax	(59.52)	(57.89)	-
Equity Share Capital	1988.80	101.00	1.00
Reserves & Surplus (excluding revaluation reserve)	-	-	(6.37)
Profit & Loss (Debit Balance)	(117.41)	(57.89)	-
Share Holders Funds / Net Worth (Rs)	1871.39	43.11	(5.37)
NAV per share of FV Rs. 10/- each (Rs.)	9.41	4.26	-ve
EPS of FV Rs. 10/- each (Rs.)	-ve	-ve	-

The company has commenced its commercial operations from April 2008.

Other Details:

- This Company has made a Loss in its first year of Operation i.e. 2008-09.
- This company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.
- There are no defaults in meeting any Statutory / Bank / Institutional dues.
- No proceedings have been initiated for economic offences against this Company.



Promoter of Promoters

A. Nirved Traders Private Limited

Board of Directors as on 31st March 2011

1. Mr. G. L. Lath
2. Mr. Arun Singhi
3. Mr. Nikhil Agarwal

B. Shearson Investment and Trading Company Private Limited

Board of Directors as on 31st March 2011

1. Mr. Yashovardhan Birla
2. Mr. Arun Singhi
3. Mr. G. L. Lath
4. Mr. R. P. Todi

C. Godavari Corporation Private Limited

Board of Directors as on 31st March 2011

1. Ms. Avanti Birla
2. Mr. R.S. Malani
3. Mr. Arun Singhi
4. Mr. G.L.Lath

PROMOTER GROUP ENTITIES

In addition to our Promoter, as specified under the section “Our Promoters” on page no. 80 of the Red Herring Prospectus, the following companies and entities shall form part of our Group:

LISTED GROUP COMPANIES

1. Birla Power Solutions Limited
2. Birla Cotsyn (India) Limited
3. Birla Shloka Edutech Limited
4. Zenith Birla (India) Limited
5. Birla Precision Technologies Limited (Previously known as Birla Kennametal Limited)
6. Birla Capital & Financial Services Limited (Formerly Birla Leasing & Infrastructure Limited)
7. Birla Transasia Carpets Limited
8. Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited)
9. Melstar Information Technologies Limited

UNLISTED GROUP COMPANIES

1. Asian Distributors Private Limited
2. Birla AccuCast Limited (Previously known as Birla Perucchini Limited)
3. Birla Bombay Private Limited
4. Birla Concept India Private Limited
5. Birla Edutech Limited
6. Birla Electricals Limited
7. Birla Global Corporate Private Limited
8. Birla Infrastructure Limited (Previously known as BCI International Limited)
9. Birla International Private Limited
10. Birla Kerala Vaidyashala Private Limited
11. Birla Research & Lifesciences Ltd. (previously known as Birla Lifesciences Pvt. Ltd)
12. Birla Surya Limited
13. Birla Lifestyle Private Limited
14. Birla Viking Travels Private Limited
15. Godavari Corporation Private Limited
16. Nirved Traders Private Limited
17. Shearson Investment & Trading Company Private Limited
18. Birla Integrated Textile Park Limited
19. Ashok Birla Apollo Hospital Private Limited
20. Birla Aircon Infrastructure Private Limited

Limited Liability Partnership: Our Company has entered into a Limited Liability Partnership Agreement on 21st day of December 2010 with 7 Gynaecologists from Mumbai to form a LLP in the name and style of M/s Birla IVF LLP. The capital contribution of our company in this LLP would be to the extent of 51% and the balance of 49% would be contributed by the gynaecologists at the rate of 7% each. The proposed business of this entity would be to develop the business of providing services of infertility treatments to patients.

DETAILS OF GROUP COMPANIES

A. Details of the five largest listed Group Companies

The top five listed group companies on the basis of total market capitalization are as follows:

1. BIRLA POWER SOLUTIONS LIMITED (BPSL)

Date of Incorporation	BPSL was incorporated in the name of Birla Yamaha Limited on April 27, 1984 under The Companies Act, 1956 in the state of Maharashtra. The name of BPSL was subsequently changed to Birla Power Solutions Limited from December 04, 2003.
CIN	L31101MH1984PLC032773
PAN	AAACB5253D
Registered Office	Industry House, 159, Churchgate Reclamation, Mumbai – 400 020
Nature of Business	BPSL is presently producing a wide range of generators, multi-purpose engines, invertors/ batteries, sprayers, water pumps etc. Birla Power Solutions Ltd. was the first Company to roll out self start gensets and recently became the first Company to launch emission compliant generators under the brand name – BIRLA ECOGEN.

Board of Directors as on March 31st, 2011:

Sr. No.	Name	Designation
1	Mr. Yashovardhan Birla	Chairman (Non Executive, Non Independent)
2	Mr. P.V.R Murthy	Managing Director
3	Mr. M.S. Arora	Director (Non Executive, Non Independent)
4	Mr. Yogendra P. Trivedi	Director (Independent)
5	Mr. Rajesh V Shah	Director (Independent)
6	Mr. Upkar Singh Kohli	Director (Independent)

Details of listing of Birla Power Solutions Ltd

Year of Initial Listing	1986
Name of the Stock Exchanges where currently listed	Bombay Stock Exchange and National Stock Exchange
Details of Public/ Rights offering in last 3 Years	Nil
Date of Allotment	NA
Date of Listing	NA
Listing Code	517001 (BSE) BIRLAPOWER (NSE)



Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	1	2,409,600	2,409,600	0.17	0.11	-	-
Bodies Corporate	4	83,851,584	83,851,584	5.88	3.93	22,655,000	27.02
Sub Total	5	86,261,184	86,261,184	6.05	4.04	22,655,000	26.26
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	5	86,261,184	86,261,184	6.05	4.04	22,655,000	26.26
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	3	10,800	-	-	-	-	-
Financial Institutions / Banks	8	27,000	1,200	-	-	-	-
Central Government / State Government(s)	1	6,474,564	6,474,564	0.45	0.30	-	-
Sub Total	12	6,512,364	6,475,764	0.46	0.31	-	-
(2) Non-Institutions							
Bodies Corporate	1,240	184,873,770	184,786,958	12.97	8.66	-	-
Individuals							
Individual shareholders holding nominal	210,484	863,309,617	855,626,378	60.55	40.43	-	-



THE YASH BIRLA GROUP

Birla Pacific
MED SPA

share capital up to Rs. 1 lakh							
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	847	172,942,412	172,829,912	12.13	8.10	-	-
Any Others (Specify)	1,505	111,866,738	111,849,938	7.85	5.24	-	-
Non Resident Indians	1,355	36,284,789	36,282,389	2.54	1.70	-	-
Trusts	6	6,864	6,864	-	-	-	-
Foreign Corporate Bodies	1	73,322,156	73,322,156	5.14	3.43	-	-
Clearing Members	137	2,238,529	2,238,529	0.16	0.10	-	-
Overseas Corporate Bodies	6	14,400	-	-	-	-	-
Sub Total	214,076	1,332,992,537	1,325,093,186	93.49	62.43	-	-
Total Public shareholding (B)	214,088	1,339,504,901	1,331,568,950	93.95	62.73	-	-
Total (A)+(B)	214,093	1,425,766,085	1,417,830,134	100.00	66.77	22,655,000	1.59
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	1	709,430,820	709,430,820	-	33.23	-	-
Sub Total	1	709,430,820	709,430,820	-	33.23	-	-
Total (A)+(B)+(C)	214,094	2,135,196,905	2,127,260,954	-	100.00	22,655,000	1.06

Brief Audited Financial Performance

(Rs. in Lacs)

Particulars	31.03.2010	31.3.2009	31.03.2008
Share Capital	7171.53	4246.53	4246.53
Reserves (Excluding Revaluation Reserve)	19277.12	14834.42	14517.14
Net Worth	26448.65	18915.36	18520.24
Sales (Net of Excise)	23812.34	22477.23	21670.89
PAT	134.60	317.27	552.74
EPS (Per Share) (Rs.)	0.03*	0.75	1.67
NAV Per Share (Rs.)	3.69*	44.54	43.61

NOTE:-

* The face value of the shares has been sub-divided from Rs.10 to Re.1 with effect from 5th May 2009.

**The Stock Market data of BPSL at BSE is as under:**

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Total Turnover (Rs in Lacs)
November 2010	1.72	1.15	126914710	1872.74
December 2010	1.45	1.15	134430720	1711.43
January 2011	1.30	1.02	63981962	738.15
February 2011	1.34	1.01	94898290	1099.42
March 2011	1.09	0.99	49245350	513.15
April 2011	1.45	1.00	180645300	2158.50

(Source: www.bseindia.com)**The stock market data of BPSL at NSE is as under:**

Month	High (Rs.)	Low (Rs.)	No. of Shares	Total Turnover (Rs. in Lacs)
November 2010	1.65	1.15	201502367	2958.1
December 2010	1.50	1.15	213455604	2687.82
January 2011	1.25	1.00	74791204	860.59
February 2011	1.35	1.00	175494502	2075.70
March 2011	1.10	1.00	64669983	675.53
April 2011	1.45	1	215471081	2544.12

(Source : www.nseindia.com)**Other Details:**

- There have been no Public or Rights Issue in the preceding three (3) years
- BPSL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is not under winding up
- BPSL has not made a loss in the immediately preceding year.
- There are no defaults in meeting any statutory/bank/institutional dues
- No proceedings have been initiated for economic offences against this company.

Performance vis-à-vis Object:

BPSL had come out with its IPO in April 2006 by issuing 120, 00,000 Equity shares of Rs.10 each for cash at a premium of Rs.32 per shares (i.e. Issue Price of Rs. 42/- per share) aggregating to Rs.5040 Lakhs. Further, BPSL has issued and allotted 29,25,00,000 Equity Shares of Re. 1/- each on January 27, 2010 against underlying 58,50,000 Global Depository Receipts (GDR's). Offer price was at USD 3.42 per GDR and Rs. 3.20 per share. BPSL has also issued and allotted 1,062,192,350 Equity Shares of Re. 1/- each on 9th July 2010 against underlying 21,243,847 Global Depository Receipts (GDR's). Offer price was at USD 2.52 per GDR and Rs. 2.35 per share. For details, please refer to Section IX on Regulatory and Statutory Disclosures – Page No 213

2. BIRLA COTSYN (INDIA) LIMITED (BCIL)

Date of Incorporation	BCIL was incorporated in the name of Jamod Ginning Company Private Limited on September 24, 1941 under the companies Act, VII of 1913 in the state of Maharashtra. The name of BCIL was changed to Birla Agro Private Limited with effect from 8 th October, 1998. The name of BCIL was further changed to Birla Cotsyn (India) Private Limited with effect from 9 th December, 2005 and consequent to conversion into Public Limited Company it was subsequently changed to Birla Cotsyn (India) Limited with effect from May 30, 2006.
CIN	L17110MH1941PLC003429
PAN	AAACJ1362K
Registered Office	Dalamal House, First Floor, Nariman Point, Mumbai – 400 021.
Nature of Business	BCIL was earlier engaged in Cotton Ginning, Pressing and Oil expelling and after the acquisition of assets of Khamgaon Syntex (I) Ltd a subsidiary of Zenith Birla (India) Limited at MIDC, Khamgaon with a spindle capacity of 18,304 spindles, with effect from August 2006, has entered into manufacturing of Synthetic yarn and Cotton Yarn.

Board of Directors as on March 31st, 2011

Sr. No.	Name	Designation
1.	Mr. P. B. Bhardwaj	Chairman (Non Executive, Non Independent)
2.	Mr. Yashovardhan Birla	Co- Chairman (Non Executive, Non Independent)
3.	Mr. P. V. R. Murthy	Director (Non Executive, Non Independent)
4.	Mr. Sanjay Agarwal	Director (Non Executive, Non Independent)
5.	Mr. Mohandas Shenoy Adige	Independent Director
6.	Mr. Navin Chandra Shah	Independent Director
7.	Mr. Upkar Singh Kohli	Independent Director
8.	Mr. Mohan Jaykar	Independent Director
9.	Mr. Alok Bhardwaj	Alternate Director (to Mr. P.B. Bhardwaj)

Details of Listing of Birla Cotsyn (India) Ltd

Year of Initial Listing	2008
Name of the Stock Exchanges where currently listed	Bombay Stock Exchange and National Stock Exchange
Details of Public/ Rights offering in last 3 Years	BCIL had come out with its IPO in June/ July 2008 by issuing 102,982,729 Equity shares of Rs.10 each for cash at a price of Rs.14/- per share aggregating to Rs.144.18 crores.
Date of opening and closing of Issue	30 th June 2008 and 9 th July 2008 respectively
Date of Allotment	22 nd July 2008
Date of Listing	30 th July 2008
Listing Code	533006 (BSE) BIRLACOT (NSE)



Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	1	252,000	-	0.01	0.01	-	-
Bodies Corporate	6	285,885,194	235,510,044	16.77	10.94	139,920,000	48.94
Any Others (Specify)	4	3,658,320	1,121,040	0.21	0.14	-	-
Trusts	3	2,537,280	-	0.15	0.10	-	-
Directors/Promoters & their Relatives & Friends	1	1,121,040	1,121,040	0.07	0.04	-	-
Sub Total	11	289,795,514	236,631,084	17.00	11.09	139,920,000	48.28
(2) Foreign							
Bodies Corporate	1	238,101,240	238,101,240	13.97	9.11	-	-
Sub Total	1	238,101,240	238,101,240	13.97	9.11	-	-
Total shareholding of Promoter and Promoter Group (A)	12	527,896,754	474,732,324	30.97	20.21	139,920,000	26.51
(B) Public Shareholding							
(1) Institutions							
Financial Institutions / Banks	1	4	4	-	-	-	-
Central Government / State Government(s)	1	3,000	3,000	-	-	-	-
Foreign Institutional Investors	1	82,393,810	82,393,810	4.83	3.15	-	-



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Sub Total	3	82,396,814	82,396,814	4.83	3.15	-	-
(2) Non-Institutions							
Bodies Corporate	692	410,011,010	410,011,010	24.05	15.70	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	61,565	429,001,664	428,935,364	25.17	16.42	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	747	234,479,988	234,479,988	13.76	8.98	-	-
Any Others (Specify)	435	20,796,174	20,796,174	1.22	0.80	-	-
Clearing Members	75	2,902,792	2,902,792	0.17	0.11	-	-
Non Resident Indians	357	17,815,982	17,815,982	1.05	0.68	-	-
Trusts	3	77,400	77,400	-	-	-	-
Sub Total	63,439	1,094,288,836	1,094,222,536	64.20	41.89	-	-
Total Public shareholding (B)	63,442	1,176,685,650	1,176,619,350	69.03	45.04	-	-
Total (A)+(B)	63,454	1,704,582,404	1,651,351,674	100.00	65.25	139,920,000	8.21
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	1	907,680,000	907,680,000	-	34.75	-	-
Sub Total	1	907,680,000	907,680,000	-	34.75	-	-
Total (A)+(B)+(C)	63,455	2,612,262,404	2,559,031,674	-	100.00	139,920,000	5.36

Brief Audited Financial Performance:

(Rs. In Lacs)

Particulars	31.03.2011	31.03.2010	31.3.2009
Share Capital	26122.62	*21349.08	11660.08
Share Application Money		-	-
Reserves (Excluding Revaluation Reserve)	1689.89	5139.57	3981.62
Net Worth	27812.51	26488.65	15641.70
Sales	53198.07	34400.57	19377.44



PAT	1080.10	754.66	211.79
EPS (Per Share) (Rs.)	0.042	*0.035	0.23
NAV Per Share (Rs.)	1.06	*1.24	17.21

Note: The share application money is not taken into account for calculating the Net Worth and NAV.

*The face value was split from Rs. 10 per share to Re. 1 per share with effect from 26th October 2009.

The stock market data of the BCIL on BSE is as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Total Turnover (Rs in Lacs)
November 2010	0.87	0.68	36230191	281.18
December 2010	0.80	0.65	28215577	206.30
January 2011	0.76	0.61	34147149	233.05
February 2011	0.73	0.60	32697933	213.61
March 2011	0.72	0.56	340,56558	207.76
April 2011	0.73	0.57	62190215	395.88

(Source : www.bseindia.com)

The stock market data of the BCIL on NSE is as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Total Turnover (Rs. In Lacs)
November 2010	0.90	0.65	26534376	206.75
December 2010	0.80	0.65	24708451	181.76
January 2011	0.80	0.60	31290604	213.79
February 2011	0.75	0.60	21776405	142.12
March 2011	0.75	0.55	34710667	215.01
April 2011	0.75	0.55	82310374	516.92

(Source : www.nseindia.com)

Other Details:

- BCIL came out with a Public Issue in the year 2008.
- BCIL had allotted 96,89,000 Global Depository Receipts (GDR) representing 96,89,00,000 equity shares at an offer price of USD 2.58 per GDR and Rs. 1.20 per share on 15th March 2010 and got listed on Luxembourg Stock Exchange on 16th March 2010.
- BCIL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is not under winding up
- BCIL has not made a loss in the immediately preceding financial year.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against this Company.

Performance vis-à-vis Object:

BCIL had come out with its IPO in June/ July 2008 by issuing 102,982,729 Equity shares of Rs.10 each for cash at a price of Rs.14/- per share aggregating to Rs.14418 Lakhs to finance the expansion of company's integrated textile project and to set up a garment manufacturing plant & to establish retail outlets.

The details of utilization of the funds received from IPO of equity shares of Birla Cotsyn (India) Limited as on 31st December 2010 are as under:

(Rs. in Crores)

Sl. No.	Particulars	Estimated Utilisation Amount	Actual Utilisation Amount upto 31 st December 2010
1	Expansion of integrated Textile Project at Khamgaon and Malkapur	105.77	105.77
2	Setting up of Garment Manufacturing unit	25.21	11.60
3	Establishing retail unit	5.80	2.48
4	Expenses relating to IPO	7.40	7.40
	Total	144.18	127.25

Pending full utilization, the balance amount is held in current accounts and loans and advances.

3. BIRLA SHLOKA EDUTECH LIMITED (BSEL)

Date of Incorporation	BSEL was incorporated on May 25, 1992 under the name of Rathi Mercantile & Management Services Private Ltd. Subsequently BSEL was converted into a Public Limited Company on March 16, 1994 and the name was changed to Rathi Mercantile & Management Services Ltd. The name of BSEL was then changed to Rathi Mercantile Industries Ltd. on May 23, 1994. On February 12, 2002, the name of BSEL was changed to Shloka Infotech Limited. Further the name of BSEL was changed to Birla Shloka Edutech Limited on December 26, 2008.
CIN	L74999MH1992PLC066910
PAN	AAACR1837P
Registered Office	Industry House, 5 th Floor, 159, Churchgate Reclamation, Mumbai – 400 020.
Nature of Business	BSEL is engaged in sales and services of varied products to education institutions & in providing IT infrastructure and imparting IT and IT enabled education in schools of various Boards. It sets up computer labs, Digital classroom solutions and Audio Visual solutions in schools along with our software product “XL@School” which is a curriculum based interactive multimedia software for mathematics and science subjects.

Board of Directors as on 31st March, 2011

Sr. No	Name of the Director	Designation
1	Mr. Yashovardhan Birla	Chairman (Non Independent, Non-Executive)
2	Mr. Nidigullu Srikrishna	Managing Director(Non Independent)
3	Mr. Tushar Dey	Director (Non Independent, Non-Executive)
4	Mr. Mohandas Shenoy Adige	Director (Independent)
5	Mr. Vijay Agarwal	Director (Independent)
6	Mr. Anoj Menon	Director (Independent)

Details of Listing of Birla Shloka Edutech Limited

Year of Initial Listing	1994
Name of the Stock Exchanges where currently listed	Bombay, Calcutta and Ahmedabad Stock Exchanges
Details of Public/ Rights offering in last 3Years	BSEL had come out with a Follow on Public Issue in Jan 2010 by issuing 69,55,000 Equity shares of Rs.10 each for cash at a price of Rs.50/- per share aggregating to Rs.3477.5 Lakhs.
Date of opening and closing of Issue	11 th January 2010 and 13 th January 2010 respectively
Date of Allotment	25 th January 2010
Date of Listing	Listing Permission – 27 th January 2010



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	Trading Permission – 29 th January 2010
Listing Code	511607

Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	6	12,400	1,000	0.06	0.06	-	-
Bodies Corporate	8	5,384,597	4,387,185	25.71	25.71	-	-
Sub Total	14	5,396,997	4,388,185	25.77	25.77	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	14	5,396,997	4,388,185	25.77	25.77	-	-
(B) Public Shareholding							
(1) Institutions							
(2) Non-Institutions							
Bodies Corporate	336	3,310,444	3,307,444	15.80	15.80	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	12,531	8,708,651	8,282,831	41.58	41.58	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	145	3,112,267	3,072,467	14.86	14.86	-	-
Any Others	126	417,278	417,278	1.99	1.99	-	-

(Specify)							
Clearing Members	41	165,253	165,253	0.79	0.79	-	-
Non Resident Indians	85	252,025	252,025	1.20	1.20	-	-
Sub Total	13,138	15,548,640	15,080,020	74.23	74.23	-	-
Total Public shareholding (B)	13,138	15,548,640	15,080,020	74.23	74.23	-	-
Total (A)+(B)	13,152	20,945,637	19,468,205	100.00	100.00	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	13,152	20,945,637	19,468,205	-	100.00	-	-

Brief Audited Financial Performance:

(Rs. In Lacs)

Particulars	31.3.2011	31.3.2010	31.3.2009
Share Capital	2094.56	1295.36	599.86
Reserves (Excluding Revaluation Reserve)	7644.57	3093.73	128.23
Miscellaneous Expenditure (to extent not written off)	-	-	(23.3)
Net Worth	9739.13	4389.09	704.79
Sales	18560.25	17979.74	10400.94
PAT	455.49	501.03	31.45
EPS (Per Share) (Rs.)	2.60	6.96	0.52
NAV Per Share (Rs.)	46.49	33.88	11.75

Stock Market Data

As on date, the equity shares of BSEL are listed only on BSE and the shares have since been delisted from Ahmedabad Stock Exchange & Calcutta Stock Exchange.

The stock market data of the BSEL on BSE is as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Total Turnover (Rs in Lacs)
November 2010	40.00	25.00	14359117	4656.47
December 2010	31.55	21.05	21646274	5828.41
January 2011	27.50	20.55	3687773	913.01
February 2011	22.30	13.50	2793000	501.74
March 2011	17.85	14.65	1875247	303.80
April 2011	21.7	15.6	1533133	292.38

(Source : www.bseindia.com)

Other Details:

- BSEL had come out with a GDR issue on 6th August 2010 of 2,79,785 GDRs representing 69,94,625 equity shares at Rs. 65.25 per share and USD 35.74 per GDR.
- BSEL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is not under winding up.
- BSEL has not made a loss in the immediately preceding financial year.
- There are no defaults in meeting any statutory/bank/institutional dues, except the following: Service tax Dues – Rs. 40.36 Lakhs and VAT of Rs. 6.50 Lakhs as per Auditor's report dated 12th November 2009, of which Service Tax of Rs. 25 Lakhs has since been paid.
- No proceedings have been initiated for economic offences against this Company.

Performance vis-à-vis Object:

BSEL had come out with a Follow-on Offer of 6,955,000 equity shares of Face Value Rs 10 each at a premium of Rs 40 per share aggregating to Rs. 3477.50 Lacs on January 27, 2010. The shares have been listed with Bombay Stock Exchange and since been delisted from Calcutta Stock Exchange and Ahmedabad Stock Exchange.

Sl. No.	Particulars	Projection as per Offer Document	Actual Utilisation till 31 st December 2010
1.	Capital Expenditure for BOOT Model	1500.00	100.00
2.	Capital Expenditure for XL@ School	950.00	1133.62
3.	Mergers & Acquisition Activity	450.00	-
4.	Working Capital Requirement	213.10	377.26
5.	Issue Expenses	303.15	282.40
6.	Contingencies	61.25	25.87
	Total	3477.50	1919.55

Unitilised FPO proceeds of Rs. 1517.95 Lakhs have been temporarily held in short term interest bearing instruments.

4. ZENITH BIRLA (INDIA) LIMITED (ZBIL)

Date of Incorporation	ZBIL was incorporated as Zenith Steel Pipes Limited on August 05, 1960 under The Companies Act, 1956 in the state of Maharashtra. The name of ZBIL was changed to Zenith Steel Pipes and Industries Limited with effect from 31 st October, 1975. The name of ZBIL was further changed to Zenith Limited with effect from 28 th January, 1986 which was subsequently changed to Zenith Birla (India) Limited with effect from October 18, 2005.
CIN	L29220MH1960PLC011773
PAN	AAACZ0103C
Registered Office	Dalamal House, 1 st Floor, 206, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021
Nature of Business	ZBIL manufactures Steel Pipes ERW welded steel & specializes in a wide range of black and galvanized pipes at Khopoli, Murbad and Tarapur in, Maharashtra.

Board of Directors as on March 31st 2011

Sr. No.	Name	Designation
1	Mr. Yashovardhan Birla	Chairman (Non Executive)
2	Mr. Mahendra Singh Arora	Managing Director (Non Independent)
3	Mr. P. V. R. Murthy	Director (Non Independent)
4	Dr. D.V. Kapur	Director (Independent)
5	Mr. Augustine Kurias	Director (Independent)
6	Mr. Anoj Menon	Director (Independent)

Details of listing of Zenith Birla (India) Ltd

Year of Initial Listing	1961
Name of the Stock Exchanges where currently listed	Bombay Stock Exchange and National Stock Exchange
Details of Public/ Rights offering in last 3 Years	None.
Date of Allotment	N. A.
Date of Listing	N. A.
Listing Code	531845 (BSE) ZENITHBIR (NSE)

Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	4	155,709	94,224	0.15	0.12	-	-
Bodies Corporate	10	33,845,959	32,277,307	32.98	25.78	1,440,000	4.25
Any Others (Specify)	1	75,169	-	0.07	0.06	-	-
Societies	1	75,169	-	0.07	0.06	-	-
Sub Total	15	34,076,837	32,371,531	33.20	25.96	1,440,000	4.23
(2) Foreign							
Total shareholding of Promoter and Promoter Group	15	34,076,837	32,371,531	33.20	25.96	1,440,000	4.23



(A)							
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	10	3,955	572	-	-	-	-
Financial Institutions / Banks	49	1,274,279	1,246,411	1.24	0.97	-	-
Foreign Institutional Investors	1	5,694,622	5,694,622	5.55	4.34	-	-
Sub Total	60	6,972,856	6,941,605	6.79	5.31	-	-
(2) Non-Institutions							
Bodies Corporate	722	19,052,959	19,020,195	18.57	14.51	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	78,083	21,803,314	20,305,497	21.25	16.61	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	381	19,849,752	19,849,752	19.34	15.12	-	-
Any Others (Specify)	399	872,258	869,335	0.85	0.66	-	-
Clearing Members	55	124,442	124,442	0.12	0.09	-	-
Trusts	8	1,447	1,447	-	-	-	-
Directors & their Relatives & Friends	1	14	14	-	-	-	-
Non Resident Indians	335	746,355	743,432	0.73	0.57	-	-
Sub Total	79,585	61,578,283	60,044,779	60.00	46.91	-	-
Total Public shareholding (B)	79,645	68,551,139	66,986,384	66.80	52.22	-	-
Total (A)+(B)	79,660	102,627,976	99,357,915	100.00	78.17	1,440,000	1.40
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-



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(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	1	28,652,472	28,652,472	-	21.83	-	-
Sub Total	1	28,652,472	28,652,472	-	21.83	-	-
Total (A)+(B)+(C)	79,661	131,280,448	128,010,387	-	100.00	1,440,000	1.10

Brief Audited Financial Performance:

(Rs. In Lacs)

Particulars	31.03.2010	31.3.2009	31.3.2008
Share Capital	5374.28	4007.25	4007.25
Reserves (Excluding Revaluation Reserve)	15295.00	18466.59	17485.18
Net Worth	20669.28	22473.84	21492.43
Sales	47707.00	58651.70	46518.52
PAT	929.00	1484.39	1929.56
EPS (Per Share) (Rs.)	1.72	3.70	4.82
NAV Per Share (Rs.)	38.46	56.08	53.63

The stock market data of ZBIL at BSE is as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Net Turnover (Rs in Lacs)
November 2010	13.60	10.00	11382155	1329.82
December 2010	11.95	8.40	15233767	1601.26
January 2011	11.33	8.95	2564663	260.00
February 2011	11.85	8.50	4613245	466.76
March 2011	10.35	8.5	3354305	305.65
April 2011	11.4	8.96	9698315	939.41

(Source: www.bseindia.com)

The stock market data of ZBIL at NSE is as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Net Turnover (Rs in Lacs)
November 2010	13.50	9.90	12868172	1511.64
December 2010	12.00	8.30	19769235	2076.23
January 2011	11.30	8.95	2945762	300.80
February 2011	11.85	8.70	6203812	624.69
March 2011	10.35	8.7	4240292	385.73
April 2011	11.1	9	12159937	1175.48

(Source: www.nseindia.com)

Other Details:

- There have been no Public or Rights Issue in the preceding three (3) years
- ZBIL had allotted 18,11,902 Global Depository Receipts (GDR) representing 54,357,060 underlying equity shares on 28th May 2010 at an offer price of USD 12.69 per GDR and Rs. 19.10 per share and are listed on Luxembourg Stock Exchange.
- ZBIL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is not under winding up
- ZBIL has not made a loss in the immediately preceding financial year.
- There are no defaults in meeting any statutory/bank/institutional dues
- No proceedings have been initiated for economic offences against this Company.



The Hon'ble High Court of Judicature of Mumbai vide its Order dated January, 8th 2010 in response to Petition Number 521 of 2009/ Application Number 385 of 2009 has approved the Scheme of Amalgamation entered into by Tungabhadra Holdings Private Limited (THPL) under section 391 and 394 of the Companies Act, 1956 with Zenith Birla (India) Limited (ZBIL) with effect from 1st April, 2008. As per the Scheme, 19 shares (Face Value Rs. 10) of ZBIL would be allotted for every 7 shares (Face Value Rs. 10) of THPL held on the record date namely, March 5, 2010.

Further under the same Order, The Hon'ble High Court of Judicature of Mumbai has approved the Scheme of Arrangement entered into by Zenith Birla (India) Limited (ZBIL) for demerging its 'tooling business' and merging it with Birla Precision Technologies Limited (BPTL) under section 391 and 394 of the Companies Act, 1956 with effect from 1st April 2008. As per the Scheme, 2 shares (Face value Rs. 2) of BPTL would be allotted for every 5 shares (Face Value Rs. 10) of ZBIL held on the record date namely, March 5, 2010.

Performance vis-à-vis Object :

ZBIL had come out with a follow-on Public Issue of 2,38,18,182 Equity Shares of Rs.10/- each offered at a fixed price of Rs.55/- per share (including a premium of Rs.45/- per share) aggregating to Rs.13,100 Lakhs to finance its expansion project, working capital requirements and to meet the issue expenses. The said issue was opened for subscription on 16th October, 2006 and closed on 20th October, 2006.

Details of utilization of Public Issue proceeds of Rs.131 crores towards ongoing project as on 31st December 2010, are as follows:

(Rs. In Lakhs)			
Sl. No.	Particulars	Projected Amount	Balance amount to be spent
I	Land and Site Development	42	-
II	Building	1576	835
III	Plant and Machinery	7157	6298
IV	Miscellaneous Fixed Assets	47	37
	Sub Total	8822	7170
V	Preliminary and Pre-operative expenses	150	98
VI	Public Issue Expenses	1200	(10)
VII	Contingency	221	221
VIII	Working Capital (Existing)	2150	-
IX	Working Capital (Project)	557	557
	Total	13100	8036

Pending full utilization, the balance amount is held in Current/Fixed deposit/liquid assets accounts. Similarly the company has also deployed the available surplus in reducing its working capital and cash credit utilization for ensuring the timely availability of resources when required.

5. BIRLA PRECISION TECHNOLOGIES LIMITED (BPTL) (FORMERLY BIRLA KENNAMETAL LIMITED)

Date of Incorporation	BPTL was incorporated as Birla Erickson (tools) Limited on October 13, 1986 under The Companies Act, 1956 in the state of Maharashtra. The name was further changed to Birla Kennametal Limited with effect from 1 st December, 1989 and it was subsequently changed to Birla Precision Technologies Limited with effect from November 20, 2007.
CIN	L29220MH1986PLC041214
PAN	AAACB2046A
Registered Office	B-15/4,MIDC Industrial Area, Waluj, Aurangabad – 431 133
Nature of Business	BPTL has modern plant set up with CNC Machines, imported special purpose machines and other machines of reputed make. The plant is situated at Aurangabad in Maharashtra. Products manufactured are wide range of precision AT 3 class rotating tool holders, Machine tools and Accessories.

Board of Directors as on March 31st 2011

Sr. No.	Name	Designation
1	Mr. Yashovardhan Birla	Chairman (Non-Independent, Non-Executive)
2	Mr. P.V.R. Murthy	Director (Non-Independent, Non-Executive)
3	Mr. Mahendra Singh Arora	Managing Director
4	Mr. A. P. Kurias	Director (Independent)
5	Mr. Shailesh Sheth	Director (Independent)
6	Mr. Mohandas Shenoy Adige	Director (Independent)

Details of Listing of Birla Precision Technologies Ltd

Year of Initial Listing	1990
Name of the Stock Exchanges where currently listed	Bombay Stock Exchange
Details of Public/ Rights offering in last 3 Years	None.
Date of Allotment	N.A.
Date of Listing	N.A.
Listing Code	522105

Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							



Individuals / Hindu Undivided Family	3	55,333	35,197	0.17	0.17	-	-
Bodies Corporate	8	17,293,844	16,793,613	54.00	54.00	3,200,000	18.50
Any Others (Specify)	1	25,056	-	0.08	0.08	-	-
Any Other	1	25,056	-	0.08	0.08	-	-
Sub Total	12	17,374,233	16,828,810	54.25	54.25	3,200,000	18.42
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	12	17,374,233	16,828,810	54.25	54.25	3,200,000	18.42
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	10	1,318	191	-	-	-	-
Financial Institutions / Banks	35	126,562	118,389	0.40	0.40	-	-
Foreign Institutional Investors	2	1,335,000	1,335,000	4.17	4.17	-	-
Sub Total	47	1,462,880	1,453,580	4.57	4.57	-	-
(2) Non-Institutions							
Bodies Corporate	447	6,191,550	6,178,891	19.33	19.33	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	61,396	4,353,963	3,548,820	13.59	13.59	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	7	2,560,666	2,560,666	8.00	8.00	-	-
Any Others (Specify)	216	84,704	83,722	0.26	0.26	-	-
Trusts	7	391	391	-	-	-	-
Non Resident Indians	202	81,215	80,233	0.25	0.25	-	-



THE YASH BIRLA GROUP



Clearing Members	7	3,098	3,098	0.01	0.01	-	-
Sub Total	62,066	13,190,883	12,372,099	41.19	41.19	-	-
Total Public shareholding (B)	62,113	14,653,763	13,825,679	45.75	45.75	-	-
Total (A)+(B)	62,125	32,027,996	30,654,489	100.00	100.00	3,200,000	9.99
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	62,125	32,027,996	30,654,489	-	100.00	3,200,000	9.99

Brief Audited financials of BPTL

(Rs in Lacs)

Particulars	31.3.2010	31.3.2009	31.3.2008
Share Capital (FV Rs 2)	640.56 [#]	320.00	320.00
Reserves (Excluding Revaluation Reserve)	6358.56	1707.21	1669.82
Net Worth	6999.12	2027.21	1989.82
Sales	7913.42	2714.00	3135.78
PAT	95.66	56.11	533.33
EPS (Per Share) (Rs.)	0.30	0.35	3.33
NAV Per Share (Rs.)	21.85	12.67	12.44

[#] In accordance with the Scheme of Arrangement sanctioned by the Honorable High Court of Bombay vide its order dated 8th January 2010, the tooling division of Zenith Birla (India) Ltd stands merged with BPTL. BPTL has on 19th March 2010 allotted 16027996 shares of Birla Precision Technologies Ltd to the shareholders of Zenith Birla (India) Ltd and accordingly the paid-up share capital stands increased to Rs. 641 Lacs.

The stock market data of BPTL on BSE is as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Total Turnover (Rs in Lacs)
November 2010	20.80	13.95	438194	76.91
December 2010	16.90	12.90	321146	49.05
January 2011	15.00	11.11	163797	21.93
February 2011	12.98	9.75	240840	27.59
March 2011	14	11.95	350537	45.91
April 2011	15.27	12.31	133371	18.05

Source: (www.bseindia.com)



Other Details:

- There have been no Public or Rights Issue in the preceding three (3) years
- BPTL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is not under winding up
- BPTL has not made a loss in the immediately preceding financial year.
- There are no defaults in meeting any statutory/bank/institutional dues
- No proceedings have been initiated for economic offences against this Company.

The Hon'ble High Court of Judicature of Mumbai vide its Order dated January, 8th 2010 in response to Petition Number 523 of 2009/ Application Number 387 of 2009 has approved the Scheme of Arrangement entered into by Zenith Birla (India) Limited (ZBIL) for demerging its 'tooling business' and merging it with Birla Precision Technologies Limited (BPTL) under section 391 and 394 of the Companies Act, 1956 with effect from 1st April 2008. As per the Scheme, 2 shares (Face value Rs. 2) of BPTL would be allotted for every 5 shares (Face Value Rs. 10) of ZBIL held on the record date namely, March 5, 2010.

B. Details of group companies which are under BIFR

(1) BIRLA TRANSASIA CARPETS LIMITED (BTCL)

Date of Incorporation	BTCL was incorporated as Tufted Carpets and Woollen Industries Limited on September 04, 1972 under the Companies Act, 1956 in the state of Uttar Pradesh. The name of BTCL was changed to Transasia Carpets Limited with effect from 30 th January, 1979 and it was subsequently changed to Birla Transasia Carpets Limited with effect from February 18, 1998.
CIN	L17222UP1972PLC004772
PAN	AAACB4659B
Registered Office	Plot No. 3 & 4 Industrial Area, Secunderabad – 203 205, Dist. – Bulandshahr U.P
Nature of Business	The products of BTCL include carpets of different styles like DVD, galaxy, prime, and luxury, top notch, renaissance and astral.

Board of Directors as on 31st March 2011

Sr. No.	Name	Designation
1	Mr. Arun Singhi	Non Executive, Non Independent Director
2	Mr. R.S. Juneja	Executive Non Independent Director
3	Mr. Purshottam Sharma	Non Executive Non Independent Director

Details on the listing of BTCL

Year of Initial Listing	1978
Name of the Stock Exchanges where currently listed	Bombay Stock Exchange, Delhi Stock Exchange
Details of Public/ Rights offering in last 3 Years	None.
Date of opening and closing of Issue	N.A.
Date of Allotment	N.A.
Date of Listing	N.A.
Listing Code	503823



Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Bodies Corporate	7	1,730,497	-	61.04	61.04	-	-
Sub Total	7	1,730,497	-	61.04	61.04	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	7	1,730,497	-	61.04	61.04	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	1	4,550	-	0.16	0.16	-	-
Financial Institutions / Banks	2	400	-	0.01	0.01	-	-
Insurance Companies	1	26,312	-	0.93	0.93	-	-
Sub Total	4	31,262	-	1.10	1.10	-	-
(2) Non-Institutions							
Bodies Corporate	28	23,600	-	0.83	0.83	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	6,483	663,500	-	23.40	23.40	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11	335,850	-	11.85	11.85	-	-
Any Others (Specify)	1	50,320	-	1.77	1.77	-	-



THE YASH BIRLA GROUP

Birla Pacific
MED SPA

Transit	1	50,320	-	1.77	1.77	-	-
Sub Total	6,523	1,073,270	-	37.86	37.86	-	-
Total Public shareholding (B)	6,527	1,104,532	-	38.96	38.96	-	-
Total (A)+(B)	6,534	2,835,029	-	100.00	100.00	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	6,534	2,835,029	-	-	100.00	-	-

Brief Financial Performance:

(Rs. In Lacs)

Particulars	31.03.2010 (Audited)	31.03.2009 (Audited)	31.3.2008 (Audited)
Share Capital	283.83	283.83	283.83
Reserves (Excluding Revaluation Reserve)	(3492.75)	(3323.56)	(3147.99)
Net Worth	(3208.92)	(3039.73)	(2864.16)
Sales	166.02	150.76	266.78
PAT	(169.20)	(175.57)	(80.50)
EPS (Per Share) (Rs.)	-ve	-ve	-ve
NAV Per Share (Rs.)	-ve	-ve	-ve

The stock market data of BTCL for the last six months on BSE is as under

Month	High (Rs.)	Low (Rs.)	No. Of Shares Traded	Net Turnover (Rs. In Lacs)
November 2010	111.75	100.90	150	0.160
December 2010	No Shares Traded			
January 2011	No Shares Traded			
February 2011	No Shares Traded			
March 2011	110.7	95.9	57,850	61.04605
April 2011	116.2	116.2	100	0.11620

(Source: www.bseindia.com)

Other Details:

- There have been no Public or Rights Issue in the preceding three (3) years
- BTCL has been declared a Sick Industrial Company within the meaning of clause (O) of the sub section (10) of the section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 by the Board for Industrial & Financial Reconstruction (BIFR) in its meeting held on 28.06.99 and registered as case no. 43/99 with the Board. BTCL has been directed by the BIFR for submission of Draft Rehabilitation Scheme (DRS) for its consideration and approval in its meeting held on 26.09.05. BTCL has submitted DRS

scheme to operating agency Punjab National Bank (PNB) and PNB has submitted DRS to BIFR and awaiting final order of Hon'ble BIFR. The BIFR meeting held on 14/06/2007 directed to the Operating Agency (PNB) to re-submit the DRS for final decision. PNB has discussed the proposal in the Joint Meeting and forwarded its report that on conversion of Inter Corporate Deposits into Equity and on grant of relief and concession, this company's net worth is expected to be positive on implementation of rehabilitation of scheme.

- BTCL has made a loss in the immediately preceding year and accordingly, the profit or loss figures for the immediately preceding three years are given herewith / above.
BTCL has incurred a loss of Rs.169.20 lakhs during the FY 2009 – 10.
- BTCL's auditors in their reports have pointed the following qualifications
 - ✓ The report for the financial year 2008 have stated that non-provision of interest on Inter Corporate Deposits resulting into understatement of loss for the year by Rs.80.50 Lacs and as a result into understatement of current liabilities to the same extent. For the Financial years 2009 and 2010, the auditors have stated that the quantum of understatement of loss and the current liabilities are unascertainable due to non- provision of interest on Inter Corporate Deposits.
 - ✓ BTCL is not regular in depositing the provident fund dues, ESI dues, TDS, Service Tax and Sales Tax with the respective authorities
 - ✓ Contingent Liabilities not provided by BTCL includes claims against BTCL not acknowledged as debts Rs. 3,90,48,,493/- and Guarantees issued by the banks on behalf of BTCL of Rs.4,00,000/-
 - ✓ No provisions of liabilities had been made on account of shortfall in fulfillment of export obligations against duty free import of raw material on Advance Licenses in earlier years. The amount of liabilities cannot be ascertained at present.
- There are no defaults in meeting any statutory/bank/institutional dues, except as mentioned below:

Particulars	Amount Due as on 31.03.10 (Rs. In Lakhs)
FBT	1.86
Excise Duty	34.72
Sales Tax	14.94

No proceedings have been initiated for economic offences against this Company.

- (2) **BIRLA ACCUCAST LIMITED** had been referred to the BIFR u/s 15(1) of SICA on 4th October 2002. BIFR declared it as sick industrial company u/s 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 and appointed IDBI as operating agency for formulating a draft rehabilitation scheme. After several hearings, BIFR had sanctioned the rehabilitation scheme on 2nd February 2010. The BIFR having noted that the scheme has been substantially implemented and the networth of the company as on 31st March 2010 has turned positive, has discharged the company from the purview of SICA/BIFR vide its Order dated 11th April, 2011..

C. Details of group companies having negative net worth.

- BIRLA CONCEPTS INDIA PVT. LIMITED** was incorporated on March 07, 2002 under the Companies Act, 1956 in the State of Maharashtra. It is engaged in the business of furniture and fixtures.

Brief Audited Financial Performance

Particulars	(Rs. in Lacs)		
	31.03.2010	31.03.2009	31.03.2008
Equity Share Capital	5.00	5.00	5.00
Reserves (Excluding Revaluation Reserve)	(182.50)	(69.28)	(49.57)
Net Worth	(177.50)	(64.28)	(44.57)
Sales	25.32	26.38	90.78
PAT	(113.59)	(19.53)	(31.66)
EPS (Rs.)	-ve	-ve	-ve
NAV Per Share (Rs.)	-ve	-ve	-ve

Nature & extent of interest of the promoters

As on 31st March 2011, Yash Birla Group holds 51% of the total equity holdings.

Other Details:

- Birla Concepts is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
 - It has made a loss in the last three years, due to which company is registering negative Net-worth.
 - There are no defaults in meeting any statutory/bank/institutional dues.
 - No proceedings have been initiated for economic offences against this Company
- BIRLA ELECTRICALS LIMITED** was incorporated on December 02, 1996 under the Companies Act 1956 in New Delhi. The certificate for commencement of business was received on December 24, 1996. The product offering of Birla Electricals include room heating system, air purifier, ice cream maker, blender, coffee maker, juicer, oven & toasters, cooking hobs, iron, mixer grinder, oil heaters, etc.

Brief Audited Financial Performance:

Particulars	(Rs. in Lacs)		
	For the Year ended		
	31.03.2010	31.03.2009	31.03.2008
Share Capital	75.07	75.07	75.07
Reserves (Excluding Revaluation Reserve)	-	-	-
Profit & Loss (Debit Balance)	(1088.62)	(1090.16)	(1088.04)
Net Worth	(1013.55)	(1015.09)	(1012.97)
Sales	2265.87	883.63	124.94
PAT	1.82	(2.12)	(0.92)
EPS (Rs.)	0.41	-ve	-ve
NAV Per Share (Rs.)	-ve	-ve	-ve

Nature & extent of interest of the promoters

As on 31st March 2011, Yash Birla Group holds 100% of the total equity holdings.



Other Details:

- Birla Electricals is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
 - It has made a loss in the last three years, and due to the accumulated losses, it is registering Negative Networth.
 - There are no defaults in meeting any statutory/bank/institutional dues.
 - No proceedings have been initiated for economic offences against this Company
3. **BIRLA GLOBAL CORPORATE LIMITED (BGCL)** was incorporated in the name of Zenith Agent Services Limited on October 18, 1977 under the Companies Act, 1956 in the State of Maharashtra. is engaged in all kinds of Corporate Services of Consulting and advising such as Management Consulting, Human Resources Consulting, Consulting on mergers and acquisitions, Merchant Banking, Public Relations Activities, Legal Consultancy, Financial matters, Consulting on the various types of loans, Managing all kind of issue of shares, Debentures or other securities of the Companies, Consulting into various financial instruments, futures, options etc. and engaging or employing as a broker, commission agent and underwriter.

Brief Financial Performance

(Rs in Lacs)

Particulars	31.03.2010 (Audited)	31.03.2009 (Audited)	31.03.2008 (Audited)
Equity Share Capital	10.00	10.00	10.00
Reserves & Surplus (excluding revaluation reserve)		-	-
Profit & Loss (Debit Balance)	(26.09)	(13.02)	(14.02)
Share Holders Funds / Net Worth	(16.09)	(3.02)	(4.02)
Income	727.62	679.70	628.28
Profit / (Loss) After Tax	(13.07)	0.05	(7.00)
EPS	-ve	0.05	-ve
NAV	-ve	-ve	-ve

Nature & extent of interest of the promoters

As on 31st March 2011, Yash Birla Group holds 100% of the total equity holdings.

Other Details:

- BGCL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- BGCL has made loss in two of the last three years, and due to the accumulated losses, it is registering Negative Net worth.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against this Company.

D. OTHER GROUP COMPANIES

1. BIRLA CAPITAL & FINANCIAL SERVICES LIMITED (BCFSL) (FORMERLY BIRLA LEASING & INFRASTRUCTURE LIMITED)

BCFSL was originally incorporated in the name of Dhanam Trades and Agencies Limited on 7th May, 1985 under The Companies Act, 1956 in the state of Maharashtra. The name of BCFSL was changed to Birla Capital and Financial Services Ltd with effect from July 11, 2008. BCFSL is registered with SEBI as a merchant banker in Category 1 to carry on the activities such as Management of Issues, Investment Advisors, and Underwriting of Issues and to act as Manager, Consultant, or Advisor to any Issue including Corporate Advisory Services. BCFSL shares are listed on BSE.

Nature & extent of interest of the promoters

As on 31st March, 2011 Yash Birla Group holds 65.10% of the total equity holdings.

2. BIRLA MACHINING & TOOLINGS LIMITED (PREVIOUSLY KNOWN AS DAGGER FORST TOOLS LIMITED) (BMTL)

BMTL was incorporated in the name of Dagger Forst Tools Limited on May 04, 1965 under the Companies Act, 1956 in the state of Maharashtra. The name of the company was changed from Dagger Forst Tools Limited to BMTL on 23rd November 2010. BMTL was engaged in the manufacture of highly specialized cutting tools viz. broaches, hobs, shaper cutters & shaving cutters (gear cutting tools). BMTL had executed Business Transfer Agreement on 29th January 2009 with M/s Motherson Advanced Tooling Services Ltd for the transfer of its specified business undertakings on Slump Sale basis subject to the terms and conditions mentioned in the BTA. Presently BMTL is exploring various business opportunities in the similar line of business. The shares of BMTL are listed on BSE.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 52.11% of the total equity holdings. Mr. Yashovardhan Birla is the Chairman of this Company.

3. MELSTAR INFORMATION TECHNOLOGIES LIMITED (MITL)

MITL was incorporated in the name of Sifa India Private Limited on August 12, 1986 under the Companies Act, 1956 in the state of Maharashtra. The name of MITL was changed to Melstar Information Technologies Limited with effect from July 28, 1994. MITL is engaged in the business of providing application support service, offers services that can be undertaken onsite, off-site, off-shore, or any combination thereof like Applications Development, Application Management, Product Based Solutions. The shares of MITL are listed on NSE and BSE.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 50.00% of the total equity holdings. Mr. Yashovardhan Birla is the Chairman of this Company.

4. ASIAN DISTRIBUTORS PVT. LIMITED was incorporated on 24th December, 1942 in the name of East West Import & Export Limited under The Jaipur Companies Act, 1942 in Jaipur. It is an NBFC and currently engaged in the business of investment activities.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 64.55% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

- 5. BIRLA BOMBAY PVT. LIMITED** was incorporated in the name of Cotton Agents Private Limited on September 26, 1923 under The Indian Companies Act, VII of 1913 in Bombay. It is carrying on the business of financier, guarantor and is also dealing in shares and securities.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 77.48% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

- 6. BIRLA EDUTECH LIMITED** was incorporated on November 07, 2008 under the Companies Act, 1956 in the State of Maharashtra. It has been incorporated to carry on the business of setting up schools, colleges, autonomous universities in India and abroad, developing multimedia educational content, provide services to schools, colleges, tutoring centers by supplying hardware, accessories. However, it has commenced its commercial operations in the year 2009.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

- 7. BIRLA INFRASTRUCTURE LIMITED (FORMERLY KNOWN AS BCI INTERNATIONAL LIMITED)** was incorporated on January 22, 1977 under the Companies Act, 1956 in the State of Maharashtra. It has been incorporated to carry on the business of real estate, construction, re-development of residential / commercial properties, schools, hospitals, factories etc.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings.

- 8. BIRLA INTERNATIONAL PVT. LIMITED** was incorporated on April 15, 1963 under the Companies Act, 1956 in the State of Maharashtra. It is engaged, amongst others, in trading of fire hose fittings, furnace oil, cast iron powder, generators, heavy duty angle grinder, raw wool etc. It is also a dealer in other items i.e. gunmetal couplings, cutting oil, purifier & coolers etc.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings.

- 9. BIRLA KERALA VAIDYASHALA PVT. LIMITED** was incorporated on November 11, 2008 under the Companies Act, 1956 in the State of Maharashtra. It is into offering ayurvedic therapies from the sacred ancient texts. It is in the business of beauty and healthcare treatments providing health spa services/treatment, ayurvedic therapies, health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments, sanatorium centers.

Nature & extent of interest of the promoters

This company is a subsidiary of our promoter, Birla Wellness & Healthcare Pvt. Ltd. As on 31st March, 2011, Yash Birla Group holds 50.98% of the total equity holdings.

- 10. BIRLA RESEARCH & LIFESCIENCES LIMITED** was incorporated under the name and style of Birla Lifesciences Pvt Ltd on January 10, 2008 under the Companies Act, 1956 in the State of Maharashtra. The name of the company was changed to Birla Research & Lifesciences Pvt Ltd on 23rd September 2010 and subsequently the company was converted into a public limited company on 25th November 2010. The Object



is to carry on the business related to medical, biological food products and services based on ayurvedic/herbal sciences, bio technology, genetics, etc.

Nature & extent of interest of the promoters

This company is a subsidiary of our promoter, Birla Wellness & Healthcare Pvt. Ltd. As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

11. **BIRLA LIFESTYLE PVT. LIMITED** was incorporated on June 08, 2000 in the name of Reverie Infodesigns Private Limited under the Companies Act, 1956 in the State of Maharashtra. It has a chain of lifestyle stores in major cities of India. The stores provide basic utilities and small accessories required for home and/ or office.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings.

12. **BIRLA SURYA LIMITED** was incorporated on 25th September 2008 for setting up a Greenfield project to manufacture Solar Photovoltaic Cells and Multi-crystalline Silicon Wafers. BSL (Birla Surya Limited) aims to establish 1200 MW of Silicon wafers capacity, 960 MW of Solar Cells capacity and 10,000 TPA of poly-silicon capacity over the years. To start with, BSL proposes to set up 60 MWp of Solar Cell line and 125 MWp of Silicon Wafer line which form the company's current focus right now and the project is under implementation.

Nature and extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 96.61 % of the total equity holdings.

13. **BIRLA VIKING TRAVELS PVT. LIMITED (FORMERLY KNOWN AS VIKING TRAVELS PVT. LTD)** was incorporated on October 05, 1976 under the Companies Act, 1956 in the State of Maharashtra. It is a registered travel agent having membership of Organizations like IATA, TAAI, IATO, AAI, Incredible India and Government of India, Ministry of Tourism.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

14. **GODAVARI CORPORATION PVT. LIMITED** was incorporated on 13th February, 1946 under the Indore Companies Act VII of 1940, at Indore. It is NBFC and is engaged in the business of dealing and trading in shares and securities. It has also commissioned a wind mill at Karad, Maharashtra which is generating wind power and transmitting/ distributing the same through the MSEB grid.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings.

15. **NIRVED TRADERS PVT. LIMITED** was incorporated on 25th October, 1994 under the Companies Act, 1956 in the State of Maharashtra. It is operating as NBFC and engaged in the business of dealing in shares & securities.



Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings.

- 16. SHEARSON INVESTMENT & TRADING COMPANY PRIVATE LIMITED** was incorporated on 10th October, 1989 under the Companies Act, 1956 in the State of Maharashtra. It is NBFC and is engaged in the business of Financier and dealing in shares & securities.

Nature & extent of interest of the promoters

As on 31st March, 2011, Yash Birla Group holds 100% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

- 17. BIRLA INTEGRATED TEXTILE PARK LIMITED** was incorporated on 14th August, 2008 under the Companies Act, 1956 in the State of Maharashtra. It is engaged in the business as manufacturers, processors, buyers' exporters, importers in all kind of Cotton, Silk and other natural, synthetic & man made fibers and to develop integrated textile parks etc.

Nature & extent of interest of the promoters

Yash Birla Group holds 100% of the total equity holdings.

- 18. ASHOK BIRLA APOLLO HOSPITAL PVT. LTD** was incorporated on 25th September 2008 under the Companies Act, 1956 in the State of Maharashtra. The main object is to promote, construct, engage or act as consultants in setting up Hospitals, Nursing Homes, Laboratories, medical centers, clubs etc and to educate nurses and other medical professionals

Nature & extent of interest of the promoters

It is a 50:50 Joint venture with Western Hospitals Corporation Pvt. Ltd.

- 19. BIRLA AIRCON INFRASTRUCTURE PRIVATE LIMITED** was incorporated on 13th October 2010 under the Companies Act, 1956 in the State of Maharashtra. The main object is to carry on the business of builder, civil and construction contracts, to improve building and hereditaments of any tenure or description including infrastructural facilities like bridges, ports, Airports etc.

Nature & extent of interest of the promoters

It is a 70:30 Joint venture with M/S. Aircon Engineering Services, Kolkata.

Our Promoters, Promoter Group and Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.



CHANGE IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

The company has formulated a policy in the second period of accounting i.e. for the six months ending 31st March 2010 with respect to the expenditure on brand building, wherein the expenses are to be amortized from the period beginning from FY 2013 – 2014 over a period of 5 years as decided by the management.

CHANGE IN ACCOUNTING PERIOD

The Company's first accounting period was from 15th July 2008 to 30th September 2009 comprising of Fourteen (14) and a half months. The second period of accounting is for a period of 6 months from 1st October 2009 to 31st March 2010. The third period of accounting is for a period of 9 months from 1st April 2010 to 31st December 2010.

COMMON PURSUITS

There is no common pursuit.

FULL PARTICULARS OF THE NATURE AND EXTENT OF THE INTEREST, IF ANY, OF EVERY PROMOTER:

Neither the Promoters nor the Firms or Companies in which they are members have any interest in the business of our Company, except to the extent of investments made by them and their group / investment companies in our Company and earning returns thereon. None of the Promoters or the firms or companies in which they are members has any interest in any property acquired by the company within two years of the date of this RHP or proposed to be acquired by it. The promoters are also interested in our Company to the extent of their shareholding, for which they are entitled to receive the dividend declared if any, by our Company.

PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY:

Other than the salary and remuneration of the Promoter Directors, referred to in the section titled "Compensation of Whole-time Directors" on page 70 of this RHP, there are no payment or benefit to promoters of our Company.

RELATED PARTY TRANSACTIONS AS PER THE FINANCIAL STATEMENTS

The other details of related party transactions please refer to in section "Financial Information of Our Company" on page 117 of this RHP.



CURRENCY OF PRESENTATION

In this RHP, all references to “Rupees” and “Rs.” and “Indian Rupees” are to the legal currency of the Republic of India; all references to “U.S. Dollars” and “US\$” are to legal currency of the United States.

In this Offer Document, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

DIVIDEND POLICY

The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interests in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment. The company has not declared any dividend since inception.

SECTION VII - FINANCIAL STATEMENTS

FINANCIAL INFORMATION OF OUR COMPANY

REPORT OF THE AUDITOR ON FINANCIAL INFORMATION

The Board of Directors
BIRLA PACIFIC MEDSPA LIMITED.
Dalamal House, First Floor
206, Jamnalal Bajaj Marg,
Nariman Point,
Mumbai - 400 021.

Dear Sirs,

We have examined the financial information of **BIRLA PACIFIC MEDSPA LIMITED** [hereinafter referred to as 'the Company'] contained in the statements annexed to this report, which have been approved by the Board of Directors, proposed to be included in the RHP in connection with the proposed Public Offer of Equity Shares of the Company.

In terms of the requirement of :

- a. Paragraph B (1) of Part – II of Schedule II to the Companies Act, 1956,
- b. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 in pursuance of Section 11 of Security and Exchange Board of India Act (SEBI), 1992, 'the SEBI (ICDR) Regulations' ;
- c. The appointment letter dated 3rd May 2010 received from the Company, requesting us to issue a report as Statutory Auditors of the Company relating to the RHP being issued by the Company in connection with the Initial Public Offer of Equity Shares of the Company.

Financial Information as per audited financial Statements :

The Company was incorporated in July 2008; therefore the first report on the financial information of the company for the period from 15th July 2008 to 30th September 2009, second report for six months ended 31st March 2010 and third report for nine months ended 31st December 2010 has been prepared and audited.

- a. We have examined the accompanying 'Statement of adjusted Profits and Losses' (Annexure - I) for the period ended 30th September, 2009 , for six months ended 31st March 2010 and for nine months ended 31st December 2010 and the 'statement of adjusted assets and liabilities' (Annexure – II) as on the same date, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the significant Accounting Policies and notes to accounts (Annexure- III & IV) thereon, which are the responsibility of the Company's management, have been extracted from the financial statements for the period ended 30th September 2009 and for six months ended 31st March 2010 audited by us, approved by the Board of Directors and adopted by the Members and for nine months ended 31st December 2010 audited by us, approved by the Board of Directors.



b. We report as under:-

(i) The statement of adjusted profits and/or losses, and the assets and liabilities of the Company as at the end of the period ended 30th September 2009 , for six months ended 31st March 2010 and for nine months ended 31st December 2010 , reflect the profits and losses and assets and liabilities extracted from the Profit and Loss Accounts and Balance Sheets for the period ended 30th September 2009 , for six months ended 31st March 2010 and for nine months ended 31st December 2010 audited by us, after making such adjustments, regrouping and disclosures as were, in our opinion, appropriate and required to be made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

(ii) in our opinion, read with the respective Significant Accounting Policies and subject to/read together with the notes thereon and after making such adjustments, regroupings and disclosures as were, in our opinion, appropriate and required, the financial information referred to above and the other Financial Information herein below, have been prepared in accordance with Part – II of Schedule II of the Companies Act, 1956, and the SEBI (ICDR) Regulations 2009.

Other Financial Information :

We have also examined the following other financial information relating to the Company proposed to be included in the Prospectus, extracted from the accounts for the period ended 30th September 2009, for six months ended 31st March 2010 and for nine months ended 31st December 2010 audited by us, except that, the Related Party transactions, are as prepared by the management and reviewed by us :-

- i) Statement of the Cash Flow of the Company (Annexure - V)
- ii) Details / Analysis of Outstanding Secured & Unsecured Loans taken by the Company (Annexure - VI & VII).
- iii) Adjusted statement of investments- (Annexure - VIII)
- iv) Age-wise analysis of Sundry Debtors and details of Loans and Advances (Annexure – IX & X)
- v) Details of Other Income (Annexure - XI)
- vi) Statement of Dividend paid (Annexure - XII)
- vii) Capitalization Statement (Annexure -XIII)
- viii) Summary of Accounting Ratios based on adjusted profits relating to the earning per share, net asset value and return on net worth (Annexure – XIV)
- ix) Related Party Transactions (Annexure - XV)
- x) Statement of Segment Reporting (Annexure- XVI)
- xi) Statement of Tax Shelter (Annexure - XVII)

This report should not in any way be construed to be a reissuance or redating of any of the previous audit reports issued by us or by the other firm of Chartered Accountants, nor should it be construed to be a new opinion on any of the financial statements referred to herein.

Our this Report, is being provided solely for the use of Birla Pacific Medspa Limited, for the purpose of its inclusion in the said Prospectus in connection with the proposed Public Offer of the Equity Shares of the Company.



THE YASH BIRLA GROUP



This Report may not be used or relied upon by or disclosed, referred to or communicated by yourself (in whole or in part) to any third party for any purpose other than the stated use, except with our written consent in each instance and which consent may be given only after full consideration of the circumstances at that time.

For and on behalf of
M/s Kanu Doshi Associates
Chartered Accountants

Jayesh Parmar
Partner
Membership No.45375

Mumbai
Date: February 15, 2011

Annexure I

Restated Statement of Profit and Loss Account

(Amount in Rs)

Particulars	For nine months ended 31st December 2010	For six months ended 31 st March 2010	For the fourteen and half months ended 30 th September 2009
INCOME			
Sales:			
of products manufactured	-	-	-
of products traded in	16,450,451	15,287,391	17,047,471
Total	16,450,451	15,287,391	17,047,471
Other Income	252,570	-	-
Increase/(Decrease) in Stock	312,832	358,571	628,324
Total Income	17,015,853	15,645,962	17,675,795
EXPENDITURE			
Purchase / Raw material consumed	1,657,082	2,622,855	3,252,936
Staff Costs	6,669,132	5,234,296	4,771,459
Administration expenses	38,308,241	34,735,331	49,044,780
Selling & Distribution expenses	7,031,303	5,797,314	6,269,948
Finance Charges	105,673	76,645	95,822
Total Expenditure	53,771,431	48,466,441	63,434,945
Net Profit before Taxes & Extraordinary items	(36,755,578)	(32,820,479)	(45,759,150)
Taxation	-	-	-
Less: Provision for current tax (including Wealth tax)	-	-	-
Less: Provision for deferred tax (net)	-	-	-
Less : Provision for Fringe Benefit tax	-	-	(15,948)
Effect of adjustments on tax	-	-	-
Net Profit before Extraordinary items	(36,755,578)	(32,820,479)	(45,775,098)
Add: Extraordinary items	-	-	-
Net Profit/ (loss) after tax	(36,755,578)	(32,820,479)	(45,775,098)

Notes:

Being the first year of accounting the accounts have been made from the date of registration 15th July 2008 to 30th September 2009, the second report has been prepared for six months ending 31st March 2010 and third report has been prepared for nine months ending 31st December 2010.

The above statement should be read with the Notes to the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated statement of Cash Flow.

Annexure II
Restated Statement of Assets & Liabilities

(Amount in Rs)

	Particulars	As on 31st December 2010	As on 31 st March 2010	As on 30 th September 2009
A	Fixed Assets :			
(i)	Gross Block	77,327,930	64,943,167	61,167,513
	Less: Accumulated Depreciation	(21,106,691)	(13,365,264)	(8,406,278)
	Net Block	56,221,239	51,577,903	52,761,235
	Less: Revaluation Reserve	-	-	-
	Net Block after adjustment for Revaluation Reserve	56,221,239	51,577,903	52,761,235
(ii)	Capital work in Progress	-	3,695,192	795,371
	TOTAL (A)	56,221,239	55,273,095	53,556,606
B	Investments (B)	-	-	-
C	Current Assets , Loans & Advances:			
	Inventories	1,344,754	1,031,922	673,351
	Sundry Debtors	962,780	921,612	875,319
	Cash & Bank Balances	7,753,564	2,352,816	12,539,892
	Loans & Advances	355,832,901	123,906,012	22,298,400
	TOTAL (C)	365,893,999	128,212,362	36,386,962
	TOTAL (A+B+C)	422,115,238	183,485,457	89,943,568
D	Less :Liabilities & Provisions:			
	Secured Loans	-	-	-
	Unsecured Loans	1,000,000	-	-
	Net Deferred Tax liabilities	-	-	-
	Current Liabilities & provisions (including Share application money and money received on equity warrants)	46,447,073	157,395,033	80,217,666
	TOTAL (D)	47,447,073	157,395,033	80,217,666
	Net worth- (A+B+C – D)	374,668,165	26,090,424	9,725,902
	Represented By:			
(i)	Share Capital	447,162,180	104,686,000	55,501,000
(ii)	Share Premium	42,857,140	-	-
(iii)	Profit & Loss Account debit balance	(115,351,155)	(78,595,576)	(45,775,098)
	Net worth- (i+ ii - iii)	374,668,165	26,090,424	9,725,902

Note:

The above statement should be read with the Notes to the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated statement of Cash Flow

Annexure – III

SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting:

The financial statements have been prepared on accrual basis (except dividend income) and under the historical cost convention in accordance with accounting principles generally accepted in India and the provisions of the Companies Act, 1956.

2. Use of Estimates:

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialise.

3. Revenue Recognition:

Revenues are recognised on accrual basis on Completion of Service & in case of package service on booking of package.

4. Fixed Assets/ Intangible Assets:

Fixed and Intangible Assets are stated at cost. Interest and Finance costs, if any in respect of loan for financing Fixed Assets, are capitalised till the date the assets are ready for use.

5. Depreciation/ Amortization:

Depreciation on Fixed assets has been provided on the Written down value method at the rates specified and the in the manner prescribed under Schedule XIV of Companies Act, 1956.

Expenditure on major computer software is amortized over the period of expected benefit not exceeding five years.

Expenditure on Brand Building will be amortized from the period beginning from F.Y. 2013-14 over a period of five years as decided by management.

The financials for the period October 2009 – March 2010 were qualified as under:

“The Company has deferred the accumulated revenue expenditure of Rs.39,046,062 (previous period Rs.22,375,587 plus current period Rs. 16,670,475) being in the nature of Brand Building Expenses which is in contravention of AS 26 “Accounting for Intangibles”. The Company has not amortized any part of the Brand Building Expenditure in the current audit period.

The financials for the period April 2010 – December 2010 were qualified as under:

“The Company has deferred miscellaneous expenditure of Rs.39,046,062 (previous period Rs.39,046,062 plus current period Rs. Nil) being in the nature of Brand Building Expenses which is in contravention of AS 26 “Accounting for Intangibles”. Due to the above, the reserves of the company is overstated to the extent of Rs. 39,046,062”

However, the restated accounts are prepared after considering above qualification.

6. Impairment of Asset:

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on “Impairment of Assets” issued under Accounting Standard Rules,



2006. An impairment loss is charged to the Profit and Loss account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

7. Investments:

The investments (Long Term) are stated at cost. Provision for diminution in value is made only if decline in the value of such Investments is other than temporary. Current investments are valued at lower of cost or market value.

8. Foreign Currency Transaction:

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the profit and loss account. In case of forward contracts, the exchange differences are dealt with in the profit and loss account over the period of contracts.

9. Inventory Valuation:

Inventories are valued at lower of cost or net realizable value. Cost is determined on FIFO basis.

10. Borrowing Cost:

Borrowing cost that is attributable to acquisition of qualifying asset are capitalized as part of total cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged as expenses in the year in which these are incurred.

11. Taxation:

Income tax is accounted in accordance with AS-22 'Accounting for taxes on income', issued under Accounting Standard Rules 2006, which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

12. Employee Benefits:

A. Short Term Employee Benefits: All employee benefits payable within 12 months of rendering of the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, exgratia, etc. and are recognized in the period in which the employee renders the related service.

B. Post Employment / Retirement Benefits: Gratuity is provided for based on actual valuation.

13. Provisions & Contingent Liabilities.

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are not provided for and are disclosed by way of notes if any.

Annexure - IV

MAJOR NOTES FORMING PART OF THE ACCOUNTS:

1. Background of the company:

The company is currently engaged in the business of cosmetics and medical services. It is a Joint Initiative between Yash Birla and Pacific.

2. BENETT COLEMAN & CO. LTD. has exercised the option of converting Convertible Warrants issued to them at a price of Rs. 14 per share (face value Rs. 10 and share premium Rs. 4 per share) into 1,07,14,285 fully paid Equity Shares of Rs. 10 each after paying the balance consideration during the period April 2010 to December 2010.

3. Debtors, Creditors & Loans & Advances are subject to confirmation & reconciliation if any.

4. Remuneration to Auditors:

Statutory Auditors	31-Dec-10	31-Mar-10	30-Sep-09
Audit Fees as Auditor	55,150	55,150	50,000
Out of Pocket expenses	6,986	9,459	-
Other services	155,038	143,666	-

5. Earning per share is calculated as follows:

Particulars	31-Dec-10	31-Mar-10	30-Sep-09
Net Profit after tax	(36,775,578)	(32,820,479)	(45,775,098)
Weighted average no. of Equity shares	33,032,028	7,901,251	1,911,399
Nominal Value per Equity Share (in Rs.)	10	10	10
Earning Per Share (Basic & Diluted) (in Rs.) Not Annualized	(1.11)	(4.15)	(23.95)

6. As the company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, no disclosure as required by the said Act is given.

7. The Company has entered into operating lease arrangements for several premises. The future minimum lease payments in respect of such non-cancelable operating leases are summarized below:

Particulars	As on 31 st December, 2010	As on March 31 st , 2010	As on September 30 th , 2009
Amount due within one year from the balance sheet date	16,102,742	15,540,547	10,092,456
Amount due in the period between one year and five years	8,921,879	4,544,142	12,050,282
Amount due later than five years	-	-	-

The Following Lease payments are recognized in Profit and Loss Account:

Lease Rent	12,052,656	8,638,921	11,300,808
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8. The break up of deferred tax assets and liabilities as at 31st December, 2010 as under:

Deferred Tax Asset/(Liability)	31-Dec-2010	31-Mar-10	30-Sep-09
Timing difference on account of Depreciation	920,973	(320,585)	397,388
Professional Tax Payable	-	3,537	3,537
Provident Fund Payable	-	-	-
ESIC Payable	-	-	-
Provision for Gratuity	41,461	(25,504)	22,707
Disallowance under Sec 40(a)	112,473	(112,473)	-
Deferred Tax Asset on Income Tax Loss	34,351,319	21,429,124	5,350,280
Net Deferred Tax Asset/(Liability)	35,426,226	20,974,098	5,773,912

No recognition of the deferred tax asset as above has been made as the realization of the said assets is not virtually certain.

9. Remuneration, perquisites and other payments to the Directors including Managing Director

Particulars	31-Dec-10	31-March-10	30-Sep-09
Salary	900,000	600,000	1,400,000
Consultancy Fees	2,600,320	1,709,336	600,000
Total	3,500,320	2,309,336	2,000,000

10. Quantitative details of Raw materials and components Consumed:

* Considering the nature of business, number of items and the multiplicity of parameters involved in identifying them it is not feasible to give the quantitative information in respect of materials traded.

11. Previous period figures pertain to 15th July, 2008 to 30th September, 2009 and 1st October, 2009 to 31st March, 2010. The Current period figures pertain to 1st April, 2010 to 31st December, 2010 and hence are not comparable.

12. The company has deferred the accumulated revenue expenditure of Rs 39,046,062 (Previous period Rs 39,046,062 plus current period Rs. Nil) being in the nature of Brand building expenses during the period April 2010 to December 2010.

Annexure V
Statement of Cash Flow, as restated

Particulars	For nine months ended 31st December 2010	For the period ended 31st March 2010	For the period ended 30 th September 2009
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before Taxation	(36,755,578)	(32,820,479)	(45,759,150)
Adjustments for :			
Financial Charges	105,673	76,645	95,822
Loss/(profit) on sale of Fixed Assets/investments	157,652		-
Depreciation	8,141,499	4,958,986	8,406,278
Excess Provision/ liabilities written back	-	-	-
Operating Profit before Working Capital Changes	(28,350,754)	(27,784,848)	(37,257,050)
Decrease (Increase) in Sundry Debtors	(41,168)	(46,293)	(875,319)
Decrease (Increase) in Inventories	(312,831)	(358,571)	(673,351)
Decrease (Increase) in Loans & Advances	(231,926,890)	(101,607,612)	(22,298,400)
(Decrease) Increase in Current Liabilities & Provisions	(7,447,960)	15,362,368	16,032,666
Cash Generated from Operations	(268,079,603)	(114,434,956)	(45,071,454)
Taxes Paid (net of refund)	-	-	(15,948)
Net Cash from Operating Activities (A)	(268,079,603)	(114,434,956)	(45,087,402)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (including Capital work in Progress)	(10,447,296)	(6,675,475)	(61,962,884)
Purchase / Sale or redemption of Investments	1,200,000	-	-
Net Cash Flow from Investing Activities (B)	(9,247,296)	(6,675,475)	(61,962,884)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Capital	342,476,180	-	55,501,000
Share Premium Received	42,857,140	-	-
Share Application money received	(103,500,000)	111,000,000	49,185,000
Equity Warrant	-	-	15,000,000
Preliminary and pre-operative expenses	-	-	-
Proceeds/ (Repayment) Secured Loans	-	-	-
Proceeds/ (Repayment) Unsecured Loans	1,000,000	-	-
Financial Charges	(105,673)	(76,645)	(95,822)
Net Cash from Financing Activities (C)	282,727,647	110,923,355	119,590,178



Net increase in cash and cash equivalents (A+B+C)	5,400,748	(10,187,076)	12,539,892
Cash and Cash equivalents:			
At the beginning of the year	2,352,816	12,539,892	-
At the end of the year	7,753,564	2,352,816	12,539,892

Annexure VI

Schedule of Secured Loans - NIL

Annexure VII

Schedule of Unsecured Loan:

Particulars	For nine months ended 31st December 2010	For six months ended 31st March 2010	For the period ended 30th September 2009
Payable to Promoter Group Company - Shearson Investment & Trading Co. Pvt. Ltd.	1,000,000	-	-
Payable to other body corporate		-	-
Total	1,000,000	-	-

Note:

The above loan is interest free and repayable on demand.

Annexure VIII

Schedule of Investments, as Restated - NIL

Annexure IX

Schedule of Debtors

(Amount in Rupees)

Particulars		For nine months ended 31st December 2010	For six months ended 31st March 2010	For the period ended 30th September 2009
More than six months	Considered good			
	Receivable from promoter/promoter group companies	-	-	-
	Receivable from others	785,366	83,350	120,500
	Less: Provision	-	-	-
	Total (A)	785,366	83,350	120,500
Less than six months	Considered good			



THE YASH BIRLA GROUP



	Receivable from promoter/ promoter group companies	-	-	-
	Receivable from others	177,414	838,262	754,819
	Less: Provision	-	-	-
	Total (B)	177,414	838,262	754,819
	Total (A+B)	962,780	921,612	875,319

Annexure X

Schedule of Loans & Advances, as restated

(Amount in Rupees)

Particulars	For the nine months ended 31st December 2010	For the six months ended 31st March 2010	For the period ended 30th September 2009
Receivable from Promoter Group Company	137,875	-	346
Receivable from other body corporate	347,002,550	115,002,550	15,202,550
Advance tax including TDS & refund receivable	139,979	109,970	59,249
Advances recoverable in cash or in kind or for value to be received	1,001,497	1,092,492	85,255
Deposits given to land lords, telephone etc	7,551,000	7,701,000	6,951,000
Total	355,832,901	123,906,012	22,298,400
Note: *Promoter/ Promoter Group Co. consists of :			
Birla Lifestyle Private Limited	-	-	346
Birla Kerala Vaidyashala Pvt Ltd	137,875	-	-

Parties as identified by the management & relied upon by the Auditors

Annexure XI

Other Income:

Particulars	For the nine months ended 31 st December 2010	For the six months ended 31 st March 2010	For the period ended 30 th September 2009
Rent Income	250,000	-	-
Sundry income	2,570	-	-
Total	252,570	-	-

Annexure XII

Statement of Dividend

Particulars	For the nine months ended 31 st December 2010	For the six ended 31 st March 2010	For the period ended 30 th September 2009
Equity shares			
Weighted average number of shares	33,032,028	7,901,251	1,911,399
Face value (Rs.)	10/-	10/-	10/-
Paid-up value (Rs.)	10/-	10/-	10/-
Rate of dividend	-	-	-
Total dividend (Rs)	-	-	-
Corporate dividend tax on above (Rs)	-	-	-

Annexure XIII

Statement of Capitalization

(Amount in Rupees)

Particulars	Pre issue as at 31st December 2010	Adjusted for present issue
Borrowings :		
Short term Debts	1,000,000	-
Long term Debts	-	-
Total Debts	1,000,000	-
Shareholders Funds:		
Share Capital	447,162,180	[●]
Reserves & Surplus	42,857,140	[●]
Less: Profit & Loss Account debit balance	(115,351,155)	[●]
Total Shareholders' Funds	374,668,165	[●]
Long term Debt/ Equity ratio	-	[●]

Annexure XIV

Significant Accounting Ratios

(Amount in Rupees)				
	PARTICULARS	For the nine months ended 31st December 2010	For the period ended 31st March 2010	For the period ended 30 th September 2009
1	EARNINGS PER SHARE (EPS)			
	Net Profit after Tax	(36,755,578)	(32,820,479)	(45,775,098)
	No. of Equity shares (weighted)	33,032,028	7,901,251	1,911,399
	BASIC & DILUTED EARNINGS PER SHARE (EPS) (Rs.)	(1.11)	(4.15)	(23.95)
2	NET ASSETS VALUE (NAV)			
	Net Assets	374,668,165	26,090,424	9,725,902
	No. of Equity shares	44,716,218	10,468,600	5,550,100
	NAV PER SHARE	8.38	2.49	1.75
3	RETURN ON NET WORTH			
	Net Profit after Tax	(36,755,578)	(32,820,479)	(45,775,098)
	Net Worth	374,668,165	26,090,424	9,725,902
	RETURN ON NET WORTH	(0.10)	(1.26)	(4.71)

The Ratios have been computed as per the following formula:

- Earning per Equity Share:- (Adjusted Net Profit after tax)/ (weighted average number of Equity shares).
- Net Asset Value/ Net worth: - (Adjusted Net assets after reduction of miscellaneous expenditure not written off)/ (Number of equity shares at the end of accounting period).
- Return on Net Worth :- (Adjusted Net Profit After Tax /Adjusted Equity Share holders fund after reduction of Miscellaneous expenditure not written off at the end of the year)

Net Profit, as restated and appearing in the statement of profit and losses has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial statements of the company

Earning per share calculations have been done in accordance with Accounting standard- 20 "Earning per share" issued by the Institute of Chartered Accountants of India.

Annexure XV
Transaction with Related Parties

Particulars	For the period/Year	Related Parties referred in (A) Below	Related Parties referred in (B) Below
Sales:			
Goods and services	15 th July 2008 to 30 th September 2009	-	84,104
	Six months ended 31 st March 2010	-	156,800
	Nine months ended 31 st December 2010		123,148
Purchases	15 th July 2008 to 30 th September 2009	-	-
	Six months ended 31 st March 2010	-	-
	Nine months ended 31 st December 2010	1,171	-
Expenses:			
Incurred by related parties:	15 th July 2008 to 30 th September 2009	254,194	-
	Six months ended 31 st March 2010	196,174	-
	Nine months ended 31 st December 2010	319,884	-
Incurred for related parties:	15 th July 2008 to 30 th September 2009	254,540	-
	Six months ended 31 st March 2010	92,550	-
	Nine months ended 31 st December 2010	133,154	-
Directors Fees			
Salary, Directors Remuneration and Professional Fees	15 th July 2008 to 30 th September 2009	-	3,247,386
	Six months ended 31 st March 2010	-	2,309,336
	Nine months ended 31 st December 2010	-	3,500,320
Air Tickets / Foreign Exchange	15 th July 2008 to 30 th September 2009	31,180	-
	Six months ended 31 st March 2010	15,941	-



	March 2010		
	Nine months ended 31st December 2010	29,927	-
Income		-	-
Business Transfer	15 th July 2008 to 30 th September 2009	41,000,000	-
Rent received	15 th July 2008 to 30 th September 2009	-	-
	Six months ended 31 st March 2010	-	-
	Nine months ended 31st December 2010	250,000	-
Share Application money received	15 th July 2008 to 30 th September 2009	49,185,000	-
	Six months ended 31 st March 2010	111,000,000	-
	Nine months ended 31st December 2010	146,833,334	-
Advances and Loan taken/repayment			-
Unsecured loan taken	15 th July 2008 to 30 th September 2009	44,085,652	-
	Six months ended 31 st March 2010	100,000,000	-
	Nine months ended 31st December 2010	1,000,000	-
Unsecured Loan given	15 th July 2008 to 30 th September 2009	-	-
	Six months ended 31 st March 2010	100,000,000	-
	Nine months ended 31st December 2010	-	-
Unsecured loan repayment	15 th July 2008 to 30 th September 2009	44,085,000	-
	Six months ended 31 st March 2010	100,000,000	-
	Nine months ended 31st December 2010	-	-
Unsecured Loan refunded by parties	15 th July 2008 to 30 th September 2009	-	-



	Six months ended 31 st March 2010	100,000,000	-
	Nine months ended 31 st December 2010	-	-
Dues received	15 th July 2008 to 30 th September 2009	-	84,104
	Six months ended 31 st March 2010	-	81,800
	Nine months ended 31 st December 2010	-	123,148
Outstandings:			
Payable	15 th July 2008 to 30 th September 2009	652	-
	Six months ended 31 st March 2010	53,950	-
	Nine months ended 31 st December 2010	165,275	-
Receivable	15 th July 2008 to 30 th September 2009	346	-
	Six months ended 31 st March 2010	-	-
	Nine months ended 31 st December 2010	137,875	-
Note: Related party disclosures are identified by the management and relied upon by the auditors			

	For the period ended 31st December 2010
A.	<u>Holding Company and Enterprises owned or significantly influenced by key management personnel or their relatives</u>
	-Birla Wellness & Healthcare Pvt Ltd (Holding Company)
	- Pacific Healthcare India Pte Ltd
	- Pachealth Medical Services Pvt Ltd.
	- Nirved Traders Pvt. Ltd.
	- Shearson Investment & Trading Co. Pvt. Ltd
	- Birla Viking Travels Pvt Ltd
	- Birla Lifestyle Pvt Ltd
	- Birla Research & Lifesciences Ltd.
	- Birla Kerala Vaidhyashala Pvt. Ltd.
B.	<u>Key Management Personnel & their relatives</u>
	- Mr. Yashovardhan Birla (Director)
	- Dr. Abhijit Desai (Managing Director)
	- Mr.P.V.R. Murthy (Director)

	- Mrs. Avanti Birla
	- Mr. Vedant Birla

Annexure XVI

STATEMENT OF SEGMENT REPORTING

The Company is operating in only one segment, namely, in the business of beauty and healthcare treatments.

Annexure XVII

Statement of Tax shelter

(Amount in Rupees)		
Particulars	For the Assessment Year 2010 -11	For the Assessment Year 2009 -10
Profit before current and deferred taxes, as restated (A)	(31,590,038)	(14,299,585)
Adjustments :		
Add: Permanent Differences		
Professional Tax Payable	-	10,405
Expenses disallowed u/s 40(a)	(330,900)	-
Expenses disallowed u/s 43B	(404,784)	-
Disallowed u/s 43B in the preceding previous year but allowed during the current year	10,405	-
Expenses allowable including u/s 35AD	32,863,528	-
Total (B)	32,138,249	10,405
Less: Temporary Differences		
Difference between tax depreciation and book depreciation	3,131,306	1,451,568
P F/ Gratuity payable		
Total (C)	3,131,306	1,451,568
Business Profit / Loss (A+B-C)	(60,596,981)	(15,740,748)
TOTAL INCOME	(60,596,981)	(15,740,748)
Set-off of brought forward unabsorbed loss /depreciation		-
Taxable Profit	(60,596,981)	(15,740,748)
Tax Liability on above or on Book Profit u/s 115 JB	-	-
Tax as per P/L A/c	-	-
Adjusted Tax Provision	-	-
Carried forward unabsorbed loss as on 31st March	(76,337,729)	(15,740,748)

Note: * The Company has prepared its first report on the financial performance for the period 15th July 2008 to 30th September 2009 and the second report for six months ended 31st March 2010. However, the tax return for A.Y. 2009-10 has been filed based on the interim accounts for the period 15th July 2008 to 31st March 2009. The company has also filed the Income Tax return for the A.Y. 2010-11.

The Company has filed Income Tax Return for A.Y. 2009-10 and 2010-11 only. Accordingly, the above statement is prepared for those Assessment Years only.

MANAGEMENT DISCUSSION AND ANALYSIS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this RHP. The following discussion relates to our company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards referred to in section 211(3C) of the Companies Act and other applicable provisions of the Companies Act.

For a description of our business, please refer to the section titled “Our Business Overview” on page 49 of this RHP. You should also read the section titled “Risk Factors” on page no.xi of this RHP. We are entitled to certain tax benefits. Please refer to section titled “Statement of Tax Benefits” beginning on page 31 of this RHP for details of tax benefits available to us. The first financial reports of our company were prepared for the period from 15th July 2008 to 30th September 2009 i.e., for a period of fourteen and half months and the second report was prepared for six months ended 31st March 2010.

Overview:

The group has diversified interest in industries like steel pipes, machine tools, cutting tools, tool holders, iron castings, power solution products, multipurpose engines pumps, electrical appliances, textiles carpets, furnishing, lifestyle, infotech, publication, travel, electricity insulation, tapes, property development, cotton ginning etc. The major companies in the group include Zenith Birla (India) Ltd, Birla Power Solutions Ltd, Birla Cotsyn (India) Ltd, Birla Shloka Edutech Ltd, Birla Precision Technologies Ltd, Birla Transasia Carpets Ltd, Birla Accucast Ltd, Birla Electricals Ltd, Birla Lifestyle Ltd and Birla Concepts (India) Pvt. Ltd.

Our Company was incorporated in July 2008 to carry on in India and abroad the comprehensive business of beauty and healthcare treatments in the areas of Cosmetic Dermatology, Cosmetic Surgery and Advanced Dentistry; med spa services, health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments, Sanatorium centers, and to manufacture soaps consumables, oils, medicines, body sprays and scents, creams, powders, natural and artificial skin and hair conditioners.

Our company is currently engaged in the business of beauty and healthcare treatments in the areas of Cosmetic Dermatology, Cosmetic Surgery and Advanced Dentistry and med spa services and is not carrying on the activities of manufacturing of soaps consumables, oils, medicines, body sprays and scents, creams, powders, natural and artificial skin and hair conditioners.

Significant Developments Subsequent to the Last Financial Year

The directors of our Company confirm that in their opinion no circumstances have arisen since the date of the last financial statements as disclosed in this Prospectus, which materially and adversely affect or are likely to affect the trading or profitability of our Company, or the value of our assets, or our ability to pay our liabilities within the next twelve months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, results of operations and financial condition are affected by a number of factors, including:

1. General Economic conditions
2. Changes in Laws and regulations applicable to the industry, fiscal, economic or political conditions in the country
3. Increasing competition in the industry
4. Realisability of the dues
5. Depends on the specialized doctors
6. Obsolescence of equipments



Significant items of Income and expenditure

(Amount in Rs) Particulars	For nine months ended 31st December 2010	For six months ended 31st March 2010	For the fourteen and half months ended 30th September 2009
Income:			
Total Sales	16,450,451	15,287,391	17,047,471
Other Income	252,570	-	-
Increase/(Decrease) in Inventories	312,832	358,571	628,324
Total Income	17,015,853	15,645,962	17,675,795
Expenditure:			
Purchases	1,657,082	2,622,855	3,252,936
% of Total Income	9.74	16.76	18.40
% of Total Expenditure	3.08	5.41	5.13
Staff Cost	6,669,132	5,234,296	4,771,459
% of Total Income	39.19	33.45	26.99
Administration Expenses	38,308,241	34,735,331	49,044,780
% of Total Income	225.13	222.01	277.47
% of Total Expenditure	71.24	71.67	77.32
Selling & Distribution Expenses	7,031,303	5,797,314	6,269,948
% of Total Income	41.32	37.05	35.47
% of Total Expenditure	13.08	11.96	9.88
Financial Charges	105,673	76,645	95,822
% of Total Income	0.62	0.49	0.54
% of Total Expenditure	0.20	0.16	0.15
Total Expenditure	53,771,431	48,466,441	63,434,945
% of Total Income	316.01	309.77	358.88
Profit/(loss) before extraordinary items & taxes	(36,755,578)	(32,820,479)	(45,759,150)
% of Total Income	(216.01)	(209.77)	(258.88)
Net Profit/(loss) before extraordinary items & taxes	(36,755,578)	(32,820,479)	(45,759,150)
% of Total Income	(216.01)	(209.77)	(258.88)
Extraordinary Items	-	-	-
% of Total Income	-	-	-
Net Profit/(loss) before tax	(36,755,578)	(32,820,479)	(45,759,150)
% of Total Income	(216.01)	(209.77)	(258.88)
Total taxes	-	-	15,948.00
Net Profit/ (loss) after Tax	(36,755,578)	(32,820,479)	(45,775,098)
% of Total Income	(216.01)	(209.77)	(258.97)

Review of results for nine months ended 31st December 2010 versus six months ended 31st March 2010:

The third financial report of the company was prepared for a period of nine months ending 31st December 2010 whereas the second report was prepared for six months period from 1st October 2009 to 31st March 2010. The figures of both the periods are not comparable, owing to different duration of the periods. However for the purpose of analysis, the annualized figures of the second and third periods of reporting are compared.

Income

The company had total sales of Rs. 164.50 Lacs for nine months period ended 31st December 2010, as against sales of Rs 152.87 Lacs in the six months ended 31st March 2010. This indicates a decrease of 28.26% on annualized basis.

Other Income

In the latest period of reporting, the company had earned other income of Rs. 2.53 Lacs as against nil in the previous year.

Expenditure

The total expenditure for the nine months ended 31st December 2010 was Rs. 537.71 Lacs as against Rs 484.66 Lacs for the previous accounting period. This amounts for a decrease of 26.04% on annualized basis.

Staff expenses

The total staff cost for the third reporting period was Rs. 66.69 Lacs as compared to Rs. 52.34 Lacs of the second reporting period. However on comparing the annualised figures, it is encouraging to note that the company had saved the staff costs by 15% over the previous period.

Administration expenses

The percentage of administrative expenses to total income had remained about the same level of 225% in both the periods. Administration expenses accounted for about 71.24% and 71.67% of the total expenditure in the third and second periods of accounting respectively. Under this head of account a sum of Rs 17.92 Lacs and Rs 166.70 Lacs incurred towards the brand building expenses have been included respectively for third and second periods of accounting. On an annualized basis, there has been a decline of 26.48% in the current period of accounting.

	31.12.2010 (9 Months)	31.3.2010 (6 months)	30.9.2009 (14 months)
Brand Building & Advt Expenses	-	16,670,475	22,375,587
Rent	12,075,056	8,638,921	11,300,808
Consultancy charges	3,746,207	1,882,129	2,968,464
Legal & Professional Charges	1,496,169	435,280	72,624
Stamp Duty	8,134,519	-	-
Depreciation	8,141,499	4,958,986	8,406,278
Other administrative expenses	4,714,791	2,149,540	3,921,019
Total	38,308,241	34,735,331	49,044,780

Note: In the nine months period ended 31st December 2010, brand building & advertisement expenses have been included under Selling & distribution Expenses

Selling and Distribution expenses:

Expenses on marketing and advertising which are grouped together as selling and distribution expenses as a percentage to total income have gone up from 37.05% in the second period to 41.32% in the third period. Selling and distribution expenses were Rs. 57.97 Lacs which accounted for 11.96% of the total expenditure for the second accounting period as against Rs. 70.31 Lacs which accounted for 13.08% of the total expenditure for the third period of accounting.

Financial Charges

Our company being a debt-free company has no interest expenses. The financial charges are mainly on account of bank charges. As against Rs. 0.77 Lacs in the previous period, the company had incurred Rs. 1.06 Lacs in the current period of accounting.

Profit/ (loss) before extraordinary items & taxes

The loss before extra-ordinary items and taxes had gone up from Rs 328.20 Lacs to Rs. 367.56 Lacs. As per percentage of total income it has marginally gone up from 209.77% to 216.01%. The loss has been calculated after taking into account brand building expenses of Rs 166.67 Lacs and Rs. 17.92 Lacs for second and third periods respectively. The nature of the company's business is significantly dependant on Brand Building and hence, huge amounts on this account are to be invested in the initial years of business. However, with the enduring benefits accruing on account of the creation of the brand image will help the company in increasing its revenue.

PBT/ PAT

Due to the loss, there is no tax liability. Hence the PAT remains at the same level as that of the PBT namely, loss of Rs. 328.20 Lacs and Rs. 367.56 Lacs respectively for second & third periods of reporting. Although in absolute terms the loss has gone up in the third period of accounting, on an annualized basis, the loss has gone down by 25.34%.

Review of results for the period 15th July 2008 to 30th September 2009 and for six months ended 31st March 2010:

The first financial reports of the company were prepared for a period of fourteen and a half month ending 30th September 2009 which is the first reporting period. The second report was prepared for six months period from 1st October 2009 to 31st March 2010, which is referred to as the second reporting period. The figures of both the periods are not comparable, owing to different duration of the periods. However for the purpose of analysis, the annualized figures of the first and second period of reporting are compared.

Income

The company had total sales of Rs. 170.47 Lacs for the fourteen and half months period ended September 2009, as against which the company had recorded sales of Rs 152.87 Lacs in the six months ended 31st March 2010. This indicates an increase of 116.08% on annualized basis.

Expenditure

The total expenditure for the six months ended 31st March 2010 was Rs 484.66 Lacs as against a total expenditure of Rs 634.34 Lacs for the previous accounting period. This amounts for an increase of 84.64% on annualized basis which is in line with the increase in the total income of 116.08%.

Staff expenses

The total staff cost for the second reporting period was approximately Rs. 52.34 Lacs as compared to Rs. 47.71 Lacs of the first reporting period. However on comparing the annualised figures, the increase in the staff cost in the current period is 165.11% which is due to the increased number of staff members for the newly opened centers in the second reporting period.

**Administration expenses**

The percentage of administrative expenses to total income has decreased from 277.47% in the first period of reporting to 222.01% in the six months period ended 31st March 2010. Administration expenses accounted for about 77.32% and 71.67% of the total expenditure in the first and second periods of accounting respectively. Under this head of account a sum of Rs 223.76 Lacs and Rs 166.70 Lacs incurred towards the brand building expenses have been included respectively for first and second periods of accounting.

Selling and Distribution expenses:

Expenses on marketing and advertising which are grouped together as Selling and distribution Expenses as a percentage to total income, have went up from 35.47% in the first period to 37.05% in the second period. Selling and distribution expenses were Rs. 62.70 Lacs and as a percentage to total expenditure, accounted for about 9.88% in the first reporting period whereas for the second reporting period, the expenses were Rs. 57.97 Lacs which accounted for 11.96% of the total expenditure.

Financial Charges

Our company being a debt-free company has no interest expenses. The financial charges are mainly on account of bank charges. As a percentage to total expenditure it remained approximately same for both the periods and are about 0.16%. As a percentage to total income, the charges are 0.54% and 0.49% for the first and second periods respectively.

Profit/ (loss) before extraordinary items & taxes

The loss before extra-ordinary items and taxes had come down from Rs 457.59 lacs to Rs 328.20 Lacs. As per percentage of total income it has come down from 258.88% to 209.77%. The loss has been calculated after taking into account brand building expenses of Rs.223.76 Lacs and Rs 166.67 Lacs for the first and second periods respectively. The nature of the company's business is significantly dependant on Brand Building and hence, huge amounts on this account are to be invested in the initial years of business. However, with the enduring benefits accruing on account of the creation of the brand image will help the company in increasing its revenue.

PBT

The Loss has come down from Rs. 457.59 Lacs to Rs. 328.20 Lacs. On an annualized basis, the loss has further gone down by 73.33% in the second reporting period ended 31st March 2010.

Significant Items in the Balance sheet**1. Loans & advances****Financial period ended 30.9.2009**

Loans & Advances in the first period of accounting of fourteen and half months ended 30th September 2009 stood at Rs. 222.98 Lacs. The major component comprised Rs. 150 Lacs advanced to M/s Bennett Coleman & Co. Ltd towards corporate advertisements as per an agreement dated March 24, 2009. The other items were 'Advances Recoverable in Cash or Kind (including deposits)' amounting to Rs. 70.36 Lacs; Rs. 0.59 Lacs towards Advance Tax and Rs. 2.03 lacs towards other business related advances (Rs. 2 lacs to Goldshield Healthcare Ltd., and Rs. 0.03 lacs to Zorastrian Bank). Receivable from Promoter Group Company was Rs. 0.003 lacs (Rs.346) advanced to Birla Lifestyle Private Limited.

Financial period ended 31.3.2010

Loans and Advances increased to Rs. 1239.06 Lacs at the end of the six months period as at 31st March 2010. The break up of the same being Rs. 150 Lacs of advance given to BCCL in the previous period, Rs. 1000 Lacs given to M/s Piccadilly Projects Pvt Ltd in respect of the arrangement for identifying and establishing centres on a turnkey basis in the selected locations as per an arrangement letter dated January 21st 2010, 'Advances Recoverable in Cash or Kind (including deposits)' to the extent of Rs. 87.93 Lacs; a sum of Rs. 1.10 Lacs was



towards Advance Tax and Rs. 0.03 lacs being other business related advances (Zorastrian Bank). There were no loans advanced to any Promoter Group Companies.

Financial period ended 31.12.2010

In the latest period of accounting for nine months ended 31st December 2010, the amount of loans and advances stood at Rs. 3558.33 Lacs. This included Rs. 1470 lacs being amount advanced to M/s Bennett Coleman & Co. Ltd towards corporate advertisements in terms of the agreement dated March 24, 2009 and Rs. 2000 Lacs advanced to M/s Piccadilly Projects Pvt Ltd in terms of the arrangement with them to establish centres. The other components of loans and advances were 'Advances Recoverable in Cash or Kind (including deposits)' to the extent of Rs. 85.52 Lacs; a sum of Rs. 1.40 Lacs towards advance tax; Rs. 1.38 lacs being amount recoverable from promoter group company (Birla Kerala Vaidyashala Pvt. Ltd.) & Rs. 0.03 lacs being other business related advances (Zorastrian Bank).

All the above loans/ advances are incidental to the business carried out by the Company. All the above loans/ advances are interest free. Except as mentioned above in respect of Birla Lifestyle Private Limited and Birla Kerala Vaidyashala Pvt. Ltd, none of the above loans/ advances is granted to entities related to the company, its promoters or promoter group entities.

2. Current Liabilities & provisions

The Current Liabilities & provisions had gone up from Rs.802.18 Lacs as on 30th September 2009 to Rs.1573.95 Lacs as on 31st March 2010. These figures include the amounts received towards the share application pending allotment and share warrant to the tune of Rs. 641.85 Lacs and Rs. 1260.00 Lacs for periods ending 30th September 2009 & 31st March 2010 respectively.

The level of current liabilities & provisions as on 31st December 2010 came down to Rs. 464.47 Lacs from Rs. 1573.95 Lacs on account of allotment of shares against the share application money and exercise of equity warrants. Infact during this period, the current liabilities for expenses has come down from Rs. 292.27 Lacs to Rs. 229.28 Lacs.

3.a) Reasons for significant losses:

The net loss before taxes and extra ordinary items has been calculated after taking into account the brand building expenses. The nature of our business is significantly dependent on brand building and hence substantial expenditure is required to be incurred in the initial years of business. However, the enduring benefits accruing on account of creation of brand image will help us in increasing its revenue in future.

b) Steps undertaken by the management:

We are constantly endeavouring to update our service offerings and have recently introduced new services such as i-lipo which have higher revenue-earning potential due to fewer competitors. On the expenses side too, based on the experience of last few years we are curtailing expenses wherever feasible without compromising on quality. In terms of selection of centres too, we now prefer locations which are more cost effective without compromising on the locational advantages.

PAT

Due to the loss, there is no tax liability other than the FBT. Hence the PAT remains at the same level as that of the PBT namely, loss of Rs. 457.59 Lacs and Rs. 328.20 Lacs respectively for first and second period of reporting.

Cash Flows

(Amount in Rupees)

Particulars	For the period ended 31 st December 2010 (Rs)	For the period ended 31 st March 2010 (Rs)	For the period ended 30 th September 2009 (Rs)
Net cash from (used in) operating activities	(268,079,603)	(114,434,956)	(45,087,402)
Net cash from (used in) investing activities	(9,247,296)	(6,675,475)	(61,962,884)



Net cash from (used in) financing activities	282,727,647	110,923,355	119,590,178
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Cash Flows from operating activities: On all the periods of reporting, the net cash flow from operating activities was negative. This is mainly because of the operating losses incurred during these periods and also due to the increase in loans and advances.

Cash Flows from investing activities: As the company keeps opening new centers, the amount of investment on purchase fixed assets is increasing which results in negative cash flow from investing activities.

Cash Flows from financing activities: These cash flows were positive in all the periods of reporting on account of receipt of share application money from the promoters, from the proceeds of issue of share capital and from exercise of equity warrants by BCCL.

Quantitative and Qualitative Disclosures about Market Risk

- 1) **Unusual or infrequent events or transactions:**
There have been no unusual or infrequent events or transactions that have taken place during the past accounting periods presented in the RHP.
- 2) **Significant economic changes that materially affected or are likely to affect income from continuing operations:**
There have been no economic changes during the periods that materially affect or are likely to affect income from continuing Operations. However, any slowdown in the Indian economy could affect our business and also the related aspects including the future financial performance, shareholders funds, ability to implement strategy and the price of the equity shares.
- 3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**
To our knowledge there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.
- 4) **Future changes in relationship between costs and revenues, in case events such as future increase in labour or material costs or prices that will cause a material change are known.**
We do not anticipate any major changes in relationship between cost and revenues that will cause a material change.
- 5) **The extent to which material increase on net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**
The incremental growth in the sales and revenues of our Company is based on the number of centers in operation and expansion of our bouquet of services.
- 6) **Total turnover of each major Industry segment in which our Company operates.**
Our Company operates in only one industry segment – cosmetics & medical services.
- 7) **Status of any publicly announced new products or business segment.**
Our Company has not announced any new product or segment.
- 8) **The extent to which business is seasonal.**
Our business is not seasonal and no major cyclical trends are observed in this industry.
- 9) **Any significant dependence on a single or few suppliers or customers.**
Our company is not dependent on any single supplier or customer. Mostly, our customers are individuals.



THE YASH BIRLA GROUP



10) Competitive Conditions

For a discussion of the competitive conditions that the company faces, please see the Section titled 'Competition' on page no. 55 of this Offer Document.

SECTION VIII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company certifies that except as stated herein, there are no:

- Pending litigations against our Company.
- Outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of our Company including prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).
- Such cases of pending litigations, defaults etc in respect of Companies/firms/ventures with which the promoters were associated in the past but are no longer associated, and their names continue to be associated with particular litigation.
- Disciplinary action/ investigation has been taken by Securities and Exchange Board of India(SEBI)/ Stock Exchanges against our Company, its directors , promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.
- Cases against our Company or its Promoters of economic offences in which penalties were imposed on promoters.
- Pending litigations, defaults, non payment of Statutory dues, proceedings initiated for economic offences/civil offences, any disciplinary action taken by the Board /Stock Exchanges against our Company/Promoters and their business ventures/Directors other than those mentioned in this Offer Document and that no litigations have arisen after the issue of SEBI's Observation letter and our Company and its Directors take full responsibility of the information mentioned in the Offer Document.

LITIGATIONS

PENDING LITIGATION

Filed against the company

(i)	Criminal cases	:	Nil
(ii)	Civil Cases	:	Nil
(iii)	Labour Cases	:	Nil
(iv)	Notices served on the Company	:	Nil

Filed by the company

(v)	Criminal cases	:	Nil
(vi)	Civil Cases	:	Nil
(vii)	Labour Cases	:	Nil
(viii)	Trademark related cases	:	



Name of the Opposite Party	Case No.	Name of the Authority	Brief History	Current Status
Mr. Pankaj Vij, Sheetal Complex, Ground Floor, D-Park, opp. Durga Gas Agency, Rohtak-124001, Haryana	Application no.1925375 in class 42 for the mark "VEVOLVE"	Registrar of Trademark Registry, Mumbai	We have opposed the registration of the infringing mark vide letter to the Registrar dated 22 nd January 2011.	The Notice of Opposition still to be served on the other side. Once served, the other side has to file a Counter Statement.
Foothills Wellness Systems Pvt.Limited, Jayalakshmi Industrial Premises Co-op Soc. Ltd., Gala No.2, Gr. Floor, J-107/2, Khetani Estate, Bazar Ward, Kurla (W), Mumbai-400 070	Application no.1692636 in class 42 for the mark "EVOLVE" (label)	Registrar of Trademark Registry, Mumbai	We have opposed the registration of the infringing mark vide letter to the Registrar dated 13 th May 2010.	The Notice of Opposition still to be served on the other side. Once served, the other side has to file a Counter Statement.

Litigations pending-The Promoter**(i) Mr.Yashovardhan Birla**

(i) Criminal case against our promoter

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Rain Commodities Ltd.	CC. No. 986 of 2009	XIV Additional Chief Metropolitan Magistrate, Hyderabad,	Rain Commodities Ltd had filed a criminal complaint in the court of XIV Additional Chief Metropolitan Magistrate, Hyderabad under section 200 Cr.P.C for alleged breach of certain terms of the MOU dated 6.12.2007.	Matter Settled on 21/01/2011. Suit filed in Metropolitan Magistrate Court withdrawn. Writ Petition No. 8817 of 2009 in Hyderabad High Court withdrawn on 25/01/2011.

(ii) Civil cases against our promoter : Nil

(iii) Criminal Cases filed by our Promoter: Nil

(iv) Civil case filed by our promoter



THE YASH BIRLA GROUP



Name of the opposite party	Case no.	Name of the Court	Brief History	Current status
Rain Commodities Ltd	Suit No. 18934/2009	City Civil Court, Hyderabad	Birla Bombay Pvt. Ltd, Nirved Traders Pvt. Ltd, Shearson Trading & Investment Co. Pvt. Ltd, Godavari Corporation Pvt. Limited Mr. Yashovardhan Birla, Ms. Avanti Birla, Mr. U.S. Sethia, Mr. L.R. Daga, Mr. Arun Kumar Singhi, Mr. Arun Jain and Mr. Girdharilal Lath have filed a suit for specific performances against Rain Commodities Ltd for grant of specific performance of Oral Agreement dated 29.05.2009 directing Rain Commodities Ltd to execute Share Purchase Agreement to transfer 50700 shares of the company. The disputed amount is Rs. 1205 lacs.	Matter settled. Suit to be withdrawn on next week.

(iii) Promoter Company:

Birla Wellness & Health Care Pvt. Ltd : Nil

Litigations Pending-Other Directors

- | | | |
|----------------------------------|---|-----|
| 1. Dr. William Lai Leong Chong | : | Nil |
| 2. Mr. P.V.R. | : | Nil |
| 3. Dr. Abhijit Desai | : | Nil |
| 4. Mr. Mohandas Shenoy Adige | : | Nil |
| 5. Mr. Anoj Menon | : | Nil |
| 6. Mr. Vijay Agarwal | : | Nil |
| 7. Mr. Rajesh Shah | : | Nil |
| 8. Mr. Venkateswaralu Nelabhotla | : | Nil |
| 9. Mr. Upkar Singh Kholi | : | Nil |

Outstanding litigation involving Promoter Group Companies:

(A) LISTED COMPANIES

1. Birla Capital and Financial Services Limited

i. Cases filed by BCFSL: Nil

ii. Cases filed by BCFSL pertaining to Tax Disputes

Tax Disputes

Sr. No.	Assessment Order Challenged	Assessing Authority	Date Instituted	Remarks
1	Assessment Year 1996-1997 to 2000-2001.	Income Tax Settlement Commission	20 th March, 2003	Settlement Commission has admitted company's settlement applications u/s 245 D (1) of the Income Tax Act, 1961 on 25.10.2004. Company has paid all the due taxes of the said years. The Final order u/s 245 (D) (4) is awaited. Additional amount of the Income Tax payable shall be known when final order u/s 245 (D) (4) is passed. The amount disputed is Rs. 532.22 lacs. The hearing is pending.

iii. Cases filed against the Company: Nil

2. Birla Cotsyn (India) Limited (BCIL):-

(i) Labour Cases: filed against BCIL

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute (Rs.)	Current Status
1.	Purushottam Dhanuka	ULP 41/04 Labour Court, Buldhana	The substitute worker of dubling/TFO was suspended due to misbehaved with co-worker and refused to work on machine allotted. He was charge sheeted. On enquiry he found guilty and his badli pass was cancelled vide our order 21.09.1990. Against the order he filed complaint in labour court under provisions of ULP	492,604	Next Hearing awaited
2.	Ghanshyam Tiwari	(ULP) No. 559/4 Labour Court, Buldhana	Mr. Ghanshyam was serving as a shift incharge w.e.f. 1 April 1999. On 8 May 2003 a notice was served on him by the Company to terminate his services. On 12 May 2003 Mr. Ghanshyam filed a complaint u/s 28 R/W item I of Sch. IV of MRTU & PULP Act, 1971. Mr. Ghanshyam prayed that the Company have indulged in Unfair Labour Practice and he be reinstated as shift in charge with full back wages and continuity of service.	-	Dismiss in default on 16.08.2010
3.	Gajanan Ingle	(ULP) No. 1/2006 Labour Court, Buldhana	Mr. Gajanan was serving in the Mixing Section from 1 November 2000 to 7 July 2004 and his services were terminated. On 7 January 2006 he filed an application u/s 5 of the Indian Limitation Act for condoning the delay.	No Amount Claimed	Next Hearing awaited
4.	Vishvanath Haribhau Deshmukh	ULP No. 04/2006. Labour Court, Buldana	Complaint was filed by the complainant who was terminated from service on the grounds of absenteeism despite being warned. Complainant had prayed for reinstatement with full back wages and costs for proceedings. He had applied for interim relief u/s. 30(2) of the MRTU & PULP Act, 1971. Reply against grant of interim relief was filed by the Company praying for dismissal of the application, as well as the main complain as they were devoid of any substance.	105,500	Next Hearing awaited
5.	Girni Kamgar Sabha	ULP No.137/2002 Industrial Court, Akola	The matter relates to regularisation of learners. which is not tenable at law and in the light of the settlement reached between the parties and in the light of the agreement signed and executed u/p of BIR. Act1946.		Next Hearing awaited
6.	President, Girni Kamgar Sabha.	B.I.R No. 02 of 2004 (old No. 03 of 1997) Labour Court, Buldana	Complaint was filed by the president of Girni Kamgar Sabha on 8 October 1997 praying that the notice informing the deduction in wages be taken back, that the respondents No.1 and 2 be punished for affecting transfers without legal backing and that costs should be provided for. Interim order was passed on 10 October 1997 directing the respondents to show cause and till		Next Hearing awaited



			then, the proposed action of the respondents was stayed. Reply was filed by the respondents on 14 October 1997.		
7.	Ajay Waghade	ULP No. 563/2004 (old No. 69/2003) Labour Court, Buldana	Complaint was filed by Ajay Waghade praying for his reinstatement with back wages and continuity of service after he was terminated on grounds of misbehavior. Application for interim relief was also made praying for reinstatement of complainant till the order in the main complaint is passed. Reply by the Company opposing the application for interim relief was filed on 8 April 2005. The reply to the application for interim relief was taken as written statement to the main complaint on 30 December 2006.	No Amount Claimed	Undated as matter is pending in Ind.court Akola
8.	Girni Kamgar Sabha	R.ULP No. (OLD 6/1998) 2/4 Labour Court, Buldhana	Petition was filed by Girni Kamgar Sabha on 14 October 1998 u/sec. 25(2) of MRTU & PULP Act, 1971 praying for declaring the lockout illegal. Objections were filed in the court by the Company on 15 October 1998 asking for dismissal of petition which was not accepted. Subsequently written statement was filed by the Company on 9 November 1996. Application was made by respondents for filing documents on 15 January 1999 was rejected by the order dated 16 January 1999, after which application for stay of proceedings pending final disposal of revision was made on 18 January 1999. Order was passed whereby the proceedings before the courts were stayed till 27 January 1999 and later order allowed documents to be filed. A revision petition was filed to hear both the matters together, which was disallowed by the court. It was again prayed in revision petition for taking both matters which was allowed by order dated 4 May 1999.		Decided in our favor on 06.08.2010
9.	Murlidhar Prasad Chaudhari	ULP Case No. 572/2004 (old No. 90/2003) Labour Court, Buldana.	Complaint was filed by Murlidhar Chaudhari on 15 July 2003 u/sec. 30(2) of MRTU & PULP Act, 1971 praying for reinstatement with full back wages and continuity of service declaring the order of termination on grounds of absenteeism illegal. Application for interim relief was also made by the complainant which was opposed by the Company through <i>reply cum application</i> dated 22 August 2003. Application for interim relief was rejected by the order dated 27 October 2004. Written statement was filed by the Company on 17 March 2005. Application for interim relief was filed by the complainant on 16 January 2007 to which a reply was filed by the Company on 27 February 2007. An Order was passed on 5 April 2007 partly allowing the application and directing the Company to pay 50% wages to applicant till disposal of main complaint. Revision petition was filed by the Company on 25 April 2007 and application for stay was filed. Reply was file by Murlidhar Chaudhari on 16 June 2007. Application was made by the Company on 26 June 2007 for correcting order sheet. Notes of argument were submitted on 26 July 2007.	No Amount Claimed	Next Hearing awaited



10.	Sheshrao Wamanrao Najan	ULP Case No.16/2006 Labour Court, Buldana.	Complaint was filed by Sheshrao Najan on 23 June 2006 u/sec. 28 read with sch. IV item 9 of MRTU & PULP against his termination order discharging him from service praying for reinstatement with full back wages and costs of the proceedings. A Reply to the complaint was filed by the Company on 30 December 2006.	No Amount Claimed	Next Hearing awaited
11.	Sheshrao Wamanrao Najan	TU 1/6 Ind Court. Akola	Case was filed u/sec.28 (1-A) the Trade Union and Bombay Industrial Relations (Amendment) Act praying for the dissolution of the existing body of the Girmi Kamgar Sabha and complainants should be given recognition. The General Manager opposed his being made party to the case by filing application on 19 September 2006. This was opposed by complainants on 9 October 2006. Application for interim relief was filed by complainants on 30 January 2006. It was prayed by the Company for dismissal of the petition on 13 February 2007. Application by the complainants raising objection was dismissed by the order dated 20 April 2007.		Next Hearing awaited
12.	Jitendra Kumar, Then Deputy Manager {Tech.}	U.L.P. No. 574/4 Labour Court, Buldhana	The Company was charged under section 28 read with item 1 of schedule IV of the M.R.T.U and P.U.L.P Act, 1971. Jitendra Kumar was appointed on 7 April 2002 as the Assistant Manager (Technical) of the Company by Joint President. On 28 June 2003 Jitendra Kumar was not allowed in the premises by the security guard as per the instructions of the Joint President of the Company. Jitendra Kumar had issued a notice through Registered AD to the Deputy General Manager of the Company as to the reason why he was terminated from his service without any prior notice. He was given a termination notice on 3 July 2003. Therefore, Jitendra Kumar has filed a complain stating that the Company has indulged into unfair trade practice, and the termination notice is illegal and be set aside and the respondent be instructed to reinstate Jitendra Kumar on his usual post. On 1 July 2003 Jitendra Kumar has made an application for interim relief under section 30 (2) of the MRTP act and PULP act.		Dismiss & default 17.08.2010
13.	Pramod Rameshwar Ingle.	W.C.A. No. 04 of 2007. Labour Court, Buldhana.	Mr. P.R. Ingle suffered accidental injury while on employment and claimed compensation amounting to Rs. 46,860 for the same. He claims that the entire amount was not paid. Applicant has prayed for condoning delay.	After deducting Rs.26486 which we have already paid, now Rs.20374/- claimed	Next Hearing awaited



14.	Ms. Kifayat B. S. K. Rahman	Complaint No. 12/2007 Labour Court, Yeotmal	Kifayat B S K Rehman met with an accident in Gin House at Ghatanji and got serve injured in which she lost her little finger. She has also filed suit before LC for taking her back on service from 10-01-2010 with full wages & benefits.	508,116	Next Hearing awaited
15.	Ms. Kifayat B. S. K. Rahman	Complaint (WCA) No. 12/2007 Labour Court, Yeotmal	Kifayat B S K Rehman met with an accident in Gin House at Ghatanji and got serve injured in which she lost her little finger. She has also filed suit before LC for taking her back on service from 10-01-2010 with full wages & benefits.	508,116	Next Hearing awaited
16.	Sheshrao Wamanrao Najan	ULP Case No.12/05 Labour Court, Buldana.	Complaint was filed by Sheshrao Najan on December 1996 read with sch. IV item 9 of MRTU & PULP against his termination order discharging him from service praying for reinstatement with full back wages and costs of the proceedings. Reinstated as per order of labour court on interim application. Case yet to be decided on merit.	-	Disposed off for want of prosecution on 05.10.2010
17.	Girmi Kamgar Sabha	BIR 1/8 Industrial Court, Akola	Union matter for recognition.		Next Hearing awaited
18.	Kamal Sitaram	162/04 Asst. Comm. of Labour Akola	The non-applicant files a written statement submitting that the applicant never served continuously for a period of five years and was not entitled to payment of gratuity under the Payments of Gratuity Act. The rate of wages is not in dispute.		Evidence.
19.	T. C. Sharma	ULP 20/6 Labour Court Buldhana	Complainant filed application on October 2008 read with section 28 & section 7 sch. IV item 1{a }{b}{ f} of M.R.T.U. & PLUP act 1971 against his terminations from services, praying for reinstatement with full back wages	No Amount Claimed	Reinstated as per order of Labour court 28.10.2010 Next Hearing awaited
20.	S. B. Bajaj	ULP 21/8 Labour Court Buldhana	Complainant filed an application on Oct 2008 read with section 28 & section 7 sch. IV item 1{a }{b}{ f} of M.R.T.U. & PLUP act 1971 against terminations from services, praying for reinstatement with full back wages		Next Hearing awaited
21.	S. P. Bhise	ULP 26/8 Labour Court Buldhana	Complainant filed an application on Nov. 2008 read with section 28 & section 7 sch. IV item 1{a }{b}{ f} of M.R.T.U. & PLUP act 1971 against terminations from services, praying for reinstatement with full back wages	No Amount Claimed	Reinstated as per order of Labour court 28.10.2010 Next Hearing awaited



22.	S. L. Sharma	ULP 25/8 Labour Court, Buldhana	Complainant filed an application on November 2008 read with section 28 & section 7 sch. IV item 1{a }{b}{f} of M.R.T.U. & PLUP act 1971 against his terminations from services, praying for reinstatement with full back wages	No Amount Claimed	Reinstated as per order of Labour court 28.10.2010 Next Hearing awaited
23.	Madhukar	ULP 37/8 Industrial Court, Akola	Complainant filed revision petition against the order of Labour court, Buldhana dated 18 August 2008.		Next Hearing awaited
24.	Mohan Shelke	ULP 26/9 Labour Court Buldhana	Discharge for Loss of Confidence		Evidence, 26.05.2011
25.	Baliram Ingle	ULP 29/8 Labour Court Buldhana	Demand for difference for Gratuity with interest		Withdrawn by applicant on 17.08.2010
26.	Pralhad Raut	ULP 27/9 Labour Court Buldhana	Discharged for Absentism		Next Hearing awaited
27.	Manish	R ULP 32/9 Industrial Court Akola	Revision against order of Labour Court		Next Hearing awaited
28.	Ajay	RULP 52/9 Industrial Court Akola	Revision against order of Labour Court		Next Hearing awaited
29.	Satish Dhanraj	A(IDA) 03/2010 Labour court Dhule	Application U/s 33 c (2) of I D Act for recovery of the amount of unpaid wages retrenchment compensation, notice pay, LTA & Medical, gratuity and loss of future salary by way of compensation/damages.		Next Hearing awaited
30.	Satish Dhanraj	Comp. (ULP) 32/2010 Labour court Dhule	Complain of unfair labour practice under schedule (iv) of item 1 (a) (b) & (f) of Maharashtra Recognition of Trade union and prevention of ULP Act, 1971 along with application for interim relief.		Next Hearing awaited



ii. Labour Cases filed by BCIL:

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Current Status
1	Girni Kamgar Sabha & Ors.	RULP 1/04 Labour Court, Buldhana	Application was filed by the Company on 7/9/1008 against the Girni Kamgar Sabha and their workmen u/sec.25(1) of the MRTU & PULP Act,1971 for declaring the go-slow policy adopted by the opponent No.1 and its members as illegal strike. Reply was filed by the opponents on 1/9/1998. Order was passed on the preliminary issue, whether the application made was tenable under law. The appeal was held maintainable. Caveat was filed by the company on 26.9.1998 praying for not passing any order without due notice. Application was filed by the company on 5/10/1998 for amendment of petition of reference due to sabotage and cessation of work by workmen. Reply was filed to the same by respondents on 8/10/1998. Order was passed on 17/10/1998 disposing the application. Application was filed by the company to lead evidence led through witness No.1 to 6 of the Respondents as evidence. Application was filed by the Company praying for permission to produce further evidence. Evidence and examination of witnesses was conducted.	Decided on 06.08.2010
2	Vardhan Syntex Kamgar Sangh, Mukunda Baburao Kharode, Gajanan Shamrao Mirge, Surendra Mahendra Jena, Nandkishor Kisanlal Sharma, Vitthal Rambhau Awatade, Vijay Deorao Modke, Ananda Vishwasrao Deshmukh, Samadhan Rajaram Zadokar and Udaibhan Deorao Patil.	R.U.L.P Case No. 3/4 Labour Court, Buldhana	The Company has filed a Complaint under section 25 of the M.R.T.U. and P.U.L.P Act, 1971 i.e. reference for declaration of strike as illegal. The Company filed a complaint against the Trade Union as the Union and its members had organized a meeting on January 8, 2004. Due to this none of the workers turned up for the shift for that day. There was a show cause notice put up calling upon the Applicants to state as to why the action should not be proceeded against them. The Company has filed a complaint stating that the Strike was illegal under section 24 of the MRTP and PULP act. The Company has asked the Court to declare that the workers enlisted who were in the second shift on January 8, 2004 of the complainant factory remained absent from work as they had entered to the snap strike and they were instigated by the Trade Union and its members and they did the said act without any vote or decision by non-applicant-B. They should also be held responsible for illegal strike.	Next Hearing awaited
3	Sheshrao Najans & Nine others	ULP 1/8 Labour Court Buldhana	The company has filed complaint under section 25/8 M.R.T.U. For declaration of strike as illegal.	Next Hearing awaited
4	Murlidhar	ULP 35/7 Industrial. Court Akola	Company has filed ULP Revision against the order of Labour court Buldhana dated 05.04.2007	Next Hearing awaited
5	Najans & other	ULP 21/8 Industrial. Court Akola	Company has filed revised application against the order of labour court dated 06.05.2008	Next Hearing awaited
6	ESIC Pune	9./2009	For Damages amounting to Rs.336029.00	Next Hearing



		ESI Court Dhule		awaited
7	ESIC Pune	10./2009 ESI Court Dhule	Interest amounting of Rs.205824.00	Next Hearing awaited

The cases filed by Birla Cotsyn are as follows:

(iii) Civil Cases:

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute(Rs)	Current Status
1	Sandhya Enterprises	Sp. C.S. No. 8/2004 City Civil Court, Khamgaon	The Defendant Company was an agent of the Company and the contract (from 1 April 2002 to 31 March 2003) was renewed. A notice was served to the defendant by the advocates of the plaintiff to pay all the outstanding dues. The outstanding dues were not paid and the plaintiff filed a suit for recovery of the amount due on account in respect of the unpaid purchase price of goods with interest by way of damages and prayed decree be passed against the defendant for a sum of Rs. 158,223.92/- (i.e. Rs. 143,769.20/- outstanding debit balance, Rs. 14,454.72/- interest @ 12% p.a. by way of damages) and also the cost of the suit be awarded.	158,223	Decree Filed in Solapur Dist.Court for execution
2	Aerovent Techno Fabs Engineers ("ATFE")	R.C.S. No.: 52/2006 In the Court Of Civil Judge Senior Division, Khamgaon	The Company had filed a suit for refund of purchase money plus damages. The Company had placed an order with the ATFE for supply of 4 Spot Humidifier Unit costing Rs. 6,900/- each. Out the four units supplied 2 were not functioning properly and hence the Company had send a number of letters to ATFE stating the problem with the 2 units and further stated that the defendant should arrange to replace the units. To this ATFE had assured the Company that it will take care of the complaint which was filed and send its representative to look into the matter. The Company had filed a claim of Rs. 15,000/- and in the event of decree for damages is passed then interest on the decretal amount @ 12% p.a., alternatively be directed to	Decree awarded	Decree has to be filed for execution in Ahmedabad court



			supply 2 units by deducting the costs as per the bill and the cost of the suit.		
3	J.K. Textiles	Sp. C.S. No. 99/97 Court of Civil Judge Khamgaon.	Suit was filed for the recovery of money on account of the unpaid sale price, along with the interest. An amount of Rs. 1,500,000/- have been claimed along with interest @ 24 % p.a.	Rs. 1,500,000	Decree on 10.12.2010
4	S.P. Bhise	WP/19157/2009 High court Bench Nagpur	Against the order of Industrial court on issue of Employee		Decided against us
5	T.C. Sharma	WP/19158/2009 High court Bench Nagpur	Against the order of Industrial court on issue of Employee		Decided against us.
6	S.L.Sharma	WP/19154/2009 High court Bench Nagpur	Against the order of Industrial court on issue of Employee		Decided against us.
7	Ramrao. Sitaram. Patil	281/2005 Civil Court, Dhulia	Encroachment on the land in side the factory premises by defendant		Matter has partly heard. Fixed for final arguments. Next Hearing awaited
8	1. Kailash Kobragade. 2. Namdeo. Ramteke. 3. Savitri. Ramteke. 4. Shastriram. Ramteke. 5. Bhaskar. Ramteke. 6. Kamlakar. Ture. 7. Sambha. Ramteke. 8. Manohar. Ramteke. 9. Vishvanath. Ramteke. 10. Vithal. Chunarkar. 11. Tulsabai. Chunarkar. 12. Prakash. Bansod. 13. Bhola. Bansod. 14. Daulat. Khobragade. 15. Dadarao.	Civil Court, Ghatanji.	Case was filed by the Company against the following persons for encroachment into the Company's plot of land. The Court has given judgment in favour of the Company but possession formalities are pending.	-	Case still pending for final possession orders.



	Khobragade. 16. Pramod. Nanpar. 17. Ahilyabai. Nanpar. 18. Ramaji. Meshram. Ramdeo. Kaninde.				
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(iv) Civil cases filed against BCIL

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute (Rs)	Current Status
1	M/S Arihant Agrotech & others	28/2010, Court of Civil Judge, Malkapur	Breach of contract, entered into for gining and pressing of cotton between BCIL and Arihant Agrotech. As per the contract BCIL was to supply raw cotton and inturn to receive pressed bales and cotton seeds after ginning and pressing	10,000,000	Company has filed application for arbitration. Next Hearing awaited
2.	Namdeo Gangaram Ramtake	ADJ Pandharkawada (Kelapur) RCA No. 64/2005	Civil appeal U/s 96 of CPC against judgment & decree dt 12-07-2005 passed by Civil Judge Jr. div Ghantaji in reg. C S No. 56/99. The Appeal is filed on 06/10/2005along with the stay application.		Date awaited
3.	Shanta Bai Daulat, Dadarao Daulat and Nilesh Daulat Khobragade	ADJ Pandharkawada (Kelapur) RCA No. 65/2005	Civil appeal U/s 96 of CPC against judgment & decree dt 12-07-2005 passed by Civil Judge Jr. div Ghantaji in reg. C S No. 56/99. The Appeal is filed on 06/10/2005along with the stay application.		Date awaited
4.	Namdeo Nagrao Kaninde	ADJ Pandharkawada (Kelapur) RCA No. 66/2005	Civil appeal U/s 96 of CPC against judgment & decree dt 12-07-2005 passed by Civil Judge Jr. div Ghantaji in reg. C S No. 56/99. The Appeal is filed on 06/10/2005along with the stay application.		Date awaited



(v) Criminal Cases filed Against BCIL

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute (Rs)	Current Status
1	M/S Arihant Agrotech, others	Session Judge, Link Road, Malkapur Rev No. 138 of 2010	Cr. Revision against the proses issued by the Hon'ble JMIC, Malkapur dated 18.10.2010 u/s 138 of N.I.Act in case of 827/2009	-	Next Hearing awaited

(vi) Criminal Cases filed by BCIL

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute (Rs)	Current Status
1	M/S Arihant Agrotech, others	827/2009.Court of Judicial Magistrate 1 st Class, Malkapur	Case u/s 138 of Negotiable Instruments Act, 1881.	Rs.1,000,000	Next Hearing awaited

Notices served on Birla Cotsyn are as follows:
Khamgaon Unit Synthetic Division

1. A show cause notice was served by the Maharashtra Pollution Board ("MPCB") to M/S Khamgaon Syntex dated 28 December 2006 (Notice no. MPCB/RO-AMT/2254 of 2006). The notice states that a sample had been taken from the unit on 14 July 2006 and after testing the sample it was observed that most parameters were much beyond the prescribed limits. In view of the above a notice was served directing the Company to show cause as to why suitable action under the provisions of Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 should not be initiated against the Company and the Company was required to reply to the notice within 7 days from the issue of notice. The next sample result has been improved and communicated to MPCB.

2. A notice has been served by the Maharashtra Pollution Control Board to M/s Vardhan Syntex dated 10 January 2006 (Notice No. MPCB/PCI-III/TB/B-161). This notice states that the Maharashtra Pollution Control Board Office has received a Status report of Vardhan Syntex Factory from the Sub-Regional officer, Akola and Regional Officer, Amravati, the report states that Vardhan Syntex does not provide an adequate effluent plant treatment and is disposing the effluent without treatment, which thereby causes nuisance to the surrounding area. On the basis of the report the Company was called upon to remain present before the Member secretary of the Board along with the relevant documents. At the present, the territory treatment scheme has been submitted and construction work is under progress.

3. Birla Power And Solutions Limited (BPSL)

(i) Status Of Legal Cases (Civil) At Delhi And NCR

SL No.	Opposite Parties	Case No. & Name of the Court	Brief History Of The Case	Amount (In Lacs)	Current Status Of The Case
1	BYL v/s Blue Bird Autosales	214/2002 Gurgaon, District Court	Recovery suit filed against the dealer for asum of Rs.. 3.0 lac+Interest	3.00	Execution proceeding to be filed
2	BYL v/s Deewan Auto	39/97 Sh. Davinder Kumar Garg,Civil Judge, Tis Hazari, Delhi	Recovery suit/execution filed against the dealer. For 0.84 lac + Interest	1.07	Suit Dismissed On 08.03.2010 Appeal Filed On 22.04.2010
3	BYL v/s Modfab International	3122/96 High Court, Delhi	Recovery suit filed against the dealer for Rs..15.00 + Interest	15.00	Regular Hearing
4	BPSL v/s G.G.Marketing	184/05 MRs..Sangeeta Dingra Sehgal adj. Court no 21, Tis Hazari, Delhi	Suit for recovery of Rs.. 11,70,625 +Interest filled against the dealer	11.70	Decree passed in favor of BPSL.
5	Sawan Sales v/s BPSL	1642/6 High Court, Delhi	Recovery suit filed by the dealer for Rs.. 47.0 lac and counter claim by the Company for Rs.. 26.0 lac	47.00	Next Hearing awaited
6	Ritesh Kr Kapoor v/s BPSL	52/07 Sh. D.k. Malhotra adj. Court no 24 Tis Hazari Court, Delhi	An ex-employee has filed the recovery suit for unpaid salary and other dues	18.48	Next Hearing awaited
7	G.C Agarwal v/s BSPL	184/04 High Court, Delhi	Appeal filed against the findings of the lower Court by G.C.Aggarwal against the Company	5.85	for Regular hearing
8	BPSL v/s P.K Enterprises	414/06 Sh.Rakesh Tiwari adj Court no 30 Tis Hazari Delhi	Recovery suit filed against the dealer. Dismissed in default on 20.10.08 application filled for restoration on 18.11.08	6.74	Next Hearing awaited
9	Lalit Sharma v/s. BPSL	555/2008 Sh.Vinod Kumar adj. Court no 31 Tis Hazari Delhi	Suit for recovery for the balance of dues on execution of work contracts	15.95	Next Hearing awaited
10	Ramakrishna Electro components	707/09 Sh. Amit kumar,assj, Rohini	Suit for recovery of outstanding plus Interest	1.70	Next Hearing awaited



	C/s BPSL and another	Court			
11.	BPSL V/s Gopal Motors.	Delhi high Court	Revision petition filed against the order refusing rejection of plaint by the Id. Adj, Rohini	-	Next Hearing awaited
12	BPSL V/s Diwan automobile	Sh. Sanjeev Jain, adj,thc, Delhi	Appeal filed against the order of dismissal of the suit	1.07	Next Hearing awaited

(ii) List of Legal Cases (Civil) Outside Delhi

SL No.	Opposite Parties	Case No.	Name of the Court	Brief History Of The Case	Amount (In Lacs)	Current Status Of The Case
1	BYL V/s Mangala Motors.	Suit No. 01/2001	Civil Court Lucknow	Suit for recovery filed against the dealer	2.5	Details Not Available
2	BYL V/s Permil Traders.	746/2000	Civil Court Bulandsahar	Suit for recovery filed against the dealer	9.50	Details Not Available
3	BYL V/s Lohia Jute Press	592/96	Civil Court, Kolkatta	Civil suit has been filed for recovery	6.62	Details Not Available
4	BYL V/s Ameri Gas	593/96	Civil Court, Kolkatta	Civil suit has been filed for recovery	3.13	Details Not Available
5	BYL V/s Mohanty & Company	73/2001	Civil Court, Bhubaneswar	Recovery suit filed against the dealer	24.00	Details Not Available
6	BYL V/s UniversalEngg	123/99	Metropolitan Court Coimbatore	Case u/s 138 filed against the dealer for bouncing of cheque	7.00	Details Not Available
7	Unitech Service Centre V/s BPSL	108/05	Sub Judge Tirupattur, TN	Recovery suit filed by the dealer	3.00	Details Not Available
8	M/S Kandola Shipyard V/s BYL	47/2000	Sub Judge Panaji	Recovery suit filed by the dealer for a sum of rs. 40,000 + interest w.e.f 17/11/95.	0.40	Details Not Available
9	Smt. Rashmi arora V/s	65/2009	Sh. Bhupender Singh, Civil Judge, Senior	1.75 lacs	Civil suit for recovery	Next Hearing awaited



	Bpsl		Division, Ruderpur.			
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(iii) Status of Labour Cases

Sl No.	Opposite Parties	Case No.	Name of the Court	Brief History Of The Case	Amount (In Lacs)	Current Status Of The Case
1	Nishit Bhatnagar	LCA NO. 20/2006	Labour Court Indore	Lca filed by the employee. Has been dismissed.	2.25	Applicant has filled an application for the restoration of proceedings. Next date is for appearance of parties.
2	Mr. B. B. Sharan	Lca No. 23/2002	Labour Court, Patna.	Conciliation proceedings have been filed under section 10 of the industrial dispute act, for reinstatement with full wages.	Details Not Available	Details not available
3	Mr. Lal Babu	Lca No. 14/2003	Labour Court, Patna Deputy Labour CoM.Missioner Patna	Conciliation proceedings have been filed under section 10 of the industrial dispute act, for reinstatement with wages Execution proceeding filled for the award dated 29.-10-2007	Details Not Available	Details not available

(iv) Status of Legal Cases (Consumer Forum & MRTP, Commission)

Sr. No	Opposite Parties	Case No.	Name of the Court	Brief History Of The Case	Amount (In Lacs)	Current Status Of The Case
1	Khem Chand Sharma V/S BYL	40/95	State Forum, Appeal Lucknow	Complaint regarding defective generator	0.50	Forum not Sitting.
2	Pholl Chand Agarwal V/S BYL	743/2000	State Forum, Lucknow	Complaint regarding defective generator	0.16	Bench not Sitting
3	Mod V/S G.K Seth	592/1992	State Comission Lucknow	Complaint regarding defective generator appeal	0.93	Bench not Sitting
4	Sehgal Enterprises V/S Ajay Kumar	2560/2000	State Commission Lucknow	Appeal filled by the dealer against the order of district forum for compensation of rs.. 5000 for defective service and nothing against the company	0.05	Company Has Been Arrayed As Respondent. Date Of Hearing Is Awaited
5	Shamim	231/05	Conumer Forum	Complaint against the	0.70	Details Not



	Ahmed V/S BPSL		Saharanpur	defective inverter		Available	
6	Vinayak James V/S BPSL	11/06	Consumer Forum Jaipur	Claimed a sum of Rs. 88,000/- towards defective inverter & battery	0.88	Details Available	Not
7	Ajit Kr Jain V/S BPSL	24/06	Consumer Forum Agra	Execution petition filed	0.24	Details Available	Not
8	Shyam Khemka V/S BPSL	71/06	Consumer Forum Sonbhadra	Complaint against the defective inverter & battery	1.75	Details Available	Not
9	Naresh Kumar V/S BPSL	140/07	Consumer Forum Merrut	Claim against the defective inverter	Amount Not Mentioned.	Details Available	Not
10	Tarun Sharma V/S BPSL	66/07	Consumer Forum Sawai Madhopur Rajasthan	Claim against the defective battery	0.20	Details Available	Not
11	Khairatilal V/S BPSL	116/06	Consumer Forum Saharanpur	Claim against the defective inverter & battery	0.15	Details Available	Not
12	Pawan Prithvi V/S BPSL	06/07	Consumer Forum Udham Singh Nagar 06/07/2009	Claim against the defective inverter & battery	0.03	Details Available	Not
13	Simon Nv V/S BPSL	528/05	Consumer Forum Thrussur	Replacement of inverter + /refund alongwith interest @ 12%p.a.	0.25	Details Available	Not
14	Dr Rajkumar V/S BPSL	69/07	Cf Kannur	Compensation for defective inverter including compensation towards mental agony etc	0.45	Details Available	Not
15	Shatrughan Prasad Sinha V/S BPSL	202/06	Consumer Forum, Chapra	Replacement of defective inverter + compensation	0.32	Details Available	Not
16	Antarjyami Pattanaik V/S BPSL	52/2007	Consumer Forum, Jagatsingh Pur	Replacement of defective generator or refund of rs..2.15 + cost , complaint allowed and appeal has been preferred at state forum at cuttack	2.15	Detail Available	Not
17.	Ramchandera R Singh	233/08	Comumer Disputes	Complaint against the defective goods	Amount Not	Details Available	Not



	V/s Dipshru Enterprises & BPSL		Redressal Forum Thane	(generator / inverter)	Mentioned In Court Notice	
18.	M/S Bengal Medical Stores V/s Birla Power Solutions Ltd.	CC/08/58	District Consumer Disputes Redressal Forum Siliguri	Replacement of Genset or refund of rs.. 48000 + interest @10% + compensation of rs.. 50000	0.98	Details Not Available
19.	Smt. Mera Shukla V/s M/S BPSL	EX- 118/08 CC NO 471/04	District Forum Consumer Protection Merrut	Execution of award passed in cc no 471/04 dated 12.09.08	0.10	Details Not Available
20	Dr. Rajesh Pillai V/s M/S BPSL	CC NO 106/2008	District Consumer Redressal Forum Thiruvananthapuram	Refund of cost of the Genset	0.81	Details Not Available
21	K. Naveen Chandra V/s M/S Thirumala Agencies & BPSL	CC NO 172/2008	District Consumer Forum Warrangal	Replace or pay the cost of Genset	1.56	Details Not Available
22	Ram Shakal Tiwari V/s BPSL	CC NO 507/05	Consumer Disputes Redressal Forum- X New Delhi	Complaint u/ sec 13 of consumer protection act for a compensation of rs.. 4,59,000/- against the defective supply of Genset of 1.5 KVA in place of 2.5 KVA	4.59	Pending for Final Arguments
23	Keritender Sharma V/s K. B. International	CC No. 162 Of 5.02.2010	Consumer Disputes Redressal Forum- Central, Kashmiri Gate Delhi	Complaint u/ sec 13 of consumer protection act for a compensation against the defective supply of Genset		For Appearance Of Respondents



(v) Status Of Legal Cases Under Section 138 Of Negotiable Instruments Act 1881 Filed By Birla Power Solutions Ltd. At New Delhi

Sl No.	Opposite Parties	Case No.	Name of the Court	Brief history of the case	Amount (Rs in Lacs)	Current Status Of The Case
1.	Sindhu Electric, Chennai, Tamilnadu	CC/10685/04	Sh. Sandeep Yadav, M.M,Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next Date awaited
2.	Sym Power System, Cochin, Kerela	CC/316/01	Sh. Sandeep Yadav, M.M,Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	4.64	Next Hearing awaited
3.	Japan Trading Corporation, Trichy, Tamilnadu	CC/8761/04	Sh. Kuldeep Narain, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.40	Next Hearing awaited
4.	Japan Trading Corporation, Trichy, Tamilnadu	CC/8762/04	Sh. Kuldeep Narain, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	5.10	Next Hearing awaited
5.	Universal Engineering, Coimbatore, Tamilnadu	CC/708/04	Sh.Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	11.50	Next Hearing awaited
6.	Universal Engineering, Coimbatore, Tamilnadu	CC/705/04	Sh.Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.78	Next Hearing awaited
7.	Universal Engineering, Coimbatore, Tamilnadu	CC/10982/04	Sh.Sandeep Yadav, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	11.50	Next Hearing awaited
8.	Universal Engineeringcoimbatore, Tamilnadu	CC/6224/04	Sh.Sandeep Yadav, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	13.00	Next Hearing awaited
9.	Goodwill Auto, Hubli, Karnataka	CC/1001/C/2004	Metropolitan Magistrate, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	25.00	Next Hearing awaited
10.	Arun Pratap Singh (Ps MotoRs.),	CC/329/02	Sh. Sandeep Yadav, M.M,Patiala House	Complaint Filed By BPSL U/S 138 N. I.	5.00	Next Hearing



	Gurgaon Haryana		Courts, Delhi	Act against The Accused For Dishonor Of Cheque.		awaited
11.	Gautum MotoRs., Karol Bagh, New Delhi	CC/14/1996	Sh.Sanjeev Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.79	Next Hearing awaited
12.	Ashok Rock Drills (Promod Chhabaria), Secunderabad, AP	CC/3358/03	Sh.Sanjeev Kumar M.M, Patiala House, Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next Hearing awaited
13.	Kendrapara, Kendrapa, Orissa	CC/6624/01	Sh. Kuldeep Narain, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.00	Next date awaited
14.	Yash Motors., Bulandshahr, UP	CC/208/02	Sh.A.S.Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.70	Next Hearing awaited
15.	Vijayalakshmi, Theni, Tamilnadu	CC/1349/02	Smt. Veena Rani, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.99	Next Hearing awaited Matter fixed for Summons issued against the accused and P.F, filed..
16.	Atchaya Power House, Thanjavur, Tamilnadu	CC/1276/02	Smt. Veena Rani, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.50	Next Hearing awaited
17.	Kamal MotoRs., Anandpur, AP	CC/1299/02	Smt. Veena Rani, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next Hearing awaited For summoning of accused
18.	Kamal MotoRs., Anandpur, AP	CC/1275/02	Smt. Veena Rani, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next Hearing awaited for summoning of accused



19.	Power Point, Padukottai, Tamilnadu	CC/1422/03	Smt. Kiran Bansal, M.M, Pataila House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.72,	Next Hearing awaited Matter list for appearance
20.	Power Point, Padukottai, Tamilnadu	CC/1427/03	Smt. Kiran Bansal, M.M, Pataila House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.00	Next Hearing awaited Matter list for appearance
21.	Madumati Enterprises, Baripada, Orissa	CC/426/03	Sh Sourav Kulshesra, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.20	Next date 04/06/2011 FOR BW of the accused
22.	B.N Kejriwal, Burdwan, West Bengal	CC/03/2003	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.32	Next date 22.07.2011 Matter list for summoning of accused and payment of PF..
23.	Unitech, Vellore, Tamilnadu	CC/3665/03 CC/562/02	Sh.Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next Hearing awaited
24.	Unitech, Vellore, Tamilnadu	CC/3666/03 CC/563/02	Sh.Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.25	Next Hearing awaited
25.	Diamond Documentation, Vellore, Tamilnadu	CC/3662/03	Sh.Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.00	Next Hearing awaited .
26.	Kirabo Software, A.P	CC/548/05	Sh.Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.75	Next Hearing awaited
27.	Sawan Sales Agencies Pvt. Ltd., Delhi	CC/547/02/05	Sh. Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.00	Next Hearing awaited
28.	Sawan Sales Agencies Pvt. Ltd., Delhi	CC/546/02/05	Sh. Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The	10.00	Next Hearing awaited



				Accused For Dishonor Of Cheque.		
29.	Sawan Power Pvt. Ltd., Delhi	CC/3444/1/2003	Sh. Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	8.00	Next Hearing awaited
30.	Sawan Sales Agencies Pvt. Ltd., Delhi	CC/545/02/05	Sh. Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	9.00	Next Hearing awaited for NBW of the accused and notice to surety.
31.	Sawan Sales Agencies Pvt. Ltd., Delhi	CC/352/03	Sh. Jagdish Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	10.00	Next Hearing awaited . for NBW of the accused and notice to surety.
32.	Sakthi Marketing, Cudalore, Tamilnadu	CC/352/1/03	Miss Ruby Alka Gupta, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.25	Next Hearing awaited Matter fixed for appearance
33.	Shakti Automobiles, Maharaj Ganj, U. P.	CC/09/2004	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next Hearing awaited
34.	Priya Enterprises, Cochin, Kerela	CC/3054/04	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.00	Next date 20.06.2011 Issued BW's against the accused and to be executed.
35.	Priya Enterprises, Cochin, Kerela	CC/3055/04	Sh.A.S.Aggarwal M.M, Patiala House, Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.05	Next date 01.06.2011 Issued BW's against the accused and to be executed.
36.	Gen Power, Trichy, Tamilnadu	CC/3056/04	Sh.A.S.Aggarwal, M.M M, Patiala House, Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.50	Next date 22/07/2011 Issued NBW's against the



						accused and to be executed.
37.	Gen Power, Trichy, Tamilnadu	CC/3057/04	Sh.A.S.Aggarwal ,M.M, Patiala House, Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.50	Next date 22/07/2011 Issued NBW's against the accused and to be executed.
38.	Gen Power, Trichy, Tamilnadu	CC/3058/04	Sh.A.S.Aggarwal , M.M., Patiala House Courts,Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.50	Next date 22/07/2011 ssued BW's against the accused and to be executed.
39.	Gen Power, Trichy, Tamilnadu	CC/3059/04	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque	1.50	Next date 22/07/2011 Issued NBW's against the accused and to be executed.
40.	Gen Power, Trichy, Tamilnadu	CC/3060/04	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.00	Next date 22/07/2011 ssued NBW's against the accused and to be executed.
41.	Gen Power, Trichy, Tamilnadu	CC/3061/04	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next date 22/07/2011 ssued NBW's against the accused and to be executed.
42.	Gen Power, Trichy, Tamilnadu	CC/3062/04	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next date 22/07/2011 ssued NBW's against the accused and to be



						executed.
43.	Gen Power, Trichy, Tamilnadu	CC/3063/04	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next date 22/07/2011 Issued BW's against the accused and to be executed.
44.	Gen Power, Trichy, Tamilnadu	CC/3064/04	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next date of hearing 22/07/2011 Issued NBW's against the accused and to be executed.
45.	Gen Power, Trichy, Tamilnadu	CC/162/05	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next date 22/07/2011 Issued NBW's against the accused and to be executed.
46.	Gen Power, Trichy, Tamilnadu	CC/163/05	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	Next date 22/07/2011 Issued NBW's against the accused and to be executed.
47.	Gen Power, Trichy, Tamilnadu	CC/499/05	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.31	Next date 22/07/2011 Issued NBW's against the accused and to be executed.
48.	Gen Power, Trichy, Tamilnadu	CC/500/05	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.00	Next date 22/07/2011 Issued NBW's against the accused and



						to be executed.
49.	GEN Power, Trichy, Tamilnadu	CC/ 1229/05	Sh.A.S.Aggarwal, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.50	Next date 22/07/2011 Issued NBW's against the accused and to be executed
50.	Delta Enterprises, Visakapatnam, A.P	CC/166/05	Sh. A.S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.80	Next Hearing awaited
51.	Delta Enterprises, Visakapatnam, A.P	CC/165/05	Sh. A.S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.30	Next Hearing awaited
52.	Delta Enterprises, Visakapatnam, A.P	CC/164/05	Sh. A.S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.90	Next Hearing awaited
53.	K.S Automobiles, Machilapatnam	CC/1498/05	Sh. A.S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.38	Next Hearing awaited
54.	Mahesh Enterprises, Bolangir Orissa	CC/27/5/05	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	14.27	Next date 22.07.2011 Issued BW's against the accused and to be executed
55.	Cadia Systems, Malapuram Kerela	CC/2250/05	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.20	Next Hearing awaited
56.	Cadia Systems, Malapuram Kerela	CC/2137/05	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	.59	Next Hearing awaited
57.	Cadia Systems, Malapuram Kerela	CC/2138/05	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor	0.59	Next Hearing awaited



				Of Cheque.		
58.	Online Systems, Nagpur, Maharashtra	CC/2139/05	I Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.26	Next Hearing awaited
59.	Bhajan Enterprises, Nagaur, Rajasthan	CC/117/01	Sh. A. S. Aggarwal, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.00	Next Hearing awaited
60.	Sawan Sales Agency (P) Limited	Crl..L.P. 101/2009	Delhi High Court	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	9.00	Next Hearing awaited

(vi) Sales Tax cases:

Sr. No	Name of Act	Amount Rs. In lacs	Forum where the dispute is pending
1.	Delhi Sales Tax	195.56	Additional Commissioner/ Appeal in Tribunal
2.	Kerala Sales Tax Act	99.24	Supreme Court Additional Commissioner
3.	U.P Sales Tax Act	124.23	High Court Appeal
4.	Bihar Sales Tax	11.37	Jt, Commissioner Appeal
5.	Maharashtra Sales Tax Act.	10.61	Jt. Commissioner Appeal
6.	Andhra Pradesh Sales Tax Act	1.13	CTO Sultan Bazar
7.	Orissa Sales Tax Act	1.92	Asst. Commissioner of Sales Tax
8.	Tamil Naidu Sales Tax	21.95	Dy. Commissioner of Commercial Tax
9.	Gujarat Sales Tax Act	2.25	Commissioner of Commercial Tax
10.	Uttarkhand Sales Tax Act	489.31	Dy. Commissioner (Appeal)
11.	West Bengal Sales Tax Act	11.60	A.C.of Commercial Tax
	TOTAL	969.17	

4. Birla Precision Technologies Limited (BPTL) (Formerly known as Birla Kennametal Limited)

(i) Cases filed by BPTL pertaining to Civil Laws:

Sr. no.	Name of opposite party	Case No. & Name of the Court	Brief Details	Claim amount (Rs.)	Current status/ next date of hearing
1.	M/s. Ambika Steels	R.C.S No. 103/2000 Court of Civil Judge Junior Division at Aurangabad	Case was filed by the Company against M/s. Ambika Steels for recovery of Rs.18,117 (inclusive of interest) on failure of the opposite party to comply with the order placed with it by the Company on 25 th January 2000.	18,117/- (inclusive of interest)	Decree was obtained in the favour of the Company on 25 th November 2002 but not yet executed.



2.	A.V.I. Machines & Manufacturing	R.C.S No. 1563/ 2000 Court of the Joint Civil Judge Junior Division at Aurangabad	Suit was filed by the Company against A.V.I. Machines & Manufacturing for recovery of Rs. 77,388 by way of construction bill.	77,388/-	Ex-parte order was passed on 2 nd September 2002 in favour of the Company and the opposite party was decreed to pay Rs.77,388 with further interest @ 18% p.a. from filing of the suit till its full recovery along with costs for The case. filed and the same has been transferred to Pune Court for execution as the property of the defendant is within the territorial jurisdiction of the Pune Civil Court.
3.	M/s. Tarun tools	R.C.S No. 278/ 2005 Court of the Joint Civil Judge Junior Division at Aurangabad	The Company has filed a case against M/s. Tarun Tools for the recovery of amount of Rs. 82,688/- with 12% interest which has not been paid by the other party on the material that has been purchased by them from the Company.	82,688/-	Service of summons. Next date of hearing is awaited.
4.	M/s/ Auram Engg. Ltd.	R.C.S No. 105/ 2000 District Court, Aurangabad	The case was filed by the Company against M/s. Auram Engg. Ltd. for recovery of amount of Rs. 60,966 due to failure of the party to collect and pay for material which had been ordered by them.	60,966/-	Ex-parte order was passed on 10 th July 2002 ordering the amount to be paid to the Company along with costs for the case. The same has been transferred to Pune Court for execution. Decree not yet executed.

(ii) Cases filed by BPTL pertaining to Criminal Laws :

Sr. no.	Name of opposite party	Case No. & Name of the Court	Details	Claim amount (Rs.)	Current status/ next date
1.	M/s. Style World	S.C.C No. 2642 of 2006 Chief Judicial Magistrates Court, Aurangabad	Case was filed against the party M/s. Style World. Refund of Rs. 10,000/- paid as advance to the party for supply of T-shirts was demanded by the Company.	10,000/-	Next date awaited.



			The party issued a cheque for Rs. 10,000/- towards discharge of its liability. The cheque was dishonoured for the reason of insufficient funds. The other party failed to arrange for the necessary funds for honouring the cheque issued to the Company.		
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(iii) Labour Cases filed against BPTL:

Sr. no.	Case no.	Name of opposite party	Name of the Court	Details	Claim amount (Rs.)	Current status/ next date of hearing
1.	Writ Petition No. 2345 of 1993	Bhimrao Saluba Sonawane	High Court at Bombay, bench at Aurangabad	The Respondent, a workman, claims to have been removed without any reason and his salary was not paid for the month of April/ May 1989. The workman filed a writ petition praying for reinstatement with back-wages with the Court.	Not ascertainable	Pending for final hearing

5. Birla Shloka Edutech Limited

(i) Labour Cases filed against our Company : Nil

(ii) Labour Cases filed by our Company: Nil

(iii) Civil Cases filed against our Company

Sr no.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute (Rs.)	Current Status
1	chanakyanetstudy.com	Writ Petition No.8663 of 2007 High Court of Bombay	Dispute with respect to the Tender process adopted by Maharashtra Prathamik Shikshan Parishad. Although Company was not the party in the petition earlier, Company was subsequently made party through an amendment.	—	Petition Withdrawn on 24/08/2009



2	Orient Press Limited*	Summary Suit No. No. 2775 of 2009 Bombay High Court	The suit had been filed by Orient Press Limited for alleged non-payment of invoices raised by them upon Shloka Publications Pvt Ltd, a transferor company under the Scheme of Amalgamation towards printing charges and delivery of printing goods and materials.	7,31,676/-	Suit Withdrawn on 13/12/2010
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* The above case was filed against Shloka Publications Pvt Ltd, a transferor company under the Scheme of Amalgamation. The same is now continued by the Transferee Company as per the provisions of Section 394 of the Companies Act, 1956

(iv) Civil Cases filed by our Company: Nil

(v) Criminal cases against our company: Nil

(vi) Criminal cases filed by our company :

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute (Rs.)	Current Status
1	Mr. Satish Vicharen, Proprietor M/s. Satish Book Distributors, Pune	4136/SS/07 Metropolitan Magistrate, 23 rd Court at Esplanade, Mumbai	Complaint u/s 138 of the Negotiable Instruments Act, 1881	8,338	Next Hearing awaited

Notice: The above case was filed by Shloka Publications Private Limited, a transferor Company under the Scheme of Amalgamation. The same is now continued by the Transferee Company as per the provisions of Section 394 of the Companies Act, 1956.

(vii) Pertaining to Tax Matters

Sr no.	Name of the Opposite Party	Case No./ assessment year/ appeal date/ Name of the Court/tribunal	Brief History	Amount in Dispute (Rs.)	Status
1	Special Leave Appeal (Civil) No.32708 of 2009 Against Order of High Court, Mumbai Dated 29-04-09	Appeal No. 32708 of 2009 Supreme Court of India	Assessment Order dated 08/02/01 For Assessment Year dated 1998-99 against Rathi Merchantile Industries Limited (erstwhile name of the Company)	83,61,546	SLP Admitted. Matter Expedited. Next date awaited.

6. Birla Transasia Carpets

(i) Criminal cases filed by the Company



Sr.no	Name of Opposite Party	Case No.	Name of the Court	Brief History	Amount in Dispute	Current Status/ comments
1.	M/s Roshanlal Gupta & Sons & Partners, Mr. Anil Kumar Gupta, Mr. Gaurav Gupta	1093/SS/ Of 2007	23, Metropolit Magistrate, Mumbai	Complainant has filed application for discharge on the ground that the courts in Bombay do not have Jurisdiction	3,00,000	Next Hearing awaited
2.	M/s Roshanlal Gupta & Sons & Partners, Mr. Anil Kumar Gupta, Mr. Gaurav Gupta	1094/SS/ Of 2007	23, Metropolit Magistrate, Mumbai	Case has been filed by the Company under section 138 of the Negotiable instruments Act for the recovery of Rs. 600000/- against cheque.	300000/-	Next Hearing awaited
3.	M/s Unique Flooring, Mr. Subhodh Khandelwal, Mr. Atul Khandelwal	3319/SS/ Of 2007	23, Metropolit Magistrate, Mumbai	Case has been filed by the company under section 138 of the Negotiable Instruments Act for the recovery of Rs. 1235690/- against cheque.	1235690/-	Next Hearing awaited

(ii) Civil cases filed by the company

Sl . no	Name of Opposite Party	Case No.	Name of the Court	Brief History	Amount in Dispute	Current Status/ comments
1	M/s Roshanlal Gupta & Sons	CS-05-2308/2009	Delhi High Court	Amount outstanding is disputed	90,34,079/-	Next Hearing awaited

(v) Provided Fund

01) Case no 102 (14) 09 BTCL Vs EPF APPELLATE Tribunal hearing awaited

(iii) Cases filed against BTCL pertaining to Tax Disputes

S. No.	Income	Demand / Penalty	Remarks	Present Status
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	Tax, New Delhi			
01.	A. Y. 2003 – 04	Rs. 27,32,253.00	Penalty Imposed by CIT Appeal. Reason for disallowing is amount written as Rs. 52,66,627.00 by BTCL	BTCL gone to Tribunal Appellate. Next date for hearing is fixed on 02/05/2011.
02.	A. Y. 2006 – 07	Rs. 1,71,201.00	Penalty imposed by Assessing Authority.	Case pending with CIT Appeal. Next date for hearing is fixed on 22/06/2011.
03.	A. Y. 2008 – 09	Rs.1,05,33,346.00	Penalty / Demand imposed by Department in Scrutiny by disallowing Unsecured Loan taken by BTCL from Group Companies amounting Rs. 3,50,15,937.00	BTCL gone in Appeal on 21/06/2011.

S. No.	Sales Tax, New Delhi	Demand / Penalty	Remarks	Present Status
01.	A. Y. 2002 – 03	LST - Rs. 93,861.00 CST - Rs. 59,500.00	Case remanded by Sales Tax Commissioner for further Assessment.	Pending with Assessing Authority.
02.	A. Y. 2003 – 04	LST - Rs. 1,76,835.00 CST - Rs. 2,63,293.00	Case remanded by Sales Tax Commissioner for further Assessment.	Pending with Assessing Authority.
03.	Civil Suit, Fazilka Court	Rs. 4,77,065.00	Party demanded Rs. 2,60,286.00 as Principal amount & Rs. 2,16,778.00 as an Interest Amount.	The Case is pending with sub judicial magistrate , Fazilka. Next Hearing awaited

- 1) One appeal filed at Appellate Tribunal, New Delhi on 06/10/2009 for Rs. 17,25,392.00 with interest from the date of payment till the refund being granted. It is still pending before the adjudating authority. No hearing till date.
- 2) Contempt Petition filed against Excise Department at Allahabad High Court against our refund of Rs. 17, 25,392.00 against the order of Supreme Court in our favour. Summons issued to concerned authority and the next date of hearing is awaited.

(iv) Cases pertaining to Labour Laws filed against BTCL:

Sr.No	Court Ghaziabad	Name	Status	Case No	Due Date of Hearing
1	L.C. II*	Jagat	Argument	128/2002	*
2	L.C. I	Amarjeet	Disposal	694/2001	30-05-2011
3	L.C. II	A.R.Jaidi	Evidence	294/2001	30-05-2011
4	L.C. I	Bholeram	Worker Cross	687/2001	30-05-2011

5	L.C. I	Noor Mohd.	Worker Cross	689/2001	30-05-2011
6	L.C. I	Santosh	WS	695/2001	30-05-2011

* On 13.08.2008 Ex party Judgment in favour of Respondent. We moved appeal on 04.06.09. Court rejected the appeal by order dt. 08.02.2010. Applying for stay at Allahabad High court.

Following Cases are pending with the below Mentioned Authorities

Name	Assessing Authority	Date Instituted
A.K. Choudhary	Labour Commissioner, Delhi	1997
Sunder Singh	Labour Commissioner, Delhi	1998
S.P.Yadav	Labour Commissioner, Delhi	2000

i. Pollution Control Cases filed against the Company:

Name	Assessing Authority	Date Instituted
Pollution Control Board	Special Judicial Magistrate (Pollution), Lucknow	1993
Pollution Control Board	Special Judicial Magistrate (Pollution), Lucknow	1993

The above cases are filed under Water (Prevention & Control of Pollution Act) 1974 by UPPCB against the Company. Non-bailable warrants were issued to the then directors of the Company for personal non-appearance before the Court as per the orders. The Company has of filed a writ petition before High Court to get a stay in the above mentioned case..

7. Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited) (BMTL)

i. Cases Filed against BMTL:

Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute Rs.	Current Status
Assistant P.F. Commissioner, The Employees Provident Fund Organisation, Maharashtra, Sub-Regional Office, Aurangabad.	Summons no. MH/AUR/Circle /61/MH/17973/ 3/96 Employees Provident Fund Appellate Tribunal, Aurangabad	The Company was called to reply as to why the contribution to the fund for the period July 1996 to February 2002 has not been made. The company was ordered to pay the amount on leave encashment disbursed after 1997. The Company thereafter paid the amount under protest and went on appeal in the Employees Provident Fund Appellate Tribunal, which is still pending.	2,35,013/-	Case decided on 20.09.2010 in our favour. Applied for refund of amount paid on 03.12.2010 .

ii. Cases Filed by BMTL: Pertaining to criminal law



Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amount in Dispute Rs.	Current Status
Vikram Projects Limited	245/S of 1996 Metropolitan Magistrate Mumbai	Case has been filed by the Company against section 138 of the Negotiable Instruments Act for the recovery of Rs. 2,51,490/- against dishonour of cheque.	2,51,490/-	Next Hearing awaited
Mid India Oil and Exports Limited, Henry D'souza, Edwin D'souza, Clifford D'souza & others	384/SS/05 Small Cause Court, Mumbai	Case has been filed by the Company under Section 138 read with 141 of the Negotiable Instruments Act, 1881 for recovery against dishonour of cheques.	56,61,750/-	Next Hearing awaited

(iii) Labour cases against BMTL:

Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amt in Dispute Rs.	Current Status
Mr. Nagorao Hanmantrao Bhure and 25 other Fixed Term Employees	Complaint (ULP) No. 104 to 129 of 2009 Industrial Court, Aurangabad	The workmen were employed by the Company for a limited period. At the time of sale of Business Undertakings of the Company to M/s Motherson Advanced Tooling Solutions Limited (MATSL), the respective contracts were terminated and all the sums were paid. After the transfer of the Business Undertakings, MATSL, the transferee, employed these workmen on a contract for a limited period. MATSL has terminated the employment of two workmen. These workmen, being aggrieved by the decision of MATSL has filed the said complaints with other workmen.	-	Order for all 26 cases are against the Labourers. Fresh statements filed by our Advocate for final order – date awaited Meanwhile we have filed a Caveat in the High Court at Aurangabad, incase the laboureres move the case in High Court.

(iv) Pertaining to tax laws:

The following two sales tax appeals are pending:

1. Accounting Year 2001-02 -Appeal filed against disallowance of missing Sales Tax Form C. Amount of demand Rs.1,57,203/- less paid on account Rs.25,000/-
2. Accounting Year 2002-03 -Appeal filed against disallowance of missing Sales Tax form C. Amount of demand Rs.1,23,620/-.



Both the appeals are lying before Joint Commissioner of Sales Tax, Appeal VIII, Thane Division, Thane – 400601

Both the cases are heard and disposed off. Orders collected on 17.01.2011 We have to receive net refund of Rs.14,539/-

8. Melstar Information & Technologies Limited

(i) Civil Cases filed against the Company

Name of the opposite Party	Suit no.	Name of the Court	Brief History	Amount in dispute	Current status
Mr Jayesh V.Pandit	163/2005	High court Mumbai	An ex-employee, from whom a sum of Rs.122544/- was due to the Company, filed a claim for Rs.91286/- before Bombay High Court in 2005.	Rs.91286/- + Interest @18%	Pre-admission stage
Mr Anil Anchan	297/2010	Indutsrial Court	Unfair Labour practices	No monetary claim	Matter pending for submission of evidence by Anil Anchan
Mr Anil Anchan	172/2010	III Labour Court	Unfair Labour practices. Claiming reinstatement with back wages.	No monetary claim	Matter pending for submission of evidence by Anil Anchan
Mr Anil Anchan	58/2010	III Labour Court	Breach of Ad- Interim Order dated 02-07-2010 in complaint No. 297 of 2010 & contempt of the court	No monetary claim	Matter pending for submission of evidence by Anil Anchan
Mr Anil Anchan	161/2010	III Labour Court	Arrears of overtime wages, leave wages, bonus etc.	No monetary claim	Matter pending for submission of evidence by Anil Anchan

(ii) Civil Case filed by the Company

Name of the opposite Party	Counter claim no.	Name of the Court	Brief history	Amount in dispute	Current status
Mr. Jayesh V. Pandit	Counter claim no. 2095/2006 Lodgement no. 22/2007	High court Mumbai	The company has filed a counter-claim for rs.122544/- with the Bombay High court in the matter.	122544 + interest @18%	Pre-admission Stage

(iii) Relating to tax laws:

Assessment	Assessing	Date issued	Claim	Remark
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Order Challenged	Authority		Amount	
Income Tax				
Assessment Year – 2007-08	Dy.Comm. of Income Tax – 8(2)	13/10/2008	Rs.806,280	The said order was received under section 115WE. The Company has filed a letter of rectification with the said Authority.
ESIC				
October 1995 to December 1996	Regional Director- ESIC Kanpur	17/11/2003	Rs.135,627	Rs.35,000/- has been paid under protest against this matter. The Company has filed a letter with Regional Director – ESIC Kanpur explaining them that the said liabilities are not payable as the said unit was not operational during the period for which ESIC demand was raised.

9. Zenith Birla (India) Limited

(i) Labour Cases filed against ZBIL :

Sr. No.	Name of opposite party	Case No. & Name of the Court	Brief history	Claim amount (Rs.)	Current status
1.	R.K.Gupta	C-231/95/And WP (C) 788/2006 VIIth Labour Court, Delhi and High Court, Delhi	The Presiding officer of the Labour Court No. VII, has passed an award dated 26 th April 2005 directing that Mr. R.K. Gupta whose services were terminated by the Company, be reinstated in service. The Company has now filed a Writ Petition in the Delhi High Court challenging the award for which the necessary notice has been issued to the Respondent.	5,00,000	The matter came up for hearing on 20 th January, 2011. The Court has instructed the Office of Registrar, Delhi High Court to inform the exact amount of interest accrued on the amount of Rs. 2,36,800/- deposited by us with the Office of registrar, Delhi High Court. As soon as the Office of Registrar, Delhi High Court informs the same, the next date of hearing will be fixed.
2.	Namdeo Baburao Dhulgande	ULP 71/ 2000 Labour Court, Aurangabad	Namdeo Baburao Dhulgande was terminated from services on the grounds of continuous and recurring absenteeism from work. He filed a Complaint ULP/ 71/ 2000, in the Labour Court at Aurangabad, under Section 28 (1) read with Item 1(a), (b), (d), (f) & (g) of Schedule IV of the MRTU & PULP Act, 1971 quashing the impugned dismissal order thereby reinstating him in	----	Matter is pending



			service with continuity and full back wages. The matter is on-going and the evidence of the complainant has been recorded and that of the Respondents is still pending.		
3.	Maharashtra Raja Mathadi Transport & General Kamgar Union	ULP 47/ 2001 First Labour Court, Thane	Case filed by the Union restraining the Company from terminating the Mathadi workers from its erstwhile Chemical Division. Ad-interim order was issued on 4/4/2001 directing the Company to maintain the status quo in respect of the services of the Mathadi workers. Revision application filed by the Company with Industrial Court at Thane has also been rejected and the matter has again been referred back to the First Labour Court at Thane.	----	The Company has now filed an application to the First Labour Court at Thane for reviewing the Original Interim Order dated 4 th April 2001. The next date of hearing in the matter is yet to be fixed. Matter Pending
4.	Amrutlal M. Patel	126/ 2004 Third Labour Court, Thane	Case filed against the Company for quashing of termination order and reinstatement into the services.	----	Next hearing date awaited
5.	Mumbai Mazdoor Sabha	ULP 46/ 2002 Labour Court, Nashik	Case filed by the Mumbai Mazdoor Sabha on behalf of the employees Mr. Gosavi, who has been dismissed by the Company. The case has been filed for his re-instatement with full back wages.	Not ascertainable	Matter is pending
6.	Association of Engg. Workers	W/P 2574/ 2002 Bombay High Court	The union has filed a case against the company challenging the termination of workers belonging to the erstwhile special Steel Division. Earlier Industrial court Thane upheld the Company's decision.	Not ascertainable	Out of 203 workmen, dues of 192 workmen have already been settled & now only 11 are remaining.
7.	C. L. Johney	W/P 2026/ 1998 Bombay High Court	Case filed against the dismissal from service due to negligence while on duty. Earlier the Labour Court and Industrial Court have upheld the Company's decision. This petition was filed challenging the order of the trial courts under MRTU & PULP Act. He seeks relief of reinstatement with full back wages w.e.f. 14.09.1992.	----	The petition is pending disposal and not come up for final hearing so far.
8.	THPL V/S Tehsildar - Murbad	NAA/Appeal/SR/19/08	Penalty of Rs.2,52,000/- imposed by Tehsildar-Murbad, we have paid the same under protest.	----	SDO has partially accepted our appeal on 13.08.2009 & asked



					Tehsildar for revision
9.	THPL V/S Kashinath R Hindurao	31/09 at Murbad	Gate A has been obstructed by party	----	Next Date of hearing awaited
10	THPL V/S Kashinath R Hindurao	89/09	Applied at Kalyan Court against decision given by Murbad Court (Case No.31/09)	----	Decision given by ADJ court in favour of Kashinath Hindurao
11	THPL V/S Bhaskar Gaikar & Gopal Gupta	RTS/22/09	SDO-Murbad has given decision for cancellation of Pher Far No.53 & land to be deposited in Govt. A/c.	----	Appeal filed at SDO-Thane. Stay order obtained. Neat date of hearing awaited
12	Hind Jai Jawan Suraksh Rakshak Kamgar Union V/S THPL & OM Security	891/09 at High Court Mumbai	Unfair Labour Practice, payment of OT, benefit of Leave & Bonus and to maintain Status Co.	----	Writ Petition Disposed off on 29/08/2009
12	Maharashtra Raj Suraksha Rakshak Kamgar Sanghatan V/S THPL & OM Security.	250/2009	Unfair Labour Practice, payment of OT, benefit of Leave & Bonus and to maintain Status Co.	----	Next date of hearing is awaited

ii. Cases pertaining to Excise/ Custom/ Income

Tax/ Sales Tax Laws filed against ZBIL:

Sr. No.	Name of opposite party	Case No. & Name of the Court	Brief history	Claim amount (Rs.)	Current status
1.	Commissioner of customs (Preventive), Mumbai.	SLP (C) 17825 of 2006 Supreme Court of India, Delhi	Petition filed by the Customs Department against the stay order passed by CESAT in the matter of department's claim of Rs.71.80 lakhs towards recovery of duty on the Import of Gold under Special Import License.	71,80,208	The matter is yet to be listed
2.	Central Excise Department	Appeal no. E/ 1623/ 94-A Commissioner of Central Excise, Mumbai	Appeal filed by the Central Excise Department against the deductions allowed by the Collector (Appeals)	Not ascertainable.	Tool Division case will be trfd post de merger



			in respect of cash discount given by the Company's Tool division to its customers.		
3.	Central Excise Department	Appl. No. E/ 2507/ 04 Mum Dy. Comm. of Appeal Amravati	The matter is related to dispute on assessable value, where the Dy. Commissioner levied the excise duty on commissions paid to agents for yarn sales. The Company went into appeal against the said levy to the Commissioner (Appeals) who up-held the order of Dy. Commissioner on which the company filed an appeal in the CEGAT, which referred the matter back to Dy. Commissioner, where it is currently pending for final decision.	4,96,000	Next hearing date awaited.
4.	Central Excise Department	V/ 48/ D/ 74/ Adj/ 94 dt. 25.09.1981 Collector of Central Excise Chandigarh	The Company received a notice dated 2 nd February, 1994 from the Collector, Central Excise, Chandigarh, claiming that the Company had contravened with the provisions of the Rules 9(1), 173F, 173G and 226 of the Central Excise Rules, 1944 and asking the Company to show cause as to why the sum of Rs. 1,14,53,344/- on account of short payment of excise duty on 2416.04 IMT of paper should not be recovered from them under the proviso to Section 11-A of the Central Excise and Salt Act, 1944 and why penal action should not be taken against them under Rules 9(2), 173-Q and 226 of the Central Excise Rules, 1944. the Company has submitted a detailed reply to the said	1,14,53,344	Next hearing date awaited



			notice and has prayed that the proceedings be stopped. The Next hearing date awaited.		
5.	Central Excise Department	Appl No. E/ 2109/ 92-NB (DB) Collector of Central Excise, New Delhi.	The Collector passed an order dated 29 th January 1992 demanding duty of Rs.11,86,325.32/- and Rs. 4,00,000/- as penalty on the ground that the Company had paid less excise duty than that which was due. The Company appealed against the said order on the 27 th November 1997 to the Customs, Excise & Gold (Central) Appellate Tribunal, New Delhi (CEGAT), which was dismissed by order dated 19 th December,1997. the Company filed an application for rectification of mistake in the said order dated 19 th December 1997 before the CEGAT on 21 st March 1998. In response to the Company's application for rectification, an order was passed by the CEGAT on 10 th July 1998 for adjustment of MODVAT cess. Final adjustment orders are yet to be received.	15,86,326	Next hearing date awaited
6.	Asst. Comm. of Central Excise, Boisar, Thane	---- ----	Demand cum show cause notice dated 24 th March 2006 received from the Asst Commissioner of Central Excise, Boisar, Thane, claiming wrongful availment of CENVAT Credit on certain Capital Goods at the erstwhile Chemical Division at Boisar, Thane, which the Company has challenged.	1,17,033	Next hearing date awaited



7	Customs Department	O-In-O No. 177/PG/AC/EXP/08-09 dt. 06.02.09 Commissioner of Customs (Appeal)	Order passed by Commissioner of Customs for refund of export duty. Appeal filed with Commissioner of Customs (Appeals) Mumbai.	42,87,413/-	Pending with Asst. Comm. (Exports) for refund approval
8.	Excise Department	SCN No.V/ ADJ(SCN) ST/15-195/ Rgd/06-07 dt. 20.2.2007 Commissioner of Central Excise (Appeal)	Appeal filed with Commissioner of Central Excise (Appeals) Mumbai & Appellate Commissioner passed the order rejecting the same. The Company has filed a appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal, West Zone Branch.	16,91,358/-	The Tribunal passed the order bearing No. D/348/09/CST/B/C II dated 12.08.09 in our favour and waived the pre-deposit and other dues like penalty. On 05.05.10 stay application allowed till final disposal of appeal.
9.	Excise Department	SCN No.V/ADJ(SCN)15-199/Zenith/RGD/08-09/11097 Dt. 07.11.2008 V/ADJ/13/Zenith/Kpl/09-10/10520 dated 05.10.09	Demand of duty i/r of recovery of Financial Charges recovered from our customers	16,81,912/-	Personal Hearing held on 24.12.09. The Addl. Commissioner has passed the order demanding Rs. 279696/- as excise duty and forgone the remaining amount i.e. Rs. 14,02,216/-. Appeal before Commissoiner (Appeals) filed on 26.03.2010
10.	Excise Department	SCN No.V/ADJ/15-132/RGD/07-08/ 3704 dt. 08.04.2008 Commissioner of Customs & Central Excise (Appeals)	The Company has filed appeal for Service Tax claim on Overseas Commission.	18,66,795/-	Final Personal Hearing held on 18.05.2010. Order is awaited.
11.	Excise Department	SCN NO. V/P1/RGD/Gr.-1/12-4/07/Part III dt. 15.01.2009	Disallowance of Cenvat credit of Service Tax availed i/r of CHA (Customs House Agent) & GTA (Goods Transport Agent - Outward Transportation upto port)	33,78,137/-	Personal Hearing attended on 24.12.09. Order still awaited.
12.	Excise Department	SCN NO.V/ADJ9SCN)15-105/RGD/07-08/273 DT. 07.01.2008 Commissioner of Central Excise	The Commissioner has passed a order for demand of duty and interest and penalty for clearance of Zinc dross/Ash without payment of duty.	95,49,658/- + interest & penalty Rs.500,000/-	Personal Hearing attended on 03.05.10. Order awaited.



13.	Customs Department	SCN NO.Cus(M & P)ALB/PNP07/2008/1661 DT.30.05.2008 Commissioner of Customs (Appeal)	Demand of redemption fine of Rs.14.75 lakhs on Zenith Birla (India) Limited and Rs. 2.5 Lakhs on Shri N.K. Chaudhari	14.75 lakhs +Rs.2.5 lakhs	Company has filed an Appeal with CESTAT ON 13.08.2009
14.	Customs Department	SCN No.V/Adj./SCN/15-166/Zenith/RGD/07-08, New Panvel dt. Jan, 2009 Commissioner of Central Excise, Raigad Division	The Company has replied to the Show Cause Notice on 12 th August, 2009.	35,32,236/-	Personal Hearing held on 25.02.2010, Order-in-Original recd. And appeal filed before Commissioner (Appeals).
15.	Joint Comm. Sales Tax Bangalore	Karnataka Appellate Tribunal	As per the Assessment Order dated 18 th June 2003 passed by the Deputy Commissioner of Commercial Taxes (Assts.), Bangalore under Section 13(5) of the Karnataka Tax on Entry of Goods Act, 1979 for the Assessment year 2000-01, the Company was liable to pay an amount of Rs.13,81,931/- . The Company appealed before the Joint Commissioner of Commercial Taxes (Appeals), Belgaum but the appeal was dismissed on 14 th July 2004.The Company has appealed before the Karnataka Appellate Tribunal at Bangalore on 30 th August 2004 against the order dated 14 th July 2004 and the appeal is pending.	13,81,931	Next hearing date awaited
16.	Central Excise Department	V/P-1/ Raigad/Gr.-1/Int-Comm/06/Pt1/1650 dt. 13.02.08 Additional Comm. Of Central Excise	Show Cause Notice issued by Additional Comm. Of Central Excise, Raigad due to non payment of service tax on Commission charges on the service provided by non-residents and rendered outside India.	Service tax amounting to Rs. 2490787 is payable from 09.07.04 to 31.12.06. Of this Rs. 1617255 is already paid through TR6 Challan. Interest	Hearing date awaited



				under Section 75 and penalty under Section 76, 77 & 78	
17	Excise Department	SCN No. V/KPL/DSCN/29/Zenith/09/2426 dated 23.03.2010 Dy. Commissioner of Central Excise & Customs	The Company has not yet replied to this Show Cause Notice which is for demand of duty in respect of recovery of Financial Charges recovered from our customers from July'09 to Dec'09	33,573/-	Reply to Show Cause Notice will be filed shortly.



iii Cases pertaining to excise/ customs/ income tax/ sales tax laws by ZBIL

Sr. no.	Name of opposite party	Case No. & Name of the Court	Brief history	Claim amount (Rs.)	Current status
1.	Custom Department	1829/ 82 High Court, Bombay	The Company had imported certain goods, in respect of which the Customs Authority did not accept the CIF value as declared in the contract, invoice and bill of entry and enhanced the same arbitrarily. The Company has therefore filed a writ petition in the Bombay High Court in the year 1986 under Articles 14, 19 (1) (g), 226, 265, 300A and 301 of the Constitution of India and has given a bank guarantee for Rs. 2,95,799/-. The Company has also undertaken that in case the petition fails, the Customs Authority would be entitled to the amount with interest @ 18% per annum. The case is pending.	2,95,799	Yet to come up for hearing
2.	Custom Department	1826/86 High Court Bombay	The Company had imported certain goods, in respect of which the Customs Authority did not accept the CIF value as declared in the contract invoice and bill of entry and enhanced the same arbitrarily. The Company has therefore filed a writ petition in the Bombay High Court in the year 1986 under Articles 14, 19(1) (g), 226, 265, 300A and 301 of the Constitution of India and under the Customs Act, 1962. The Company has given a bank guarantee for Rs. 49,036/-. The Company has also undertaken that in case the petition fails, the Custom Authority would be entitled to the amount with interest at the rate of 18% p.a. The case is pending.	49,036	Yet to come up for hearing
3.	Joint Comm. Sales Tax	Karnataka Appellate Tribunal	As per the Assessment order dated 18 th June 2003 passed by the Deputy Commissioner of Commercial Taxes (Assts.), Bangalore under Section 13(5) of the Karnataka Tax on Entry of Goods Act, 1979 for the Assessment year 2000-01, the Company was liable to pay an amount of Rs.13,81,931/-. The Company appealed before the Joint Commissioner of Commercial Taxes (Appeals), Belgaum but the appeal was dismissed on 14 th July 2004. The Company has appealed before the Karnataka Appellate Tribunal at Bangalore on 30 th August 2004 against the order dated 14 th July 2004 and the appeal is pending.	13,81,931	The Next hearing date awaited
4.	M/s Commissioner of Provident fund	W.P.No. 3419 of 1996 High Court Bench at Aurangabad	The Company's Aurangabad section was entitled to be exempted from the provisions of the Employees Provident Fund Act, 1952 for a period of three years from the date of its set up, i.e. 25 th July,1989, as per Section 16 (d) of the Employees Provident Fund Act, 1952. accordingly, the Company claimed 'infancy protection' from the Assistant Regional Provident Fund Commissioner, Employees Provident Fund Organisation (ARPF) but the ARPF proceeded to claim the amount of Rs. 4,00,986/- from the Company for the period from 25 th July 1989 to 31 st March 1992 under the said Act, by an order dated 8 th February	4,00,986	Next hearing date awaited



			1996. the Company filed an application dated 12 th March 1996 for review of the impugned order, but the Company's plea was not granted and it was directed to pay the amount. The Company has filed a writ petition in the High Court, Bombay on 17 th April 1996 praying that the order be quashed and set aside and the respondents be refrained from implementing the impugned order and to maintain status quo. The petition is pending.		
5..	Sales Tax Officer, New Delhi	S.S.1220/ 97 Delhi High Court	The Company filed the suit in Delhi High Court against the Sales Tax Department challenging their assessment order for AY 1990-91 demanding Rs.58.04 lakhs and also against the order of the Sales Tax Appellate Tribunal. The Company has also challenged the constitutional validity of the Central Government appointing certain statutory authorities.	58,03,550	Next hearing date awaited
6.	Asst. Comm. Sales Tax, Kolkata	---- CTO Kolkata	In August 2003, the Sales Tax Department (West Bengal) claimed Rs. 21,30,000/- from the Company for the financial year 2000-01. the Company has disputed the claim under Section 82 of the West Bengal Sales Tax Act, 1994 read with Rule 257 and 240 of the West Bengal Sales Tax Rules, 1995 read with section 9(2) of the Central Sales Act, 1956.	21,30,000	Next hearing date awaited.
7.	Asst. Comm.Sales Tax, Kolkata	---- CTO Kolkata	In March 2004, the Sales Tax Department (West Bengal) claimed Rs. 5,66,000/- from the Company for the financial year 2001-02. the Company has disputed the claim under Section 82 of the West Bengal Sales Tax Act, 1994 read with Rule 257 and 240 of the West Bengal Sales Tax Act, 1995 read with section 9(2) of the Central Sales Act, 1956.	5,66,000	Next hearing date awaited
8..	Asst. Comm of Central Excise, Boisar, Thane	---- Commissioner of Central Excise, Mumbai	Application filed for stay against the recovery of Excise Duty and penalty on sale of scrap.	5,48,926	Next hearing date awaited
9	Asst.Comm Sales Tax, Kolkata	CTO Kolkata	In January 2009, the Sales Tax Department (West Bengal) claimed Rs. 333292/- from the Company for the financial year: 2004-05. Revision order received and hearing date to be receive from Assessing Office to Complete the Case.	3,33,392	Next hearing date awaited
10	Asst.Comm Sales Tax, Kolkata	CTO Kolkata	In March 2008, the Sales Tax Department (West Bengal) claimed Rs. 94141/- from the Company for the financial year: 2005-06. Order to be receive from Appeal Authority.	94,141	Next hearing date awaited
11.	Asst.Comm Sales Tax, Kolkata	CTO Kolkata	In March 2009 the Sales Tax Department (West Bengal) claimed Rs. 1,69,401/- from the Company for the financial year: 2006-07 Assessment order received and appeal to be made	1,69,401	Next hearing date awaited
12.	Joint Comm. Sales Tax Bangalore	Karnata High Court	Based on the Hon. High Court decision the Karnataka Sales tax have issued a Demand note of Rs. 80.79 L towards Entry tax demand from 2002-03 to 2007-08 and fine and penalty of Rs. 121.15 L for the same period	80,79,100	The company has filed a Writ petition in



					Karnataka High Court. The matter is pending for admission. Amendment application is to be filed to amend the Petition since ownership of ITM has been transferred from Zenith Birla.
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iv. Civil Cases filed against ZBIL :

Sr. No.	Name of opposite party	Case No. & Name of the Court	Brief history	Claim amount (Rs.)	Current status
1.	Paschimanchal Udyog	Long Civil Cause Suit No. 960/88 City Civil Court, Ahmedabad	A suit was filed in the year 1988 by a Company called Paschimanchal Udyog, claiming refund of Rs.50,000/- advanced to the Company for service charges for importing certain materials. The Company has denied the contentions as false and the suit is pending.	50,000	Case Dormant
2.	Hillcrest Constructions	T.E.&R. Suit No.24/25 of 2001 Small Causes Court, Mumbai	Hill Crest Constructions (HCC), the owners and landlords of residential premises, had accepted the Company as a monthly tenant in respect of the same. HCC terminated the tenancy on the ground that it needed the premises for its own use. The Company, however, did not vacate the premises. HCC has therefore filed a suit in the Court of Small Causes at Bombay to obtain possession of the premises, and to obtain mesne profits as may be deemed fit by the Court. The Company has filed an Application for stay of the suit on 5 th August 2003 and the suit is pending. The date of hearing was 14 th August 2007 and the Company has been asked to hand over possession of the property before 30 th November, 2007. The Company has filed appeal against the order and Next hearing date awaited.		Next Hearing awaited



3.	Ramson Enterprises	W.P.2474/1992 Delhi High Court	Ramson Enterprises, a dealer of the Company has filed a suit in 1992 in the Delhi High Court for recovery of Rs.15 lakhs towards an unpaid bill. The company in turn filed another civil suit in the High Court of Punjab and Haryana for recovery of Rs.7,72,912 along with interest @ 18% p.a. which was stayed till the decision of the previous suit instituted by Ramson Enterprises.	15,00,000	The above mentioned RFA ("Regular First Appeal") has been filed by us against the order of the Addl. District Judge. The said appeal came up for hearing for the first time on 30.04.2009 when after hearing the undersigned, the Court had agreed to summon the record of the Trial Court. The matter is now listed before the High Court on 20.06.2011
4.	Lohia Dyes & Chemicals	25/1993 Rajasthan High Court	A Suit was filed by Lohia Gum & Chemicals Industries against the Company in 1991 for recovery of Rs.47114.80/- in the District Court, Jodhpur and an order was passed against the Company. The Company filed an Appeal against the order of the District Court, but the Appeal was dismissed. The Company has filed an Appeal in the Rajasthan High Court in August 2005 against the impugned order, which is pending.	47,115	Next hearing date awaited.-
5.	Shree Yarns Industries Ltd.	Board Level Review Committee of Punjab State Electricity Board	A petition was filed by Shreyans Industries Ltd. on 20 th May 2002 against the Punjab State Electricity Board (PSEB) in the Dispute Settlement Authority, PSEB. An order was passed on 25 th August 2003 against Shreyans Industries Ltd. for a claim of Rs.19,57,000/- Shreyans Industries Ltd. made a counter claim on Zenith Ltd. as the Paper Division was purchased from the Company. Shreyans Industries prays that the amount claimed by PSEB should be paid by the Company. An appeal was made by the Company against the PSEB and Shreyans Industries Ltd. against the orders dated 25/8/03 passed by Dispute Settlement Authority of the PSEB, Patiala whereby PSEB was allowed to charge energy loss for the period from July 1988	19,57,000	Next hearing date awaited.



			to 3/12/1992 and the Company prays that it is not liable to pay any amount.		
6.	Royce Dyestuffs	75/92 Court of the Additional District and Sessions Judge, Delhi.	A suit was filed in the Court of the Additional District, Delhi, on 15 th November, 1991 by Royce Dyestuffs Company against Zenith Ltd. for recovery of Rs. 99,999/- for the goods supplied to the Company. An ex-parte money decree was passed against the Company for Rs. 99,999/- with interest on 22 nd July, 1996. Zenith Ltd. applied under Order IX, Rule 13 of the Code of Civil Procedure, 1908 for setting aside the ex-parte decree and order dated 22 nd July, 1996 in the Court of the Additional District and Sessions Judge, Delhi on 23 rd August, 1997.	99,999	Next hearing date awaited
7.	Umga Gears Pvt.Ltd.	Reg.Mu.No.80/2005 District Court, Nashik	Recovery Suit was filed by Umga Gears as the Company had rejected the materials supplied by them as the same is not as per the quality specifications of the Company. Order was passed favouring Umga Gears on 31/3/2007 and the Company was decreed to pay Rs.24,369.66 to the party. The Company filed an appeal against the said order on 6/6/2007.	24370	Next hearing date awaited.
8.	Jayram Mukund Patil/ Vasudev J. Patil & others	59/93 Civil Court, Palghar. Dist. Thane.	Suit filed claiming encroachment of land adjacent to factory boundary at erstwhile Chemical Division at Tarapur, Dist. Thane.	----	Next hearing date awaited.
9.	Deccan Chromates Ltd.	OS 99/ 2006 City Civil Court, Hyderabad	A suit was filed against the Company claiming the recovery of outstanding dues towards supply of materials to the erstwhile Chemical Division. The Company has denied the contentions as false and the suit is pending.	24,89,385	Next hearing date awaited
10.	Bombay Port Trust	LC Suit No 3677 of 1988 City Civil Court, Bombay	Amount claimed is towards statutory charges.	19886	Next hearing date awaited
11	THPL V/S Dinesh Sangadia's legal heirs	46/08	Civil Contract Labour Dinesh Sangadiya met with accident and died due to injuries on 17.02.2008. Compensation case filed by his heirs	2,70,000/-	THPL has already deposited the Compensation.



v. Civil Cases filed by ZBIL :

Sr. No.	Name of opposite party	Case No. & Name of the Court	Brief history	Claim amount (Rs.)	Current status
1.	Khatri Bros.& Anr.Bros.	Suit No. 868 of 1994 High court, Bombay.	The company has filed a Suit in the Bombay High Court against Mr.Hiralal Ratanlal Khatri and Mr.Sanjay Hiralal Khatri for the recovery of Rs. 11,92,710 on account of dishonour of cheques.	11,92,710/- with interest on principal amount	Pending as the defendants are absconding
2.	Khatri Bros.	Suit No. 3174 of 1992. High Court, Bombay.	The Company had filed a suit dated 3 rd September 1992 in the High Court at Bombay against M/s. Khatri Bros. & Anr. To claim an amount of Rs.12,26,247 being the amount owed under three invoices, and interest on the same up to the date of filing of the suit. An ex-parte decree against defendant No. 1 & 2 was passed by the High Court on 23 rd August 1993 granting the said amount to the Company. Suit pending against other defendants for final hearing	12,26,247/-	Execution of decree pending.
3.	Shree Mahalaxmi Agencies Pvt.Ltd.	Suit No.2800 of 1992 High Court, Bombay.	The Company had filed a suit in 1992 in the High Court against Shree Mahalaxmi Agencies Pvt.Ltd. for the recovery of Rs.10,58,642/- being the principal and interest against the supply of zinc scrap by the Company to them. The Court passed an ex-parte decree on 30 th June 1998 favouring the Company.	10,58,642/-	Decree yet to be executed
4.	Modi Dyes and Chemicals Industries.	Suit No. 728 of 1982. High Court, Bombay.	The Company had filed a Suit in 1982 in the High Court, Bombay against M/s. Modi Dyes and Chemicals for recovery of Rs.1,12,689.64/- alongwith interest on Rs.94,480.60/- @21% p.a. from the date of filing the suit. The Court passed an ex-parte decree on 23/7/1993 against the other party for Rs.3,40,946.26/-	3,40,946/-	Decree time barred.
5.	K.K.Goyal	Suit No. 4507/93 High Court, Bombay	Suit filed for recovery of balance amount of car loan and liquidated damages for abandoning services while under contract. Ex-parte decree passed on 1/4/1999 in favour of the Company, could not be executed as the party is now absconding.	2,57,420/-	The party is absconding
6.	Board of Trustees of Bombay Port Trust	Suit No.6620/1987 and First Appeal No.855 of 1990 City Civil Court	Suit No.6620 of 1987 was filed by the Company for recovery in respect of 65 bales of waste paper. Order was passed on 30/8/1990 and a decree for Rs. 28275.04 was made in favour of the Company. BPT has gone in for Appeal in High Court against the decree of the City Civil Court. First Appeal was preferred by BPT which was dismissed by order dated 17 th December	68,820/-	Disposed off. Decree yet to be executed.



			2007		
7.	Indian Roadways	Suit No.3897 of 1988 High Court, Bombay	The Company had an agreement for transportation of goods with the Indian Roadways Corporation. Indian Roadways Corporation failed and neglected to deliver the goods to the Company. The Company had filed a suit in the year 1988 in the High Court to recover Rs. 4,49,200/- with interest from the Indian Roadways Corporation.	4,49,200/-	Yet to come up for hearing.
8.	Kota Steel Re-rolling Mills Pvt. Ltd.	S.S.3923 of 1988 High Court Bombay	The Bombay High Court has passed an ex-parte decree dated 9 th January, 1984 for Rs.1,96,906.50 plus interest @ 2% per annum from 19 th March 1982 in favour of the Company in a suit filed by the Company against M/s. Kota Steel Re-rolling Mills Pvt. Ltd. the decree was not executed and it is presently time-barred due to a lapse of 12 years..	2,38,255/-	Execution of decree time barred
9.	Deege Steel Traders	S.S.3923 of 1988 High Court Bombay	Recovery suit filed by the Company. The Court has passed ex-parte decree on 17/4/1989 in Company's favour for sum of Rs. 8,72,110 which is yet to be executed as the property declared by the partners of Defendants firm are not sufficient to recover full dues.	8,72,110	Decree is yet to be executed.
10.	D.V.Raju Springs Pvt.Ltd.	C.P.No.18/85 High Court, Hyderabad.	The Company had filed a suit in the year 1985 against D.V.Raju Springs Pvt.Ltd. for the recovery of Rs.3,33,392/- in the High Court at Hyderabad. The Respondent company has been wound up and the Company has filed its claim with the Official Liquidator, Hyderabad.	3,33,392/-	The Respondent Company has been wound up and the Company has filed its claim with the Official Liquidator Hyderabad. Claim is yet to be executed



11.	Grand Foundry Limited	Appeal No. 769 of 1998 in Com.Petition No.408 of 1997 High Court, Bombay.	The Company has filed a Petition in the Bombay High Court on 4 th April 1997 for winding up of Grand Foundry Limited because of their failure to repay Rs.25,00,000/- which was a part of the Inter-Corporate Deposit granted by the Company to the other party. The Court by its order dated 10 th July 1998 admitted the petition. The other party filed an Appeal against the said order, which was dismissed on 3/8/1999. The Co. Petition No 408 of 1997 is pending before the Company Judge for hearing and final disposal. The amount is still to be recovered as the other party has been referred to BIFR.	25,00,000/-	Petition already admitted., BIFR proceedings of respondent still pending. Matter Adjourn Sine Die
12.	Western Paques India Limited	C.P.No. 436/ 97 High Court Bombay	The Company has filed a company petition in the High Court, Bombay, for winding up of Western Paques (India) Ltd. (WP) because WP failed to pay the outstanding principal and interest of Rs. 85,00,000/- towards inter-corporate deposit given to it by the Company. The Court has ordered for the winding up of the party in 1999. The Company is in the process of filing its claim with the Official Liquidator.	85,00,000	Claim yet to be filed
13.	D.K.Mehta	1985/1994 High Court Bombay	The Company had filed a suit in the year 1994 in the High Court of Bombay against Devendra Kumar Mehta to recover a sum of Rs.2,30,496.65 towards an amount advanced to him for the purchase of accommodation, including interest on the same. In the same suit Mr. Mehta has filed counter claim of Rs3,74,272.36/- towards monthly salary deduction/superannuation fund /increment/compensation for loss of car/gratuity/ LTA & Medical entitlement. Written statement to the counter claim has been filed. The suit is yet to come up for hearing.	3,74,273 as claimed by Defendant in court claim	Yet to come up for final hearing
14.	Ramson Enterprises	28/ 1997 Punjab & Haryana High Court	The Company had filed civil suit no. 37/93 against Ramson Enterprises in the Punjab & Haryana High Court, which was stayed vide an order dated 27/9/93, till the decision of the previous suit, instituted by the petitioner at Delhi.	7,72,912/-	Next hearing date awaited



15.	Meghdoot Publishers & Ors.	123/98 Punjab & Haryana High Court	The Company had filed an Appeal dated 10 th January 1992 in the Punjab & Haryana High Court against the award dated 10 th March 1998 of the Arbitrator directing the Company to pay Rs. 2,50,000/- to Meghdoot Publishers towards security deposit lying with the Company and rejecting the Company's claim of Rs. 11,11,942/- towards material supplied to Meghdoot Publishers. The appeal is pending.	11,11,942/-	
16.	State of Maharashtra through Executive Engg. Raigad	Civil Suit No. 2/93 and Civil Appeal No. 20/2003 Civil Judge Sr. Division at Panvel and Dist. Judge, Panvel and District Court at Alibaug, Raigad.	The suit was filed against State of Maharashtra for restraining the Company from lifting the water from the Patalganga river and charging exorbitant rate for water drawn. The Hon'ble Court passed the judgment on 20.10.2003 in favour of the Company, allowing it to un-interrupted lifting of water at the prescribed nominal rate. The State of Maharashtra has now gone into Appeal in the District Court at Alibaug against the said judgment and the Next hearing date awaited.	Not ascertainable	Next hearing date awaited
17.	Maharashtra Industrial Development Corporation, Nashik	R.C.S. No.333/2004 Court of Hon'ble Civil Judge, Senior Division, Nashik.	On 6/07/2004, MIDC issued a notice of repossession of Plot No.61 at MIDC, Nashik that has been leased to the Company. In spite of repeated request, MIDC has refused to withdraw the notice. Hence the Company has filed a case, seeking injunction against MIDC for taking possession of the said plot of land and not to disturb the possession and grant any equitable relief in favour of the Company. On 30 th September 2004, the Hon'ble Court has issued a stay order to MIDC from repossessing the plot till the final disposal of the matter.	Not ascertainable.	As on date the written statement is pending from MIDC
18.	Grinden India Pvt. Ltd.	Spl. Civil Suit 10/2005 Court of Civil Judge, Nashik.	Case was filed by the Company on 21/12/2005 for recovery of dues having supplied material to the defendant company, which was accepted.	26,02,415/-	Next hearing date awaited
19.	New India Assurance Co. Ltd.	Suit 5084/2000 High Court, Bombay	Case filed against the insurance company for rejecting the Company's insurance claims towards loss of 1000 MT of Soda Ash imported from Romania was meant to be discharged at Mumbai Port which, due to un-authorized diversion of ship to China by the shipping co.	1,47,11,506	The Next hearing date awaited for filing of written statement. The matter will now appear before the Prothonotary and Senior



					Master for directions.
20.	Paschimanchal Udyog	Suit No. 1454/88 High Court, Mumbai	Case filed by the Company against Udyog for a recovery of a sum of Rs. 53,314/- along with interest of Rs. 27,386/- as balance amount for service charges and expenses incurred for opening of a Letter of Credit and extending it from time to time.	80,700/-	Pending for final hearing
21.	Amitabh Textiles Mills Ltd.	SS no. 2083/83 High Court, Mumbai	The Company has filed a Summary Suit on 10 th October, 1983 for recovery of a loan granted to Amitabh Textiles Mills Ltd. and has claimed the amount with interest on Rs. 3.00 lakhs @ 17% p.a. the defendants have been granted unconditional leave to defend the suit	5,05,000 + interest	Yet to be taken on Board
22.	Creations (India)	S.S. No.1210/1987 High Court	The Company and Creations (India) had agreed that Creations (India) would arrange for an irrevocable letter of credit from the Minerals & Metal Trading Corporation of India Limited, New Delhi, for the Company on the payment of an advance of Rs.50,000/- . On failure on the part of Creations (India) to do so, the Company has filed a suit in the year 1987 in High Court, Bombay for the recovery of Rs.72,750/- alongwith interest . The suit is yet to come for hearing		Yet to come up for hearing
23.	Kaithan Fenesty holdings P Ltd.	S 1497 of 1987	Suit filed to recover sum of Rs. 29100 with interest @ 21% on 24405. The claim in the suit is relating to recovering balance demurrage & detention charges	29100	Next hearing date awaited
24.	K & K Enterprises	L 1648 of 2009 High Court, Mumbai	The Company had exported steel pipes to K & K enterprises in US, who was acting as its agent in the US. However the invoices raised by the Company are not paid	25,31,065 + interest amount	Hearing date awaited



vi. Criminal Cases filed by ZBIL :

Sr. No.	Name of opposite party	Case no. Court before which litigation is pending	Brief history	Claim amount (Rs.)	Current status
1.	Harbanslal Sharma	106/ N/20/00 (The old case no. was 524/N/96) Metropolitan Magistrate	The company filed a complaint against Harbanslal Sharma in CBI/ CID- Mumbai for cheating the Company under Section 420 of the Indian Penal Code and filed a suit for recovery of Rs.5,98,000/- the Metropolitan Magistrate, 28 th Court passed an order to dispose off the property and to deposit a sum of Rs. 2,27,912 in fixed deposits in State Bank of India, Mumbai initially for the period of 12 months in the name of the learned Metropolitan Magistrate, 28 th Court, Shri. Risbud. The Company is yet to recover the amount.	5,98,000/-	Accused absconding, case dormant
2.	V.D. Chokhani	59/ S/ 1996 and 1164/ 03 High Court, Bombay	The Company has filed a Criminal Application in the Bombay High Court for leave to Appeal against the order dated 25 th March 2003 passed by the Metropolitan Magistrate, Kurla, Mumbai acquitting Mr. V.D. Chokhani, an ex-employee of Indian Tool Manufacturers in a complaint filed by the Company under Section 630 of the Companies Act, 1956. the Application has been admitted and is pending for hearing.	----	Yet to be taken on Board
3.	Paradyne Infotech Ltd.	CRPC 663/ 2003 Judicial Magistrate Court, Nashik	The Company has filed Criminal case of cheating u/s. 420 of the Criminal Procedure Code referred with section 34 of the Indian Penal Code as they failed to make payment for the old computer systems purchased from the Company.	80,000	To be paid to us by party

Note :Tungabhadra Holdings Pvt. Ltd

The Hon'ble High Court of Judicature of Mumbai vide its Order dated January, 8th 2010 in response to Petition Number 521 of 2009/ Application Number 385 of 2009 has approved the Scheme of Amalgamation entered into by Tungabhadra Holdings Private Limited (THPL) under section 391 and 394 of the Companies Act, 1956 with Zenith Birla (India) Limited (ZBIL) with effect from 1st April, 2008. Accordingly all the cases standing in the name of Tungabhadra Holdings Pvt Ltd stands transferred to ZBIL.



Status showing details of pending Cases at Tarapur

Sr. No.	Name of Parties	Brief History	Current Status
1	THPL v/s Union of India (Excise Dept.)	THPL applied for Excise license on G-39 MIDC Tarapur which was refused by the department. CEGAT has give order in favour of THPL.	The Excise dept has moved to High Court
2	THPL v/s Union of India (Excise Dept.)	Case is permanently Restrain Union of India from confiscating Entering & Holding pocession of the suit premises i.e. Plot no G-39 for recovery of Excise Due from the previous owner	Next Hearing awaited
3.	THPL v/s Union of India (Excise Dept.)	We have made an application for getting interim injuction to restrain union of India from Entering & Holding pocession of the suit premises i.e. Plot no G-39 for recovery of Excise Due from the previous owner (case no.MA30/2009 against MCA no. 152 Of 2005)	Next hearing date awaited

Status showing details of pending Cases at THPL Murbad

Sr No.	Name of parties	History	Status
1	THPL Vs Revenue department	Land Revenue Case for refund of penalty for Rs.252000/- imposed by Tehsildar	Court has instructed Tehsildar for reworking the same
2	THPL Vs Mr. Kashinath Hindurao	Factory Gate no-2 has been obstructed by Mr.Kashinath Hindurao claiming that gate no-2 is in his land court has rejected his appeal. Hearing on exstibite file is on02/01/09 in Murbad court (case No. 31/09)	Next date of hearing awaited
3	THPL Vs Mr. Kashinath Hindurao	Kashinath Hindurao moved in DJ Court at Kalyan .(case no. 89/09)	Court has awarded the decision I favour of Kashinath Hindurao , Zenith to go in appeal
4	THPL Vs Maharashtra Rajya Suraksha Rakshak Sangathana	Security guards formed the union, case is pending in industrial disputes court.(case no. 250/2009)	Next date of hearing is awaited

Cases filed by THPL

1. The Company has received letter from Central Excise claiming their ownership on Plot No. G-39, MIDC, Tarapur (purchased by the Company from DRT), the Company has filed a suit on Union of India (Central Excise) for restraining the Excise officers from disturbing and obstructing the peaceful occupation & possession by the Company. Case is pending in CJSD Court. Next hearing date is awaited The Court has decided in favour of the Company but Excise Department had filed a revised application against impugned order, which is still pending.

Scheme of Arrangement between Zenith Birla (India) ltd and Birla Precision Technologies ltd.and Tungabhadra Holdings Pvt Ltd.

Pursuant to the Bombay High Court Order dated 8th January 2010. The petitioner companies have accepted certain violation under section 297 of the Companies Act in the financial years 2005-06, 2006-07 and 2007-08 and have undertaken to apply to the appropriate authority for compounding of the said



violation under section 621 A of the Companies Act 1956. We have been informed by the management that the companies are yet to file the said application for compounding

UNLISTED COMPANIES OF YASH BIRLA GROUP

1. Asian Distributors Private Limited (ADPL)

Statutory Laws filed by the Company

Sr. No	Name of the Party	Name of the court	Date instituted	Claim Amount	Status
1	Gurunanak Industries For Recovery	Bombay High Court	1994	Rs. 2,73,250	Date of hearing is awaited

2. Birla Accucast Limited

(i) Cases filed against the Company

Sr. No.	Name of Party	Case No. & Name of the Court	Nature of Cases	Amount Claimed (Rs. in lacs)	Status
1.	Sheikh Industries Ltd.	32/2001 Recovery Civil Suit Court of Civil Judge Sr. Division, Pune	Recovery suit filed against the Company	11,45,672	Proceeding is in progress in court, next date awaited.
2.	Shree Precoated Industries Private Limited	78/2000 Recovery Civil Suit Court of Civil Judge Sr. Division, Pune	Recovery Civil Suit Trial is in Process at Pune Court	17,549	Decree Obtained by Party. Execution petition on behalf of Company's Advocate appeared there is no appeal to the Decree. Matter is pending for recovery notice Warrant is issued and pending.
3.	Sharda Ispat Ltd	Suit No. 548/2001 Recovery Civil Suit 5th Joint Civil Judge Sr. Division, Nagpur	Legal notice received through Advocate	2,45,426	Stay is granted by High Court Nagpur Bench on the ground of BIFR. No next date till stay is vacated.
4.	Classic Metal	1176/S/2000 Addl. Chief Metropolitan Magistrate, Mumbai	U/s 138 of the Negotiable Instruments act, trial is in process in the Mumbai Court	35,829	Matter is pending. Next date is awaited.
5.	Vishal Electricals, Aurangabad	138/2000 Jt. Civil Judge, SD, Aurangabad	Court decision has gone against us. Decree has been obtained by Party and pending for	2,59,000	Matter is pending.



			execution		
6	Associated Engineering	172/2003 Recovery Civil Suit 5th Adhoc Addl District Judge, Kolhapur	Recovery Suit filed by the Party	7,74,287	Stay application filed before Sr. Division Court, Next date awaited
7.	Laxmi Traders	Suit No O.S.5793 CITY CIVIL Judge, Bangalore	Matter is pending at Bangalore	1,68,658	Matter is pending

(ii) Cases filed by the Company : Nil

3. Birla Bombay Private Limited (BBPL)

i. Court Matters:

Name of the Opposite Party	Case No. & Name of the Court	Brief history	Current status
State Bank of India	Nagpur Appellate Tribunal of DRT	Company had furnished a Guarantee in respect of cash credit and other facilities enjoyed by M/s Akola Oil Industries Ltd. State Bank of India lender to the aforesaid Akola Oil Industries Ltd. Had filed a case before the DRT Nagpur wherein our Company was made one of the Party DRT Nagpur has passed an order stating that our Company as Guarantor is not liable for any dues of State Bank of India and the amount is to be recovered from the borrower against which the Bank has filed an appeal before the Appellate Tribunal of DRT, Mumbai which is pending.	Official liquidator has been appointed as per orders of the Hon'ble Court Nagpur vide order –Next Date awaited .

(ii) Cases Filed against the company

Name of the Opposite Party	Name of the Court	Brief history	Current status
Rain Commodities Ltd	XIV Additional Chief Metropolitan Magistrate, Hyderabad, CC. No. 986 of 2009	Rain Commodities Ltd had filed a criminal complaint in the court of XIV Additional Chief Metropolitan Magistrate, Hyderabad under section 200 Cr.P.C for alleged breach of certain terms of the MOU dated 6.12.2007.	Matter Settled on 21/01/2011. Suit filed in Metropolitan Magistrate Court withdrawn. Writ Petition No. 8817 of 2009 in Hyderabad High Court withdrawn on 25/01/2011.



(iii) Cases filed by Birla Bombay Private Limited

Name of the Opposite Party	Place of Litigation	Court before which Litigation is pending	Brief history	Current status
Rain Commodities Ltd	Suit No. 18934/2009	City Civil Court, Hyderabad	Birla Bombay Pvt. Ltd, Nirved Traders Pvt. Ltd, Shearson Trading & Investment Co. Pvt. Ltd, Godavari Corporation Pvt. Limited Mr. Yashovardhan Birla, Ms. Avanti Birla, Mr. U.S. Sethia, Mr. L.R. Daga, Mr. Arun Kumar Singhi, Mr. Arun Jain and Mr. Girdharilal Lath have filed a suit for specific performances against Rain Commodities Ltd for grant of specific performance of Oral Agreement dated 29.05.2009 directing Rain Commodities Ltd to execute Share Purchase Agreement to transfer 50700 shares of the company.	Matter settled. Suit to be withdrawn on next week.

4. Birla Concepts India Private Limited : Nil5. Birla Edutech Ltd: Nil6. Birla Electricals Ltd: Nil7. Birla Global Corporate Private Limited: Nil8. Birla Infrastructure Limited (formerly known as BCI International Limited)

Cases filed against BIL

Consumer Dispute Redressal Forum

Sr. No.	Name of Party	Name of the Court	Nature of Case	Date instituted	Current Status
1.	Mr. Vinod. Dhanuka & Ors.	Bandra	Consumer Dispute	16th May, 2005	Appeal filed by company was allowed and matter remand back to Bandra court. Next date for Admission. 20.06. 2011

Bombay High Court

1.	Avantika Housing Society	Bombay High Court 1961/2010	Civil Suit	November, 2010	Suit for Admission. Ad-Interim reliefs rejected. Suit pending for final hearing and disposal.
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The Complainants are the flat owners of the building. The Complainant has filed the suit against the Company for failure & negligence of the contractual and statutory obligations.

Cases filed by BIL

Sr. No.	Name of Party	Name of the Court	Nature of Case	Claim Amount	Current Status
1.	(i) Okab Abdel Rehman Freij & Partners (ii) Ihab Abdel Rehman Freij (iii) Okab Abdel Rehman Freij (iv) Saed Abdel Rehman Freij (v) Alex Stewart International (AUST) Pvt Ltd (vi) Majed Zeina, Surveyor & Authorised Signatory on behalf of Defendant No. 5 & 6 in Jordon	ICC International Arbitration Court, Jordon	Suit for recovery of cost. Damages against Foreign Supplier for non-compliance for import contract	Rs. 30,60,611/-	Hearing date awaited

Pertaining to Income Tax

Assessment Year	Assessing Authority	Claim Amount	Remark
AY 2004-05 (Formerly BCI Int Ltd.)	CIT Appeal	10,38,492	The case is being heard
AY 04-05 u/s Section 271(C) (Formerly BCI International Ltd.)	CIT Appeal	8,72,500	The case is being heard

9. Birla International Pvt. Ltd.

Cases filed against BIPL

Sr. No.	Name of Party	Case No.	Name of the Court	Nature of Case	Amount Rs. in Lacs	Status
1.	Ruchison electronics	4082/SS/08	23rd MM at Esplanade, Mumbai	Case filed u/s 138 of Negotiable Instruments Act, 1881 for dishonour of cheque.	50,000	For Appearance of Accused, applied for pasting through police allowed Next Date – 25-05-2011



Pertaining to Statutory Laws:

- Wealth Tax Appeals for the Assessment years 1986-87 to 1990-91 is pending before the ITAT, Mumbai and the amount for the same is not ascertainable
- Income Tax appeal for the Assessment years 2006-07 is pending before the ITAT, Mumbai.

10. Birla Kerala Vaidyashala Pvt Ltd : Nil

11. Birla Research & Lifesciences Ltd. (previously known as Birla Lifesciences Pvt. Ltd) : Nil

12. Birla Lifestyle Pvt. Ltd : Nil

13. Birla Viking Travels Pvt. Ltd

Cases filed by Viking

Sr. No.	Name of Party	Case No.	Name of the Court	Nature of Case	Amount in Lacs	Status
	Vishwaraj Mutta	1106/SS/08	23 Metropolitan Magistrate Esplanade Court Mumbai	U/s 138 of Negotiable Instruments Act 1881 for dishonour of cheque	30.00	For cross Examination of our witness Mr. Madhusudhan Phadke Next Date: 16.05.2011
	Rajendra Solanki Proprietor of Holiday Makers	1621/SS/09	23, Metropolitan Magistrate Esplanade Court Mumbai	Suit filed under section 138 of the Negotiable Instruments Act, 1881	1.64	Next Hearing awaited
	Ramesh Pawar(Prop Pawar Industries	2301853/SS/09	23 Metropolitan Magistrate Esplanade Court Mumbai	Suit filed under section 138.	1.35	Withdrawn on 6th January, 2011 as matter settled

14. Godavari Corporation Private Limited

i. Cases filed by Godavari pertaining to tax disputes

Sr. No.	Assessment Order Challenged	Assessing Authority	Date Instituted	Claim Amount (Rs. In lakhs)	Status
1	Assessment Year 1998-1999 u/s 143(3) Joint Commissioner of Income Tax SR-6	Income Tax Appellate Tribunal	23rd February, 2005	Rs 69.67 lakhs in the matter of Interest.	The hearing is awaited
2	A Y 2001-02	CIT Appal	6th January, 2011	Penalty U/s 271 (1)(C) & Rs. 4.09 lacs disallowance u/s 14A r.w. Rule 8D	Matter is under process. Orders awaited.
3	A Y 2003-04	Income Tax Appellate Tribunal	25th June, 2010	Rs 2.62 lacs in the matter of disallowance	Matter is under process. Orders awaited.



4	A Y 2004-05	CIT Appeal	-	Penalty u/s 271 (1) (c)	Matter is under process. Orders awaited.
5	A Y 2005-06	Income Tax Appellate Tribunal	25th June, 2010	Rs. 3.28 lacs in the matter of disallowance	Matter is under process. Orders awaited.
6.	AY 2007-08	CIT Appeal	December 2009	Rs 48.03 Lakhs in the matter of disallowance	The hearing is awaited
7.	A Y 2008-09	CIT Appeal	25th October, 2010	Rs. 11.78 lacs disallowance u/s 14A r.w. Rule 8D	Matter is under process. Orders awaited.

(ii) Cases filed against Godavari pertaining to tax disputes

Sr. No.	Assessment Order Challenged	Assessing Authority	Date Instituted	Claim Amount	Status
1	AY 2002-03	Appeal in Bombay High Court by CIT Appeal lodging no. ITXAL 2133 of 2009	August 2009	Rs. 60.69 lakhs expenses allowed by ITAT.	The hearing is awaited

(iii) Criminal Cases filed against Godavari Corporation

Sr. No.	Name of Party	Case No. and name of the Court	Nature of Cases	Status
1.	Rain Commodities Ltd.	CC. No. 986 of 2009 XIV Additional Chief Metropolitan Magistrate, Hyderabad,	Rain Commodities Ltd had filed a criminal complaint in the court of XIV Additional Chief Metropolitan Magistrate, Hyderabad under section 200 Cr.P.C for alleged breach of certain terms of the MOU dated 6.12.2007.	Matter Settled on 21/01/2011. Suit filed in Metropolitan Magistrate Court withdrawn. Writ Petition No. 8817 of 2009 in Hyderabad High Court withdrawn on 25/01/2011.

(iv) Civil Cases filed by Godavari Corporation

Name of the Opposite Party	Place of Litigation	Name of the Court	Brief history	Current status
Rain Commodities Ltd	Suit No. 18934/2009	City Civil Court, Hyderabad	Birla Bombay Pvt. Ltd, Nirved Traders Pvt. Ltd, Shearson Trading & Investment Co. Pvt. Ltd, Godavari Corporation Pvt. Limited Mr. Yashovardhan Birla, Ms. Avanti Birla, Mr. U.S. Sethia, Mr. L.R. Daga, Mr. Arun Kumar Singhi, Mr. Arun Jain and Mr. Girdharilal Lath have filed a suit for specific performances against Rain Commodities Ltd for	Matter settled. Suit to be withdrawn on next week



			grant of specific performance of Oral Agreement dated 29.05.2009 directing Rain Commodities Ltd to execute Share Purchase Agreement to transfer 50700 shares of the company.	
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15. Nirved Traders Private Limited:

(i) Criminal Case filed against the Company

Name of Party	Case No.	Name of the Court	Nature of Cases	Amount Claimed (Rs. in lacs)	Status
Rain Commodities Ltd.	CC. No. 986 of 2009	XIV Additional Chief Metropolitan Magistrate, Hyderabad,	Rain Commodities Ltd had filed a criminal complaint in the court of XIV Additional Chief Metropolitan Magistrate, Hyderabad under section 200 Cr.P.C for alleged breach of certain terms of the MOU dated 6.12.2007.	-	Matter Settled on 21/01/2011. Suit filed in Metropolitan Magistrate Court withdrawn. Writ Petition No. 8817 of 2009 in Hyderabad High Court withdrawn on 25/01/2011.

(ii) Civil Case filed by the Company

Name of the Opposite Party	Case no.	Name of the Court	Brief history	Amount Rs in Lacs	Current status
Rain Commodities Ltd	Suit No. 18934/2009	City Civil Court, Hyderabad	Birla Bombay Pvt. Ltd, Nirved Traders Pvt. Ltd, Shearson Trading & Investment Co. Pvt. Ltd, Godavari Corporation Pvt. Limited Mr. Yashovardhan Birla, Ms. Avanti Birla, Mr. U.S. Sethia, Mr. L.R. Daga, Mr. Arun Kumar Singhi, Mr. Arun Jain and Mr. Girdharilal Lath have filed a suit for specific performances against Rain Commodities Ltd for grant of specific performance of Oral Agreement dated 29.05.2009 directing Rain Commodities Ltd to execute Share Purchase Agreement to transfer 50700 shares of the company.		Matter settled. Suit to be withdrawn on next week

(iii) Related to Tax Matters

Sr.no	Assesment order Challenged	Assessing Authority	Claim Amount (Rs. In Lacs)	Date Instituted	Status
1	Asst. Year 2007-08	CIT (Appeal) Disallowance under section 14A	215.65	30th December 2009	Hearing date is allowed
2	Asst. Year 2008-09	CIT (Appeal) Disallowance under section 14A	422.72	29th December 2009	Awaited

16. Shearson Investment & Trading Company Private Limited:

(i) Criminal Case filed against the company

Sr. No.	Name of Party	Case No.	Name of the Court	Nature of Cases	Amount Claimed (Rs. in lacs)	Status
1.	Rain Commodities Ltd.	CC. No. 986 of 2009	XIV Additional Chief Metropolitan Magistrate, Hyderabad,	Rain Commodities Ltd had filed a criminal complaint in the court of XIV Additional Chief Metropolitan Magistrate, Hyderabad under section 200 Cr.P.C for alleged breach of certain terms of the MOU dated 6.12.2007.	-	Matter Settled on 21/01/2011. Suit filed in Metropolitan Magistrate Court withdrawn. Writ Petition No. 8817 of 2009 in Hyderabad High Court withdrawn on 25/01/2011.

(ii) Civil Case filed by the Company

Name of the Opposite Party	Case No.	Name of the Court	Brief history	Current status
Rain Commodities Ltd	Suit No. 18934/2009	City Civil Court, Hyderabad	The company has filed a suit for specific performances against Rain Commodities Ltd for grant of specific performance of Oral Agreement dated 29.05.2009 directing Rain Commodities Ltd to execute Share Purchase Agreement to transfer 50700 shares of the company.	Matter settled. Suit to be withdrawn on next week



(iii) Related to Tax Matters

Sr. No.	Assessment Order Challenged	Assessing Authority	Claim Amount Rs. In Lacs	Date instituted	Status
1.	Assessment year 2006-07	CIT (Appeal) for disallowance u/s 14A	22.86	19th January, 2009	Hearing date awaited
2.	Assessment year 2007-08	CIT (Appeal) for disallowance u/s 14A	55.88	24th December 2009	Order received but against which we are moving to ITAT
3.	Assessment year 2008-09	CIT (Appeal) for disallowance u/s 14A	112.32	4th January, 2011	Awaited

OTHER REGULATORY ACTIONS TAKEN AGAINST GROUP COMPANIES

1. Birla Capital & Financial Services Ltd (BCFSL) (erstwhile Birla Leasing & Infrastructure Limited)

BCFSL was directed by SEBI vide its letter no. IVD/ID3/PKB/AA/BCFSL/109579/2007 dated November 29, 2007 to submit certain information with regard to investigation into the dealings in the scrip of BCFSL. BCFSL had vide their letter dated December 10, 2007 submitted the required details. SEBI vide its letter IVD/ID-3/PKB/AA/BCFSL/126067/2008 dated May 20, 2008 has pointed out that BCFSL has provided wrong classification of one of its promoter entity in the shareholding pattern and advised BCFSL to be careful in future to avoid recurrence, failing which action may be initiated in accordance with provisions of SEBI Act, 1992. BCFSL has confirmed to SEBI vide its letter dated May 26, 2008 undertaking to take corrective steps to avoid recurrence of the mistake.

BCFSL had been served a show-cause notice by Bombay Stock Exchange Ltd vide its letter No. DCS/AMAL/AJ/GEN/910/2006-07 dated March 07, 2007 for dematerialization of unlisted shares without obtaining in-principle approval from the Exchange. On receipt of explanation from the company on the matter, the Bombay Stock Exchange vide its letter No. DCS/AMAL/RCG/TRD/243/2007-08 dated May 27, 2008, had given its approval to the company for listing and trading of its equity shares with effect from May 28, 2008.

On 8th July 2008, BCFSL had received a letter from BSE vide ref. DCS/CRD/SD/512332/ 192/08-09 regarding non-compliance with the provisions of Regulation 6(4) and/or 6(2) and / or 8(3) of SEBI (SAST) Regulations, 1997 for non-disclosure of information about persons holding more than 5% shares or voting rights and information about promoters or every person having control over the company and also persons acting in concert as on February 20, 1997

BCFSL replied vide its letter dated August 4, 2008 stating that the erstwhile Birla Leasing & Infrastructure Limited (presently BCFSL) was amalgamated with Dolphin International Limited, a listed entity vide High Court Order dated November 5, 1999. The appointed date was April 1, 1998. By virtue of this amalgamation, Dolphin International Limited became a Yash Birla Group company and its name was changed to Birla Capital & Financial Services Limited with effect from 13.12.2001. Therefore, the disclosures under Regulation 6(2) of SAST Regulations for the year 1997 are not available with BCFSL.

There have been no further developments in this regard and no further action has been initiated by BSE.

2. Dagger Forst Tools Ltd.(DFTL)

SEBI had issued summons vide letter Nos. IES/ID5/RM/3631/2003, IES/ID5/RM/6045/2003 and IES/ID5/RM/7666/2003 dated 14th February 2003, 25th March 2003 and 22nd April 2003, respectively, and summons vide letter No. 31447/2005 dated 18th January 2005 with reference to investigation with regard to the dealing in shares of Dagger Forst Tools Ltd. Further, Show cause notice No. IVD/ID-5/MSR/CM/56759/2005 dated 30th December 2005 was issued by SEBI. All the above mentioned letters and show cause notice were replied by DFTL to SEBI. After considering the facts of the case, replies of the company and other documents and records, SEBI disposed off the Show Cause notice vide its order No. WTM/VKC/ID-5/16/06 dated 24th November 2006 stating that there was no reason to issue any directions against DFTL either as prescribed under Regulation 44 and 45 of SEBI (SAST) Regulations, 1997 or as per Section 11(4) and 11B of SEBI Act, 1992.

3. Birla Cotsyn (India) Limited (BCIL)

BCIL had received notice under Section 234 of the Companies Act, 1956 from the Registrar of Companies, Maharashtra, Mumbai calling for information in respect of balance sheets as at 2003 to 2007 vide their letter

no. No. ROC/B / s-T / s/ 3429 / 3146 dated 15.07.2008. BCIL has replied to this notice vide their letter dated August 26, 2008. There have been no further developments in this regard and no further action has been initiated by the Registrar of Companies.

BCIL had also received another notice vide their letter SRN/Z01012313 /STA(DG)/TSBS/ 20103429/4656 dated March 4, 2010 under Section 234 of the Companies Act, 1956 from the Registrar of Companies, Maharashtra, Mumbai calling for information in the matter of IPO with reference to the balance sheet as at 31.3.2009. The required information was furnished to RoC by BCIL vide their letter dated April 6, 2010. There have been no further developments in this regard and no further action has been initiated by the Registrar of Companies.

4. Birla Power Solutions Limited (BPSL)

The Ministry of Corporate Affairs, through Office of the Regional Director, Western Region, Mumbai, vide their letter no. JD1/INSP/209A/11/09/5879 dated 8.10.2009 informed BPSL that an inspection of the books of accounts will be done under Section 209A of the Companies Act and sought relevant documents. Further, the Regional Director's office vide its letter no. JP1/INSP/209A/11/09/6268 dated October 23, 2009 intimated that further inspection into the books of accounts would be carried out by their authorized official. The inspection of books of accounts and other records was completed and preliminary findings were intimated to BPSL vide letter no. RD.JD1:INSP:209A:11:09/7956 dated December 21, 2009. BPSL replied to the same vide its letter dated January 11, 2010. Thereafter, Dy. Registrar of Companies, the Office of the Registrar of Companies, Ministry of Corporate Affairs has issued 18 show-cause notices citing violations of various sections of Companies Act, asking to show cause, why action should not be taken against the said company under the provisions of the Companies Act. The details of show cause notices issued are as under:

- i. No. ROC/STA(s)/Insp/209A/32773/4891 for violation of Section 58(A) r.w. of the Companies (Acceptance of Deposits Rules), 1956
- ii. No. ROC/STA(s)/Insp/209A/32773/4891 for violation of Section 127 of the Companies Act, 1956
- iii. No. ROC/STA(s)/Insp/209A/32773/4891 for violation of Section 205 C R.W. 205A(5) of the Companies Act, 1956
- iv. No. ROC/STA(s)/Insp/209A/32773/4891 for violation of Section 303 R.W. 269 of the Companies Act, 1956
- v. No. ROC/STA(s)/32773/209A/5843 dated 8th June, 2010 for violation of Section 297 of the Companies Act, 1956
- vi. No. ROC/STA(s)/32773/209A/5843 dated 8th June, 2010 for violation of Section 205 of the Companies Act, 1956
- vii. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of Section 217(3) of the Companies Act, 1956
- viii. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of Section 217(1)(e) of the Companies Act, 1956

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- ix. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for non compliance of AS 19 r.w. Section 211 (3A) of the Companies Act, 1956
 - x. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for non compliance of AS 17 r.w. Section 211 (3A) of the Companies Act, 1956
 - xi. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of Section 209(3)(b) of the Companies Act, 1956
 - xii. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for non compliance of AS 29 r.w. Section 211 (3A) r.w. Section 211(3C) r.w. Section 209 (3)(b) of the Companies Act, 1956
 - xiii. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of part I of Schedule VI r.w. Section 211 of the Companies Act, 1956
 - xiv. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of Section 209(1) of the Companies Act, 1956
 - xv. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of AS 2 r.w. Section 211 (3A) r.w. 211(3C) of the Companies Act, 1956
 - xvi. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of AS 5 r.w. Section 211 (3A) r.w. 211(3C) of the Companies Act, 1956
 - xvii. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of AS 10 and AS 16 r.w. Section 211 (3A) and part I of Sch VI of the Companies Act, 1956
 - xviii. No. ROC/STA(s)/32773/209A/5842 dated 8th June, 2010 for violation of AS 9 r.w. Section 211 (3C) of the Companies Act, 1956
 - xix. No. ROC/STA (S)/32773/209A/4195-4197 dated 22nd Oct 2010 for violation of Section 372 of the Companies Act, 1956
 - xx. No. ROC/STA (S)/32773/209A/4193 dated...22nd Oct 2010 for violation of Section 295 of the Companies Act, 1956
 - xxi. No. ROC/STA (S)/32773/209A/4198-4201 dated...22nd Oct 2010 for violation of Section 224 of the Companies Act, 1956

BPSL has, on October 19, 2010, filed compounding applications in respect of the aforesaid show-cause notices under Section 621 of the Companies Act, 1956

BPSL has also received a notice vide letter no. SRN/Z01012390/STA(DG)/TSBS/2010/32773/ 4828 dated March 1, 2010 from Registrar of Companies, Maharashtra, Mumbai under Section 234 of the Companies Act, calling for information in the matter of IPO with reference to the balance sheet as at March 31, 2007. BPSL has replied vide their letter dated March 25, 2010 pointing out to the inspection already conducted by Office of Regional Director, Western Region and forwarding copy of replies submitted to them. No further action has been initiated by the Registrar of Companies in this regard.

5. Zenith Birla (India) Ltd. (ZBL)

The Dy. Registrar of Companies, Office of the Registrar of Companies, Ministry of Corporate Affairs, vide its letter no. SRN/PSK/STA (11773)/TSBS/2010/4823 dated March 10, 2010 has called for information under Section 234 of the Companies Act, 1956 in the matter of IPO with reference to the balance sheet as at 31.3.2007. ZBL has replied to the same vide its letter dated April 21, 2010. No further developments have taken place in this regard.

6. Godavari Corporation Pvt. Ltd. (GCPL)

In January 2007, SEBI has passed an order against Schimtar Investment and Trading Corporation Limited (now amalgamated with Godavari Corporation Private Limited, a group company), wherein Schimtar had been barred from buying, selling and dealing or accessing the securities market in any manner for a period of six months from the date of the order. Schimtar Investment Trading Corporation Limited (amalgamated with GCPL, one of the Yash Birla group companies) preferred an appeal with Securities Appellate Tribunal (SAT) on the above order by SEBI and SAT had issued stay order on 2nd February 2007.

In this connection, GCPL had submitted application with SEBI for Consent pursuant to SEBI Circular No.EFD/ED/Cir-I/2007 dated April 20, 2007. Thereafter, it was granted a hearing by SEBI on April 10, 2008 in which GCPL, without admitting guilt or without admission of the findings or the acceptance of the penalty as stated in the order, consented to pay Rs.3,50,000/- towards settlement charges and Rs.50,000/- towards legal charges in respect of the matter.

After filing of the consent application on 21st January 2008, hearings were granted on 10th April, 2008 and 11th June 2008 and during the hearings, GCPL without admitting the guilt and without admissions of the findings agreed to pay Rs.3,50,000 towards settlement charges and Rs.50, 000/- towards legal charges in respect of the said matter. GCPL sent a letter of settlement dated 15th April, 2008 and on confirmation from SEBI on 10th July 2008 had paid a sum of Rs.4, 00,000/- on 15th July 2008. On 31st July 2008, Securities Appellate Tribunal, Mumbai, disposed off the appeal.

7. Shearson Investment & Trading company Pvt. Ltd: (SITCPL)

On 29th November 2007, SEBI had called for certain information from M/s Capricon Leasors & Distributors Pvt Ltd, vide their letter no. IVD/ID3/PKB/AA/BCFSL/109579/ 2007 with respect to the dealings in the share of Birla Capital & Financial Services Ltd during the period 21st June 2005 to 11th July 2005. Shearson Investment & Trading company Pvt. Ltd. with which Capricon Leasors & Distributors Pvt Ltd got amalgamated as per the High Court order dated 20th Jan 2006 replied to SEBI on 10th December 2007 submitted all the details and the documents sought by SEBI. There is no further communication from SEBI in this regard.

Material Developments since the Last Balance Sheet Date

On 25th June 2010, the shareholding of PHH has been reduced to 17.82%. Hence pursuant to clause 17.1 of the JV agreement between Yash Birla Group and PHH dated 17th April 2008, the Joint Venture stands automatically terminated together with all rights and obligations and PHH and associates have ceased to be co-promoters with effect from 25th June 2010.

However, PHH Ltd vide their letter dated 2nd July, 2010 has assured their support to the Company for all its future endeavors and would continue to be associated with the Company only as a shareholder and would participate in the growth of the Company. Further, they do not have any objection to the continued use of PHH logo and the words “Pacific” in the name of the company. In addition, the PHH or its Associates or its Associates shall not directly or indirectly be involved in any business in India, which is in direct competition with the business of the Company. Dr. William Chong, the promoter & principal shareholder of PHH Ltd has assured that he will be personally available to provide any business related advice for the company which may facilitate the company’s future plans.

Other than the above, in the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last financial statements disclosed in this Offer Document, any circumstance that materially or adversely affect or are likely to affect the profitability of the Company or the value of its consolidated assets or its ability to pay its material liabilities within the next twelve months other than as disclosed in the offer document.

Amounts due to Small Scale Undertakings and Other Creditors

There is no amount outstanding for more than 30 days to small scale and ancillary industrial undertaking provided in the Small Scale and Ancillary, Industrial Undertaking Act, 1992. The information regarding Small Scale Industrial Undertakings have been determined to the extent such parties have been identified on the basis of information available with our company.

Adverse Events

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filing of this Red Herring Prospectus with the Registrar of Companies.

GOVERNMENT APPROVALS/ LICENSING ARRANGEMENTS

Our Company has received all the necessary licenses, permissions and approvals from the Central and State Governments of India, and other government agencies/certification bodies required for its business and no other approvals are required by our Company for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, our Company can undertake this Issue and its current business activities and no further major approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by our Company under various Central and State Laws for carrying out its business.

Sl.No.	Issuing Authority	Registration/ License No.	Nature of Registration/License	Date of registration
1.	Registrar of Companies, Maharashtra, Mumbai	CIN: U85100MH2008PTC 184689 of 2008-09	Fresh Certificate of Incorporation in the name of Birla Pacific Medspa Pvt Ltd	15 th July 2008
2.	Registrar of Companies, Maharashtra, Mumbai	CIN: U85100MH2008PLC 184689	Certificate of Incorporation in the name of Birla Pacific Medspa Ltd	14 th July 2010
3.	Director of Income Tax, Government of India	AADC5167F	Permanent Account Number of Birla Pacific Medspa Ltd.	30 th July 2010
4.	Income Tax Department, Government of India	MUMB19106D	TAN	-
5.	Office of the Deputy Commissioner of Service Tax, Mumbai division I & II	AADC5167FSD001	Service Tax Code Number	Applied on 1/2/2010 and Registration certificate is awaited
6.	Office of the Regional Provident Fund Commissioner, Bombay	MH/BAN/125951	Allotment of PF number	16 th December 2009
7.	Inspector, Bombay Shops and Establishments	760101200/ COMMERCIAL II	Registration certificate of establishment under Bombay Shops & Establishments Act 1948 for Walkeshwar Centre	31 st December 2011
8.	Inspector, Bombay Shops and Establishments	760101071/ COMMERCIAL II	Registration certificate of establishment under Bombay Shops & Establishments Act 1948 for Bandra Centre	31 st December 2011
9.	Inspector, Bombay Shops and Establishments	760127357/ COMMERCIAL II	Registration certificate of establishment under Bombay Shops & Establishments Act 1948 for Andheri Centre	31 st December 2012
10.	Inspector, Bombay Shops and Establishments	760166901/ COMMERCIAL II	Registration certificate of establishment under Bombay Shops & Establishments Act 1948 for Worli Centre	31 st December 2011
11.	Inspector, Bombay Shops and Establishments	760164779/ COMMERCIAL II	Registration certificate of establishment under Bombay Shops & Establishments Act 1948 for Borivali Centre	31 st December 2011



12.	Deputy Director, Regional office Maharashtra, Employees State Insurance Corporation, Mumbai	No.B/COV/RL-6876/31000594120000999	ESIC Registration	24 th , March 2010 with effect from 01 April 2009
13.	Profession Tax Officer (26), Registration Br, Mumbai	P.T.R.C number: 27285222468P	Certification of Registration under sub-Section (1) of Section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 as an employer	17 th February 2010
14.	Profession Tax Officer (26), Registration Br, Mumbai	P.T.R.C number: 99821729274P	Certification of Enrolment under sub-Section (2) or Sub- Section (2A) of Section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	17 th February 2010

Pending Approvals:

Sl. No.	Issuing Authority	Application No.	Nature of Registration/ License	Application Date
15.	Registrar of Trade Marks, Mumbai	1734719	Registrations of Trademark ' EVOLVE Medspa. Beautiful Science ' for goods or services of the accompanying service mark in Class-42	20 th August 2008 (Application has been made by Pachealth Medical Services Pvt Ltd from whom our company has purchased the business.)
16.	Registrar of Trade Marks	1967606, To be associated with application number 1734719	Registrations of Trademark ' EVOLVE Medspa. Beautiful Science. Beautiful You. A Yash Birla – Pacific Venture. ' for goods or services of the accompanying service mark in Class 42	18 th May 2010
17.	Registrar of Trade Marks	1967607, To be associated with application number 1734719	Registrations of Trademark ' EVOLVE Medspa. Beautiful Science. Beautiful You. ' for goods or services of the accompanying service mark in Class 42	18 th May 2010
18.	Registrar of Trade Marks	2000949	Registration of trademark for 'Birla Pacific (black & white) in class 44	29 th July 2010
19.	Registrar of Trade Marks	2000948	Registration of trademark for 'Birla Pacific (color) in class 44	29 th July 2010

Investment Approvals

As per notification number bearing FEMA/20/2000-RB dated May 3, 2000, as amended from time to time, under automatic route of the Reserve Bank, our Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment/transfer of the Equity shares to NRIs/FIIs shall be subject to the prevailing RBI Guidelines.

SECTION IX - REGULATORY AND STATUTORY DISCLOSURES

Authority for the Present Issue

The issue of Equity Shares by our Company has been proposed by the resolution of the Board of Directors passed at their meeting held on 11th May, 2010. The shareholders of our Company have authorized and approved this Issue under section 81(1A) of the Act by a Special Resolution at the Extra ordinary General Meeting held on 4th June 2010.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the Directors of our Promoter Companies or persons in control of our Promoter Companies, the group companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as directors / promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India. Our Company, our Promoters, their relatives, group companies and associate companies has, not been identified as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Compliance with SEBI Regulations

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time. In this regard the Company has appointed Ms. Khyati Mashru, Company Secretary as Compliance Officer of the Company.

Eligibility for the Issue

The company is ineligible as per Regulation 26(1) of the SEBI ICDR 2009 and hence is making this issue under Regulation 26(2)(a)(i) and b(i) of the SEBI (Issue of Capital and Disclosure Requirements), 2009.

26(2)(a)(i) "the issue is made through the book building process and the issuer undertakes to allot at least fifty percent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers"

26(2)(b)(i) "the minimum post-issue face value capital of the issuer is ten crore rupees"

The Company is doing a "compulsory book-building issue" wherein the Company shall allot atleast 50% of the net public offer to QIBs and to refund full subscription monies if it fails to make allotment to the QIBs.

The promoters, the company, directors of BPML are not identified as willful defaulters by the RBI/ GOI authorities and there are no violations of securities laws committed by them in the past or pending against them other than those disclosed in this Offer Document.

None of the promoters, directors or persons in control of our company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.

BPML undertakes that the number of allottees in the Issue shall be at least 1,000. Otherwise, the entire application money shall be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.



DISCLAIMER CLAUSES

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, ARIHANT CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS 2009 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER ARIHANT CAPITAL MARKETS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER ARIHANT CAPITAL MARKETS LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 28th JULY 2010 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS (IN CASE OF A BOOK BUILT ISSUE) / DRAFT PROSPECTUS (IN CASE OF A FIXED PRICE ISSUE) / LETTER OF OFFER (IN CASE OF A RIGHTS ISSUE) PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS/DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE



PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID .

(4)WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(5)WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS/ LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT



ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12)WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

(13)WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF DRHP DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT.

The promoters / directors of Birla Pacific Medspa Limited confirm that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Red Herring Prospectus has been suppressed withheld and / or incorporated in the manner that would amount to misstatement/ misrepresentation and in the event of its transpiring at any point in time till allotment/refund, as the case may be, that any information/material has been suppressed/withheld and/ or amounts to a misstatement/ misrepresentation, the promoters/directors undertake to refund the entire application monies to all subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

DISCLAIMER FROM THE COMPANY AND BRLM

Investors may note that our Company, its Directors and its BRLM, accept no responsibility for statements made other than in this RHP or in the advertisement or any other material issued by or at the instance of the Issuer Company or BRLM and that any one, placing reliance on any other source of information including our website www.birlapacificmedspa.com would do so at their own risk.

The BRLM, do not accept any responsibility save to the limited extent as provided in terms of the Agreement entered into between our Company and the BRLM dated 15th July 2010 and the Underwriting Agreement to be entered into between our Company and the Underwriters.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports or at bidding centers etc. Neither we nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. This RHP does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this RHP comes is required to inform him or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the RHP has been filed with SEBI. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this RHP may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this RHP nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF STOCK EXCHANGE

Disclaimer Clause of Bombay Stock Exchange Limited (BSE)

“Bombay Stock Exchange Limited has given vide its letter dated September 21st 2010 permission to this Company to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or



- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 Clause of IPO Grading Agency

Brickwork IPO Grading is neither an audit of the issuer by Brickwork nor a credit rating. IPO grading is a present assessment and research result of the analysis of fundamental of the equity issue in relation to other Indian Listed securities. Brickwork does not guarantee the completeness or accuracy of the information on which the grading is based. The Brickwork IPO grading depends on the information provided by the issuer or obtained by the relevant sources by Brickwork. A Brickwork IPO Grading is not a recommendation to buy/sell or hold the graded instruments. It does not comment on the issue price, future market price or relevance for a particular type of investor. Brickwork IPO Grading has a limited validity. BRICKWORK is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of BRICKWORK IPO Grading.

FILING

A copy of this Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051..

A copy of the Red Herring Prospectus, along with the documents required to be filed under 60B of the Companies Act would be delivered for registration to the Registrar of Companies, 100 Everest Building, Marine Lines, Mumbai – 400 020, Maharashtra and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC.

LISTING

Applications have been made to the BSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized..

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Bombay Stock Exchange, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this RHP. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 70 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE are taken within seven working days of the finalization of the basis of allotment for the Issue.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, Or

b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

CONSENTS

Necessary Consents for the issue have been obtained from the following

1. Directors of our Company
 2. Promoters of our Company
 3. Bankers to our Company
 4. Auditors to our Company
 5. Book Running Lead Manager to the Issue
 6. Syndicate Members*
 7. Legal Advisor to the Issue
 8. Registrar to the Issue
 9. Company Secretary & Compliance Officer
 10. Bankers to the Issue
 11. Underwriters to Issue*
- * to be obtained

The said consents would be filed along with a copy of the RHP/ Prospectus with the Registrar of Companies, 100 Everest Building, Marine Lines, Mumbai – 400 020, Maharashtra, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the RHP/ Prospectus, for registration with the Registrar of Companies, 100 Everest Building, Marine Lines, Mumbai – 400 020, Maharashtra.

M/s. Kanu Doshi Associates, Chartered Accountant, have given their respective written consents to the inclusion of their report in the form and context in which it appears in this RHP and such consents and reports have not been withdrawn up to the time of delivery of RHP/ Prospectus for registration with the RoC.

M/s. Kanu Doshi Associates, Chartered Accountant, have given their written consents to the tax benefits accruing to our Company and its members in the form and context in which it appears in this RHP and have not withdrawn such consent up to the time of delivery of RHP/ Prospectus for registration with the RoC.

EXPERT OPINION

Except for the following the Company has not obtained any expert opinions:

- (i) the report of the Auditors on the Financial Information of our Company and Statement of Tax Benefits,
- (ii) the report of Brickwork Ratings India Private Limited in respect of the IPO grading of this Issue annexed herewith;

ISSUE EXPENSES

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees. The estimated Issue expenses are as follows:

(Rs. in Lakhs)				
Sl. No	Particulars	Amount	% of total Issue Expenses	% of total Issue size
a)	Book Running Lead Manager	[●]	[●]	[●]
b)	Registrar fees	[●]	[●]	[●]
c)	Legal Advisor's fees	[●]	[●]	[●]
d)	Advertisement & Marketing Expenses	[●]	[●]	[●]
e)	Fees to Stock Exchanges	[●]	[●]	[●]
f)	SEBI Filing Fees / IPO Grading Fees, etc.	[●]	[●]	[●]
g)	Brokerage & Underwriting	[●]	[●]	[●]
h)	Printing, stationery & dispatch	[●]	[●]	[●]
i)	Miscellaneous Expenses	[●]	[●]	[●]
	Total	650.00	[●]	[●]

FEES PAYABLE TO THE BRLMS, BROKERAGE AND SELLING COMMISSION

The total fees payable to the BRLMs including underwriting & brokerage if any for the Issue will be as per the Agreement executed between our Company and the BRLMs 15th July 2010, a copy of which is available for inspection at our Registered Office and forms part of Material Contracts & Documents.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue, Adroit Services Pvt. Ltd., will be as per the Memorandum of Understanding executed between our Company and the Registrar dated 2nd July 2010a copy of which is available for inspection at our Registered Office and forms part of Material Contracts & Documents.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post.

PREVIOUS PUBLIC OR RIGHTS ISSUES IN THE LAST 5 YEARS

Our Company has not made any public or rights issue of Equity Shares/ Debentures since inception.

PREVIOUS ISSUE OF SHARES OTHERWISE THAN FOR CASH

Our Company has not issued any Equity Shares for consideration other than cash.

COMMISSION OR BROKERAGE ON PREVIOUS ISSUES

Our Company has not made any public or rights issue of Equity Shares/ Debentures since inception

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issues since inception by us. However there have been public / rights issues by our group companies, as detailed under the head “Details of Group Companies”, beginning on Page no. 85 of this RHP.

PERFORMANCE VIS-À-VIS OBJECTS

Listed Ventures of Promoters

Group Companies

Five Group companies of Yash Birla Group namely Zenith Birla (India) Limited, Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited), Birla Cotsyn (India) Limited, Birla Power Solutions Limited and Birla Shloka Edutech Limited have made Public Issue/ Rights Issues during the last ten years. Details of the same are given hereunder:

1. Zenith Birla (India) Limited (ZBIL)

ZBIL has come out with a follow-on Public Issue of 2,38,18,182 Equity Shares of Rs.10/- each offered at a fixed price of Rs.55/- per share (including a premium of Rs.45/- per share) aggregating to Rs.13,100 Lakhs to finance its expansion project, working capital requirements and to meet the issue expenses. The said issue was opened for subscription on 16th October, 2006 and closed on 20th October, 2006. The issue was fully subscribed and the basis of allotment was finalized in consultation with the Bombay Stock Exchange Ltd. and the new equity shares were listed on BSE with effect from 21st November, 2006.

The objects of the issue were:

1. Setting up additional facilities for manufacture of Mechanical tubes
2. Working Capital (existing business)
3. Margin Money for Working Capital (Mechanical tube Business)
4. To meet the issue expenses.

Details of utilization of Public Issue proceeds of Rs.131 crores towards ongoing project as on 31st December 2010, are as follows:

(Rs. In Lakhs)			
Sl. No.	Particulars	Projected Amount	Balance amount to be spent
I	Land and Site Development	42	-
II	Building	1576	835
III	Plant and Machinery	7157	6298
IV	Miscellaneous Fixed Assets	47	37
	Sub Total	8822	7170
V	Preliminary and Pre-operative expenses	150	98
VI	Public Issue Expenses	1200	(10)
VII	Contingency	221	221
VIII	Working Capital (Existing)	2150	-
IX	Working Capital (Project)	557	557
	Total	13100	8036

Pending full utilization, the balance amount is held in Current/Fixed deposit/liquid assets accounts. Similarly the company has also deployed the available surplus in reducing its working capital and cash credit utilization for ensuring the timely availability of resources when required.

Activity - Mechanical Tube Project	As per Prospectus Commencement Date	As per Prospectus Completion Date	Actual/Expected
Acquisition of Land	Existing Land in Khopoli will be utilized for setting up Mechanical Tube Project	Completed	Completed
Development of Land	September 2006	November 2006	Completed
Building			
Factory Building	December 2006	June 2007	August 2011
Auxiliary Building	December 2006	May 2007	August 2011
Machine Foundation	February 2007	May 2007	July 2011
Administrative Building	March 2007	June 2007	August 2011
Plant and Machinery			
Indigenous - Placement of order	November 2006	January 2007	July 2011
Delivery at Site	April 2007	August 2007	December 2011
Imported - Placement of order	October 2006	December 2006	August 2011
Delivery at Site	May 2007	July 2007	January 2012
Erection of Plant and Machinery	June 2007	October 2007	March 2012
Trial Run		November 2007	April 2012
Commercial Production		December 2007	June 2012

The delay in the project has been on account of certain modification in the Project Plan due to change in product specification to match with the current customer preferences.

2. Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited) (BMTL)

Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited) (BMTL) had come out with a composite issue of equity shares of Rs. 10/- each aggregating to Rs. 2900.00 lakhs comprising of:

Rights issue of 33,24,954 equity shares of Rs. 10/- each for cash at a premium of Rs. 23 per share (i.e. at a price of Rs. 33 per share) aggregating to Rs. 1,097.23 lakhs to the existing equity shareholders of the company in the ratio of (5) equity shares for every (7) equity shares held as on July 06, 2007 (record date) and

Public issue of 4006150 equity shares of Rs. 10/- each for cash at a price of Rs. 45 inclusive of premium aggregating to Rs. 1,802.77 lakhs including promoter's contribution of 4,00,000 equity shares for cash at a price of Rs. 45 inclusive of premium aggregating to Rs. 180.00 lakhs. Thus net offer to the public is 36,06,150 equity shares of Rs. 10/- for cash at a price of Rs. 45 inclusive of premium aggregating to Rs. 1622.77 lakhs. The Net Public Issue was 30.09% of the post issue paid up capital of the Company.

Utilisation of proceeds of public/right issue of BMTL as on 31st December 2010 is as under:



(Rs. in Lakhs)

Sr. No.	Description	Total Estimated Cost	Deployed upto 31 st December, 2010
I	Aurangabad Project		
	Building	120.00	104.85
	Plant and Machinery & Electrical	1365.50	845.25
	Miscellaneous Fixed Assets	329.36	
	Contingencies	185.00	
	Pre Operative Expenses	80.00	
II	Margin Money for working capital requirement for Aurangabad Project	50.00	
III	Conversion of unsecured loan into equity raised by company for setting up the Gandhidham Project from Nirved Traders Pvt. Ltd, Promoter Company	470.14	470.14
IV	To meet expenses of issue	300.00	276.42
	Total	2900.00	1696.66

As per the prospectus, the funds which were proposed to be deployed in the Aurangabad Project upto the quarter ended 30th September, 2008 was envisaged at Rs. 2129.86 Lacs consisting of Rs. 120 Lacs towards building and Rs. 2009.86 lacs towards Plant and Machinery, Electrical, Contingencies, Pre Operative Expenses and Margin Money for Working Capital . However, the actual amount spent towards these expenses is Rs. 104.85 Lacs and Rs. 845.25 Lacs respectively.

Pending utilization, the balance amount of Rs. 1168.30 Lacs is used for funding the company's working capital requirements and for inter corporate deposit given.

Schedule of Implementation

Sl. No.		Activity	As per Prospectus - Commencement	As per Prospectus - Completion	Actual/Expected
A	Civil Work	1. Preparation of building drawing & approval from GDA	Sep-07	Oct-07	Oct-07
		2. Finalization of Contractor	Sep-07	Sep-07	Sep-07
		3. Commencement of Civil Work	Oct-07	Jul-08	In Progress
B	Manpower	1. Recruitment	Oct-07	May-08	In Progress
		2. On the job training at site	Jul-08	Sep-08	In Progress
C	Plant & Machinery	1. Quotation from supplier	Jun-06	Sep-07	Aug-07
		2. Order Placement & Establishing L/C	Nov-07	Dec-07	Jan-08
		3. Delivery	Feb-08	Aug-08	In Progress
		4. Installation and Commissioning	Aug-08	Oct-08	In Progress
		5. Electrical Installation & Air conditioning	May-08	Aug-08	In Progress



E	Commencement of Commercial Production		Nov- 08		June 2011
F	Government Approval	1. L.T. Connection	Nov-07	Jan-2008	In Progress
		2. Water Supply	Oct-07	Dec-07	In Progress

Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited) (BMTL) was engaged in the manufacture of highly specialized cutting tools viz. broaches, hobs, shaper cutters & shaving cutters (gear cutting tools).

The machining project was envisaged to be set up for forgings for supplies to the auto and auto component companies, however due to overall slowdown in the economy, the auto and auto component industry was adversely affected and the demand for machining work was further reduced. Due to these reasons the company has slowed down the implementation of the project.

BMTL has executed Business Transfer Agreement (BTA) on 29th January, 2009 with M/s Motherson Advanced Tooling Solutions Limited for the transfer of its specified business undertakings on slump sale basis subject to the terms and conditions mentioned in the BTA. Presently, the Company is exploring various business opportunities in the similar line of business.

3. Birla Cotsyn (India) Limited (BCIL)

BCIL had come out with its IPO in June/ July 2008 by issuing 102,982,729 Equity shares of Rs.10 each for cash at a price of Rs.14/- per share aggregating to Rs.144.18 crores to finance the expansion of company's integrated textile project and to set up a garment manufacturing plant & to establish retail outlets. The said issue was opened for subscription on 30th June 2008 and closed on 4th July 2008. The issue was fully subscribed and the basis of allotment was finalized in consultation with the Bombay Stock Exchange Ltd. and the new equity shares were listed on BSE with effect from 30th July 2008.

The details of utilization of the funds received from IPO of equity shares of Birla Cotsyn (India) Limited as on 31st December 2010 are as under:

(Rs. in Crores)			
Sl. No.	Particulars	Estimated Utilisation Amount	Actual Utilisation Amount upto 31 st December 2010
1	Expansion of integrated Textile Project at Khamgaon and Malkapur	105.77	105.77
2	Setting up of Garment Manufacturing unit	25.21	11.60
3	Establishing retail unit	5.80	2.48
4	Expenses relating to IPO	7.40	7.40
	Total	144.18	127.25

Pending full utilization, the balance amount is held in current accounts and loans and advances.

Schedule of Implementation for Integrated Textile Project

Phase I - completed

Phase II - completed

Phase III - completed

RMG (Readymade Garment Project) (Setting up of new apparel manufacturing unit)

Sl. No.	Activity	Expected Month of Commencement	Expected month of Completion	Percentage Completed
Setting up of new apparel manufacturing unit				
A	Land acquisition		Completed	100%
B	Site Development	August 2009	Completed	100%
C	Construction of Buildings	December 2009	October 2011	-
D	Plant and Machinery Order Placement	April 2010	August 2011	60%
E	Delivery	September 2010	December 2011	-
F	Installation	October 2010	February 2012	-
G	Trial Runs	February 2011	March 2012	-

4. Birla Power Solutions Limited (BPSL)

BPSL had come out with its IPO in April 2006 by issuing 120,00,000 Equity shares of Rs.10 each for cash at a premium of Rs.32 per shares (i.e. Issue Price of Rs. 42/- per share) aggregating to Rs.5040 Lakhs vide prospectus dated March 08, 2006. The said issue was opened for subscription on March 24, 2006 and closed on March 29, 2006. The issue was fully subscribed and the basis of allotment was finalized in consultation with the Bombay Stock Exchange Ltd.

The main objects of the issue were:

- To finance the cost of expansion of the capacities of the existing products of the company viz., Diesel Genset, Multi Purpose Engine, Alternators and Fuel Tank
- To finance the setting up of a new plant for manufacturing LPG/CNG Gensets, Inverter, Engines and Acoustic Hoods
- To meet the margin money for working capital requirement
- To meet the expense of the issue

Details of utilization of funds of Public Issue amounting to Rs. 5041.34 Lakh are as follows:

(Rs. in Lakhs)			
Sr. No.	Particulars Specified in Prospectus	Estimated Expenditure	Payment released upto 31.3.2007
1	Factory Building		
	a. Site Development	100.00	100.00
	b. Building and Civil Work	920.52	920.52
2	Purchase of Assets (Plant and Machinery including Misc.)	2314.89	2314.89
3	Preliminary and Preoperative Expenses	102.10	43.20
4	Contingencies	333.54	333.54
5	Issue Expenses	343.55	343.55
6	Margin Money and Working Capital	926.74	985.64
	Total	5041.34	5041.34

Schedule of Implementation

Fully Completed

The time overrun was on account of delay in delivery of Plant & Machinery from suppliers, however, there was no cost overrun.

BPSL also raised funds from issue of 1,86,99,600 Equity Shares of Rs. 10/- at a premium of Rs 26/- per share aggregating to Rs. 67,31,85,600/- to Qualified Institutional Buyers (QIBs) in January 2008. The amount is fully spent upto 30th June 2008. The utilization of the aforesaid amount is given hereunder:

Sl No.	Particulars	Amount (Rs. In lakhs)
	FUNDS UTILISED FOR:-	
1	Long Term Working Capital Requirements	3970.00
2	Repayment of Fixed Deposits	352.86
3	Payment of Statutory Dues	481.38
4	General Corporate Purposes	1927.62
	TOTAL	6731.86

5. Birla Shloka Edutech Limited (BSEL)

BSEL has allotted 6,955,000 equity shares of Face Value Rs 10 each at a premium of Rs 40 Per share aggregating to Rs. 3477.50 Lacs on January 27, 2010, pursuant to the follow on public offer. The shares have been listed with Bombay Stock Exchange and since been delisted from Calcutta Stock Exchange and Ahmedabad Stock Exchange.

Sl. No.	Particulars	Projection as per Offer Document	Actual Utilisation till 31 st December 2010
1.	Capital Expenditure for BOOT Model	1500.00	100.00
2.	Capital Expenditure for XL@ School	950.00	1133.62
3.	Mergers & Acquisition Activity	450.00	-
4.	Working Capital Requirement	213.10	377.26
5.	Issue Expenses	303.15	282.40
6.	Contingencies	61.25	25.87
	Total	3477.50	1919.55

Unitilised FPO proceeds of Rs. 1517.95 Lakhs have been temporarily held in short term interest bearing instruments.

Schedule of Implementation

Sl. No.	Major Activities	As Per Prospectus Commencement	As per Prospectus Completion	Actual Completion
1	Capital Expenditure for BOOT Model	January – 2010	March – 2011	Expected by October 2011
2	Capital Expenditure for XL @ School	July – 2009	June – 2011	Completed
3	Mergers & Acquisition Activity	July – 2010	December – 2010	Expected to be completed by June 2011
4	Working Capital Requirement	April – 2010	June – 2011	Ongoing
5	Issue Expenses	October – 2009	March – 2010	Completed
6	Contingencies	October – 2009	June – 2011	Ongoing

The number of schools projected under implementation as per prospectus, for the BOOT model as on 31st March, 2010 was 60. The time overrun in the implementation of these schools is due to pending finalization of the Tenders of the ICT Projects of Maharashtra. The tender process for Jharkhand and Rajasthan ICT Projects are also awaited.

BSEL completed the capital expenditure for XL @ School ahead of the Projected schedule as there existed an opportunity to acquire the related infrastructure and content at competitive prices.

OUTSTANDING DEBENTURES OR BOND ISSUE OR PREFERENCE SHARES:

Our Company has no outstanding debentures or bond issue or redeemable preference shares.

STOCK MARKET DATA FOR OUR COMPANY'S EQUITY SHARES

Our company is coming out with IPO and its shares are not yet listed in any of the exchanges.

MECHANISM FOR REDRESSAL OF INVESTOR'S GRIEVANCES

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholders/Investors complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares, complaints for non receipt of dividends etc. To expedite the process of share transfer, our company has appointed Adroit Services Pvt. Ltd. as the Registrar and Share Transfer Agents of Our Company vide Memorandum of Understanding dated 2nd July 2010.

DISPOSAL OF INVESTOR'S GRIEVANCES AND REDRESSAL MECHANISM

Our Company assures that the Board of Directors in respect of the complaints, if any to be received shall adhere to the following schedules:

Sl. No .	Nature of complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non Receipt of share Certificate/ Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Initial Public Issue	Within 7 days of receipt of complaint with all relevant details

Our company has appointed Ms. Khyati Mashru , Company Secretary, as Compliance Officer who would directly deal with SEBI with respect, to implementation/ compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints .The investors may contact the Compliance Officer in case of any offer related problems. The Compliance Officer would be available at the Corporate Office of our Company. She may be contacted at the following address:

Ms. Khyati Mashru
Company Secretary and Compliance Officer
Birla Pacific Medspa Limited
 Dalamal House, 1st Floor,
 J.B. Marg, Nariman Point,
 Mumbai – 400 021
 Maharashtra
 Tel: +91-22- 66168400/ 460
 Fax: +91-22-2204 7835
 Email: complianceofficer@birlapacificmedspa.com

CHANGES IN AUDITORS DURING THE LAST THREE YEARS

M/s. Kanu Doshi Associates, Chartered Accountants, Mumbai was appointed as the First Statutory Auditors of the company by the Board of Directors at their meeting held on 12th August 2008, and confirmed by the shareholders of the company at the AGM held on 13th January 2010, M/s Kanu Doshi Associates have been continuing as the Statutory Auditor



CAPITALISATION OF RESERVES OR PROFITS DURING THE LAST FIVE YEARS:

Our Company has not issued any bonus shares till date.

REVALUATION OF ASSETS DURING THE LAST FIVE YEARS:

Our company has not revalued any of its assets since its inception.

SECTION X - OFFERING INFORMATION

(A) ISSUE STRUCTURE

This Issue is being made through a 100% Book Building Process. The Issue comprises of [●] equity shares of Rs. 10/- each for cash at a price of Rs. [●] per equity share aggregating to Rs. 6517.50 lakhs (hereinafter referred to as the “Issue”). The details of the issue structure are as follows:

Particulars	QIBs	Non Institutional Bidders	Retail Bidders	Individual Bidders
Number of Equity Shares*	At least [●] Equity Shares.	Up to [●] Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders.	Up to [●] Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders.	
Percentage of Issue Size available for allocation	At least 50% of the Issue. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Up to 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.	
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: a. Equity Shares constituting to 5% of the QIB portion shall be allocated on proportionate basis to Mutual Funds; b. The balance Equity Shares shall be allocated on proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 2, 00,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs.2, 00,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount is less than Rs.2, 00,000.	
Maximum Bid	Such number of Equity shares in multiples of [●] equity shares so that the bid does not exceed the issue subject to applicable limits	Such number of Equity shares in multiples of [●] equity shares so that the bid does not exceed the issue subject to applicable limits	Such number of Equity Shares in multiples of [●] equity shares so that the Bid amount does not exceed Rs. 2,00,000/-	
Mode of Allotment	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode	
Bid/ Allotment Lot	[●]Equity Shares and in multiples of[●] Equity Shares	[●]Equity Shares and in multiples of[●] Equity Shares	[●]Equity Shares and in multiples of[●] Equity Shares	
Trading Lot/Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share	
Who can apply**	Public financial institutions, as specified in	Companies, Corporate Bodies, Scientific	Individuals (including NRIs and HUFs in the	



	Section 4A of the Companies Act, 1956, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, other than sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, (IRDA), provident funds with minimum corpus of Rs. 2500 Lakhs , pension funds with minimum corpus of Rs. 2500 Lakhs, National Investment Fund set up by Resolution F.NO. 2/3/2005 DD II DATED Nov.23,2005 of Government of India published in the Gazette of India	Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), and NRIs (applying for an amount exceeding Rs. 2,00,000/-)	name of Karta) such that the Bid Amount does not exceed Rs. 2,00,000 in value.
Terms of payment***	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Non Institutional Bidders shall be payable at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application form to the members of the syndicate or the ASBA Form to the SCSB.
Margin Amount	Full bid amount on bidding	Full bid amount on bidding	Full bid amount on bidding

* Subject to valid bids being received at or above the Issue Price. The Issue is being made through a 100% Book Building Process wherein at least 50% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the Issue in the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds. The remainder shall be available for allotment on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, up to 15% of the Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and up to 35% of the Issue shall be available



for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

Under-subscription, if any, in the non- institutional and retail portion, would be allowed to be met with spill over from any other category or combination, at the sole discretion of our Company in consultation with the BRLM subject to applicable provisions of SEBI Regulations.

** In case the Bid Cum Application Form or ASBA Form is submitted in joint names, the investors shall ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form or ASBA Form.

*** In case of ASBA bidders, the SCSB shall be authorized to block such funds in the bank account of the ASBA bidder that are specified in the Bid cum ASBA Form.

Bid/Issue Program

BID/ISSUE OPENS ON: JUNE 20, 2011

BID/ISSUE CLOSES ON: JUNE 23, 2011

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional Bidders where the Bid Amount is in excess of Rs. 200,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

(B) TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of the DRHP/RHP/Prospectus, Bid-cum-Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advice,



and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari passu in all respects with the other existing Equity Shares of our Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment.

Mode of Payment of Dividend

The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash and as per provisions of the Companies Act.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being issued at a price of Rs. [●] per Equity Share. The Floor Price is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. The issue price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the equity shares offered by way of book building. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Articles of Association of the Company.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of one Equity Share subject to a minimum allotment of [●] Equity Shares to the successful bidders.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares transferred, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

There is no reservation for any NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation/allotment.

As per RBI regulations, OCBs cannot participate in the Issue.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the Public including devolvement of underwriters, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, we and every director of our Company who is an officer in default, becomes liable to repay the amount with interest as per Section 73 of the Companies Act. If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received.

Arrangements for Disposal of Odd Lots

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Jurisdiction

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, India.

Restrictions, if any on Transfer and Transmission of Equity Shares

The restrictions, if any, on the Transfer and Transmission of our Equity Shares are contained in section “Description of equity Shares and Terms of Article of Association” on page 270 of this offer document.

Compliance with SEBI Regulations

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly. Notwithstanding the forgoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply only after Allotment and (ii) the final ROC approval of the prospectus after it is filed with Stock Exchanges.

IF THE COMPANY WITHDRAWS THE ISSUE AFTER CLOSURE OF BIDDING, THE COMPANY SHALL FILE A FRESH OFFER DOCUMENT WITH THE SEBI.

**(C) ISSUE PROCEDURE**

This section applies to all Bidders. Pursuant to Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 issued by SEBI, all QIB Bidders and Non-Institutional Bidders shall MANDATORILY make use of ASBA facility while making applications in public issues. Please note that Retail Individual Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid-cum-Application Form.

Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the 100% book building method where in atleast 50% of the Issue to Public shall be allocated on a proportionate basis to Qualified Institutional Buyers with 5 % of compulsory allocation to mutual funds only and the remainder of the Qualified Institutional Buyers portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid being received at or above the issue price. Further, upto 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Net Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. ASBA investors intending to subscribe to the issue shall submit a complete ASBA form to the designated branch of the SCSB or to members of the Syndicate at specified centres. SEBI vide its circular dated April 29, 2011 has authorized ASBA facility through Syndicate/sub-syndicate member to commence with the bidding centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat. The Syndicate/Sub-syndicate members located in the abovementioned centres shall accept ASBA forms. Before accepting such ASBA forms, the syndicate/sub-syndicate members shall satisfy themselves that the SCSBs whose name has been filled in the ASBA form has named a branch in that centre to accept ASBA form.

We, in consultation with the BRLM, reserve the right to reject any Bid procured by any or all members of the Syndicate without assigning any reasons therefore in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we would have a right to reject the Bids only on technical grounds.

We, in consultation with the BRLM would proportionately allocate to QIBs based on a number of criteria, which will typically include, but would not be limited to, the following: prior commitment, investor quality, price, earliness of bid, existing and continued shareholding of QIBs during the period prior to the Bid Opening Date and until the date of pricing.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Copies of the Bid-cum-Application Form and the Red Herring Prospectus will be available with the members of the Syndicate, our Registered office and corporate offices. Before being issued to Bidders, the Bid-cum-Application Forms are serially numbered. The ASBA Bid cum Application Form will also be available on the websites of the Stock Exchanges and SCSBs at least one day prior to the Bid/Issue Opening Date and shall bear an unique application number. The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options will not be considered as multiple Bids.

Upon filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate and in the case of an ASBA Bid cum Application Form, either in physical form to a Designated Branch/member of Syndicate where applicable; or in electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding), the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical form to the Designated Branches / members of the Syndicate where applicable or electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding), authorising the SCSBs to block funds equal to the Bid Amount in the ASBA Accounts.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian Nationals or NRIs applying on a non-repatriation basis	White
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
ASBA Form	White

Who Can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three);
- HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
- Indian mutual funds registered with SEBI;
- Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Regulations, as applicable);
- Venture capital funds registered with SEBI;
- Foreign venture capital investors registered with SEBI;
- State Industrial Development Corporations;
- Insurance companies registered with the Insurance Regulatory and Development Authority;



- Provident funds with minimum corpus of Rs.2500 lakhs and who are authorized under their constitution to invest in Equity Shares;
- Pension funds with minimum corpus of Rs.2500 lakhs and who are authorized under their constitution to invest in Equity Shares;
- Multilateral and bilateral development financial institutions;
- National Investment Fund set up by resolution F.No. 2/3/2005-DD-11 dated November 23, 2005 of Government of India.
- Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in equity shares;
- Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws; and
- Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares.
- Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Offer;

As per existing regulations, OCBs are prohibited from investing in this Issue.

Participation by associates of BRLM and Syndicate Members

The BRLM and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. Such holding or subscription may be on their behalf or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds: No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the name of the concerned scheme for which the Bid has been made.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this offer document. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids by Eligible NRIs

NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from our Registered Office, members of the Syndicate or the Registrar to the Issue.
2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-issue paid-up capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity

Bids by SEBI registered VCF and FVCI:

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the investment by any VCF or FVCI should not exceed the prescribed investment limit as the case may be.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the funds available for investment by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the Book Runners are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids by non-residents including NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis.



Bids and Revision to Bids must be made:

- On the prescribed Bid cum Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single name or joint names (not more than three)
- NRIs for a Bid Amount of up to Rs. 2,00,000 would be considered under the Retail Bidders portion for the purposes of allocation and Bids for a Bid amount of more than Rs. 2,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund and Bilateral Development Financial Institution for a minimum of such number of Equity Shares and in multiples of [●] thereafter that the Bid Amount exceeds Rs. 2,00,000.
- In the names of individuals, or in the names of FIIs or in the names of Foreign Venture Capital Funds, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by ASBA Investor

For ASBA Process, please refer section “ASBA Process” on page no. 259 of this offer document..

Maximum and Minimum Bid size

For Retail Bidders: The Bid must be for minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to maximum bid amount of Rs. 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000. In case the Bid Amount is over Rs. 2,00,000 due to revision or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

For Others (Non-Institutional Bidders and QIBs) Bidders: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount payable by the Bidder exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the net Issue to the public. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date. If the Bid/Issue Period for QIBs shall close one day prior to the Bid/Issue Closing Date, QIBs are not allowed to withdraw their Bids after [●], i.e., one Working Day prior to the Bid/Issue Closing Date.**

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 2,00,000, for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 2,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion, if otherwise eligible. Non Institutional Bidders and QIBs are not allowed to Bid at ‘Cut-off’.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders

1. The Company shall file the RHP with the Designated Stock Exchange at least 3 (three) days before the Bid/Issue Opening Date.



2. The Company and the BRLMs shall declare the Bid/ Issue Opening Date, Bid/ Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the Designated Stock Exchange and also publish the same in three widely circulated newspapers (one each in English, Hindi and Marathi). The Company may not disclose the floor price or price band in the Red Herring Prospectus if the same is disclosed at least two working days before the opening of the bid, by way of an announcement in all the newspapers in which the pre-issue advertisement was released by the Company or the BRLM.
3. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
4. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate and should approach any of the BRLM or Syndicate Members or their authorized agent(s) to register their bids.
5. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
6. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.
7. For ASBA process, please refer section “ASBA Process” in the RHP.
8. The Bidding/ Issue Period shall be for a minimum of 3 (three) working days and not exceeding 7 (seven) working days. In case the Price Band is revised, the revised Price Band and the Bidding/ Issue Period will be published in two weekly circulated national newspapers (one each in English and Hindi) and the Bidding/ Issue Period may be extended, if required, by an additional 3 (three) days, subject to the total Bidding/ Issue Period not exceeding 10 (ten) working days.
9. The Price Band has been fixed at Rs.[●] to Rs[●] per Equity Share of Rs. 10 each, Rs. [●] being the lower end of the Price Band and Rs. [●] being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Re.1 (One)
10. The Company in consultation with the BRLM, reserve the right to revise the Price Band, during the Bidding/ Issue Period, in accordance with SEBI Regulations. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.
11. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for 3 (three) additional working days after revision of Price Band subject to a maximum of 10 (ten) working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two widely circulated newspapers (one each in English and Hindi) with wide circulation, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members.
12. The Company in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation, to the Bidders.

Method and Process of bidding

1. Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
2. During the Bidding Period/ issue period, the Bidders including ASBA bidders in specified centres, may approach the Syndicate members to submit their Bid. Every member of the Syndicate shall accept Bids from all Retail Individual clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the syndicate agreement and this RHP.
3. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of



- the Bid price, will become automatically invalid.
4. The Bidder cannot bid on another Bid cum Application Form or ASBA Bid Cum Application after Bids on one Bid cum Application Form or ASBA Bid Cum Application have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled 'Bids at different price levels and Revision of bids'.
 5. The members of the Syndicate will enter each option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum application Form.
 6. Along with the Bid cum Application Form, all Bidders will make payment in the manner as described in this section.
 7. For ASBA Process, please refer section "ASBA Process" on page no. 259 of this Red Herring Prospectus. The ASBA bidders can revise their bids.

Bids at Different Price Levels and Revision of bids

1. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 200,000 may bid at Cut-Off Price. However, bidding at Cut-Off Price is prohibited for QIB, Non-Institutional Bidders bidding in excess of Rs. 200,000 and such bids shall be rejected.
2. Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
3. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 200,000 for Retail Individual Bidders, if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 200,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non- Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.
4. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
5. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
6. During the Bidding/ Issue Period, any bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.



7. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. The Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must complete all the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
8. The Bidder can make this revision any number of times during the Bidding/ Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had place the original Bid.
9. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
10. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of the QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
11. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of revision of the original bid.**

Escrow Mechanism

1. The Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Retail Individual Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Prospectus and an Escrow Agreement. The monies in the Escrow Account of the Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Retail Individual Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with the Company. Payment of refund to the Bidders shall also be made from the Escrow Agreement and this Prospectus.

2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between the Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

For ASBA Process, please refer section “ASBA Process” on page no. 259 of this Prospectus

Terms of Payment and Payment into the Escrow Collection Account

Every retail individual Bidder bidding under the non-ASBA process, shall, with the submission of the Bid-cum-Application Form draw a cheque, demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash shall not be accepted. The maximum bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds whose bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account, lying credited with

Escrow Collection Banks shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date, and no later than 10 working days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had applied for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 10 working days from the Bid Closing Date/Issue Closing Date, failing which the Company shall pay interest @15% per annum for any delay beyond the periods mentioned above.

For ASBA Process, please refer section “ASBA Process” on page no 259 of this Offer Document.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE/NSE. There will be on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
- (b) BSE/NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on an half hourly basis. On the Bid Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for bids registered on the electronic facilities of BSE/NSE will be downloaded on a half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor (Investors should ensure that the name given in the bid cum application form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.)
 - Investor Category –Individual, Corporate, NRI, FII, or Mutual Fund, etc.
 - Numbers of Equity Shares bid for.
 - Bid price.
 - Bid-cum-Application Form number.
 - Whether Margin Amount is made upon submission of Bid-cum-Application Form.
 - Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder’s responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) The BRLM/ member of the Syndicate also have the right to accept the Bid or reject it without assigning any reason, in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds.
- (h) It is to be distinctly understood that the permission given by BSE/NSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or BRLM are cleared or approved by BSE/NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.



- (i) It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by BSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this RHP nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE
- (j) Only bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the Stock Exchanges and the members of the Syndicate, the decision of the BRLM based on the physical records of the Bid cum Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE and NSE mainframe on a regular basis.
- (b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (e) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Prospectus.
- (f) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) In case of discrepancy of data between BSE/NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with the Company.
2. Our Company in consultation with the BRLM, shall finalize the Issue Price, the number of Equity Shares to be allotted in each investor category.
3. The allocation to QIBs will be for atleast 50% of the Issue and the availability for allocation to Non-Institutional and Retail Individual Bidders will be upto 15% and 35% of the Issue respectively, and, would be on proportionate basis, in the manner specified in the SEBI Regulations and this Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. Under-subscription, if any, in Non-Institutional / Retail category would be met with spill over from any other category at the sole discretion of the Company in consultation with the BRLM. However, if the aggregate demand by Mutual Fund is less than [●] Equity Shares, the balance Equity Shares available for



allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders.

5. Allocation to Non-Residents, including Eligible NRI's, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
6. Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
7. The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing with the Designated Stock Exchange

- (a) We, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation/ Allotment to the Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with the Designated Stock Exchange, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the RHP and Prospectus with ROC

The Company will file a copy of the RHP and Prospectus with the Registrar of Companies, Mumbai, situated at The Registrar of Companies, Maharashtra, 100, Everest, Marine Lines, Mumbai-400002 in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956.

Announcement of Pre-Issue Advertisement

Subject to section 66 of the Companies Act, the Company shall after receiving final observation, if any, on RHP from SEBI, publish an advertisement, in the form prescribed by the SEBI Regulations in three widely circulated newspapers (one each in English, Hindi and Marathi).

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by the Company after the filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price along with a table showing the number of Equity Shares to be issued. Any material updates between the date of the RHP and the date of the Prospectus will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that the Allotment of Equity Shares is done within 9 working days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the successful Bidders depository account within 2 working days of the date of allotment.
2. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees.
3. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions:

Do's:

- a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Prospectus;
- b) Read all the instructions carefully and complete the resident Bid-cum-Application Form (white in colour) or Non-Resident Bid-cum-Application Form (blue in colour)



- c) Ensure that the details about Depository Participant PAN and Beneficiary Account are correct, as Allotment of Equity Shares will be in the dematerialized form only. Ensure that the Bids are submitted at the Bidding Centers only on forms bearing stamp of the Syndicate Member;
- d) Investors must ensure that the name given in the Bid cum Application form is exactly the same as the name in which the Depository account is held. In case the Bid cum Application Form is submitted in Joint names, it should be ensured that the Depository account is also held in the same Joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- e) Ensure that you have been given a TRS for all your Bid options;
- f) In case of Bids submitted through ASBA process, ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch of the SCSB;
- g) In case of Bids submitted through the ASBA process, instruct the relevant SCSBs not to release the funds blocked in the ASBA Account in respect of the relevant Bid Amounts until receipt of instructions from the Registrar to the Issue to unblock the Bid Amount, based on finalization of the Basis of Allotment;
- h) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- i) Ensure that the Bid is within the Price Band.
- j) **Each of Bidders should hold valid Permanent Account Number (PAN) allotted under the I.T. Act and mention his/her Permanent Account Number in the application form while bidding for the same. It is to be specifically noted that the bidders should not submitted GIR No. instead of PAN as the bid is liable to be rejected on this ground.**
- k) Ensure that demographic details (as defined herein below) are updated true and correct in all respects.
- l) All QIB Bidders and Non-Institutional Bidders shall apply only through the ASBA process

Don'ts:

- (a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- (b) Do not Bid for lower than minimum Bid size;
- (c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (e) Do not pay Bid amount in cash, money order or by postal order or stock invest.
- (f) Do not Bid at cut off price (for QIB Bidders, Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 200,000);
- (g) Do not forget to tick the Bidder category on the Bid cum Application Form;
- (h) In case of ASBA Bids, do not forget to tick the authorization to the SCSB to block funds in the ASBA Account;
- (i) With respect to ASBA Bids, do not bid if there are inadequate funds in the ASBA Account for enabling the SCSB to block the Bid Amount specified in the ASBA Bid cum Application Form
- (j) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws / regulations.
- (k) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.
- (l) Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground.
- (m) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by QIB.
- (n) Do not revise the bid, in case of bids by an ASBA investor.
- (o) Do not bid through a syndicate member, if you are an ASBA investor, and have already submitted your bid through the designated SCSB. Such bids shall be considered as multiple bids and both the applications are liable to be rejected.
- (p) Do not submit more than five ASBA Bid-cum-Application Forms per bank account (where ASBA applicant is different from ASBA account holder);
- (q) Do not Bid through the Bid-Cum-Application Form meant for categories under which you do not fall

Instructions for completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or revision Forms from the members of Syndicate

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI or FII or foreign venture capital fund registered with SEBI applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Bidders must provide details of valid and active DP ID, BAN and PAN clearly and without error. Invalid accounts/ suspended accounts or where such account is classified as invalid or suspended may not be considered for allotment. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum of Rs. 2,00,000.
- (d) For non institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.
- (e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should also be signed by the account holder as provided in the ASBA Bid cum Application Form.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit to or ECS or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the



Bidders such as address, bank account details for printing on refund orders or giving credit through ECS or Direct Credit and occupation (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Orders/ Allocation Advice/ CANs would be mailed at the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered Societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 lakhs and pension fund with the minimum corpus of Rs. 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.



The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as the Company and the BRLM may deem fit.

Payment Instructions

The Company shall open an Escrow Account of the Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form. The BRLM and Syndicate Member(s) shall also open Escrow Accounts of the Syndicate with one or more of the Escrow Collection Banks for the collection of the margin amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Retail Individual Bidder making application under non-ASBA process shall draw a cheque or demand draft for the amount payable on the Bid as per the following terms:

Payment into Escrow Account to the Issue

1. The Retail Individual Bidders for whom the applicable Margin Amount is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of the Company and submit the same to the member of the Syndicate.
2. The payment instruments for payment into the Escrow Account of the Company should be drawn in favour of:
 - (i) In case of Resident Retail and Resident Non-Institutional Bidders: "Escrow Account – BPML Public Issue - R"
 - (ii) In case of Non-resident Retail and Non-Resident Non-Institutional Bidders: "Escrow Account – BPML Public Issue - NR"
 - (iii) In case of Resident QIB Bidders: "Escrow Account - BPML Public Issue - QIB - R"
 - (iv) In case of Non Resident QIB Bidders: "Escrow Account - BPML Public Issue – QIB - NR"
3. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
4. In case of Bids by FIIs, FVCIs registered with SEBI the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
5. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of the Company.
6. The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders till the Designated Date.
7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
8. On the Designated Date and not later than 10 working days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
9. Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal Orders will not be

accepted.

10. For ASBA Process, please refer section “ASBA Process” on page no. 259

Payment by Stockinvest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock invest will not be accepted.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts shall be submitted to the Members of the Syndicate at the time of submitting the Bid-cum-Application Form. The Members of the Syndicate may at their discretion waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Individuals may make bid in single or joint names (not more than three). In the case of joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form (“First Bidder”). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN / GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
4. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
5. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also father’s / husband’s names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.



The Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

The Bidders or in the case of Bids made in joint names, each of the Bidder, should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Guidelines, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.**

Unique Identification Number – UIN

SEBI, has with effect from July 2, 2007 directed that PAN shall be the sole identification for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Our Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds in case of retail applicants who have made payment by cheque/demand drafts, shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- i. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
- ii. Applications that don't contain the bank account details are liable to be rejected.
- iii. Bank account details (for refund) are not given;
- iv. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- v. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
- vi. PAN not stated;
- vii. GIR number furnished instead of PAN;
- viii. Bids for lower number of Equity Shares than specified for that category of investors;
- ix. Bids at a price less than lower end of the Price Band;
- x. Bids at a price more than the higher end of the Price Band;
- xi. Bids at Cut-off Price by Non-Institutional and QIB Bidders whose Bid Amount exceeds Rs.200,000;
- xii. Bids for number of Equity Shares, which are not in multiples of [●] Category not ticked;
- xiii. Multiple Bids as defined in this Red Herring Prospectus;
- xiv. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- xv. Bids accompanied by Stockinvest/ money order/postal order/cash;
- xvi. Signature of sole and/or joint Bidders missing;
- xvii. Bid cum Application Form does not have the stamp of the BRLM or the Syndicate Members;
- xviii. Bid cum Application Form does not have the Bidder's depository account details;



- xix. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;
- xx. The applicants may note that in case the DP ID & Client ID and PAN mentioned in the application form and entered into the electronic bidding system of the stock exchanges by the syndicate members do not match with the DP ID & Client ID and PAN available in the depository database, the application is liable to be rejected;
- xxi. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- xxii. Bids by QIBs not submitted through members of the Syndicate;
- xxiii. Bids in respect where the Bid cum Application form do not reach the Registrar prior to the finalisation of the basis of allotment;
- xxiv. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- xxv. Bids by OCBs;
- xxvi. Bids by U.S. persons, other than “qualified institutional buyers” as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act; and
- xxvii. Bids by persons outside India if not in compliance with applicable foreign and Indian laws or by any persons who are not eligible to acquire Equity Shares of our Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.
- xxviii. Bids by QIBs and Non-Institutional Bidders made other than through the ASBA process;

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar,

1. An Agreement dated 26th July 2010, with NSDL, our Company and Adroit corporate services Pvt Ltd and
2. An Agreement dated 28th July 2010 with CDSL, our Company and Adroit corporate services Pvt Ltd
3. The ISIN number allotted to the company INE341L01017.

All Bidders can seek allotment only in Dematerialized mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
3. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
8. The trading of Equity Shares of the Company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.



Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Pre-Issue and Post Issue Related Problems

We have appointed Ms. Khyati Mashru as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue-related problems. She can be contacted at the following address:

Birla Pacific Medspa Limited,
1st Floor, Dalamal House,
Nariman Point, Mumbai – 400 021.
Tel: +91-22-2204 5098
Fax: +91-22-2204 7835
Email: complianceofficer@birlapacificmedspa.com

Procedure and Time Schedule for Transfer of Equity Shares

The Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period commences on [●] and closes on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allotment and entitlement to allotment based on the bids received and subject to the confirmation by the Stock Exchange. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Regulations require our Company to complete the allotment to successful bidders within 9 working days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or
- b. otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

We shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) or instructions to Self Certified Syndicate Banks by the Registrar to the Issue, in Application Supported by Blocked Amount process and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 10 working days of the Bid/ Issue Closing Date.

In case of applicants who receive refunds through ECS, direct credit, RTGS or through unblocking the relevant bank accounts, the refund instructions will be given to the clearing system within 10 working days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this



mode within 10 working days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid Closing Date.

In accordance with the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in DEMATERIALIZED form within 9 (nine) working days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 10 (ten) working days of the Bid/Issue Closing Date would be ensured; and
- The Company shall pay interest at 15% (fifteen) per annum for any delay beyond the 10 (ten) day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 10 (ten) working days time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI ICDR Regulations.

Basis of Allotment

1. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares aggregating to Rs [●] at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the aggregate demand in this category is greater than [●] Equity Shares aggregating to Rs [●] at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.

2. For Non Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares aggregating to Rs [●] at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares aggregating to Rs [●] at or above the Issue Price; allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allotment refer below.

3. For QIB Bidders



- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIBs will be made at the issue price.
 - The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
 - The allotment shall be undertaken in the following manner –
- a. In the first instance, allocation to mutual funds for upto 5% of the QIB portion shall be determined as follows-
 - i) In the event that bids from mutual funds exceed 5% of the QIB portion, allocation to mutual funds shall be done on a proportionate basis upto 5% of the QIB portion.
 - ii) In the event that the aggregate demand from mutual funds is less than 5% of QIB portion, then all mutual funds shall get full allotment to the extent of valid bids received above the issue price.
 - iii) Equity Shares remaining unsubscribed, if any, not allocated to mutual funds shall be available to all QIB Bidders as set out in as (b) below;
 - b. In the second instance, allocation to all QIBs shall be determined as follows –
 - i) In the event that the over subscription in the QIB portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion.
 - ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of equity shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - iii) Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Under-subscription, if any, in Non Institutional and Retail Individual category would be allowed to be met with spillover from any other category at the sole discretion of our company and the BRLM.

Method of Proportionate Basis of Allocation

In the event of the issue being over-subscribed, the Company shall finalise the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrars to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner. Allotment to the Bidders shall be made in the marketable lots on a proportionate basis as explained below.

- a. Bidders will be categorized according to the number of Equity Shares applied for by them.
- b. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c. Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, being the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d. If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- e. In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

- f. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

PAYMENT OF REFUND

Retail individual Applicants making bids under the non-ASBA process should note that on the basis of name of the Applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the applicants bank account details including nine digit MICR code. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to applicants at his/her sole risk and neither the Lead Manager to the Issue nor the Bank shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

I. ECS - Payment of refund shall be undertaken through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakhpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the abovementioned 68 centers.

II. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Bank.

III. RTGS – Applicants having a bank account at any of the above mentioned fifteen centers and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Bank. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

IV. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Whenever the applicants have registered their nine digit MICR number and their bank account number while opening and



operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

V. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received.

Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit of Equity Shares to the beneficiary account with depository participants within 2 working days of finalisation of the basis of allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall dispatch refund orders, if any, of value upto Rs. 1,500 by “Under Certificate of Posting”, and will dispatch refund orders above Rs. 1,500, if any, by registered post only at the sole or first Bidder’s sole risk within 10 working days of the Bid / Issue Closing date and adequate funds for the purpose shall be made available to the Registrars by our Company. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through “Under Certificate of Posting” within 10 working days of closure of issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

The Company shall ensure dispatch of refund orders / refund advice, if any, by registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the First Bidder’s sole risk within 10 working days of the Bid / Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode (s) disclosed shall be made available to the Registrars by the Company.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company undertakes that:

- Allotment shall be made only in dematerialized form within 9 working days from the Bid/Issue Closing Date;
- **Dispatch of refund orders:** Refunds will be done within 10 working days from the Bid / Issue Closing Date at the sole or First Bidder’s sole risk. The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrars to the Issue; and

Interest in case of delay in dispatch of allotment letters / refund orders: The Company agrees that allotment of securities offered to the public shall be made not later than 9 working days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 10 working days from the date of the closure of the issue.

The Company will provide adequate funds to the Registrars to the Issue for making refunds to unsuccessful applicants as per the mode disclosed under “mode of making refunds” appearing in ‘Issue procedure’ beginning on page 236 of this RHP.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic

manner as described above. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the bidders.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this RHP. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Form, please refer the abovementioned SEBI website.

ASBA Process

An ASBA investor, intending to subscribe to a public issue, shall submit a completed ASBA form to a Self Certified Syndicate Bank (SCSB), with whom the bank account to be blocked, is maintained, through one of the following modes -

- i) Submit the form physically with the Designated Branches (DBs) of the SCSB (“Physical ASBA”);
- or
- ii) Submit the form electronically through the internet banking facility offered by the SCSB (“Electronic ASBA”).
- iii) Submit the form physically with a member of the Syndicate at specified centres

The SCSB shall give an acknowledgement by giving the counter foil or specifying the application number to the ASBA investor, as a proof of having accepted his/ her ASBA, in a physical or electronic mode respectively.

If the bank account specified in the ASBA does not have sufficient credit balance to meet the application money, the ASBA shall be rejected by the SCSB.

i) After accepting a Physical ASBA, the SCSB shall block funds available in the bank account specified in the Physical ASBA, to the extent of the application money specified in the ASBA. The SCSB shall then capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) for a particular issue.

ii) In case of an Electronic ASBA, the ASBA investor himself/ herself shall fill in all the relevant details, except the application number which shall be system generated. The SCSB shall thereafter upload all the details specified by the stock exchange(s).

The SCSB (Controlling Branch (CB) or DBs) shall provide Transaction Registration Slip(s)/ Order number(s), confirming upload of ASBA details in the electronic bidding system of the stock exchange. The Transaction Registration Slip(s)/ Order number(s) shall be provided to the ASBA investor as a proof of uploading the details of ASBA, only on demand.

In case an ASBA investor wants to withdraw his/ her ASBA during the bidding/ offer period, he/ she shall submit his/ her withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the stock exchange(s) and unblocking of funds in the relevant bank account.

Stock exchange to allow SCSBs to undertake modification of selected fields in the bid details already uploaded Registrar to get the electronic bid details from the stock exchanges at the end of the day.

The SCSB shall send investor category-wise the following aggregate information as per the format specified by the Registrar to the issue, to the registrar:

- (i) Total number of ASBAs uploaded by the SCSB
- (ii) Total number of shares and total amount blocked against the uploaded ASBAs..

The Registrar shall reconcile the compiled data received from the stock exchange(s) and all SCSBs (hereinafter referred to as the “reconciled data”).

The registrar shall then match the reconciled data with the depositories’ database for correctness of DP ID, Client ID and PAN. In case any DP ID, Client ID or PAN mentioned in the bid file for ASBAs does not match with the one available in the depositories’ database, such ASBA shall be rejected by the registrar.

In case an ASBA investor wants to withdraw his/her ASBA after the bid closing date, he/she shall submit the withdrawal request to the registrar. The registrar shall delete the withdrawn bid from the bid file.

The registrar shall reject multiple ASBAs determined as such, based on common PAN.

The registrar shall finalise the basis of allotment and submit it to the Designated Stock Exchange for approval.

Once the basis of allotment is approved by the Designated Stock Exchange, the registrar shall provide the following details to the CB of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the issuer’s account designated for this purpose, within the timelines specified in the ASBA facility:

- (i) Number of shares to be allotted against each valid ASBA
- (ii) Amount to be transferred from the relevant bank account to the issuer’s account designated for this purpose, for each valid ASBA
- (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the issuer’s account designated for this purpose.
- (iv) Details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts.

SCSBs shall unblock the relevant bank accounts for:

- (i) Transfer of requisite money to the issuer’s account designated for this purpose against each valid ASBA.
- (ii) Withdrawn/ rejected/ unsuccessful ASBAs.

The CB of each SCSB shall confirm the transfer of requisite money against each successful ASBA to the Registrar to the Issue.

SEBI vide its circular dated April 29, 2011 has authorized ASBA facility through Syndicate/sub-syndicate member to commence with the bidding centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat. The Syndicate/Sub-syndicate members located in the abovementioned centres shall accept ASBA forms. Before accepting such ASBA forms, the syndicate/sub-syndicate members shall satisfy themselves that the SCSBs whose name has been filled in the ASBA form has named a branch in that centre to accept ASBA form. All the SCSBs which are providing ASBA facility in any of the above mentioned centers are required to name atleast one branch where syndicate/sub-syndicate members can submit the ASBA forms. In case of ASBA bids made through members of Syndicate, the indicative process would be as under:

- a. Investor submits a completed bid-cum application form indicating the mode of payment option as ASBA to Syndicate member;
- b. Syndicate member shall give an acknowledgement by giving the counter foil as proof of having accepted the application;
- c. Syndicate member shall upload bid details in the electronic system of stock exchanges



- d. Syndicate members shall forward a schedule containing application number and amount alongwith application forms to the branch named for Syndicate ASBA of the respective SCSBs for blocking of funds
- e. SCSBs shall block funds in the respective accounts.

Who can Bid?

As per SEBI Circular no.CIR/CFD/DIL/2/2010 dated April 06, 2010 the reach of ASBA has now been extended to all categories of investors. ***By a Circular dated April 29, 2011 bearing no. CIR/CFD/DIL/1/2011, issued by SEBI, all QIB Bidders and Non-Institutional Bidders can apply only through the ASBA process.***

Maximum and Minimum Bid Size for ASBA Bidders

c) For Retail Individual Bidders: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs.200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 200,000. In case the Bid Price is over Rs. 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

d) For Other Bidders (Non-Institutional Bidders and QIBs): The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Net Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under the existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay 100% of the bid amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non- Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allotment under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-Off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the ASBA Bidders:

- The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA form to the SCSB's and the SCSB's will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSB's are provided with soft copies of the abridged prospectus and the ASBA form and that the same are made available on the websites of the SCSB's
- ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA form can obtain the same from the Designated Branches of the SCSB's, or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA form in electronic form on the websites of the SCSB's.
- The Bids should be submitted on the prescribed ASBA form if applied in physical mode. SCSB's may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- ASBA forms should bear the stamp of the Syndicate Member and/or Designated Branch of the SCSB.



- ASBA Bidders shall correctly mention the bank account number in the ASBA form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch.
- If the ASBA Account holder is different from the ASBA Bidder, the ASBA form should be signed by the account holder as provided in the ASBA form.
- ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA form.

Mode of Payment

Upon submission of an ASBA form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB. Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSB's

Electronic Registration of Bids

- (a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.
- (b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.
- (c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLMs, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) the Bids accepted by the Syndicate Members and the SCSBs,
 - (ii) the Bids uploaded by the Syndicate Members and the SCSBs,
 - (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or
 - (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts.
 However, the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.
- (d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder:
- Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Cheque Details.
- Bid cum Application Form number.
- DP ID and client identification number of the beneficiary account of the Bidder.
- PAN.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the online system:

- Name of the Bidder(s);
- Application Number;
- PAN (of First Bidder, in case of more than one Bidder);
- Investor Category and Sub-Category:

Retail (No sub category)	Non-Institutional	QIB
	<ul style="list-style-type: none"> • Individual • corporate • other 	<ul style="list-style-type: none"> • Mutual Funds • Financial Institutions • Insurance companies • FIIs other than corporate and individual sub-accounts

- Employee/shareholder (if reservation);
- DP ID and client identification number;
- Beneficiary account number of Equity Shares Bid for;
- Quantity;
- Bid Amount;
- Bank account number;

(g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Syndicate or our Company.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders, only the BRLMs and their Affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, Bids will be rejected on technical grounds. The Members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.



(j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify the information uploaded in the online IPO system during the Bid/Issue Period after which the date will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of any discrepancy of data between the BSE or the NSE and the Members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLMs and the Registrar, based on the physical records of Bid Cum Application Forms shall be final and binding on all concerned. If the Syndicate Member finds any discrepancy in the DP name, DP Id and the Client Id, the Syndicate Member will correct the same and send the data to the Registrar for reconciliation and Allotment of Equity Shares.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation and a regional language newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSB's shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 9 working days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialized form to the allottees. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS



Do's:

- a. Check if you are eligible to Bid under ASBA process.
- b. Ensure that you use the ASBA form specified for the purposes of ASBA process.
- c. Read all the instructions carefully and complete the ASBA form.
- d. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.
- e. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM.
- f. Ensure that the ASBA form is signed by the account holder in case the applicant is not the account holder.
- g. Ensure that you have mentioned the correct bank account No. in the ASBA form.
- h. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in ASBA account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch of the SCSB.
- i. Ensure that you have correctly checked the authorisation box in the ASBA form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA form in your ASBA Account maintained with a branch of the concerned SCSB.
- j. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA form.
- k. Ensure that you have mentioned your Permanent Account Number (PAN) allotted under the I.T. Act.
- l. Ensure that the name(s) and PAN given in the ASBA form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA form.
- m. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- a. Do not Bid for lower than the minimum Bid size.
- b. Do not Bid on another ASBA or Non-ASBA form after you have submitted.
- c. Submit the Bid to a Designated Branch of the SCSB.
- d. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSB's, shall not be accepted under the ASBA process.
- e. Do not send your physical ASBA form by post; instead submit the same to Designated Branch of the SCSB only.
- f. Do not mention the GIR number instead of the PAN Number.
- g. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- Made only in the prescribed ASBA form, if submitted in physical mode, or electronic mode.
- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA form.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidders depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY



PARTICIPANTS NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME AND PAN GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA form, the ASBA Bidder is deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSB's, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected. ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA form. Failing this, our Company, in consultation with and BRLM, reserves the right to reject such ASBA Bids. Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account. In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of the Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Right to Reject ASBA Bids

The Designated Branches of the SCSB's shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

1. In addition to the grounds listed under Grounds for Technical Rejection, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:
2. Amount mentioned in the ASBA form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
4. PAN not stated, or GIR number furnished instead of PAN. See Issue Procedure on page no. 236;
5. Bids for number of Equity Shares, which are not in multiples of [●];
6. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
7. Multiple Bids as defined in the Red Herring Prospectus;
8. In case of Bid under power of attorney, relevant documents are not submitted;
9. Signature of sole and/or joint Bidders missing in case of ASBA forms submitted in physical mode;
10. ASBA form does not have the stamp of the SCSB and/or a member of the Syndicate;
11. ASBA form does not have the Bidder's depository account details;
12. ASBA form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA form and the Red Herring Prospectus;
13. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA form at the time of blocking such Bid Amount in the ASBA Account;
14. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), PAN, the DP ID and the beneficiary account number; and
15. If the ASBA Bid in the Issue is revised. Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number in which the amount equivalent to the Bid amount was blocked. The Registrar to the Issue shall obtain the required information from the SCSB's for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The



Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSB's including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Basis of Allotment

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section **Issue Procedure- Basis of Allotment** on page no.255 of this RHP.

UNDERTAKING BY THE COMPANY

Our Company undertake as follows:

- (a) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- (b) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchange where the Equity Shares are proposed to be listed within three working days of finalisation of the basis of allotment;
- (c) that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Mode of Making Refunds" in the section "Issue procedure" on page no. 236 of this Prospectus shall be made available to the Registrar to the Issue by our Company;
- (d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 working days of closure of Issue, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
- (e) that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time;
- (f) that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment; and
- (g) that no further Issue of Equity Shares shall be made until the Equity Shares Issued through this Prospectus are listed or until the Bid Money's are refunded on account of non-listing, under subscription etc.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors of the Company certifies that:

- (a) All monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) Details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in its balance sheet indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilised monies have been invested;
- (d) Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign



investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals. Investors making a bid in response to the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribe to the Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLM, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of our Company.

Subscription by NRIs/FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Resident, NRI and FII applicants will be treated on the same basis as other categories for the purpose of allocation. As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or the requirements of the Investment Company Act.

Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are both "qualified institutional buyers", as defined in Rule 144A of the Securities Act and "qualified purchasers" as defined under the Investment Company Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company (i.e., 10% of [●] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

The above information is given for the benefit of the Bidders. The Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However we shall update Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION XI - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

We have submitted the Articles of Association to the Stock Exchanges and we may be required to amend the Articles of Association, if so required by the Stock Exchanges. The main provisions of our Articles of Association, as submitted to the Stock Exchanges for their approval are as follows:

Pursuant to Schedule II of the Companies Act and the SEBI ICDR, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and debentures and/or their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

VOTES OF MEMBERS

84. Votes of Members

- (i) On a show of hands every member present in person and being a holder of equity shares shall have one vote and every person present either as a proxy on behalf of a holder of equity shares or as a duly authorised representative of a body corporate being a holder of equity shares, if he is not entitled to vote in his own right shall have one vote.
- (ii) On a poll the voting rights of a holder of equity shares shall be as specified in Section 87 of the Act.
- (iii) The voting rights of the holders of the Preference Shares including the Redeemable Cumulative Preference Shares shall be in accordance with the provisions of Section 87 of the Act.
- (iv) No Company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under Section 187 of the Act is in-force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

85. Vote in respect of deceased, insolvent & insane members

A person becoming entitled to a share shall not, before being registered as member in respect of the share, be entitled to exercise in respect thereof any rights conferred by membership in relation to meetings of the company.

If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee, or other legal curator and such last mentioned persons may give their votes by proxy provided that at least twenty four hours before the time of holding the meeting or adjourned meeting, as the case may be, at which any such, person proposes to vote, he shall satisfy the Board of his rights under this Article and the Board shall have previously admitted his right to vote at such meeting in respect thereof.

86. Joint holders

Where there are joint holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy then that one of such joint holders so present whose name stands prior in order on the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or Administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holder thereof.



87. Proxy

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a corporation under its Common Seal or the hand of its Attorney.

88. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarized certified copy of that power of authority shall be deposited at the office of the Company not less than forty eight hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote and in default thereof the instrument of proxy shall not be treated as valid.

89. When vote by proxy through authority revoked

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given. Provided that no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office of the Company or by the Chairman of the meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion thinks fit for the due execution of an instrument of proxy and that the same has not been revoked.

90. Form of Proxy

Every instrument appointing a proxy shall, as nearly as the circumstances may admit, be in the form set out in Schedule IX to the Act.

91. Objection to vote

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting, shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

92. Restrictions of voting

No member shall be entitled to exercise any voting rights either personally or by proxy at any Meeting of Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

- 92A. The Company will be managed by a team of professionals independent of either Party, under the supervision of the Board, constituted in accordance with the These Articles. The management policy of the Company in the ordinary course of its business shall be determined by the Board from time to time.

FORFEITURE AND LIEN

23. Notice may be given at calls or installments not paid

If any Member fails to pay any call or installment on or before the day appointed for the payment of the same Directors may at any time thereafter during such time as the call or installment remains unpaid, subject to the approval of the Company in the general meeting, serve a notice on such member requiring him to pay the same together with any interest that

may have accrued and expenses that may have been incurred by the Company by reasons of such non-payment.

24. Length of notice

The notice shall name a day (not being less than 21 days from the date of the Notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place or places appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

25. If notice not complied with shares may be forfeited

If the requirement of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture.

26. Notice after forfeiture

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an 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 commission or neglect to give such notice or to make entry as aforesaid.

27. Forfeited share property of the Company

Any share so forfeited shall be deemed to be the property of the Company and the Directors may sell re-allot or otherwise dispose of the same in such manner they think fit.

28. Power to annul the forfeiture

The Directors may, at any time before any share so forfeited is sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon conditions as they think fit.

29. Arrears to be paid notwithstanding forfeiture

Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and the expenses, owing upon or in respect of such shares at the time of forfeiture together with interest thereupon, from the time of the forfeiture until payment at 12 percent per annum such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction of allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so. The liability of the ex-shareholder will be only upto the amount not paid by the purchaser.

30. Effect of forfeiture

The forfeiture of a share shall involve the extinction at the time of the forfeiture, of all interest in and also of all claims and demands against the Company in respect of the shares forfeited, and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.



31. **Evidence of forfeiture**

A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited 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 and the receipt of the Company for the consideration of any, given for the shares on the sale or disposition thereof, shall constitute a given title to such shares.

32. **Company's lien on shares**

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (which solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interests in any share shall be created except upon the footing and condition that Article 9 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed registration of a transfer of shares shall operate as a waiver of the Company's Lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

33. **Intention as to enforcing lien**

For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell have served on such member, his committee, curator bonis or other person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such party of the amount in respect of which the lien exists as is presently payable by such member, and the residue (if any) paid to such member his executors, administrators, or other representative's or person so recognised as aforesaid.

34. **Validity of shares**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been entered in the register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Such person to whom such shares is sold, re-allotted or disposed of may not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the company prior (to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

35. **Power to issue new certificate**

Where any shares under the powers in that behalf herein contained are sold by the Director and the certificate thereof has not been delivered to the Company by the former holder of the said shares the Director may issue new certificate in lieu of certificate not so delivered.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

36. Form of transfer

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, and/or any statutory modification thereof for the time being shall be duly complied with in the respect of all transfers of shares and registration thereof.

37. Application for transfer

Application for the registration of the transfer of a share may be made either by the transferee or the transferor provided that, where such application is made by the transferor, no registration shall, in the case of partly paid shares be effected unless the Company has given notice of the application to the transferee in the manner prescribed by the Act and, subject to the provisions of any of relevant Articles hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

38. Notice of transfer to registered holder

Before registering any transfer tendered for registration the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within seven days from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.

39. Register of Transfer

The Company shall keep a "Register of Transfers" and therein fairly and distinctly enter particulars of every transfer of any shares.

40. Power to refuse any transfer

The Board may refuse any transfer or transmission of any shares or interest of a member in or debentures of the Company. In case of such refusal, the Board shall, within two months from the date of such application for transfer or transmission, send notice of refusal to the transferee and transferor or to person giving intimation of such transmission as the case may be, giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever except a lien on the shares.

41. No transfer to minor etc.

- (a) No transfer shall be made to minor or person of unsound mind.
- (b) No fee shall be charged for registration of transfer, grant of probate, grant of letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments.



42. When instruments of transfer to be retained

All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instrument of transfer shall be returned to the person who lodges the transfer deeds.

43. Notice of such refusal to register

If the Directors refuse to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer notice of such refusal giving reasons for refusal.

44. Power to close transfer books and Register of Members

On giving seven days' notice by advertisement in a newspaper circulating in the District in which the Registered Office of the Company is situated the Register of Members and share transfer register may be closed during such time as the Directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time. The Directors may in consultation with Stock Exchange(s) fix a day as a record date in case of Bonus, Rights issue and interim dividend.

45. Transmission

The executors or administrators or the holder of a succession certificate in respect of shares of deceased member (not being one of several joint-holders) shall be the only person whom the Company shall recognize as having any title to the share registered in the name of such member and in case of the death of any one or more of the joint-holders of any registered shares, the survivors shall be the only persons recognized by the Company as having any title to or interest in such share but nothing herein 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. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares, the Company may require him to obtain a grant of probate or letters of administration or succession certificate, or other legal representation as the case may be from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

46. Transfer of shares of deceased or insolvent member

Any person becoming entitled to or to transfer shares in consequence the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act this Article or of his title as the Directors think sufficient, may with the sent of the Directors (which they shall not be under any obligation to be registered as member in respect of such shares or may subject to regulations as to transfer herein before contained transfer such This Article is hereinafter referred to as "The Transmission Article". to any other provisions of these Articles, if the person so become entitled to shares under this or the last proceeding Article shall elect registered as a member in respect of the share, himself he shall deity send, to the Company a notice in writing signed by him stating that elects. If he shall elect to transfer to some other person he shall executive instrument of transfer in accordance with the provisions of these Articles relating to the transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registry of transfers of shares shall be applicable to any such notice or transfer aforesaid.

47. Right of executors and trustees

Subject to any other provisions of these Articles if the Directors in their sole discretion are satisfied, in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other moneys payable in respect of the share.

DIVIDENDS

132. Divisible Profits

Subject to rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company from time to time determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid provided always that subject as aforesaid any capital paid-up on a share during any portions in respect of which dividend is declared shall (unless the Board otherwise determines on the terms of issue otherwise provide, as the case may be), only entitled the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profit.

133. Declaration of dividend

The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interests in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

134. Restriction on amount

No larger dividend shall be declared than as recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

135. Dividends out of profit only

No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.

136. The declaration of the Directors as to the amount of the net profits of the Company for any year shall be conclusive.

137. Interim dividend

The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

138. Debts may be deducted

The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists subject to Section 205-A of the Act.

139. Dividend and call together

Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes 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 member, be set off against the call.

140. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

141. Retention in certain cases

Where any instrument of transfer of shares has been delivered to the company for registration and the transfer of such shares has not been registered by the Company it shall notwithstanding anything contained in any other provisions of the Act and to clause 140 hereof:

- (a) Transfer the dividend in relation to such shares to the special account referred to in Section 205 A of the Act unless the Company is authorised by the registered holder of such share in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) Keeping abeyance in relation to such shares any offer or right shares under clause (a) of sub-section (1) of Section 81 of the Act and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

142. Dividend to joint holder

Any one of the several persons who are registered as joint-holders of any amount of dividends in respect of such shares.

143. Payment by post

Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint-holding or to such person and such address and the member or person entitled or such joint-holders as the case may be, may direct and every cheque or warrant so sent shall be made payable to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holder as the case may be may direct.

144. When payment a good discharge

The payment of every cheque or warrant sent under the provisions of the last preceding Articles shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend, warrant or postal money order which shall be sent by post to any members or by his order to any other person in respect of any dividend.

No unclaimed dividend shall be forfeited by the Board and the Company shall comply with all the provisions of Section 205-A of the Act, in respect of an / unclaimed or unpaid dividend.

144A. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

MODIFICATION OF RIGHTS

55. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be carried with consent in writing of the holders of three fourths 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 share of that class. To every such separate meeting the provisions of these Articles, relating to General Meeting shall apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the Issued shares of the class, but so that if at any adjourned meeting of such holders of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the registrar.

SHARE CERTIFICATE

10. The certificate of title to shares shall be issued under the Seal of the Company.

11. **Member's right to certificate**

Every member shall be entitled free of charge to one certificate for all the share of each class registered to his name or, if any member so wishes to \ several certificates each for one or more of such shares, but in respect of each additional certificate which does not comprise shares in lots of market units or trading, the Board may charge a sum as the Board may determine. Unless the conditions of issue of any shares otherwise provide, the Company shall either within three months after the date of allotment and on surrender to the Company of its letter making the allotment of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in the case of issue of bonus shares) or within one month of receipt of the application, for registration of the transfer, sub-division, consolidation, renewal or exchange of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set In the Companies (Issue of Share Certificates) Rules, 1960,

12. (i) Issue of new certificate: If any certificate of any share/shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, on or old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilized, then upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof, and any certificate be lost or destroyed them, upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof, shall be given to party entitled to the share to which such lost or destroyed certificate relates. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case of certificate issued in place of one which has been lost or destroyed, the word 'duplicate' shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of Pocket expenses incurred by the Company in investigating evidence as the Board may determine.

(ii) Fees on subdivision of shares, issue of new certificate: No fee shall be charged for sub-division and consolidation of share and debenture certificate and for sub-division of letter of allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for subdivision of renounceable letters of rights, for issue of new certificates in replacement of those which are old decrepit or worn out. or where

the cages on the reverse for recording transfers have been fully utilised., Provided that the Company may charge such fees as may be agreed by it with the stock exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed and for sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

(iii) Notwithstanding anything contained in the Articles, unless otherwise resolved by the Board, no request for sub-division or consolidation of Equity Share Certificates into denominations of less than 100 Equity Shares shall be accepted except when such sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent court of law.

(iv) Without in any way derogating from the powers conferred on the Board by these Articles, the Board shall be entitled to refuse an application for transfer of less than 100 Equity Shares of the Company, subject however to the following exceptions:

(a) Transfer of Equity Shares made in pursuance of any provision of law or a statutory order of a competent court of law

(b) Transfer of not less than 100 Equity Shares in the aggregate in favour of the same transferee under two or more transfer deeds, out of which one or more relate to the transfer of less than 100 Equity Shares, provided that where a person is holding Equity Shares in lots higher than the market trading unit and sells the market trading unit the remaining Equity Shares even though less than 100 in number shall be permissible to stand in his own name.

(c) Transfer of entire Equity Shares of the existing member holding less than 100 Equity Shares to one or more transferees whose holding in the Company will be less than 100 Equity Shares after the said transfer.

(d) Transfer of Equity Shares made at the discretion of the Directors under special circumstances, which are less than 100 to avoid undue hardship in genuine cases.

DEMATERIALISATION OF SECURITIES

13. (a) For the purposes of this Article, unless the context otherwise requires:

“Beneficial owner” means a person whose name is recorded as such a depository;

“SEBI Board” means the Securities and Exchange Board of India;

“Bye-laws” means bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

“Depositories Act” means the Depositories Act, 1996 (22 of 1996) including any statutory modification or re-enactment thereof for the time being in force;

“Depository” means a company formed and registered under the Companies Act, 1956 (1 of 1956)-and which has been granted a certificate of registration under sub-section (1 A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 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 regulations made by the SEBI Board;

“Regulations” means the regulations made by the SEBI Board;

“Security” means such security as may be specified by the SEBI Board.

- (b) Notwithstanding anything contained in these Articles of Association the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996, including any statutory modifications or re-enactment thereof and to offer for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of members with details of members holding shares both material and dematerialised form(s) in any media as permitted by law including any form electronic media.

(c) Dematerialization of securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

(d) Option to receive the security certificates or hold securities with a depository

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.

Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.

(e) Securities in depository to be in a fungible form

All securities held by a depository shall be dematerialised and shall be in a fungible form.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C, 372 and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial-owners.

- (f) (i) Right of depositories and beneficial owners: Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (iii) Every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.

(g) Depository to furnish information

Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

(h) Option to opt out in respect of any security

If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly. The depository shall on receipt of intimations above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of intimation from the 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 of the transferee as the case may be.

(i) Section 83 and Section 108 of the Act not to apply:

Notwithstanding anything to the contrary contained in the Articles.

- i. Section 83 of the Act shall not apply to the shares held with a depository.
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transfer and the transferee both of whom are entered as beneficial owners in the records of a depository

(j) Register and index of beneficial owners

The Register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act shall be deemed to be an index of Members and Register and index of Debenture holders as the case may be for the purposes of the Act.

SHARES

3. Share Capital

The Authorised Share Capital of the Company shall be in accordance with the Clause 5 of the Memorandum of Association of the Company from time to time with power to increase or reduce the share capital of the Company and to divide the share capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

- 3A. Both the parties with the respective affiliates will at all times hold shares, directly or indirectly equally and in equal proportion in the total paid up share capital of the Company, except if any party refuses to subscribe to the shares offered to that party by the Company.

4. Redeemable Preference Shares

The Company shall have power to issue Preference Shares 'carrying a right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of Sections 80 and 80A of the Act, exercise such power in such manner as it thinks fit.

5. Shares under control of Directors

Subject to the provisions of these Articles the Shares shall be under the control of the Directors who may allot or otherwise dispose of the same on such terms and conditions, and at such time



as the Directors think fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company in its formation or otherwise, provided that where the Directors decide to increase the issued capital of the Company by the issue of further shares, the provisions of Section 81 of the Act, will be complied with.

Provided further that the option or right to call of share shall not be given to any person except with the sanction of the Company in General Meeting.

6. Further Issue & Allotment of Shares

(A) Where the board decides to increase the subscribed capital of the Company by allotment of further shares then, unless the requirements of Section 81 (IA) of the Act are complied with:

- (i) Such further shares shall be offered to the persons who on 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 that date;
- (ii) The offer aforesaid shall be made by the notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to be declined;
- (iii) After the expiry of the time specified in the notice aforesaid or on receipt of earlier information 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 the Board thinks most beneficial to the company;
- (iv) 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 person, subject to such person being approved by the Board.

(B) Whenever any shares are to be offered to the members including shares issued on conversion of debentures or loans the Board may dispose of any shares, which by reason of the proportion borne by them to the number of persons entitled to such offer or by reason of any other difficulty In apportioning the same, cannot in the opinion of the Board be conveniently offered to the members in such manner as the thinks beneficial to the company.

(C) Nothing In these Articles shall apply to the increase of the subscribed capital of the company caused by exercise of option attached to the debentures Issued or loans raised by the company to convert such debentures or loans into shares in the company or to subscribe for shares in the company provided that the terms of issue of such debentures or loans which include a term providing for an option to convert the debentures or loans into shares or to subscribe for shares in the company and such terms:

- (i) Have been approved by a Special Resolution of the Company before the issue of the debentures or the raising of the loans, and also;
- (ii) Either it has been approved by the Central Government before the issue of debentures or raising of the loans, or is in conformity with the rules, if any, made by the government in this behalf.

7. Issue of shares at discount

- (A) Subject to the provisions of Section 79 of the Act, it shall be lawful for the Company to issue at a discount shares of a class already issued.

Issue of sweat Equity Shares

- (B) (a) Notwithstanding anything contained in Section 79, the Company may issue Sweat Equity Shares of a class of shares already issued if the following conditions are fulfilled, namely:

(i) the issue of Sweat Equity Shares is authorised by a Special Resolution passed by the company in the General Meeting;

(ii) the Resolution specifying the number of shares, current market price, consideration, if any, and the class or classes of Director(s) or Employees to whom such Equity Shares are to be issued;

(iii) the Sweat Equity Shares of the Company are issued in accordance with the Regulations made by the Securities and Exchange Board of India in this behalf:

Explanation:- “Sweat Equity Shares” means Equity Shares issued by the Company to Employees or Directors at a discount or for consideration other than cash for providing know-how or making available right in the nature of Intellectual Property Rights or Value Additions, by whatever name called.

(b) All the limitations, restrictions and provisions relating to Equity Shares shall be applicable to such sweat Equity Shares issued under sub clause (a) hereinabove.

8. (A) The Company may subject to compliance with the provisions Section 76 of the Act, exercise the power of paying underwriting commission and brokerage on the issue of shares, debentures and any other securities, to any person in consideration of:

(i) His subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures, any other securities of the company,
OR

(ii) His procuring or agreeing to procure subscriptions whether absolutely or conditionally, for any shares in, or debentures of security of the company.

- (B) Such underwriting commission and/or brokerage shall be per as per Securities Contracts (Regulation) Rules. 1957, promulgated by Government under the Securities Contracts (Regulation) Act, 1956.

- (C) The Company shall have power to buy its own securities as provided in Section 77A as introduced by the Companies (Amendment) Act 1999 and/or guidelines issued by SEBI and/or such other appropriate authorities (including any statutory modifications or enactment thereunder). In the event of non-compliance of provisions of Section 77A or other applicable provisions-, if any, of the Companies Act, 1956 and/or SEBI Guidelines and/or guidelines/notification order issued any other appropriate/ conserved Authorities, the Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in accordance with sections 100 to 104 or section 402 or other applicable provisions (if any) of the Act.

9. **Trust not recognized**

Save as herein provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of Competent Jurisdiction or as by law required, be bound to recognise any trust, benami or equitable or other claim to or interest in such shares on any fractional part of a share whether or not it shall have express or other notice thereof.

JOINT HOLDERS OF SHARES

14. Where two or more persons are registered as holders of any share they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to the provisions following and to the other provisions of these

Articles relating to joint-holders :

- (a) The Company shall not be bound to register more than four persons as the joint-holders of any shares.
- (b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payments which thought to be made in respect of such share.
- (c) On the death of any of such joint-holders the survivor or survivors shall be the only person/persons recognised by the Company having any title to or interest in such shares but the Board may require such evidence of death as it may deem fit.
- (d) Only the person whose name stands first in the Register as on the joint-holders of any share shall be entitled to delivery of the certificate relating to such shares.

CALLS

15. **Calls**

The Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon its Members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable; fixed times, and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board

16. **When call deemed to have been made**

A call shall be deemed to have been made at time when the resolution of the Directors authorising such call was passed at a meeting of the Directors.

17. **Notice of calls**

Not less than 15 days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid provided that before the time for payment of such call the Directors may by notice in writing to the members, revoke the same.

18. **Amount payable**

If by the terms of issue of any shares or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by installments at fixed times, every such amount or issued price or installment thereof shall be payable as if it were a call duly made by Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or installments accordingly.



19. Interest to be charged on non payment of calls

If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installments shall be due, shall pay interest for the same at the rate of 18 percent per annum, from the day appointed for the payment thereof to the actual payment or at such other rate as may be decided by the Board.

20. Extention of the time for the payment of call

The Directors may from time to time at their discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the shareholders who for residence or any other cause, the Directors may deem fairly entitled to such extension but no shareholder shall be entitled to such extension save as a matter of grace and favour.

21. Evidence in actions by company against shareholder

On the trial or hearing of any action or suit brought by the Company against any Member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose, on the Register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the Appointment of the Directors who made any call not that a quorum of Directors was present at the meeting at which any call was made not that such meeting was duly convened or constituted, not any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

22. Payment of calls in advance

The Board may if it thinks fit, receive from any Member willing to advance the same, all or any part of the money due upon the share held by him beyond 'the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of calls made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, 6per cent per annum as the Member paying such sums as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three months notice in writing.

48. NOMINATION OF SHARES

(a) Every holder of shares in, 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 vest in the event of his death.

(b) 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 vest in the event of death of all the joint holders.

(c) Notwithstanding anything 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 holder of debentures of, the Company or, as the case may be, on the death of the joint holders thereof become entitled to all the rights to the shares in or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares, or debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make a nomination 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, during the minority.

49.

TRANSMISSION OF SHARES

(a) Any person who becomes a nominee by virtue of the provision of section 109-A of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, may elect, either:

i. to be registered himself as holder of the share or debenture, as the case may be; or

ii. to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder, as the case may be, could have made.

(b) If the person being a nominee, so becoming entitled, elects to be registered as the holder of the share or debenture, himself, 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 the death Certificate of the deceased shareholder or debentureholder, as the case may be.

(c) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice of transfer as aforesaid as if the death of the member had not occurred and the notice of transfer were a transfer signed by that shareholder or debenture-holder, as the case may be.

(d) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the 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 as a member in respect of his share or debenture, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer share or debenture, and if the notice is not complied with within ninety days from the receipt thereof, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

SHARE WARRANTS

50.

Power to issue share warrants

Subject to the provisions of Sections 114 and 115 of the Act and subject to any directions which may be given by the Company in General Meeting the Board may issue share warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue Regulations 40 to 43 of Table 'A' in Schedule I to the Act. shall apply.

51.

The Company may exercise the power of conversion of its shares into stock and reconvert any stock into paid-up shares of any denomination, in that case Regulations 37 to 39 of Table 'A' in Schedule I to the Act shall apply.

ALTERATION OF CAPITAL

52. **Power to sub-divide & consolidate**

The Company may by ordinary resolution from time to time alter the condition of the Memorandum of Association as follows :

- (a) Increase the share capital by such amount to be divided into shares of such amount as may be specified in the resolution;
- (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub-division the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived; and
- (d) Cancel any shares which, at the date of the passing of the resolution 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.

53. The resolution whereby any share is subdivided or consolidated may determine that, as between the members registered in respect of the shares shall have some preference or special advantage as regards dividend capital, voting or otherwise over or as compared with the other or others subject nevertheless to the provisions of the Sections 86, 89 and 106 of, the Act.

54. **Surrender**

Subject to the provisions of Sections 100 to 105 inclusive of the Act, the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agreed.

BORROWING POWERS

56. **Power to borrow**

- (a) The Board may, from time to time, at its discretion, subject to Sections 292 & 293 of the Act raise or borrow, either from the Directors, members or from elsewhere and secure the payment of any sum or sums of money for the purpose of the company, provided however, that where the moneys to be borrowed; together with moneys already borrowed, by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the company and its free reserve that is to say, reserves not set apart for any specific purpose, the Board shall not borrow such moneys without the consent of the Company in General Meeting. Every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow moneys shall specify the total amount upto which moneys may be borrowed by the Board of Directors.
- (b) The Board may, by a resolution passed at a meeting, delegate to any committee of directors, the Managing Director, the Manager or any other Principal Officer of the Company or in the case of a branch office of the Company, a Principal Officer of the branch office, its power to borrow or secure payment for the purpose of the company specifying the total amount (including outstanding at any time) upto which moneys may be borrowed by such delegate.
- (c) No debt incurred by the company in excess of the limit imposed by this clause shall be

valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article has been exceeded.

57. Conditions on which money may be borrowed

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects which money may be borrowed as it thinks fit, and in particular, by the issue of bonds, perpetual or borrowed redeemable debentures or debenture-stock, or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting and subject to the provisions of the Act.

58. Issue at discount etc. or with special privilege

Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privilege as to redemption, surrender drawings, allotment of shares, appointment privileges of Directors and otherwise, debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debenture, debenture-stock, bonds or other securities with a right to allotment of conversion into share shall not be issued except with sanction of the Company in General Meeting.

59. Instrument of Transfer

Save as provided in Section 108 of the Act no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.

60. If the Board refuses to register the transfer of any debentures, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

RESERVES

61. Reserves

Subject to the provisions of the Act the Board shall, in accordance with Section 205(2A) of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserve which shall, at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied 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). The Board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.

62. Capitalization

At any General Meeting it may resolved that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without paying dividend) be capitalised and distributed amongst such of the Members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of



such capitalised amount be applied on behalf of such Members in paying up in full any unissued shares, debentures, debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such Members in full satisfaction of their interest in the said capitalised amount, provided that any such sum standing to a credit of a share premium account or a Capital Redemption Reserve Account may for the purpose of this Article only be applied in the paying up in unissued shares to be issued to Members of the Company as fully paid bonus shares.

63. **Fractional certificate**

For the purpose of giving effect to any resolution under two last preceding Articles the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate, and may fix the value for distribution of any specific assets and may determine that each payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all the parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or Capitalised funds as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effective.

GENERAL MEETINGS

64. **Annual General Meeting**

The Company shall, in pursuance of the provisions of Section 166 of the Act, in each year hold in addition to any other General Meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as the Annual General Meeting in the notices calling the same.

65. **Extra Ordinary General Meeting**

All meetings of the company other than the Annual General Meeting shall be called "Extra Ordinary General Meeting". The Directors may, whenever they think fit, call an Extra-ordinary General Meeting provided however that if at any time they are not in India, the Directors capable of acting and who are sufficient in number to form a quorum and who are present in India may call an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which such a Meeting may be called by the Board.

66. **Meeting on requisition**

The Board of Directors of the Company shall, on the requisition of such member or members of the Company as is specified in sub-section (4) Section 169 of the Act forthwith proceed to call an Extra- ordinary General Meeting of the Company and with respect to any such requisition and/ or any Meeting to be called pursuant thereto, all the other provisions of Section 169 of the Act and any statutory modification thereof for the time being in force shall apply.

67. **Notice for General Meeting**

A General Meeting whether an Annual General Meeting or an Extra Ordinary General meeting shall be called by giving not less than 21 days notice in writing. Provided that a General Meeting may be called after giving shorter notice as provided by the Section 171 (2) of the Companies Act. 1956.

The accidental omission to give any such notice to or the non receipt of any such notice by, any of the Members to whom it should be given or received shall not invalidate any resolution

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- passed or proceedings held at any such meeting.
68. No General Meeting (either Annual or Extra-ordinary) shall be competent to enter upon, discuss or transact any item of business deemed to be special, unless notice thereof is given in the notice convening the meeting.
69. **Quorum**
- Five members entitled to vote are present in person shall be quorum for a General Meeting. When more than one of the joint-holders of a share is present, not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purposes of this clause be deemed joint holders thereof.
70. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business.
71. If within half an hour from the time appointed for the Meeting a quorum be not present, the Meeting if convened upon a requisition of shareholders, shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday in which case the meeting shall stand adjourned to the next day following the public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.
72. At every General Meeting the chair shall be taken by the chairman of the Board of Directors. If at any meeting the Chairman of the Board of Directors be not present within thirty minutes after the time appointed for holding the meeting or though present be unwilling to act as Chairman, then the members present shall choose one of the directors present to be chairman or if no director shall be present and willing to take the chair, then the members present shall choose one of their members, being a member entitled to vote, to be Chairman.
73. No business shall be discussed at any General Meeting except election of a chairman, while the chair is vacant.
74. No resolution submitted to a meeting, unless proposed by the chairman of the meeting, shall be discussed or put to vote until the same has been proposed by a member present and entitled to vote, and seconded by another member present and entitled to vote at such meeting.
75. **Sufficiency of ordinary resolutions**
- Any act or resolution which, under the provisions of this Article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act, or the Articles specifically require such Act to be done or Resolution passed by a Special Resolution.
76. **Power to adjourn General Meeting**
- The Chairman of a General Meeting may adjourn the same 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. It shall not be necessary to give notice to the members of such adjournment or to the time, date and place appointed for the holding

of the adjourned meeting.

77. At any general meeting a resolution put to vote of the meeting shall unless a poll is demanded be decided on a show of hands.
78. A declaration by the chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting of the company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against such resolution.

79. Demanded for poll

Before on the declaration of the result of the voting on any resolution by a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say :

- (i) by any member or members present in person or by proxy and having not less than one-tenth, of the total voting power in respect of the resolution

OR

- (ii) by any member or members present in person or by proxy and holding shares in the company conferring a right to vote on the resolution being shares on which an aggregate sum not less than fifty thousand rupees has been paid-up;

The demand for poll may be withdrawn at any time by the person or persons who made the demand.

80. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken. This result of the poll shall be deemed to be the decision of the meeting or the resolution on which the poll was taken.

81. Time for taking poll

Any poll duly demanded on the question of adjournment and on the election of chairman, shall be taken forthwith. A poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made as the Chairman may direct.

82. Business may proceed notwithstanding demanded of poll

If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

83. Minutes of the Meeting

The minutes of the General Meeting shall be prepared, signed and entered into the minute book within 30 days from the date of conclusion of the General Meeting.

DIRECTORS GENERAL PROVISIONS

93. Until otherwise determined by the Company in General Meeting the number of directors shall not be less than three and not more than twelve and in any event the number of Directors of

either party on the Board shall be in equal proportion at all times.

94. The First Directors of the Company are:
- (i) Mr. Yashovardhan Birla
 - (ii) Mr. Anuj Batra

95. **Additional Directors**

The Directors shall have power at any time to appoint any person as a Director as an addition to the Directors already appointed but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.

96. **Share qualification**

Unless otherwise determined by the Company in General Meeting a Director shall not be required to hold any Share qualification.

97. **Appointment of Director other than retiring Director**

A person who is not a retiring Director shall, subject to the provision of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has not less than fourteen days before the meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a candidate for that office, as the case may be, alongwith a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director. The Company shall duly comply with provisions of Section 257 of the Act for informing the members the candidature of a person for the office of a Director.

98. **Remuneration of Director**

- (a) The remuneration of every Director by way of sitting fees for each Meeting of the Board or Committee, of those attended by him shall be such sum as the board may determine from time to time decide but not exceeding such sums as may be prescribed by the Act or the Central Government from time to time.
- (b) All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company shall be determined by the Board in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending at Board and Committee Meetings, and otherwise in the execution of their duties as Directors.

99. **Continuing Directors may act**

The continuing Directors may, in the event of any vacancy in their body so that if the number falls below the minimum number fixed above, the Directors shall not except for the purpose of filling vacancies or for summoning a General Meeting, act so long as the number is below the minimum.



100. Directors may contract with Company

Subject to the provisions of Sections 297,299,300 and 314 of the Act, the Director (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with a relative of such Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a Private Company in which such Director is a member or Director interested, be avoided nor shall any interested Director be liable to account to the Company for any profit realised by the Director or otherwise so contracting or being such member or so in such contract or arrangement by reason any of such Directors holding that office of the fiduciary relation thereby established.

APPOINTMENT OF DIRECTORS

101. Appointment of Directors

The Company in General Meeting, may subject to the provisions of these Articles; and the Act, at any time elect any person to be a Director and may from time to time increase or reduce the number of Directors subject to the clauses mentioned above and the maximum number and proportion agreed upon by and between the Parties, and may also determine in what rotation such increased or reduced number of Directors are to go out of office.

102. Casual vacancies

If any Director appointed by the Company in General Meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a Meeting of the Board but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred, provided that the Board may not fill such a vacancy by appointing thereto, any person who has been removed from office of Director under Section 284 of the Act, and further provided that if the Director who vacated his office is from one of the Parties then the person appointed to fill in the casual vacancy, shall belong to that group, from which the Director who vacated his office belonged.

103. Nominee Directors

- (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any financing Corporation or Company or body corporate (hereinafter referred to as “the Financial Institutions”) or so long as the Financial Institutions hold any shares or debentures in the Company as a result of direct subscription or underwriting or conversion of loans/debentures into Equity Capital of the Company. Such Financial Institutions shall have a right to appoint from time to time one or more persons as Directors on the Board of Directors of Company which Directors is hereinafter referred to as “the Nominee Director”. The Nominee Director shall not be required to hold shares and shall not be liable to retire by rotation of Directors. The Financial Institutions may at any time and from time to time remove the nominee Director appointed by it and may, in the event of such removal and also in the case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the Financial Institutions and shall be delivered to the Company at its Registered Office. Each such Nominee Director shall be entitled to attend all General Meetings, Board meetings and Meetings of the Committee of which he is a Member and the Financial Institutions appointing him shall also be entitled to receive notices of



all such Meetings as also the minutes of all such Meetings. The nominee Directors shall be paid all remuneration fees, allowances, expenses and other money to which other Directors are entitled, subject as aforesaid the Nominee Directors shall be entitled to the same rights and, privileges and subject to the same obligations as any other Director of the Company. The Nominee Director shall ipso facto vacate his office immediately upon the moneys which are owing by the Company to the Financial Institutions are paid off or on the Financial Institutions ceasing to hold Shares/Debentures in the Company.

(b) **Special Director**

In connection with any collaboration arrangement entered into by the Company with any Company or Corporation or any firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person hereinafter in this clause referred to as “Collaborator” to appoint from time to time any person as a Director of the Company (hereinafter referred to as “Special Director”) and may agree that such Special Director shall not be liable to retire by rotation so however that such Special Director shall hold office so long as such collaboration Agreement remains in force, unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangement or at any time thereafter as may be provided in the Collaboration Agreement. The Collaborator may at any time and from time to time remove any such Special Director appointed by it and may at any time of such removal and also in case of death or resignation of the person so appointed appoint any other person as a Special Director in the place of the Special Director and such appointment or removal shall be made in writing signed by such Company or Corporation or any partner of the Firm or such person and shall be delivered to the Company at its Registered Office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint on such person as a Director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the Collaborators eligible to make the appointment.

104. **Alternate Directors**

The Board may appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee whilst he holds office as an Alternate Director, shall be entitled to notice of Meeting of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and when the absent Director returns to state in which Meetings of the Board are accordingly held or the absent Director vacates office as a Director.

105. **Full Time Director**

The Board may from time to time appoint one or more of their number to be whole time Director or Directors with such designation, for such period, on such remuneration, with such functions and on such terms as the Directors may think fit, necessary or expedient, and subject to the terms of the Agreement entered into, if any, in any particular case, the Board of Directors may also revoke any such appointment.

ROTATION OF DIRECTORS

106. **Rotation of Directors**

- (a) Not less than two-third of the total number of Directors shall be persons whose period

of office is liable to termination by retirement of Directors by rotation.

- (b) At each Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
- (c) The Director to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on same day those to retire shall, in default of, and subject to, any agreement among themselves be determined by lot.
- (d) If at any Annual General Meeting all the Directors appointed under Articles 99 and 122 hereby are not exempted from retirement by rotation under Section 255 of the Act then to the extent permitted by the said Section the exemption shall extend to the Director or Director appointed under Article 99 subject to the foregoing provision as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.
- (e) Notwithstanding anything contained in the Articles of Association and subject to the provisions of the Section 255 of the Companies Act, 1956, the Chairman of the Board of Directors of the Company shall be a Permanent Director and shall not be liable to Retire by Rotation in the General Meetings.

107. Eligibility for re-election

A Retiring Director shall be eligible for re-election and shall act as a Director throughout the Meeting at which he retires.

108. Deemed re-election

Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors not filled up by the Meeting, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting the places of the Retiring Directors are not filled up, the Retiring Directors or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjourned meeting.

109. Meeting of Directors

The Directors may meet together for the despatch of business adjourned and otherwise regulate their meetings and proceedings as they think fit. A Board meeting shall be held every 3 months. Notice in writing of every meeting of the Directors shall ordinarily be given by a Director or such other officer of the Company duly authorised in this behalf to every Director.

110. Quorum

Valid quorum for any meeting of the Board of Directors shall be atleast two Directors or one-third of its total strength; whichever is higher, subject to the provisions of section 288 of the Companies Act, 1956. If a quorum shall not be present within half an hour from the time appointed for holding a meeting of the Directors the meeting shall be adjourned until such date and time as the Directors present shall fix,

111. Summoning Directors meeting

The Secretary of the Company may at any time, and upon request of any two Directors shall, summon a meeting of the Directors.

112. Subject to the provisions of Sections 316, 372 (5) and 386 of the Act any question arising at any meeting shall be decided by a majority of votes. Each Director having one vote.

113. Chairman

Mr. Yashovardhan Birla shall be appointed as the Permanent Chairman of the Board.

Mr. Yashovardhan Birla shall preside over as Chairman of all Board meetings and General Meetings. It is clarified that the Chairman shall be included for determining the total strength of the Board. If at any time at a meeting of the Board of Directors, the Chairman is not present within half an hour of the time appointed for holding the meeting, the Directors present shall choose one of their members to be the Chairman of such meeting.

114. Act of Meeting

A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the act for the time being vested in or exercisable by the Directors generally.

115. To appoint Committee, delegate powers, revoke it

The Directors may subject to compliance of the provisions of the Act, from time to time delegate any of their powers to committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. The meetings and proceedings of any such Committee, if consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by then Directors under this Article.

116. Validity of acts

All acts done at any meeting of the Directors of a Committee of the Directors or by any person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee or persons acting as aforesaid or that they or any of them were disqualified.

117. Resolution by circulation

A resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions of Section 289 of the Act. And any such minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of such Meeting or by the Chairman of the next succeeding meeting shall be receivable as Prima Facie evidence of the matters in such minutes.

117A Minutes of the Meeting

The minutes of the Board Meeting shall be prepared within 30 days of the conclusion of the meeting and comments thereon shall be sought from the Directors. The minutes shall be finalised and signed by the Director who presided over as Chairman of the Meeting and circulated to all members of the Board members before the next Board Meeting.

POWERS OF DIRECTORS

118 Appointment of CEO

The Directors may appoint a Chief Executive Officer (CEO), who can also be appointed as the Managing Director/Whole Time Director/ Manager, who shall be in charge of the day-to-day management of the Company and shall be subject to the superintendence, guidance and direction of the Board of Directors of the Company.

118A. Day-to-day management

For the purpose of the day-to-day management of the Company it is construed that CEO with his team is entirely responsible for Company's operations and those who are not in whole time directorship of the Company are not responsible for such acts of the CEO and his team. To make things more clear it is noted that all criminal and civil action, if any committed by the Company as a result of any act of commission or omission of the CEO and his team will not be the responsibility of non executive directors.

118B General Powers

Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and do all such acts and things as may be exercised or done by the company and/or not hereby or by law expressly required or directed to be exercised or done by the Company or General Meeting but subject nevertheless to the provisions of any law and of these presents from time to time made by the Company in the General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.

119. Issue of Shares & Securities

Notwithstanding anything contained in these Articles of Association including inter alia in Articles 5 & 6 of the Articles of Association of the company and in view of the provisions of Securities & Exchange Board of India (SEBI) and the guidelines and clarifications issued by the SEBI from time to time, the Board of Directors shall proceed with any proposal to increase the subscribed capital of the Company by issue of securities including inter alia equity shares, convertible debentures, cumulative redeemable preference shares, subject to any directions to the contrary which may be given by the Company in General Meeting.

- (i) In the case of a rights issue - to such shareholders who are registered with the company on the date to be fixed by the Board of Directors by this Article as the record date, with power to the Board to make simultaneously with the rights issue an additional offer by way of reservation to such persons at such percentage as may be prescribed by SEBI or any other appropriate Authority.
- (ii) In case of a public issue of securities being a further issue of capital - a reservation of such percentage of further issue would be made to employees (including working Directors/workers on the record date on an equitable basis, provided, however, that the shares not taken up by the employees (including working Directors/workers would be



added to the public category of the public issue or such other category as may be permitted by the SEBI or any other appropriate Authority.

- (iii) The Rights issue of Securities made in accordance with the guidelines issued by the SEBI in relation to the reservation for employees, (including working Directors) workers or any other category shall be require further consent of the company in General Meeting.
- (iv) The Board of Directors is further empowered to consolidate any fractions that may arise on account of any fractional rights in a further issue of securities including interalia shares, convertible Debentures or Cumulative Redeemable Preference Shares and the Board is empowered to appoint one or more Directors and/or designated employee of the company or any Registrar or Manager to the Issue to sell the securities resulting on consolidation of such fractional rights to any person whatsoever as may be authorised/ permissible as part of the terms of the issue. The Board is further empowered to distribute in cash the sale proceeds (after deducting expenses and/costs, if any of or incidental to the sale) prorata among the members having the fractional right on the record date of the issue the Board of Directors is specifically empowered to make the further issue of capital without issuing fractional coupons or fractional certificates by providing for payment to the members having fractional rights of cash amount equivalent to the net value thereof after deducting sale expenses.

120. **Power to delegate**

Without prejudice to the general powers conferred by the preceding Article the Directors may from time to time and at any time subject to the restriction contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorised and discretion for the time being vested in the Directors.

121. **Sub-delegation**

The Directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

122. **Signing of Documents**

All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed as the case may be by such persons (including any firm or body corporate) whether in the employment of the company or not and in such manner as the Directors shall from time to time by resolution determine.

123. **Management abroad**

The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The Foreign seal shall be affixed by the authority and in the presence of, and instruments sealed therein shall be signed by, such persons as the Directors shall from time to time by writing under the common seal appoint. The Company may also exercise the powers of keeping-Foreign Registers such regulations not being inconsistent with the provisions of Sections 157 and 158 of the Act, the Board may from time to time make such provisions as it may think fit relating there to and may comply with the

requirements of any local law.

124. **Manager or Secretary**

A Manager or Secretary may be appointed by the Directors on such terms, and on such remuneration and upon such conditions they may think fit, and any Manager or Secretary so appointed may be removed by the Directors. A Director may be appointed as Manager or Secretary, subject to Sections 197-A, 314, 387 and 388 of the Act.

125. **Act of Director, Manager & Secretary**

Any provision of the Act or these regulations required or authorising a thing to be done by a Director, Manager or Secretary shall not be satisfied by its being done by the same person acting both as Director and as, or in place of the Manager or Secretary.

MANAGING DIRECTORS

126. **Appointment of Managing Director**

Subject to the provisions of Sections 197-A, 269, 316 and 317 of the Act the Board may from time to time appoint one or more Directors, to be Managing Director or Managing Directors of the Company and may from time to time, (subject to the provisions of any contract between him or them and the company), remove or dismiss him or them from office and appoint another or others in his place or their places.

127. **To what provisions he shall be subjected**

Subject to the provisions of Sections 255 of the Act, and Article 102(d) hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subjected to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director, if he ceases to hold the office of Director from any cause.

128. **Remuneration of Managing Director**

Subject to the provisions of Sections 198, 309, 310 and 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remuneration as may from time to time be sanctioned by the Company.

129.

(a) **Authority of Managing Director and/or Wholetime Director and/or Manager**

Subject to the general supervision, control and direction of the Board and subject as hereinabove provided, the Managing Director and/ or Wholetime Director and/or Manager shall conduct and manage the business and affairs of the Company and shall have power and authority on behalf of the Company to acquire any properties, rights and privileges and to make all purchases and sales and to enter into all contracts and execute all agreements or other documents and to do all other acts and things usual, necessary or desirable in the management of the affairs of the company or in carrying out its objects, and shall have power to institute, conduct, refund,



compromise, refer to arbitration and abandon any legal and other proceedings, claims and disputes in which the company is concerned and shall have power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the Company or otherwise for the purposes thereof such managers experts, secretaries, chemists, technicians, engineers, brokers, lawyers, clerks, workmen, servants and other employees as he or they shall think proper with such powers and duties and upon such terms as to duration of office, remuneration or otherwise as he or they think fit and from time to time to remove and suspend them or any of them and generally to appoint and employ any person or person in the services or for the purposes of the Company as he or they shall think fit upon such terms and conditions as they he or shall think proper and generally to do all such things and acts as are required to carry out existing business as well as expansion plans and such projects and capital expenditure as is required to effectively run the business of the company for projects.

(b) Power to sign cheques

The Managing Director and/or Whole Director and/or CEO shall have power to sign cheques on behalf of the Company and to operate all banking accounts of the company and to sign and endorse cheques, interest warrants, dividend warrants and other instruments, payable to the Company and to recover and receive interest and dividend on shares and securities belonging to the company, as may be authorised by the Board of Directors in their meetings, represented by both the Parties.

(c) Receipts and cheques

Receipts signed by the Managing Director and/or Wholetime Director and/or Manager for any money or property received in the usual course of business of the company or for any moneys, goods or property lent or payable or belonging to the company shall be effectual discharge on behalf of and against the company for the moneys, funds or property which, if such receipts shall be acknowledged, shall be deemed to have been received and the person paying any such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director and/or Wholetime Director and/or Manager shall also have the power to operate on the account or accounts of the Company with any bank or banks and to sign and endorse cheques on behalf of the Company. The Managing Director and/or Whole time Director and/or Manager shall also have power to open current, overdraft, cash credit or fixed deposit accounts with any Bank, Company, firm or individual and to operate them.

130. The Managing Director and/or Wholetime Director shall have power to sub-delegate all or any of the powers authorities and discretions for the time being vested in them and in particular from time to time to provide by the appointment of any attorney or attorneys of the Company in any specified locality in such manner as they may think fit.

COMMENCEMENT OF BUSINESS

131. The Company shall not at any time commence any business in relation to any of the objects stated in clause III(C) of the Memorandum of Association unless the provisions of sub-section (A) of Section 149 of the Act have been duly complied with by it.

ACCOUNTS

145. **(a) Books to be kept by the Company**

The Company shall keep at its Registered Office proper books of account with respect to:



- (i) all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditure take place;
- (ii) all sales and purchases of goods by the Company;
- (iii) the assets and liabilities of the Company;
- (iv) such particulars relating to utilization of material or labour or other items of costs as may be prescribed by section 209(1)(d) of the Act, as amended.

All or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

- (b) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clauses (1) if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns made upto dates at intervals of not more than three months are sent by the branch office to the Company as its Registered Office or other the place referred to in clause (1)
- (c) The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (d) The books of account relating to a period of not less than eight years immediately preceding the current year together with the vouchers relative to any entry in such books of account shall be preserved in good order.
- (e) The Books of Accounts and other books and papers of every Company shall, subject to the provisions of Section 209 A be open for inspection during business hours :
 - (i) By the Registrar, or
 - (ii) By such officer of Government as may be authorised by the Central Government in this behalf without any previous notice to the Company or to any office thereof

146. **Inspection**

(1) The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors.

(2) No member (not being a Director) shall have any right to inspect any account or books or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

147. **Annual Accounts & Balance Sheet**

(1) At every Annual General Meeting of the Company/the Directors shall lay before the Company:

- (a) A Balance Sheet as at the end of the period specified in sub-clause (2) hereof; and
 - (b) A Profit and Loss Account for the Period.
- (2) The Profit and Loss Account shall relate to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than 6 months, or in

cases where an extension of time has been granted for holding of the meeting under the second provision to sub-section (1) of section 166 of the Act, by more than 6 months and the extension so granted.

- (3) The period to which the account aforesaid relates is referred to in these presents as a “financial year” and it may be less or more than a calendar year but it shall not exceed fifteen months provided that it may extend to eighteen months where special permission has been granted in that it may extend to eighteen months where special permission has been granted in that behalf by the Registrar of Companies.

148. Form & Contents of Final Accounts

- (a) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of Section 211 of the Act, be in the form set out in part I of Schedule VI to the Act, or as near thereto as circumstances admit or in such other form as may be approved by the General Government either generally or in any particular case, and in preparing the Balance Sheet due regard shall be had as far as may be, to the general instruction for preparation of the Balance Sheet under the heading “Notes” at the end of that Part.
- (b) Every Profit and Loss Account of the Company shall give a true and fair view of the Profit and Loss of Company for the financial year and shall comply with the requirements of Part II of Schedule VI to the Act, so far as they are applicable thereto.
- (c) The Balance Sheet and the Profit and Loss Account of the Company shall not be treated as not disclosing a true and fair view of the state of affairs of the company, merely by reason of the fact that they do not disclose any matters which are not required to be disclosed by virtue of the provisions contained in the said Schedule VI or by virtue of a notification or order issued under Section 211 of the Act.

149 Authentication

- (a) Every Balance Sheet and Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Managing Director, Wholetime Director, Manager or Secretary, if any, and by not less than two Directors of the Company one of whom shall be a Managing Director, where there is one.
- (b) The Balance Sheet and Profit and Loss Account shall be approved by the Board of Directors before they are signed on their behalf and before they are submitted to the Auditors for their report thereon.
- (c) The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor’s Report, if any, shall be attached thereto.

150. Board/Directors’ Report

- (a) There shall be attached to every Balance Sheet laid before the Company in General Meeting, a Report by its Directors with respect to :
 - (i) the state of the Company’s affairs.
 - (ii) the amounts, if any, which they propose to carry to any reserves in such Balance Sheet.
 - (iii) the amount, if any, which they recommended should be paid by way of dividend; and

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- (iv) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.
 - (b) The Board's Report shall so far as 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:
 - (i) in the nature of the Company's business.
 - (ii) in the Company's subsidiaries or in the nature of the business carried on by them and
 - (iii) generally in the classes of business in which the Company has an interest.
 - (c) The Board Report shall subject to the provisions of sub-section(2A) of Section 217, of the Act, also include a statement showing the name of every employee of the Company:
 - (i) If employed through out the financial year was in receipt of remuneration for that year which, in the aggregate, was not less than or such limits as may be prescribed by the Act from time to time.
 - (ii) If employed for part of a financial year was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than such limit as may be prescribed by the act, from time to time.

Such statement shall also indicate

 - (1) Where in such employees is a relative of any director or manager of the Company and if so, the name of such Director;
 - (2) Such other particulars as may be prescribed.
 - (d) The Board shall give the fullest information and explanations in their report or in cases falling under the provision to Section 222 of the Act in an addendum to that report on every reservation, qualification or adverse remark contained in the Auditor's Report.
 - (e) The Board's Report and any addendum therein shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (1) and (2) of Article 146.
151. **Abridged form of Final Accounts**
- (a) A copy of every such Profit & Loss Account and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the Members, be sent to the Members of the Company, to every trustee for holders of debentures issued by the Company, whether such member or trustee is or is not entitled to have notice of General Meeting of the Company sent to him and to all persons other than such members or trustees being persons so entitled, provided that the Company shall not be required to send the aforesaid documents, if the said documents are made available for inspection at its Registered Office during working hours for a period of twenty one days before the date of the meeting and a statement containing the salient features of such documents, in the prescribed form, is sent to every member of the company and to every trustee for the holders of any



debentures issued by the company not less than twenty-one days from the date of the meeting.

- (b) Any member or holder of debentures of the Company and any person from whom the company has accepted a sum of money by way of deposit shall, on demand be entitled to be furnished, free of cost, with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto, including the Profit and Loss Account and the Auditor's Report.

152. Filing of Balance sheet etc. with Registrar

- (a) The Company shall within Thirty days from the date on which the Balance Sheet and Profit and Loss Accounts have been laid before the Company at the Annual General Meeting or where the Annual General Meeting for any year has not been held, within Thirty days from the latest day on or before which that meeting should have been held in accordance with the provisions of the Act file with the Registrar three copies of the Balance Sheet and the Profit and Loss Accounts signed by the Managing Director, Manager or Secretary of the Company, or if there be none of these by a Director of the Company, together with three copies of all documents which are required by the Act to be annexed or attached to such Balance Sheet or Profit and Loss Accounts.
- (b) If any Annual General Meeting of the Company before which the Balance Sheet is laid as aforesaid does not adopt the Balance Sheet or if the Annual General Meeting of the Company for any year has not been held, a statement to that effect and all the reasons therefore shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar.

NOTICES

153. How notices are served on member

The Company shall comply with the provisions of Section 53, 172 and 190 of the Act, as to serving of notices.

154. Transfer etc. bound by prior notices

Every person who, by operation of law or by transfer or by other means whatsoever, shall become entitled to any shares shall be bound by every notice in respect of such share which previously to his name and address being entered on the register, shall be duly given to the persons from whom he derives his title to such share.

155. Notice valid though member deceased

Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall, notwithstanding such member be then deceased and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered instead as the holder or joint-holders thereof and such service shall for all the purposes of these presents be deemed a sufficient service of such notice or documents on his or her heirs, executors or administrators, and all persons, if any, jointly interested with him or her in any such share.

- 156. The signature to any notice to be given by the Company may be written or printed.



RECONSTRUCTION

157. On any sale of the undertaking of the Company the Directors or the Liquidators in a winding up may, if authorised by a special resolution in that regard, accept fully paid or partly paid up shares, debentures or securities of any other company whether incorporated in India or not, other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the company permit), or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees and any special resolution may provide for the distribution or appropriations of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all the holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto save only in case the Company, is proposed to be or is in the course of being wound up, such statutory right, if any under Section 494 of the Act, as are incapable of being varied or excluded by these presents.

SECRECY

158. **No shareholder to enter the premises of the Company without Director's permission**

- (a) No member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect, or examine the Company's premises or properties of the Company without the permission of the Director, or subject to Article 125 to require discovery of or any information respecting any details of the Company's trade or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Company to communicate.
- (b) Every Director, CEO, Manager, Secretary, Auditor, Trustee, Member or a Committee, Servant, Officer, Agent, Accountant or other person employed in the business of the Company shall observe strict Secrecy respecting all transactions of the Company with its customers or others and the statement of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or by a court of law except so far as may be necessary in order to comply with any of the provisions in these presents contained. Except as may be specifically permitted by the directors or otherwise required under law all proceedings of the Directors shall be strictly confidential and no Director shall knowingly disclose such proceedings to a third party.

WINDING UP

159. **Distribution of Assets**

If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as early as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding-up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up which is paid-up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and

conditions.

160. Distribution of assets in specie

In the event of Company being wound-up, whether voluntarily or otherwise, the liquidators may with the sanction of a Special Resolution divide among the contributories, in specie or in kind any part of the assets of the Company and may with the 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 like sanction, shall think fit.

INDEMNITY

161. Indemnity

Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the Company, all costs, losses and expenses including traveling expenses which any such Director, Manager or Secretary or other officer or employee may incur or become liable to, by reason of any contract entered into or any way in the discharge of his or their duties and in particular so as not to limit the generality of the foregoing provisions against all liabilities incurred by him or by them as such Director, Manager Secretary Officer or Employee in defending any proceedings whether civil or criminal in which judgement is given in his or their favour or he or they is or are acquired, or in connection with any application under Section 633 of the Act, in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as between property of the Company and have priority as the members over all other claims.

162. Individual responsibility of Directors

Subject to the provisions of the act, and so far as such provisions permit, no Director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other director or officer, or for joining in any receipt or act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property required 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 occasioned by any error of judgement, omission, default or oversight on his part, or for any loss, 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 dishonesty.

THE SEAL

163. Seal

The Board shall provide a common seal for the purposes of the Company and from time to time destroy the same and substitute new seal in lieu thereof and shall provide for the safe custody of the seal for the time being. The seal shall only be used under the authority of the Director 's or a committee of the directors authorised by Directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose, provided that the Certificates of shares or Debentures (if any) of the company shall be sealed and signed in the manner provided for by the Companies (Issue of Share Certificate) rules 1960, or any statutory amendment thereof for the time being in force.

164. The Company may exercise the powers conferred by Section 56 with regard to having an official seal for use abroad and such powers shall be vested in the Board.

SECTION XII - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Offer Document) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Offer Document, delivered to the Registrar of Companies, Maharashtra located at Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of our Company situated at, Dalamal House, 1st Floor, J.B. Marg, Nariman Point, Mumbai – 400 021, Maharashtra, India from 10.00 a.m. to 4.00 p.m. from the date of this Offer Document to until the date of Closing of the Issue.

A. Material Contracts:

1. Letter of our company dated 10th June 2010 appointing Arihant Capital Markets Limited as Book Running Lead Manager for the issue.
2. Agreement dated 15th July 2010 entered between our Company and Arihant Capital Markets Limited, the Book Running Lead Manager.
3. Memorandum of Understanding dated 2nd July 2010 entered into by our Company with Adroit Corporate Services Pvt. Ltd., to act as the Registrar to the Issue.
4. Escrow agreement dated [●] between our Company, BRLMs, Registrar, the Syndicate Members and the Escrow Collection Banks.
5. Syndicate Agreement dated 25th May 2011 between our Company, BRLM and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, BRLM and the Syndicate Members.
7. Tripartite agreement between the Company, CDSL and Adroit Corporate Services Pvt. Ltd. dated 28th July 2010.
8. Tripartite agreement between the Company, NSDL and Adroit Corporate Services Pvt. Ltd. dated 26th July 2010.
9. Joint Venture Agreement between Birla Wellness & Healthcare Pvt Ltd, Pacific Healthcare Holdings Limited and Dr. Abhijit Desai for the formation of the JV (our) Company namely Birla Pacific Medspa Pvt Ltd dated April 15, 2008 and the subsequent letter from Pacific Healthcare Holdings Limited dated 2nd July 2010.
10. Business Transfer Agreement between our Company and Pachealth Medical Services Pvt Ltd dated 14th November, 2008 and the Supplemental Agreement to it dated 18th March 2009.
11. Share Cum Warrant Subscription Agreement between the Company & its promoters and Bennett, Coleman & Co. Ltd. dated March 24, 2009 and as amended by agreement dated 5th May 2010.
12. Line of Credit Agreement between Bennett, Coleman & Co. Ltd. and the Company dated March 24, 2009.

13. Arrangement Letter dated January 21, 2010 received from Piccadilly Projects Pvt. Ltd. containing terms of arrangement for setting up of med spa centres at select locations.
14. Agreement with Dr. Abhijit Desai dated 11th June 2010 recording terms and conditions of his appointment as the Managing Director of the company.
15. Limited Liability Partnership agreement dated 21st December 2010 entered into by the company with 7 gynaecologists to form 'BIRLA IVF LLP'.

B. Material Documents:

1. Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of Incorporation dated July 15, 2008, issued by the Registrar of Companies, Maharashtra and a fresh certificate of incorporation consequent upon change of name from Birla Pacific Medspa Priavte Limited to Birla Pacific Medspa Limited dated 14th July 2010.
3. Copy of the resolution passed at the meeting of the Board of Directors held on 11th May 2010 authorizing further issue of shares through an Initial Public Offer.
4. Copy of the special resolution passed in the extra ordinary general meeting of the shareholders held on 4th June 2010 authorizing further issue of shares through IPO under Section 81 (1A) of the Companies Act, 1956
5. Copy of resolution of the meeting of board of directors of the company held on 8th June 2010 interalia constituting the Public Issue Committee and to do all other acts in relation to this issue.
6. Copy of resolution of the meeting of board of directors of the company held on 8th June 2010 interalia constituting the Project Monitoring Committee to oversee the implementation of the project.
7. Copies of Financial reports of our Company for the period from 15th July 2008 to 30th September, 2009, for the six months ended 31st March 2010 and for the nine months ended 31st December 2010.
8. Resolution of the members of the Board passed at the Meeting of the Board of Directors of the company held on 12th August 2008 appointing M/s Kanu Doshi Associates, Chartered Accountants as the first statutory auditors of the company until the conclusion of the First Annual General Meeting of the Company.
9. Report of the statutory Auditor M/s Kanu Doshi Associates, Chartered Accountants, dated February 15, 2011 as mentioned in the RHP.
10. Letter dated May 25, 2011 from the auditors of our Company M/s Kanu Doshi Associates, Chartered Accountants confirming tax benefits and tax shelter as mentioned in the RHP

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11. Consent letter dated 5th May 2010 from statutory auditors, M/s Kanu Doshi Associates, Chartered Accountants.
 12. Copy of the Board Resolution dated June 8, 2010 regarding appointment of Ms. Khyati Mashru as our Company secretary and compliance officer.
 13. Copies of Undertakings from Birla Pacific Medspa Limited
 14. Consents of BRLM, Bankers to our Company, Legal Advisors, Directors, Company Secretary & Compliance Officer, Registrars and Bankers to the Issue, to include their names in the Offer Document to act in their respective capacities.
 15. Legal Due Diligence Report dated 25th May 2011 from M/s Hemant Sethi & Co, Advocates as Legal Advisors to the Issue for vetting and approval of Offer Document.
 16. In principle listing approval from BSE vide its letter No. DCS/IPO/NP/IPO-IP/1021/2010-11 dated September 21st 2010
 17. Due Diligence Certificate dated 28th July 2010 to SEBI from Arihant Capital Markets Limited
 18. SEBI Final observation letter CFD/DIL/ISSUES/SP/JAK/OW/4283/2011 dated 4th February 2011 and reply of the BRLM to the same dated March 18, 2011
 19. IPO Grading Report dated 23rd February 2011 by Brickworks Ratings India Private Limited.
 20. Order of BIFR dated 11th April 2011 discharging Birla Accucast Limited from the purview of SICA/BIFR.

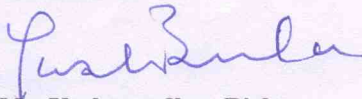
Any of the contracts or documents mentioned in this RHP may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

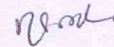
All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement in this RHP is contrary to the provisions of the Companies Act, 1956, the Securities Exchange Board of India Act, 1992, or the rules made there under or guidelines issued, as the case may be. All the said legal requirements connected with this issue as also the guidelines, instruction etc, issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

We, the Directors of Birla Pacific Medspa Limited, hereby declare and confirm that no information/ material likely to have a bearing on the decision of the investors in respect of the Equity Shares issued in terms of this RHP has been suppressed/ withheld and/ or incorporated in the manner that would amount to misstatement/ misrepresentation. We further certify that all the statements in this RHP are true and correct.

SIGNED BY



Mr. Yashovardhan Birla
Director



Mr. Mohandas Shenoy Adige
Director

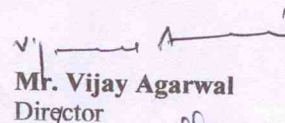
Signed by Alternate Director
Dr. William Lai Leong Chong
Director



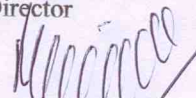
Dr. Abhijit Desai
Managing Director



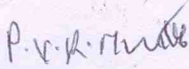
Mr. N. Venkat
Director



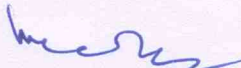
Mr. Vijay Agarwal
Director



Mr. Rajesh Shah
Director



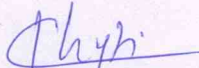
Mr. P.V.R. Murthy
Director



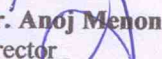
Mr. U. S. Kohli
Director



Mr. Anoj Menon
Director



Ms. Khyati Mashru
Company Secretary & Compliance Officer



Mr. Tushar Dey
Alternate Director to
Dr. William Lai Leong Chong

Place: Mumbai
Date: 26/05/2011

May 26, 2011

The Managing Director
Birla Pacific Medspa Ltd
Damalal House, 1st Floor
206, J.B Marg, Nariman Point
Mumbai - 400021

Dear Sir,

Sub: Initial Public Offer for [.] equity shares of face value Rs 10 each at a price to be decided by book building process aggregating upto Rs 65.1750 Cr.

Please refer your mail dated May 17, 2011 requesting Brickwork Ratings India Pvt Ltd. (Brickwork) to extend the validity of the IPO grading of Birla Pacific Medspa Ltd. Brickwork is pleased to extend the validity of the IPO grading for a period from 22st May 2011 till 30th June 2011.

As a part of the grading process, the revised grading analysis was placed before the Rating Committee of Brickwork. The Committee after due deliberations has affirmed BWR IPO Grade 2 (Pronounced BWR IPO Grade Two) to the proposed public issue of equity shares by Birla Pacific Medspa Ltd. IPO issues graded BWR IPO Grade 2 offer below average fundamentals compared to the peers.

The grading is subject to terms and conditions as provided in the mandate dated August 12, 2010 and other correspondence, if any.

Please communicate your acceptance to the grading.

Best Regards,

For Brickwork Ratings India Pvt Ltd.



K C Holla
Vice President

Brickwork Ratings India Pvt. Ltd.

Corporate Office: 3rd floor, Raj Alkaa Park, 29/3 & 32/2, Kalena Agrahara, Bannerghatta Road, Bangalore - 560 076
Phone: +91 80 4040 9940 Fax: +91 80 2659 3673 1-860-425-BRIC • www.brickworkratings.com • www.Financial-Literacy.in
Bangalore • Mumbai • New Delhi • Hyderabad • Chennai

Rationale for Birla Pacific Medspa Limited's IPO Grading

Birla Pacific Medspa Limited

**IPO Grading: BWR IPO Grade 2
(Below Average Fundamentals)**

Brickwork Ratings (BWR) has assigned **BWR IPO Grade 2** to the proposed IPO of Birla Pacific Medspa Ltd. Brickwork Ratings' BWR IPO Grade 2 indicates below average fundamentals for the issue in relation to the other listed equity securities in India. BWR assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 signifying strong fundamentals and Grade 1 signifies poor fundamentals of the issue in relation to the other listed equity securities in India.

The grading factors positive prospects for the wellness industry, Birla Pacific Medspa's Management's substantial domain knowledge and experience in the wellness industry and the reputation of Pacific Healthcare Holdings Ltd. The grading is constrained by delays in project implementation and poor financial performance of the Yash Birla Group of companies raising IPO funds in the past, Birla Pacific Medspa's negative cash flows and losses, short history of two years of operations, full funding from IPO proceeds and project implementation spread over three years. In absence of funding or appraisal by a bank or term lending institution, the project cost is estimated by the company management.

Company Profile

Birla Pacific Medspa Ltd belongs to the Yash Birla Group (YBG) of companies. The company was incorporated on July 15, 2008 pursuant to JV agreement between Birla Wellness & Healthcare Pvt Ltd, Pacific Healthcare Holdings Ltd (PHH) Singapore and Dr Abhijeet Desai. As per JV the shareholding pattern was to be such that at any point of time shareholding of Yash Birla Group and that of PHH taken together with Dr Abhijeet Desai would always be equal.

In June 2010 the Joint Venture between PHH and Yash Birla group was automatically terminated as shareholding of PHH went below 25% (which was trigger point for automatic termination of JV agreement) to 17.82%

Company opened its first Med Spa in November 2008 at Prabhadevi, so operationally company is running since past 2 years. Birla Pacific Medspa presently operate healthcare centers under

the brand name EVOLVE. Presently, the company is operating 5 centers at Walkeshwar, Bandra, Andheri, Atria Mall at Worli and Borivali at Mumbai and one center on franchise basis at Thane. Currently Evolve is managed by Dr. Abhijit Desai, a set of qualified & internationally trained doctors and a team of other professionals. Birla Pacific Medspa is positioned like a one stop centre, offering a range of scientific makeover solutions to enhance beauty. They use state-of-the-art equipment, and the internationally qualified panel of doctors to offer the latest and safest treatments. All consultations & procedures are carried out with utmost privacy, in pleasant, comfortable and specially designed rooms

Company has approximately 41 employees including 5 centers and corporate office.

Services Offered:

Dermatology	Cosmetic Surgery	Dentistry
Laser hair Reduction	Body Contouring	Cosmetic Dentistry
Laser skin tightening	Face Countering	Dental Implants
Pigmentation	Face/necklift Surgery	Gum Specialists
Skin Rejuvenation	Hair Transplant	Invisible Braces
Treatment of Acne and Acne scars with laser	Neck Surgery	Root Canals
Mole/warts/skin tags removal	Liposuction	Scaling & Polishing
Botox	Rhinoplasty	Teeth Alignment
Fillers	Surgery for eyelids	Teeth Whitening
	Tummy Tuck	Restorative Dentistry
	Reconstructive Surgeries	Paedodontis

Management

Birla Pacific Med Spa is promoted by Mr. Yashovardhan Birla, aged 43 years is the Chairman of the Company. He is the Chairman of the diversified Yash Birla Group for well over 20 years. He is the Great-grandson of late Shri R.D.Birla. Mr. Yashovardhan Birla is M.Com, LLB by academic qualifications. He took over the reins of the group in 1990 at a very young age of 23 years.

Directors other than promoters of company:

Dr William Chong, aged 47 years is a Director of the Company. He is the Executive Director & CEO of Pacific Health Holdings Ltd. He charts the corporate direction and business strategies for Pacific Healthcare in Singapore. He is also a practicing dental surgeon in Singapore at Pacific Healthcare Specialist Centre.

Dr. Abhijit Desai, aged 36 years is the Managing Director of the company. He is a leading Dermatologist from Mumbai. He holds a MBBS and DVD degree. He had been very closely associated with the Pacific Healthcare Singapore for over a decade. He is an active member of various national and international organizations.

Mr. P.V.R .Murthy aged 58 years, is a Chartered Accountant and MBA by academic qualification. He has over 3 decades of experience in the finance sector. He has worked as a part of the Top Management with various companies over a span of 16 years in the capacity of Managing Director, Director, CEO and Advisor prior to joining the Yash Birla group of Companies. At YBG, he is looking after financial resource management of all the group companies, business restructuring, disinvestments, Merger & Acquisitions, MIS, Management, Internal and Statutory Audit, Integrated ERP systems across group companies, corporate governance, investments in new projects, expansion/ diversification of the existing group companies etc.

Mr. Mohandas Shenoy Adige, aged 66 years, is an Independent Director and has 40 years of cross functional experience in metal industry with exposure to various functional areas including techno-commercial areas of project management. He is a member of regional council of Confederation of Indian Industry (CII). He has retired as the Managing Director of Nagpur Power and Industries Limited.

Mr. Vijay Agarwal, aged 53 years is an Independent Director and is a Practicing Chartered Accountant for the last 27 years, specializing in Corporate Advisory, Tax and Audit field.

Mr. Anoj Menon, aged 37 years is a B.Com & LLB, working as a partner at M/s. Desai & Diwanji, Advocates & Solicitors. He is an Independent Director of the Company. He is a Corporate Lawyer specializing in Mergers and Acquisitions, Private Equity Investment, Private

Investment in Public Equity, Corporate Advisory, Foreign Direct Investment, Capital Markets, SEBI Laws, Drug Laws and Dispute Resolution. Mr. Menon has an experience of over 14 years in this field.

Mr. Rajesh Shah, aged 57 years is a Chartered Accountant by qualification and is an Independent Director. He is partner with M/s. A.J. Shah & Co. Chartered Accountants since 1979. He is also member in various and has 29 years of experience in Tax and Audit field.

Mr. Tushar Dey, aged 47 years is a qualified Company Secretary and also holds a Bachelors degree in General Law. He has over 20 years of experience in handling Legal and Secretarial matters. He specializes in Mergers & Acquisitions, IPO, GDR/ADRs, Corporate Legal, Corporate Governance, Civil and Criminal Litigation, IPR, FEMA and Labour Law matters.

Objectives of the Issue:

Birla Pacific Medspa is planning to establish 55 new outlets in next 3 years and venture into Tier I and Tier II cities in India and is therefore raising equity funds:

- To meet the capital expenditure towards establishing 55 outlets of Evolve Medspa across various cities & places
- To meet expenditure towards brand promotion
- To meet working capital requirements for running the above centres
- To meet issue related expenses
- To enlist the company's shares on BSE

Breakup of total project cost

USE of IPO Proceeds		
Sl No	Particulars	Amount (in Cr)
1	Capital Expenditure for Setting up 55 centers across the country	49.50
2	Working Capital Requirement	0.70
3	Brand Promotion	6.00
4	Issue expenses	6.50
5	Contingencies	1.24
6	Preliminary & preoperative exp	1.24
	Total	~65.17

Estimated CAPEX of establishing one Evolve Centre	
Particulars	(in Cr)
Expenses on Interior Designing @ Rs. 2000 per sq feet on an estimated average area of around 2000 sq.feet	0.40
Medical Equipments	0.44
Others (Rent Deposits for 6 months)	0.06
Total	0.90

Source: DRHP

Sr No	Particulars	2010-11	2011-12	2012-13	Total (in Cr)
	No. of Centres	5	25	25	55
1	Capital Expenditure for setting up of centers	4.50	22.50	22.50	49.50
2	Working Capital Requirement	0.12	0.58	0	0.70
3	Brand Promotion	2.00	2.00	2.00	6.00
4	Issue expenses	6.50	0	0	6.50
5	Contingencies	0.11	0.56	0.56	1.24
6	Preliminary & preoperative exp	0.11	0.56	0.56	1.24
	Total	13.34	26.21	25.62	65.17

Project Funding:

To meet the funding requirements, Birla Pacific Medspa Ltd. plans to raise approximately Rs. 65 Crores (including Issue Expenses) by way of Initial Public Offering of equity shares with Face Value of Rs.10/- at a premium to be decided later. Birla Medspa is coming out with public issue where they will have to allot QIB's minimum 50% of offer to public, failing which full subscription money has to be refunded as per SEBI ICDR regulation 26(2)(a)(i). 100% percent of the project funding is from the Public issue proceeds. Promoters are not participating in the public issue but company's post issue equity capital of 20% will be locked in by promoters for 3 years which equates to promoter contribution as per SEBI guidelines

There is a Share Cum Warrant Subscription (SWS) Agreement has been entered between the Company & its promoters and Bennett, Coleman & Co. Ltd. dated March 24, 2009 and as amended by agreement dated May 5, 2010. BCCL has exercised its Warrants on 21st July 2010. In this, 10,714,285 shares were issued to Bennett, Coleman and Co. Ltd. at Rs. 14 per share for an aggregate amount of Rs. 15 Cr.

The Promoters, together with the Promoter Group own approximately 62.99% of the paid-up capital of the company. The total post-issue dilution (including Promoter Group and Selling Shareholders) is expected to be in the range of 25 – 30 %. The fund requirements and funding plans have not been appraised by any bank / financial institution. The deployment of funds for the projects is therefore, entirely at the discretion of the company. However, Birla Pacific Medspa has constituted a Project Monitoring Committee, comprising of 2 independent directors and the Managing Director of the company to monitor the utilization of IPO proceeds.

Corporate Governance:

Birla Pacific Medspa Limited is compliant with the provisions of Clause 49 of the Listing Agreement. The Board of Directors of the Company has an optimum combination of executive and non-executive Directors. Accordingly not less than one third of the Board of Directors comprises of non-executive and independent Directors. All the Independent Directors were appointed in June 2010.

Audit Committee is constituted by Board of Directors in their meeting held on 8th June 2010 consisting of 4 directors. It is chaired by Mr. Rajesh Shah, an Independent Director. Out of other three directors, Mr. Vijay Agarwal and Mr. MS Adige are independent directors while Mr. PVR Murthy is a Non Independent director.

The Remuneration Committee was constituted on 8th June 2010 and all the members of this committee are Independent Directors - Mr. Rajesh Shah (Chairman), Mr. MS Adige and Mr. Vijay Agarwal. The Share Transfer and Investors Grievance Committee was also constituted on 8th June 2010 consisting of three directors – Mr. Anoj Menon (Chairman), Independent Director, Mr. MS Adige, Independent Director and Dr. Abhijit Desai, Non Independent Director. The Board members have expertise in different sectors which fit the company's needs.

The company had related party transactions to the tune of Rs.51.39 crores for the period ended 31st march 2010.

Industry Analysis

Birla Pacific Medspa Limited is a part of Indian Wellness and Health Care Industry. Wellness has been a booming industry in India and is projected to grow at annual rate of 30-35% by FICCI and EY. At the end of 2008, the wellness services market stood at Rs 11,000 crore and the wellness products industry was around Rs 16,000 crore. The overall CAGR (compound annual growth rate) is estimated to be over 20% till 2012. The wellness industry comprises seven core segments within different products and services:

- Allopathy
- Alternative therapies
- Beauty – The company operates in this segment
- Counseling
- Fitness & Slimming
- Nutrition
- Rejuvenation

South is much ahead in terms of indicative concentration for the organised wellness-based centers per household: 34.4 centers per 100,000 households, compared with 13.6 for the north, 12 for the west and 10.1 in the east. Alternate therapies are the most popular choice of people in southern India, while customers in north are inclined towards beauty. The maximum numbers of fitness and slimming centers are in the west.

On an average more than 50 percent of the market is unorganised and highly segmented with several small and regional players. While ayurveda and alternative treatments are predominantly unorganised, health foods and drinks and dietary supplements are more organised. Multiple international companies are entering the Indian market to cash in on the Wellness boom, thus further expanding the market.

Business Strategy

Birla Pacific Medspa Limited's business model is drawn from its erstwhile JV partner Pacific Healthcare who are leading healthcare provider (especially in wellness segment) based in Singapore and cater to clientele from several countries. The company is setting up a chain of medical wellness centers throughout India, from 5 centers currently, planning to expand to 55 centers in next 3 years and venture into Tier I and Tier II cities in India. Birla Pacific Medspa is

focusing on cosmetic surgery, cosmetic dermatology, dentistry and wellness packages for Face and Body through range of spa services – both wet & dry. All the services, right from counseling to post evaluation, are provided by qualified doctors and not mere technicians.

Currently the company has a panel of 12 doctors who offer their services as consultants on part-time basis at the EVOLVE centers. The panel comprises of specialists from the field of dental care, dermatology and cosmetic surgery. Also the cross referrals from these 12 specialist doctors enables cross selling of various EVOLVE services. Brand Evolve has been launched as a “one stop shop” for end to end makeover solutions. They have plans to develop corporate clientele by offering healthcare packages to their employees. The company is focusing on long term brand building using effective print and television vehicles coupled with strong experiential marketing program using below the line execution experts for participation in exhibitions, trade fairs, medical tourism fairs etc.

Financial Performance

The Company was incorporated in July 2008, therefore the first report on the financial information of the company for the period from July 15, 2008 to September 30, 2009 and second report for six months ended March 31, 2010 has been prepared.

The company's revenues grew by 116.08% on annualized basis in FY 10. The company's expenditure grew by 84.64% on annualized basis. The total staff cost increased by 165.11% in second reporting period mainly due to the increased number of staff members for newly opened centres. The company is in losses for the two accounting periods, however the loss has come down by 73% in the second reporting period on an annualized basis.

The return on net worth is negative for the financial period ended September 30, 2009 and period ended March 31, 2010 as the company has incurred losses for the said periods. Currently the company is debt free company therefore; the company has no interest expenses. The financial charges are mainly on account of bank charges.

The Company has negative Cash Flows from Operation (CFO) for the two accounting periods due to large working capital requirements. The cash flows from investing activities (CFI) are also negative for last two accounting periods due to significant capex towards generating fixed assets.

The Company also expects to utilize part of IPO proceeds (70 lacs) to fund their growing WC needs.

Profit and Loss Account		
Amount in Ruppes	For six months ended March 31, 2010	For the period ended Sept. 30 2009
Income		
Sales: of product traded in	15,287,391	17,047,471
Increase/ Decrease in Stock	358,571	628,324
Total Income	15,645, 962	17,675,795
Expenditure		
Purchase/ Raw Material consumed	2,622,855	3,252,936
Staff Costs	5,234,296	4,771,459
Administration Expenses	34,735,331	49,044,780
Selling & Distribution Expenses	5,797,314	6,269,948
Finance Expenses	76,645	95,822
Total Expenditure	48,466,441	63,434,945
Profit before tax	(32,820,479)	(45,759,150)
Less: Provision for Fringe Benefit tax	-	(15,948)
Net Profit/ (loss) after Tax	(32,820,479)	(45,775,098)

Balance Sheet		
Amount in Ruppes	For six months ended March 31, 2010	For the period ended Sept. 30 2009
Sources of Funds		
Share Capital	104,686,000	55,501,000
Profit & Loss Account (Debit Bal.)	(78,595,576)	(45,775,098)
TOTAL	26,090,424	9,725,902
Application of Funds		
Fixed Assets		
Gross Block	64,943,167	61,167,513
Less : Depreciation	(13,365,264)	(8,406,278)
Net Block	51,577,903	52,761,235
Capital Work in Progress	3,695,192	795,371
Investments	-	-
Current Assets, Loans and Advances		
Inventories	1,031,922	673,351
Sundry Debtors	921,612	875,319
Cash and Bank Balance	2,352,816	12,539,892
Loans and Advances	123,906,012	22,298,400
	128,212,362	36,386,962
Less: Current Liabilities and Provisions	157,395,034	80,217,666
Net Current Assets	(29,182,672)	(43,830,704)
TOTAL	26,090,424	9,725,902

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