



THE YASH BIRLA GROUP



## Birla Research and Lifesciences Limited

Draft Red Herring Prospectus

Dated : September 12, 2011

Please read Section 60B of the Companies Act, 1956

100% Book Building Issue

Our Company was incorporated on January 10, 2008 under the provisions of the Companies Act, 1956 as Birla Lifesciences Private Limited in Maharashtra. Pursuant to a special resolution passed by the shareholders of our Company at the Extra-Ordinary General Meeting held on September 16, 2010 the name of our Company was changed to Birla Research & Lifesciences Private Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra on September 23, 2010. Further, Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on October 4, 2010 our Company was converted into a public limited company and consequently the name of our Company was changed to Birla Research & Lifesciences Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on November 25, 2010. The Corporate Identification Number of our Company is U24100MH2008PLC177694.

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

**Tel:** +91-22-6616 8400, **Fax:** +91-22-2204 7835, **Email:** ipo@brls.in **Web site:** www.brsls.in

**Contact person:** Ms. Pratibha Rane, Company Secretary and Compliance Officer **E-mail:** complianceofficer@brls.in

The Company is promoted by Mr. Yashovardhan Birla, Birla Wellness & Healthcare Private Limited, Nirved Traders Private Limited, Shearson Investment & Trading Company Private Limited and Godavari Corporation Private Limited.

**ISSUE OF [●] EQUITY SHARES OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ 7500 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: ₹ [●] TO ₹ [●] PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH**

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 PRICE: ₹ [●] PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE.**

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, whereby, at least 50% of the offer to public shall be allotted to QIBs, failing which the full subscription monies shall be refunded.

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.

### RISK IN RELATION TO THE FIRST ISSUE

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 ₹ 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 nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the statements in the Section titled "Risk Factors" beginning on page 10 of this Draft Red Herring Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 DRHP 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 Draft 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.

### IPO GRADING

Issue has been graded by [●] and has been assigned [●] indicating [●] through its letter dated [●]. For further details in this regard please refer "General Information" and "Material Contracts and Document for Inspection" on page 33 and 366 respectively of the Draft Red Herring Prospectus.

### LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE"). Our Company has received in-principle approval for listing of the equity shares from BSE vide their letter [●] dated [●]. For the purpose of this Issue, the designated Stock Exchange will be BSE.

### BOOK RUNNING LEAD MANAGER

**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  
Fax: +91- 22- 4225 4880  
Email: brlsipo@arihantcapital.com  
Website: www.arhantcapital.com  
**Contact person: Mr. Amol Kshirsagar**



### REGISTRAR TO THE ISSUE

Link Intime India Private Limited  
SEBI Registration No.: INR000004058  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (West), Mumbai 400 078  
Tel.: 022- 25960320  
Fax No.: 022- 25960329  
Email ID: brl.ipo@linkintime.co.in  
Investor Grievance ID: brl.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
**Contact Person: Mr. Sanjog Sud**

### ISSUE PROGRAMME

BID/ISSUE	OPENS ON	[●]	BID/ISSUE	CLOSES ON	[●]
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## SECTION I - DEFINITIONS AND ABBREVIATIONS

### I. CONVENTIONAL / GENERAL TERMS:

Birla Research & Lifesciences Limited/ BRLS/ The company/ Company/ We/ Us/ Our/ our Company/ the Issuer	Unless the context otherwise indicates or implies refers to Birla Research & Lifesciences 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 Research & Lifesciences 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 thereunder for the time being in force
Financial Year/FY /Fiscal	Period of twelve months ended March 31 <sup>st</sup> 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 Research and Lifesciences 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.
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 or is mandatorily required to apply through ASBA process and (a) is a “Resident Retail Individual Investor”, “High Networth Individuals”, “Corporate Investors” and “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, HDFC Bank Ltd & Indusind 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	[●], 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	[●], 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 offer document and the Bid-cum-Application Form.
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.
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 the Escrow Collection Banks transfer and the SCSBs issue, or by when have been issued, instructions for transfer, of the funds from the Escrow Accounts and ASBA Accounts, respectively to the

<b>Term</b>	<b>Description</b>
	Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, after the Board of Directors have allotted 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 ₹ 10 each unless otherwise specified in the context thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favour the non-ASBA 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, HDFC Bank Ltd and Indusind 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 ₹ 10/- each for cash at a price of ₹ [●] Per Equity Share aggregating to ₹ 7500 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	₹ [●] (inclusive of a premium of ₹ [●]) per share of equity share of face value of ₹ 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 Bidders and who have Bid for Equity Shares for an amount more than ₹ 2,00,000.
Non Institutional Portion	The portion of this Issue being up to 15% of the Issue consisting of [●] Equity shares of ₹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 ₹ [●] and the

Term	Description
	maximum price ("Cap Price") of ₹ [●] 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 and SCSBs 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 ₹ 10 each at a price of ₹ [●] for cash being at least 50% of the Issue, to be allotted to QIBs.
Qualified Institutional Buyers or QIBs	<p>"Qualified Institutional Buyer" means:</p> <ul style="list-style-type: none"> <li>(i) a mutual fund, venture capital fund and foreign venture capital investor registered with the SEBI;</li> <li>(ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI;</li> <li>(iii) a public financial institution as defined in section 4A of the Companies Act, 1956;</li> <li>(iv) a scheduled commercial bank;</li> <li>(v) a multilateral and bilateral development financial institution;</li> <li>(vi) a state industrial development corporation;</li> <li>(vii) an insurance company registered with the Insurance Regulatory and Development Authority;</li> <li>(viii) a provident fund with minimum corpus of ₹2500 Lacs;</li> <li>(ix) a pension fund with minimum corpus of ₹ 2500 Lacs;</li> <li>(x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>(xi) Insurance funds set up and managed by Army, Navy or Air Force of the Union of India; and</li> <li>(xii) Insurance Funds set-up and managed by the Department of Posts, India</li> </ul>
Red Herring Prospectus	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	[●]
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 Link In Time India 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 ₹2,00,000 in any of the bidding options in this Issue.
Retail Portion	Consists of issue of [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●], being up to 35% of the Issue, available for allocation to Retail Individual Bidder(s).

<b>Term</b>	<b>Description</b>
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
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 and National Stock Exchange of India 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 [●]
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.

### III. COMPANY/ INDUSTRY-RELATED TERMS:

<b>TERM</b>	<b>DESCRIPTION</b>
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 Research & Lifesciences Limited or a committee thereof
Compliance Officer	Compliance Officer of our Company in this case being, Ms. Pratibha Rane, Company Secretary.
Director(s)	Director(s) of our Company unless otherwise specified
Equity Shares	Equity shares of face value of ₹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 ₹ 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, Birla Wellness & Healthcare Pvt Ltd, Shearson Investment & Trading Co Pvt Ltd, Nirved Traders Pvt Ltd and Godavari Corporation Pvt Ltd.
Promoter Group	Unless the context otherwise specifies, includes those entities mentioned in the section 'Our Promoters' beginning on Page 122 of this offer document.
Registered Office of our Company	Registered Office of our Company is situated at Dalamal House, 1 <sup>st</sup> Floor, 206, J.B. Marg, Nariman Point, Mumbai – 400 021. Maharashtra.



#### IV. GLOSSARY OF TECHNICAL TERMS

Good Manufacturing Practices	These are used in the manufacture or processing of cosmetics, drugs, foods and medical devices. It is a collective term used to ensure quality procedures in the manufacturing process.
Reflexology	A system of massage used to relieve tension and treat illness, based on the theory that there are reflex points on the feet, hands, and head linked to every part of the body.
Spa:	Spa denotes places devoted to overall well-being through a variety of professional services that encourage the renewal of mind, body and spirit.
Shop in Shop	A small retail store or a specialty department in a large store.

#### V. ABBREVIATIONS:

ABBREVIATION	FULL FORM
AY	Assessment Year
BCCL	Bennett Coleman & Co. Ltd.
BIFR	Board For Industrial & Financial Reconstruction
BKV	Birla Kerala Vaidyashala Pvt. Ltd
BRLS	Birla Research & Lifesciences Limited
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CIN	Company Identification Number
CIT	Commissioner Of Income Tax
DPID	Depository Participant Identification
EBIDTA	Earnings Before Interest ,Depreciation, Tax and Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Equity Share i.e. profit after tax divided by weighted average number of Equity Shares.
FCNR Account	Foreign Currency Non Resident Account
FICCI	Federation of Indian Chambers of Commerce and Industry
FIPB	Foreign Investment Promotion Board
GMP	Good Manufacturing Practice
GoI	Government of India
HNI	High Net worth Individual
HR	Human Resources
HUF	Hindu Undivided Family
INR/ Rs/ ₹	Indian Rupees
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 outstanding 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
PAN	Permanent Account Number
Pvt	Private

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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
YBG	Yash Birla Group



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## **SECTION II – GENERAL**

### **CERTAIN CONVENTIONS: USE OF FINANCIAL AND MARKET DATA**

In this DRHP, the terms “we”, “us”, “our”, the “Company”, “our Company”, “BRLS” “Birla Research & Lifesciences”, unless the context otherwise indicates or implies, refers to Birla Research & Lifesciences Limited. In this DRHP, 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 DRHP, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. Throughout this DRHP, all figures have been expressed in Lakhs of Rupees, except when stated otherwise. All references to “Rupees”, “Rs” and “₹” in this DRHP are to the legal currency of India.

Unless indicated otherwise, the financial data in this DRHP is derived from our restated standalone financial statements prepared in accordance with Indian GAAP and included in this DRHP. Unless indicated otherwise, the operational data in this DRHP is presented on a standalone basis and refers to the operations of our Company. The Company was incorporated on 10<sup>th</sup> January 2008; therefore the first report on the financial information of the company was prepared for the period from 10<sup>th</sup> January 2008 to 31<sup>st</sup> March 2009 and for the subsequent years the company follows the financial year ending 31<sup>st</sup> March as its accounting period.

Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2011), are to the Financial Year ended March 31 of that particular 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 DRHP 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 DRHP 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 DRHP, please refer to the section titled “Definitions and Abbreviations” in Section I of this DRHP. 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 DRHP 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 DRHP 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.

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## **FORWARD-LOOKING STATEMENTS**

This DRHP 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” in Section III and “Management Discussion and Analysis” in Section VII of this DRHP. 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 BRLM 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 and 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 Exchange/s are received in relation to the Equity Shares.

## SECTION III – RISK FACTORS

### RISK FACTORS

An investment in equity shares involves high degree of financial risk. You should carefully consider all information in this DRHP, 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 DRHP, 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 DRHP 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:

- Some events may not be material individually, but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may 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 against the company

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

#### 2. Outstanding Litigations against Promoter & Promoter Companies

Name	Nature of Litigation	No. of Cases	Amount (₹ in Lacs)
Mr. Yashovardhan Birla	Civil Case Criminal Case	NIL NIL	- -
Birla Wellness & Healthcare Pvt. Ltd	Civil Case Criminal Case	NIL NIL	- -
Shearson Investment & Trading Co. Pvt. Ltd	Civil Case Criminal Case Tax matters	NIL NIL 3	- - 191.06
Godavari Corporation Pvt. Ltd.	Civil Case Criminal Case Tax matters	NIL NIL 1	- - 60.69
Nirved Traders Pvt. Ltd.	Civil Case Criminal Case Tax matters	NIL NIL 2	- - 638.37

Outstanding Litigations against Directors

Name	Nature of Litigation	No. of Cases
Mr. Yashovardhan Birla	Civil Case Criminal Case	NIL NIL
Mr. Venkateswaralu Nelabhotla	Civil Case Criminal Case	NIL NIL
Mr. P.V.R. Murthy	Civil Case Criminal Case	NIL NIL
Mr. Vijay Agarwal	Civil Case Criminal Case	NIL NIL
Dr. E G Rajan	Civil Case Criminal Case	NIL NIL
Dr. Jayaprakash Narayan	Civil Case Criminal Case	NIL NIL

Outstanding Litigations against the Promoter Group Companies

Name	Nature of Litigation	No. of Cases	Amount (₹ in Lacs)
Birla Power Solutions Limited	Sales Tax Cases	11	969.17
	Criminal Cases filed by the company	60	197.54
	Civil Cases filed by the company	21	185.46
	Consumer Forum and MRTP	23	16.8
	Labour cases against the company	3	2.25
Birla Cotsyn (India) Limited	Labour cases against the company	21	16.31
	Labour cases filed by the company	7	Not Ascertainable
	Civil cases filed by the company	8	16.58
	Civil cases against the company	4	100
	Criminal Cases filed against the company	1	Not Ascertainable
Zenith Birla (India) Limited	Labour cases against the company	13	5
	Civil cases against the company	10	61.88
	Civil Cases filed by the company	24	397.56
	Excise, Customs, Income Tax Sales Tax cases against the company	18	496.25
	Excise, Customs, Income Tax Sales Tax cases filed by the company	8	130.55
	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	0.1
	Labour cases against the company	1	Not Ascertainable
Birla Shloka Edutech Limited	Criminal Cases filed by the company	1	0.88
	Income Tax Case	1	83.62
Birla Capital & Financial Services Limited	Income Tax Case	1	532.22

Birla Transasia Carpets Limited	Excise, Income Tax, Sales Tax	8	179.58
	Labour cases against the company	6	Not Ascertainable
	Criminal Cases filed by the company	3	18.36
	Civil Cases filed by the company	1	90.34
	Pollution Control Cases	2	Not Ascertainable
Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited)	Employees Providend Fund Case filed against the company	1	2.35
	Criminal Cases filed by the company	2	59.13
	Labour case against the company	1	Not Ascertainable
Melstar Information Technologies Limited	Civil Cases filed against the company	5	6.96
	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	CivilCases filed against the company	1	Not Ascertainable
Birla Infrastructure Limited	Consumer Dispute	1	Not Ascertainable
	Cases filed by the company	1	30.6
	Income Tax case	2	19.11
Birla International Pvt. Ltd	Wealth Tax, Income Tax	2	Not Ascertainable
	Criminal Case against the company	1	0.5
Birla Viking Travels Limited	Case Filed by the company	2	31.64
Godavari Corporation Limited	Tax Cases	8	200.16
Nirved Traders Pvt. Ltd.	Tax Cases	2	638.37
Shearson Investment Pvt. Ltd.	Tax Cases	3	191.06
Birla Pacific Medspa Limited	Trademark case	2	Not Ascertainable
Laxmi Properties	Civil Cases filed against the company	4	Not Ascertainable
	Civil Cases filed by the company	7	Not Ascertainable
	Tax Matters	1	0.5

**3. One of the promoters' 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 ₹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.	20/09/2010	Birla Wellness & Healthcare Pvt Ltd	5,636,300	10	10
2.	1/12/2010	Birla Wellness & Healthcare Pvt Ltd	5,000,000	10	10
3.	21/04/2011	Birla Wellness & Healthcare Pvt Ltd	3,400,000	10	10
4.	15/6/2011	Shearson Investment & Trading Co. Pvt. Ltd.	6,000,000	10	10
5.	15/6/2011	Nirved Traders Pvt. Ltd.	9,027,300	10	10
6.	29/7/2011	Birla Wellness & Healthcare Pvt Ltd	3,000,000	10	10
		Total	32,063,600		

**5. 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.

(For more details please refer to Performance vis-à-vis Objects given in section “Regulatory and Statutory Disclosures” beginning on Page No. 266 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.”

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

**Promoter Companies:**

Sr. No.	Name of the company
1.	Birla Wellness & Healthcare Pvt. Ltd.
2.	Godavari Corporation Pvt. Ltd.
3.	Nirved Traders Pvt. Ltd.
4.	Shearson Investments & Trading Company Pvt Ltd

**Listed Group Companies**

Sr. No.	Name of the company
1.	Birla Capital & Financial Services Ltd.
2.	Birla Transasia Carpets Ltd.
3.	Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited)
4.	Birla Pacific Medspa Ltd
5.	Melstar Information Technologies Ltd.

**Unlisted Group Companies**

Sr. No.	Name of the company
1.	Asian Distributors Pvt. Ltd.
2.	Birla Accucast Ltd.
3.	Birla Concepts (India) Pvt. Ltd.
4.	Birla Edutech Ltd.
5.	Birla Electricals Ltd.
6.	Birla Global Corporate Pvt. Ltd.
7.	Birla Infrastructure Ltd.
8.	Birla Kerala Vaidyashala Pvt. Ltd.
9.	Birla Surya Limited
10.	Birla Lifestyle Pvt. Ltd.
11.	Birla Integrated Textile Park Ltd
12.	Ashok Birla Apollo Hospital Pvt Ltd
13.	Birla Aircon Infrastructure Pvt Ltd

For more details, please refer to Section VI Chapter ‘Promoter Group Entities’ on Page no. 128 of this Offer Document.

**7. One of our group companies Birla Transasia Carpets Ltd. has been referred to BIFR.**

One of our group companies, Birla Transasia Carpets Ltd. (“BTCL”) 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 ₹ (3208.92) Lakhs.



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

- 8. We plan to foray into manufacture of ayurvedic medicines and formulations. Lack of experience of our company/ promoters in this field of manufacturing may affect our plans of manufacture and in turn could affect our business operations.**

Our Company has been into marketing of personal and healthcare products including ayurvedic medicines and formulations. Presently, we get these products manufactured from third party manufacturers according to our specifications and as such we are not exposed to risks and uncertainties involved in manufacturing operations. Due to lack of experience in managing manufacturing operations we may not be able to anticipate or evaluate business risks associated with manufacturing activities. If we are unable to successfully manage the proposed manufacturing operations, in which we plan to invest large amounts, implement strategies as planned and turn profitable in the anticipated timeframe, our business operations and financial conditions may be materially and adversely affected.

- 9. Our proposed project is at a very preliminary stage. We propose to set up facilities for manufacture of skin & healthcare and ayurvedic medicines products and also set up R & D facilities for monitoring quality of products. We have not yet identified land for locating these proposed facilities. If we are unable to identify the land required for our purposes within the estimated time frame and cost, we may not be able to commence operations under current expansion plan as expected thereby resulting in cost and / or time overrun, which may adversely affect our project cost and the results of our operations.**

Our proposed project envisages setting up of facilities for manufacture of ayurvedic formulations and other products and also set up an in-house R & D facility for quality control and testing of our products, in the state of Maharashtra. This project is at a very preliminary stage of implementation. We are in the process of identifying land at appropriate location for setting up the project. There is no assurance that we would be able to identify required land at the cost estimated by us or within the time frame envisaged by us. The scheduled completion target for our Project is an estimate and is subject to delays as a result of, among other things, force majeure events, availability of financing, unanticipated cost increases or inability in obtaining government approvals etc., any of which could give rise to cost overruns or the delay in our implementation schedule. Any failure on our part to acquire land and implement the project within our time and cost estimation, may lead to time and cost overrun in our project resulting in material adverse impact on our business and financial condition.

- 10. We may not be able to find ideal locations to open and operate Rebirth stores.**

We are in the business of sale of natural healthcare & personal care products & services. One of our business verticals is the sale of specialty products through Rebirth stores, success of which is highly dependent on optimizing the store locations at a competitive cost. We presently market our products and Spa services through our chain of Rebirth Stores, located in or around Mumbai. Our business plan proposes expansion of these stores to other Metros and Tier I cities. We are yet to finalise the proposed locations and we have not identified any premises where these proposed Rebirth stores are to be located. 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.

- 11. We have not placed orders for any of the equipments to be installed at our proposed facilities for manufacture of ayurvedic formulations and other products or for setting up our R & D Centre. The cost of plant and machinery is estimated at ₹ 693 lacs for setting up of ayurvedic formulations and ₹ 305.30 lacs for setting up of R & D facility. 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 machineries and equipments for our proposed project, based on quotations or internal estimates based on prevailing market prices of manufacturers/ suppliers of such machineries / equipment. However, as on date of this Offer Document, we have not placed orders for any of these machineries or medical equipments. Delivery period for most of these machineries and equipments

ranges from 3-6 weeks from the date of placing the order. The orders cannot be placed unless we finalise the location of our project and complete the civil work and building construction. We cannot assure that we would be able to acquire the machinery and equipments at the prices as quoted/estimated in this Offer Document. 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.

**12. 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 is entirely at the discretion of our management and no independent agency has been appointed for monitoring utilization of issue proceeds for the purposes for which it is being raised. However, a Project Monitoring Committee has been formed consisting of 1 independent director, the Managing Director and a non- independent 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 2 independent and one non- independent director, will also be monitoring the use of proceeds of the Issue. Thus the utilization of IPO proceeds will be monitored in all by 3 independent directors through their respective committees. We will disclose the details of the utilisation of the Issue proceeds, including interim use, under a separate head in our financial statements till such time the funds have been fully utilized 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.

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

The funds being raised through the Issue are proposed to be used for setting up facilities for manufacture of Ayurvedic formulations and other products, besides setting up R & D facilities for testing and monitoring of quality of our products. Further we are also proposing to utilize part of the funds for establishing additional Rebirth stores in various cities and meeting working capital requirements, brand promotion and general corporate purposes. The fund requirement is based on our management's estimates and has not been independently appraised by any bank/financial institution. These estimates are based on current conditions. 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 proposed stores and an increase in our proposed expenditure for particular project and as a consequence, our results of operations may be adversely impacted.

**14. 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 proposed project and expansion 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 proposed project and expansion plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page no.51 of this Offer Document.

**15. All our present Rebirth stores are located and proposed stores would be located in places not owned by us but taken on contractual agreement basis. We have taken 11 properties on lease to operate our stores 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 stores are not operated from premises owned by us. The important terms and conditions of the lease are given in detail on page no. 97 of this document. Our proposed stores are also planned to be located on places that would not be 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.

**16. Our expansion of Rebirth stores into new geographic areas exposes us to certain risks.**

We intend to expand our presence both geographically and in terms of number of stores. 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 stores 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 stores at each place, please refer paragraph “Details of the Capital Expenditure for the expansion plan” under section ‘Objects of the Issue’ on page no. 51 of this Offer Document.

**17. We depend on the adequate and timely supply of raw materials at reasonable prices. Any delay in procuring requisite raw materials at suitable prices could affect our business operations**

The major raw materials required for our proposed ayurvedic medicines and formulations are natural herbs which are presently available without much difficulty and at reasonable cost. However, there can be no assurance about the continued availability of these raw materials in the quality, quantity and prices suitable for manufacture and marketing of our proposed products. Our business would be significantly affected by the availability, cost and quality of the raw materials which we need for manufacturing of our products. The prices and supply of raw materials depend on factors not under our control, including competition, and availability of quality suppliers, production levels, transportation costs etc. If, for any reason, our suppliers of raw materials should curtail or discontinue the delivery of such materials to us in the quantities we need or provide us with raw materials that do not meet our specifications or at prices that are not competitive for us, this could impair our ability to meet our material requirements for the business of the Company, and our results of operations and business could suffer.

**18. We face competition from manufacturers of allopathic medicines, and organized/ unorganized players in the Ayurvedic segment. Any inability to compete with them could adversely impact our business and financial operations**

We are in the business of natural healthcare products and services including ayurvedic medicines and formulations. We face competition from allopathic products suppliers as well as from manufacturers and suppliers of natural healthcare products. There has been mushrooming growth in supply of natural healthcare products due to growing consumer preference towards these products and limited entry barriers in this segment. If we are unable to compete successfully, we may lose our customers, which would negatively impact our sales and financial performance.

**19. We have limited track record of business operations as our company was incorporated in January 2008. Hence it is difficult to estimate our future performance. We have incurred losses during the financial period of 15 months ended 31 March 2009 and also in the subsequent two years ended 31st March 2010 and 31st March 2011. Unless we significantly improve our performance, we may continue to make losses which will further adversely affect our business operations and financial condition.**

We have limited track record of business operations based on which it is difficult to assess our business, future prospects and viability. Presently, our operations are incurring losses. We have incurred net loss of Rs.26,034,843 for the fifteen months ended 31st March 2009, Rs.41,879,625 for the year ended 31st March 2010 and Rs.66,306,757 for the year ended 31st March 2011. There can be no assurance that we will be successful in improving our performance or 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.

**20. There are certain audit qualifications in the auditor’s report of our previous financial years/periods.**

Our auditors have qualified the financial statement for the period ended March 31, 2009, FY 2010 and FY 2011 with regard to non-compliance of AS-15- Employee Benefits and AS- 26-Intangible Assets. These audit qualifications have been given effect to the tune of ₹ 2,53,760 (Employee benefits) and cumulatively ₹ 10,28,38,051 (Intangible Assets) in the restated financial statements. For further details of audit qualifications, please refer to the section titled “Financial Information of our Company” on page no. 165 of this offer document.

**21. We have had negative cash flows in the past.**

Particulars	For the year ended 31 <sup>st</sup> March 2011 (Rs.)	For the year ended 31 <sup>st</sup> March 2010 (Rs.)	For 15 months ended 31 <sup>st</sup> March 2009 (Rs.)
Net cash from (used in) operating activities	(121,985,955)	(54,766,408)	(63,755,805)
Net cash from (used in) investing activities	(11,551,545)	(4,587,410)	(5,314,428)
Net cash from (used in) financing activities	136,813,247	60,252,755	69,189,554
<b>Net Cash Flow</b>	<b>3,275,747</b>	<b>898,937</b>	<b>119,321</b>

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.

**22. The conditions and restrictions imposed by our lenders could restrict our ability to expand our business and operations.**

We have availed credit facilities from Karnataka Bank Limited which are subject to certain terms and conditions. The loans are primarily secured by way of hypothecation of current assets. In case we are not able to pay our dues in time, the same could adversely impact our operations. In addition to the above, our financing arrangements also include conditions and covenants that require us to obtain consents of our lender prior to carrying out certain activities and entering into certain transactions. Failure to obtain such consents can have significant consequences on our capacity to expand and therefore adversely affect our business and operations. We cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that lenders could assert that we have not complied with all terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business and operations or implement our business plans.

**23. We have outstanding liability towards payment of undisputed statutory dues in respect of certain past financial years.**

As at March 31, 2011 we have outstanding liability towards payment of undisputed dues in respect of professional tax, income tax and service tax amounting to ₹ 387,643 For further details, please refer to Chapter "Outstanding Litigations and Material Developments" beginning on page no. 195 of this Offer document.

**24. We are subject to certain terms and conditions in respect of banking facilities availed by us.**

We have availed credit facilities from Karnataka Bank Limited which are subject to certain terms and conditions. We may not have complied with all the stipulated terms and conditions as on date. Any continued non-compliance with stipulated terms and conditions may lead to suspension/withdrawal of facilities sanctioned to us which may in turn adversely affect our business operations and financial position. For further details, please refer to para "Details of Principal Terms of Loans and assets charged as security" on page no. 99 of this Offer document.

**25. 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, research professionals and also on our directors and our promoters. In particular, our company relies on the experience and expertise of Mr. Venkateswaralu Nelabhotla, Managing Director for successful implementation of its project and continued business operations. Our future performance may be affected by any disruptions in the continued service of these persons.

**26. 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- listing of our shares on Stock Exchange. For detailed description of the key terms and conditions of the Agreement, please refer para "Shareholders Agreement" on page no. 106 of this Offer Document

**27. Presently, some of our trademarks for which applications for registrations have been made are not yet registered. Unauthorized parties may infringe upon or misuse our brand name.**

We have applied for registration of our trademarks, some of which are yet to be registered in the name of our Company. The details of these are given in Chapter "Business Overview" under the para 'Intellectual Property' on page no. 94 of this Offer Document. In case we are unable to achieve successful registration of the said trademarks, we may be subject to loss of brand equity with consequential financial loss.

**28. 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 42, 111 and 165 respectively of this Offer Document."

**29. We have entered into a number of related party transactions for the year ended 31st March 2011 amounting to ₹ 2310.88 lacs which may involve conflicts of interest**

We have entered into a number of related party transactions. 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 on related party transactions, see the section titled "Financial Information of Our Company" beginning on page no 165 of this Offer Document

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

As on the date of this offer document, 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 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 5 of our group companies namely Zenith Birla (India) Ltd., Birla Cotsyn (India) Ltd., Birla Accucast Ltd., Birla Pacific Medspa 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.



**31. Pending Government / Statutory Approvals and Licenses**

Our Company has made applications to regulatory authorities for grant of the Government/Statutory approvals and licenses but the same has not been issued to us till date. For details of pending approvals please refer to Chapter titled 'Business Overview' on page no 79 of this offer document

**32. If our Company is not able to procure or renew or maintain its statutory and regulatory registrations and approvals required to operate its business, it may have a material adverse effect on its business.**

Our Company requires certain statutory and regulatory licenses/registrations/approvals to operate its business. While, we believe we have procured all the necessary licenses/registrations/approvals, there cannot be any assurance that the same are adequate for legal compliance or that we have complied all the applicable laws. Further, as regards our existing licenses/approvals/registrations, we may be required to renew them in the future and obtain new licenses/approvals/registrations for any proposed operations, including any expansion of existing operations. While our Company believes that it will be able to renew or obtain such licenses/approvals /registrations as and when required, there can be no assurance that the relevant authorities will renew or issue any such licenses/approvals/registrations in the time-frame anticipated by the Company or at all. If our Company is unable to procure, renew, maintain or obtain the required licenses/approvals/registrations, it may result in the interruption of our Company's operations and may have a material adverse effect on its revenues and operations.

**33. 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 products or services or any deficiency in our products or 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 stores, which could cause financial and other damage to our customers.

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

We have Standard Fire and Special Perils insurance Policies covering Furniture, Fixtures & Fittings and other stocks at Rebirth Stores, materials in godown and transportation of Ayurvedic Medicines, Personal care products & Food Products from anywhere in India to anywhere in India by Rail/ Road. for total insured amount of ₹ 993 lakhs, details of which are disclosed on page number 93 of this Offer Document. 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

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

Our products relate to business of natural healthcare & personal care. For these products, the growing middle and upper class of Indian population is our main target. To this extent we are 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.

**36. 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 natural healthcare & personal care products and services. We believe that our success depends on our ability to maintain the 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.

**37. 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 Jan 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.

**38. 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.

**39. In the pre issue scenario, BCCL holds 29.30 % 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 one of our promoters, Birla Wellness & Healthcare Pvt. Ltd.

#### EXTERNAL RISK FACTORS

**40. 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 102 of this Offer Document. 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.

**41. 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.

**42. 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.

**43. 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.

**44. 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.

**45. 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.

**46. 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.

**47. 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 ₹ 10/-each for cash at a price of ₹ [●] per Equity Share aggregating ₹ 7500 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 and compliance officer, please refer to the cover page of this Offer Document.
3. The pre-issue net worth of our Company was ₹ 736.83 Lakhs as per our restated audited financial statements as on March 31, 2011.
4. The average cost of acquisition of Equity Shares by all our Promoters 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 March 31, 2011 was ₹5.25
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 except 1000 shares which were issued as per the Business Transfer Agreement dated 12<sup>th</sup> March 2009.
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 "Promoter Group Entities" beginning on pages 42, 111, 122 and 128, respectively, of this Offer document.
9. All information as required under SEBI (ICDR) Regulations 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. 59 of this Offer Document 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.316 of this document.

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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. 288 of this document.
  15. Our Company, and the BRLM will update the Offer Document in accordance with the Companies Act and the SEBI (ICDR) Regulations 2009. 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.46 of this document.
  17. There has been no financing arrangement whereby our Promoter Group, directors of our Promoter Companies, 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.165 of this Offer Document.
  19. The aggregate value of transactions by the issuer with group / associate companies during the last three accounting periods is ₹ 4352.17 Lacs. For details on Related Party Transactions, please refer the section titled "Financial Statements" beginning on page 165 of this document...
  20. Our company was originally incorporated in the name of ‘Birla Lifesciences Pvt Limited.’ on Jan 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 September 23, 2010. The company was converted to a Public Company and the name was consequently changed to ‘Birla Research & Lifesciences Limited’ and a fresh Certificate of Incorporation consequent to Change of Name was obtained from Registrar of Companies, Maharashtra on November 25, 2010. The objects clause of Memorandum of Association of our company has been amended on August 13, 2010.
  21. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Company.

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## 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 DRHP, including the information on “Risk Factors” in Section III and our “Financial Statements” and related notes in Section VII of this DRHP, before deciding to invest in our Equity Shares.*

### SUMMARY OF INDUSTRY

#### THE AYURVEDIC MEDICINE INDUSTRY

The name ayurveda comes from two Sanskrit words: ayur meaning ‘life’ and veda meaning ‘knowledge’. According to ayurvedic teaching, everyone and everything in the universe consists of three basic forces or elements. In Sanskrit they are called vata, pitta and kapha (also spelled as vat, pit and kaph). They are assumed to control all physical and mental processes and are compared to the workings of the wind, the sun and the moon:

#### Evolution of the Ayurvedic Medicines Industry

There has been a shift in universal trend from synthetic to herbal medicine recently. It is ancient wisdom that plants have therapeutic value and are used to treat various diseases since Neanderthal age. All ancient civilizations in the world are known to use plants for medicinal purposes. Ayurveda and traditional Chinese medicines are well known to the world for their natural ingredients and multiple benefits.

Today, people around the globe are giving preference to alternative medicines such as ayurveda, naturopathy, homeopathy and herbal medicine. Herbal medicine is cost effective and generally less expensive than the medicines bought from an allopathic pharmacy. Increasing realization of the side effects of allopathic medicines, coupled with the growing awareness about the medicinal benefits as well as therapeutic effect of herbal products is pushing up the demand for herbal extracts, dietary supplements and herbal-based beauty aids worldwide.

#### Indian Ayurveda Industry:

Within India, over-the-counter remedies remain the most popular, accounting for almost 70% of medicinal products sold in the country, with 30% being prescription drugs. The herbal and ayurvedic market in India is predicted to continue to grow at a rate of 12 to 15% per year. India has lot of potential for producing world class herbal medicines. For the Entrepreneurship it is one of the areas of great opportunity & potential. The Indian herbal Industry is on a roll and poised to grow in the coming years owing to its high demands for herbal products.

Source: ([www.niir.org](http://www.niir.org) and [www.ehow.com](http://www.ehow.com))

#### The Industry Today in India:

About 20000 units are involved in this field amounting to about Rs.50 Billion in Market Size. In the Ayurveda sector, the main players include Dabur, Himalayas, Zandu, Baidyanath , which together have about 85% of India's domestic market. The products of these companies are included within the broad category of "fast moving consumer goods" (FMCG; which mainly involves foods, beverages, toiletries, cigarettes, etc.). Most of the larger Ayurvedic medicine suppliers provide materials other than Ayurvedic internal medicines, particularly in the areas of foods and toiletries (soap, toothpaste, shampoo, etc.), where there may be some overlap with Ayurveda, such as having traditional herbal ingredients in the composition of toiletries.

Source: [www.primaryinfo.com/ayurvedic.htm](http://www.primaryinfo.com/ayurvedic.htm).

## The Future of Ayurveda

The future for Ayurvedic practice is bright, according to the American Academy of Ayurvedic Medicine, but needs the proper support of public and private partnerships such as the Indian government, health ministry, elite Ayurvedic institutions and academic institutions in India and the U.S. AAAM states that "In order for Ayurveda to be recognized as a proper health care discipline, there is a need of well-trained practitioners and clinicians trained in the Indian sub-continent, Europe and the U.S. Ayurveda is supported by historical information and forms the basis of many Eastern and Western health care disciplines. In spite of Ayurveda being a prime healing science, it has suffered great deal of neglect and discrimination by various internal and external forces in India and abroad. It has not achieved its proper position and recognition as a health science due to a lack of proper infrastructure, clinical and academic support."

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

Exports of Ayurvedic medicines have reached a value of 100 million dollars a year (about 10% the value of the entire Ayurvedic industry in India). About 60% of this is crude herbs (to be manufactured into products outside India), about 30% is finished product shipped abroad for direct sales to consumers, and the remaining 10% is partially prepared products to be finished in the foreign countries

Source: <http://www.itmonline.org/arts/ayurind.htm>, [pubs.iied.org/pubs/918911ED.pdf](http://pubs.iied.org/pubs/918911ED.pdf) and [www.scribd.com/doc/37499541](http://www.scribd.com/doc/37499541)

## India comes 2nd in Asian life science industry

The Life Sciences industry in Asia clocked a growth of 3.4 per cent to record revenues of \$110.89 billion in calendar year 2009, according to a survey by CyberMedia's publication, BioSpectrum Asia, the journal for life sciences industry in the Asia Pacific region, with nearly half the revenues - \$54.24 billion - coming from the listed companies. The publicly listed companies grew at 24.03 per cent. BioSpectrum Asia estimates the growth of Life Sciences, covering pharma, biotech and medtech segments, in 2010 to surpass that of 2009, even though the range is likely to remain the same: 3-5 per cent, as the economic climate begins to change for the better.

The combined revenues of Indian life sciences companies was \$21 billion taking India to the number two spot behind China. India accounted for 19 per cent of the total revenues in Asia Pacific. South Korea, Australia and Singapore followed India in terms of revenue. This figure includes total revenues from sales, licensing, and service income of the companies in the Asia Pacific region, excluding Japan. General healthcare and equipment providers are excluded from this survey. Executed over a period of two months starting in April-May 2010, the third BioSpectrum Asia survey was limited to publicly listed companies in the life sciences industry in the Asia Pacific region. A sample survey of private companies has been factored into the survey numbers.

Source: <http://www.ciol.com/News/News/News-Reports/India-comes-2nd-in-Asian-life-science-industry/138503/0/>

## Indian Health & Wellness foods – an overview

The Health & Wellness (H&W) food industry in India has witnessed significant activity over the past few years. A number of food players have been introducing healthier variants of their existing products or launching a completely new range of products on this platform. However, H&W products constitute merely 8 to 9% of the US\$ 19 billion packaged food market in India, as compared to the global average of ~27%. With key consumer side changes underway, along with the growth of packaged food consumption in India, the H&W market could witness high growth over the next decade

Source : [http://www.ibpcosaka.or.jp/network/e\\_abg/e\\_india\\_abg\\_annual\\_report\\_Health.pdf](http://www.ibpcosaka.or.jp/network/e_abg/e_india_abg_annual_report_Health.pdf)

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## SUMMARY OF BUSINESS

Our Company belongs to Yash Birla Group which 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.

Our Company aims to reinstate the faith in the ancient science of natural medicines, by combining modern technology with time tested wisdom of Ayurveda. Our Company aims that each of its products employs standardized raw material and meets highest quality standards.

We are in the business of Ayurvedic medicines, natural skin & hair care products, health foods and spa services. Our aim is to re-ignite faith in the ancient science of natural products and get efficacious and safe products and wellness services that meet the expectations of all.

We have three business verticals – BirlaVeda, Rebirth and Birla Kerala Vaidyasala, which could be further divided into sub-segments.

- 1) BirlaVeda – comprises of two  
sub-segments for manufacturing and distribution of ayurvedic products. The division parallelly focusses on Ethical, OTC and generics business streams.  
BirlaVeda products are targeted to middle and upper class consumers. The Ethical division medical representatives would reach the allopathic and ayurvedic doctors through a separate ethical sales/marketing field force. In this division, we plan to significantly increase distribution coverage and penetration by ramping up sales force numbers from the current strength of 120 to 300 by FY12.
- 2) Birla Kerala Vaidyashala (BKV) – A 99% subsidiary of BRLS, focuses on Ayurvedic treatment/rejuvenating services and products sales through its own centre and Franchisee centre. It consists of Ayurvedic therapy centres to provide the customers most comprehensive ayurveda and herbal treatment/products to all age groups at affordable prices. BKV plans to expand this segment for middle class & upper class and anticipates pan India presence in the next few years.
- 3) Rebirth- The integrated wellness products and services division, which is positioned as a one stop shop to all health and wellness related concerns, reaches consumers through multi channels of Own Stores, Franchisee stores and Speciality Distribution channel which includes modern trade channels, Shop in Shop, Sports nutrition stores and other speciality channels. The division consists of Personal Care products, Health Foods, Herbal Products and Spa services.

Our Company aims to provide umbrella of natural products and services to its customers. We market personal care products range under “CHANT” brand, ayurvedic medicines under “BIRLA VEDA”, diet foods & supplements under “NUTRINEXT” and Spa alongwith sale of these products under “REBIRTH Store”.

**Chant:** Chant offers natural skin care and hair care products. The products contain 100% natural active ingredients that provide nourishment and protection from pollution and untimely degradation.

Chant is spread across sub-categories of face, hair, body and baby care products. It also includes hand-made soaps, aroma oils and candles. Chant offers all natural skin care and hair care products.

**Birla Veda** offers formulations that are standardized, safe and innovative products for lifestyle disorders and personal care.

Products of Birla Veda can be categorized as under

- OTC (Over the counter)
- Ethical (Prescription)
- OTX (Over the counter & prescription)

#### Ethical Products

Some of the products launched are Hepatall, Eveshor, Eczegon, Prosperm, Migramin, Constimed, Lukend, Novajoint, Shatavez, Dermalut, etc.

#### OTC & OTX

Some of the products launched by our company under OTC & OTX are Quitobac, Flagcip, Brahmatej, Rewakke, Dazzlin, Muladhar, etc.

**Nutrinext** offers a range of healthy food products. It includes sugar-less, healthy and nutritious food products in contemporary formats like cookies, chocolates, muffins and nutri-bars & health beverages for health conscious individuals. The sugarless nature of the products cuts the calories without compromising on the taste. The 'all nutritional' product nature allows quicker digestion, assimilation and enhances the body metabolism.

**Rebirth** Store is a one-stop solution to several health and wellness related issues. It houses products that are enriched with pure natural ingredients that help regain vitality. With the importance of natural products gaining importance day by day, the Rebirth Store offers an array of authentic natural products that invigorates the mind, body and soul.

### **PROSPECTS OF THE PRESENT AND PROPOSED PRODUCTS**

Our present products include Ayurvedic medicines, natural healthcare, personal hair & skin care products and diet foods & supplements. These products are marketed under the brand names of Birla Veda, Chant & Nutrinext respectively. We believe that these products have found reasonable acceptance in the market and we expect them to gain increased customer preference over the years to come. Our proposed products will be under one of the existing verticals. The proposed capital expenditure programme being financed through the present issue will enable us to improve the quality of our products besides increasing the product portfolio.

### **MARKETING STRATEGY & MARKETING SET-UP**

- We presently market our products under our various brands, through our chain of Rebirth stores. We also market our select products through retail chemists, stockists and through doctor's prescription.
- We propose to promote Ayurvedic products to be prescribed as supplementary products along with allopathic products thus winning over the allopathic believers and fusing with the strengths of the allopathic industry.
- We propose to enter into arrangements with other service providers like spas and clinics in the healthcare industry to offer package deals to customers.
- Our product portfolio will be built on prevention, enhancement, maintenance, restoration and recovery of health.



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## OUR COMPETITIVE STRENGTH

- Our company will be offering a wide range of Ayurvedic medicines, cosmetics, food supplements etc. Therefore our chances and opportunities to reach out to a wider customer base increases and the platform to build a 'complete Ayurveda brand' is created.
- Vision of our company is to increase shift of customer focus from illness to wellness; our products would revolve around self care and preventive care.

## Weaknesses

- We have no previous exposure to ayurvedic sector.
- Ayurveda is essentially considered as an alternate medicine rather than a main form of treatment and people largely prefer Allopathy to Ayurveda.
- Ayurveda has not yet come up with any definite cures for serious ailments and it takes a long time to take effect.
- Our business has a long gestation period.

## 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 ₹[•] aggregating ₹ 7500 lacs.
<b>Of which</b> A) Qualified Institutional Buyers Portion	[•] Equity Shares of Rs.10 each for cash at a price of ₹ [•] aggregating to Rs.3750 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 ₹[•] aggregating ₹ 1125 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 ₹[•] aggregating ₹2625 Lacs constituting upto 35% of the issue to the Public (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	59717690 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. 51 of this offer document

\*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 August 1, 2011 in the Chapter VII titled "Financial Information" of this offer document. You should read this financial data in conjunction with our financial statements for the period from 10<sup>th</sup> January 2008 to 31<sup>st</sup> March 2009, for the financial years ended 31<sup>st</sup> March 2010 and 2011 including the Notes thereto and the Reports thereon, which appears under the paragraph on "Financial Information" and "Management Discussion and Analysis" in the said Chapter VII of this DRHP.

## SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(Amount in ₹)

Particulars	For the year ended 31st March 2011	For the year ended 31 <sup>st</sup> March 2010 (*)	For the 15 months ended 31st March 2009
<b>INCOME</b>			
<b>Sales:</b>			
of products manufactured	1,467,646	6,934,479	-
of products traded in	454,274,872	1,612,718	-
of Services provided	5,300,690	770,249	-
<b>Total</b>	<b>461,043,208</b>	<b>9,317,446</b>	<b>-</b>
Other Income	550,371	9,000	-
Increase/(Decrease) in Stock	6,395,284	(163,193)	-
<b>Total Income</b>	<b>467,988,863</b>	<b>9,163,253</b>	<b>-</b>
<b>EXPENDITURE</b>			
Cost of goods sold	398,323,110	5,608,310	3,053,400
Staff Costs	40,155,043	12,226,992	3,944,422
Administration expenses	47,600,221	16,246,936	12,166,234
Selling & Distribution expenses	47,619,525	16,935,222	3,082,583
Finance Charges	597,721	25,418	13,188
<b>Total Expenditure</b>	<b>534,295,620</b>	<b>51,042,878</b>	<b>22,259,827</b>
<b>Net Profit before Taxes &amp; Extraordinary items</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(22,259,827)</b>
Taxation	-	-	-
Less: Provision for current tax (including Wealth tax )	-	-	-
Less: Provision for deferred tax (net)	-	-	-
Less : Provision for Fringe Benefit tax	-	-	-
Effect of adjustments on tax	-	-	-
<b>Net Profit before Extraordinary items</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(22,259,827)</b>
<b>Less: Extraordinary items</b>			
Pre operative expenses	-	-	(3,775,016)
<b>Net Profit/ (loss) after tax</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(26,034,843)</b>

(\*): Includes income and expenses of Pre-operative period.

### Notes:

For the first year of Accounting, the accounts have been made from the date of registration January 10, 2008 to March 31, 2009, the second and third report have been prepared for year ended March 31, 2010 and March 31, 2011 respectively.

**Summary Statement Assets & Liabilities, As Restated**

(Amount in ₹)

Particulars		For the year ended 31 <sup>st</sup> March 2011	For the year ended 31 <sup>st</sup> March 2010	For 15 months ended 31st March 2009
<b>A.</b>	<b>Fixed Assets :</b>			
(i)	Gross Block	21,453,383	9,901,838	5,314,428
	Less: Accumulated Depreciation	4,450,651	1,555,213	373,899
	Net Block	17,002,732	8,346,625	4,940,529
	Less: Revaluation Reserve	-	-	-
	Net Block after adjustment for Revaluation Reserve	17,002,732	8,346,625	4,940,529
(ii)	Capital work in Progress	-	-	-
	<b>TOTAL (A)</b>	<b>17,002,732</b>	<b>8,346,625</b>	<b>4,940,529</b>
<b>B</b>	<b>Investments (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>Current Assets , Loans &amp; Advances:</b>			
	Inventories	42,617,839	36,582,573	36,745,766
	Sundry Debtors	189,482,990	3,154,929	-
	Cash & Bank Balances	4,294,005	1,018,258	119,321
	Loans & Advances	34,863,962	24,871,102	3,901,563
	<b>TOTAL (C)</b>	<b>271,258,796</b>	<b>65,626,862</b>	<b>40,766,650</b>
	<b>TOTAL ( A+B+C )</b>	<b>288,261,528</b>	<b>73,973,487</b>	<b>45,707,179</b>
<b>D</b>	<b>Less :Liabilities &amp; Provisions:</b>			
	Secured Loans	7,487,438	-	-
	Unsecured Loans	-	51,315,759	18,539,586
	Net Deferred Tax liabilities	-	-	-
	Current Liabilities & provisions	207,091,415	70,471,196	53,102,436
	<b>TOTAL (D)</b>	<b>214,578,853</b>	<b>121,786,955</b>	<b>71,642,022</b>
	<b>Net worth– (A+B+C – D)</b>	<b>73,682,675</b>	<b>(47,813,468)</b>	<b>(25,934,843)</b>
	<b>Represented By:</b>			
(i)	Share Capital	207,903,900	20,101,000	100,000
(ii)	Profit & Loss Account debit balance	(134,221,225)	(67,914,468)	(26,034,843)
	<b>Net worth–( i+ ii + iii)</b>	<b>73,682,675</b>	<b>(47,813,468)</b>	<b>(25,934,843)</b>

## GENERAL INFORMATION

Our Company was incorporated on January 10, 2008 under the name and style of Birla Lifesciences Pvt Ltd. and name changed to Birla Research & Lifesciences Pvt Limited on September 23, 2010. The company was converted to Public Limited on November 25, 2010 and the name was changed to Birla Research & Lifesciences Limited.

### Registered Office

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

Fax No: +91-22-22047835

CIN No : U24100MH2008PLC177694

Website : [www.brls.in](http://www.brls.in)

**Contact Person:** Ms. Pratibha Rane, Company Secretary & Compliance Officer

**Email** : [ipo@brls.in](mailto:ipo@brls.in)

### 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 6 directors. The Board of Directors consists of the following persons:

NAME OF THE DIRECTOR	DESIGNATION	STATUS
Mr. Yashovardhan Birla	Chairman	Non- Independent and Non-Executive
Mr. Venkateswaralu Nelabhotla	Managing Director	Non- Independent and Executive
Mr. P.V.R .Murthy	Director	Non- Independent and Non-Executive
Mr.Vijay Agarwal	Director	Independent
Dr. E.G. Rajan	Director	Independent
Dr. Jayaprakash Narayanan	Director	Independent

## PROFILE OF THE DIRECTORS

### CHAIRMAN

**Mr. Yashovardhan Birla** aged 44 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.

### MANAGING DIRECTOR

**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 Managing Director in Birla Wellness & Healthcare Pvt. Ltd., a Yash Birla Group company, one of our promoters. 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 Ltd., 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

#### **OTHER DIRECTORS**

**Mr. P.V.R. Murthy** aged 59 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 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. He guides our company on matters relating to finance.

**Mr. Vijay Agarwal** aged 53 years is a Practicing Chartered Accountant for the last 27 years, specializing in Corporate Advisory, Tax and Audit field. He provides guidance to our company in the area of taxation and audit as and when required.

**Dr. E. G. Rajan** aged 60 years, is the founder President of Pentagram Research Centre (P) Ltd based in Hyderabad. He has to his credit more than 35 years of industrial, professional, teaching and Research experience. He had been a lecturer and visiting professor (Research Associate) in Directorate of Technical Education, College of Engineering, Guindy, Madras and Department of Electrical Engineering, IIT, Kanpur. During the period 1977 to 1986, he was working as Electronic Warfare Officer/ Signal Analyst in the Aviation Centre, Directorate General of Security, Government of India. He provides valuable inputs to our company in matters of business strategy and planning.

**Dr. Jayprakash Narayan** aged 66 years, is the fourth generation Ayurveda Vaidya/ Physician. He has Ayurvedic medical practice for more than 30 years and is an Ayurveda consultant physician in various countries like Switzerland, Italy, Germany, Austria, Australia, UK, Canada etc. He holds Fellowship in Royal Asiatic Society, London and also in International His vast experience and insight into the ayurvedic field, helps our company in selecting and launching products relevant to the community.

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Ms. Pratibha Rane**

Company Secretary & Compliance Officer  
Birla Research & Lifesciences Limited,  
1<sup>st</sup> Floor, Dalamal House,  
Nariman Point, Mumbai – 400 021.  
Tel: +91-22-6616 8400,  
Fax: +91-22-2204 7835  
Email : [complianceofficer@brls.in](mailto:complianceofficer@brls.in)

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,  
3<sup>rd</sup> Floor, Krishna Bhavan,  
Vile Parle (East)  
Mumbai - 400057  
Tel: 022-4225 4800 Fax: 022- 4225 4880

Website: [www.arihantcapital.com](http://www.arihantcapital.com)  
Email: [brlsipo@arihantcapital.com](mailto:brlsipo@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: 022-2407 8557 Fax: 022- 2407 9230  
Email: [hemant@hemantsethi.com](mailto:hemant@hemantsethi.com)  
Contact Person: Mr. Hemant Sethi

#### **BANKERS TO OUR COMPANY**

##### **HDFC BANK LTD**

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

##### **ICICI BANK**

Capital Markets Division  
30, Mumbai Samachar Marg  
Mumbai - 400 001

##### **KARNATAKA BANK LTD**

294-A, Haroon House, Perin Nariman Street,  
Behind RBI, Fort, Mumbai – 400 001.

#### **REGISTRAR TO THE ISSUE**

##### **Link Intime India Pvt Ltd**

SEBI Regn No: INR000004058  
C 13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai – 400 078  
Tel : Ph: 91 - 22 - 2596 3838 Fax: 91 - 22 - 2594 6969  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Email: [brls\\_ipo@linkintime.co.in](mailto:brls_ipo@linkintime.co.in)  
Contact person: Mr. Vishwas Attavar

#### **BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS**

##### **ICICI BANK LIMITED**

SEBI Regn No. INBI00000004  
Capital Markets Division  
30, Mumbai Samachar Marg  
Mumbai 400 001  
Tel: 91 - 22 – 66310312  
Fax: 91- 22 - 22611138  
Website: [www.icicibank.com](http://www.icicibank.com)  
Contact Person: Mr. Viral Bharani  
Email: [viral.bharani@icicibank.com](mailto:viral.bharani@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](http://www.hdfcbank.com)  
Contact Person : Mr. Deepak Rane  
Email : [deepak.rane@hdfcbank.com](mailto:deepak.rane@hdfcbank.com)

##### **INDUSIND BANK LIMITED**

SEBI Regn No. INBI00000002  
Cash Management Services  
Solitaire Corporate Park,  
No. 1001, Bldg no. 10, Ground Floor,  
Guru Hargovindji Marg, Andheri East,  
Mumbai – 400 093  
Tel: 91 - 22 – 67723901/17



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Fax: 91- 22 - 2267723998  
Website: [www.indusind.com](http://www.indusind.com)  
Contact Person: Mr.Sanjay Vasarkar  
Email: [sanjay.vasarkar@indusind.com](mailto:sanjay.vasarkar@indusind.com)

**REFUND BANKER TO THE ISSUE**

[•]

**SYNDICATE MEMBERS:**

[•]

**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 [http://www.sebi.gov.in/Index.jsp?contentDisp=SubSection&sec\\_id=123&sub\\_sec\\_id=123](http://www.sebi.gov.in/Index.jsp?contentDisp=SubSection&sec_id=123&sub_sec_id=123). 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](http://www.kanudoshigroup.com)

Contact Person: Mr. Jayesh Parmar

Email: [jayesh.parmar@kanudoshigroup.com](mailto:jayesh.parmar@kanudoshigroup.com)

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Arihant Capital Markets Limited is the sole BRLM to the Issue and shall be responsible for the following activities:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.
2.	Conducting a Due diligence of our Company's operations / management / business plans / legal, etc. Drafting and designing the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus. Ensuring compliance with the SEBI (ICDR) Regulations, 2009 and other stipulated requirements and completion of prescribed formalities with the Stock Exchange (pre-issue), RoC and SEBI.
3.	Primary co-ordination with SEBI, RoC and Stock Exchange up to bidding and coordinating interface with lawyers for agreements.
4.	Appointment of the Registrar, Bankers to the issue and appointment of other intermediaries viz. printers and advertising agency
5.	Primary coordination of drafting/proofing of the design of the Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.
6.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.
7.	Retail & HNI segment Marketing, Which will cover inter alia: <ul style="list-style-type: none"> <li>➤ Preparation of road show presentation.</li> <li>➤ Finalising centres for holding Brokers' conference Finalising media, marketing and PR Strategy</li> <li>➤ Follow up on distribution of publicity and issue material including application form, brochure and deciding on quantum of issue material</li> <li>➤ Finalising collection centres as per schedule III of SEBI (ICDR) Regulations, 2009</li> </ul>
8.	Institutional Marketing, which will cover inter alia: <ul style="list-style-type: none"> <li>➤ Finalisation of list of investors.</li> <li>➤ Finalisation of one to one meetings and allocation of institutions.</li> <li>➤ Finalisation of presentation material</li> </ul>
9.	Managing Book & co-ordination with stock Exchange for bidding terminals, mock trading etc
10.	Pricing and QIB allocation
11.	Follow – up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
12.	The post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates/demat credits or refunds and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue, Self Certified Syndicate Banks, the bank handling refund business. The Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.

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## **CREDIT RATING**

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

## **IPO GRADING AGENCY**

This Issue has been graded by [●] a SEBI registered credit rating agency and has been assigned the 'IPO Grade [●], indicating [●], pursuant to its letter dated [●]. Attention is drawn to the disclaimer appearing under the paragraph titled "Disclaimer of the IPO Grading Agency" in the section titled "Regulatory and Statutory Disclosures" on page 266

This grading expires within [●] from the date of the report. A summary of the rationale for the grading assigned by [●] in its report is reproduced below

### **Grading Rationale**

The rationale / description furnished by the IPO grading agency will be updated at the time of filing the Red Herring Prospectus with SEBI and will be made available for inspection at our Registered Office from 10.00 a.m. to 5.00 p.m. on Working Days during the Bid/ Issue Period.

## **TRUSTEES**

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

## **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.

## **APPRAISAL AGENCY**

The objects of this Issue have not been appraised by any agency. The objects of this Issue, and means of finance thereof, are based on internal estimates of our Company

## **BOOK BUILDING PROCESS**

Book Building refers to the process of collection of bids from investors on the basis of this Prospectus. 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 Link Intime India 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 Offer document.

**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. 285 in this Offer Document.**

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. 288 of this Offer Document);
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.288 of this Offer Document); and
4. Ensure that the Bid cum Application Form/ASBA Form is duly completed as per instructions given in this Offer Document 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 ₹ 60/- to ₹ 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.

<b>Bid Quantity</b>	<b>Bid Price (Rs.)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
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		•
BID/ISSUE CLOSES ON		•

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:

<b>Name and Address of the Underwriters</b>	<b>Indicated Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (₹ In Lacs )</b>
[•]	[•]	[•]
<b>TOTAL</b>	[•]	[•]

In the opinion of the Board of Directors of our Company (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their underwriting obligations in full, in terms of the Regulation 15 (b) of SEBI (ICDR) Regulations. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act.

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 “Regulatory and Statutory Disclosures” on page 266 of this Offer Document.

## CAPITAL STRUCTURE

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

SHARE CAPITAL	(₹ in Lakhs)	
	Aggregate Nominal Value	Aggregate Value at Issue price
<b>1. AUTHORISED CAPITAL</b> 150,000,000 Equity shares of Rs.10/- each	15000.00	15000.00
<b>2. ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b> 59,717,690 Equity shares of Rs.10 /- each fully paid up	5971.77	5971.77
<b>3. PRESENT ISSUE IN TERMS OF THIS DRHP</b> Public Issue of [●] equity shares of ₹ 10/- each of which	[●]	7500.00
Qualified Institutional Buyers portion of at least [●] equity shares		3750.00
Non Institutional Portion of up to [●] equity shares		1125.00
Retail portion of up to [●] equity shares #		2625.00
<b>4. PAID-UP EQUITY CAPITAL AFTER THE ISSUE</b> [●] Equity Shares of ₹ 10 each	[●]	[●]
<b>5. SHARE PREMIUM ACCOUNT</b>		
• Before the Issue	-	-
• After the Issue	[●]	[●]

# 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, whereby, at least 50% of the offer to public shall be allotted to QIBs, failing which the full subscription monies shall be refunded. 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 22<sup>nd</sup> April 2011 and by the shareholders on 17th May 2011.

### Details of Increase in Authorized Capital:

Our Company was incorporated on 10<sup>th</sup> January 2008 with an initial Authorised Capital of Rs.2,50,00,000 divided into 25,00,000 Equity shares of Rs.10 each. The subsequent changes are given below.

Date of Change	Increased from(Rs.)	Increased to(Rs.)	AGM/EGM
October 6, 2008	2,50,00,000	100,000,000	EGM
August 13, 2010	100,000,000	250,000,000	EGM
May 17, 2011	250,000,000	1,500,000,000	EGM

### 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 DRHP



Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
10-Jan-08	10,000	10,000	10	10	Cash	100,000	Subscriber to Memorandum
27-Aug-09	2,000,000	2,010,000	10	10	Cash	20,100,000	Further Issue of shares
18-Jan-10	100	2,010,100	10	10	Cash	20,101,000	Further Issue of Shares
9-Apr-10	6,537,990	8,548,090	10	10	Cash	85,480,900	Further Issue of shares
16-Aug-10	1,605,000	10,153,090	10	10	Cash	101,530,900	Further Issue of shares
16-Sep-10	1,000	10,154,090	10	10	Other than cash	101,540,900	Further Issue of shares
20-Sep-10	5,636,300	15,790,390	10	10	Cash	157,903,900	Further Issue of shares
1-Dec-10	5,000,000	20,790,390	10	10	Cash	207,903,900	Further Issue of shares
21-Apr-11	3,400,000	24,190,390	10	10	Cash	241,903,900	Further Issue of shares
15-Jun-11	15,027,300	39,217,690	10	10	Cash	392,176,900	Further Issue of shares
29-July-11	30,00,000	42,217,690	10	10	Cash	422,176,900	Further Issue of shares
07-Sept-11	17,500,000	59,717,690	10	10	Cash	597,176,900	Further Issue of shares

#### DETAILS OF SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Date of Allotment of Equity Shares	No. of shares Allotted	Name of Allottee	Face Value (Rs.)	Issue Price (Rs.)	Reason for the Issue	Benefit accrued to the Company out of the Issue
16-Sep-10	1,000	Shri Yogesh Chadha	10	10	Shares issued for consideration other than cash for taking over the Business Undertaking of Birla Lifesciences (Proprietary firm) as a going concern on slump sale basis	Acquisition of the business undertaking

- Till date no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.
- As of date of filing the DRHP, our Company has not issued any equity shares under any employee stock option scheme.

## 1. Promoter's Contribution and Lock-in Period

### a) Capital built-up of Promoters & Promoter Group

Name of the Allottee	Date of Allotment	No. of equity shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration
Mr. Yashovardhan Birla	5/11/2007	8,000	10	10	Cash
	<b>Sub Total</b>	<b>8,000</b>			
Birla Wellness & Healthcare Pvt Ltd	27/08/2009	1,000,000	10	10	Cash
	9/04/2010	3,281,575	10	10	Cash
	16/8/2010	795,000	10	10	Cash
	20/09/2010	5,636,300	10	10	Cash
	1/12/2010	5,000,000	10	10	Cash
	21/04/2011	3,400,000	10	10	Cash
	29/07/2011	3,000,000	10	10	Cash
	11/08/2011	4,200,000	10	10	Cash
	06/09/2011	(4,200,000)			
	<b>Sub Total</b>	<b>22,112,875</b>			
Godavari Corporation Pvt Ltd	27/8/2009	1,000,000	10	10	Cash
	9/4/2010	3,256,415	10	10	Cash
	19/07/2010	(1,000)	10	10	Cash
	16/8/2010	800,000	10	10	Cash
	11/08/2011	(1,000,000)			
	<b>Sub Total</b>	<b>4,055,415</b>			
Nirved Traders Pvt Ltd	16/08/2010	10,000	10	10	Cash
	15/6/2011	9,027,300	10	10	Cash
	11/08/2011	(2,200,000)			
	<b>Sub Total</b>	<b>6837,300</b>			
Shearson Investment & Trading Co Pvt Ltd	25/8/2008	1,000	10	10	Cash
	15/6/2011	6,000,000	10	10	Cash
	11/08/2011	(1,000,000)			
	<b>Sub Total</b>	<b>5,001,000</b>			
Mr. Anuj Batra	5/11/2007	1,000	10	10	Cash
(Transferred to Shearson Investment & Trading Company Ltd)	25/08/2008	(1,000)			
	<b>Sub Total</b>	<b>-</b>			
Mr. P.V.R. Murthy* (transferred from Godavari Corporation Pvt Ltd)	19/07/2010	1,000	10	10	Cash
	<b>Sub Total</b>	<b>1,000</b>			
Mr. Venkateswaralu Nelabhotla * (transferred from Birla Wellness & Healthcare Pvt Ltd)	06/09/2011	4,200,000	10	10	Cash
	<b>Sub Total</b>	<b>4,200,000</b>			
<b>Total</b>		<b>42,215,590</b>			

\* These are Persons forming part of the promoter group.

**b) Promoters Contribution and Lock in**

<b>Date of Allotment/ Transfer and date on which the Equity Shares made fully paid-up</b>	<b>No. of Equity Shares Offered</b>	<b>Face Value (₹)</b>	<b>Offer / Acquisition Price (₹)</b>	<b>Consideration/ Nature of Allotment</b>	<b>Nature of Transaction</b>	<b>% of Pre- Issue paid- up Share Capital</b>	<b>% of Post- Issue paid- up Share Capital<sup>1</sup></b>
Mr. Yashovardhan Birla	[●]	10	10				
Birla Wellness & Healthcare Pvt Ltd	[●]	10	10				
Godavari Corporation Pvt Ltd	[●]	10					
Nirved Traders Pvt Ltd	[●]	10					
Shearson Investment & Trading Co Pvt Ltd	[●]	10					
<b>Total</b>							

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 will be 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 Research & Lifesciences 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.

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

**3. Details of transactions in Equity Shares by the Directors, Promoters and Promoter Group entities during six months preceding the filing of this Offer Document with SEBI:**

Sr. No.	Name of Transferor	Name of Transferee	Date of Transfer	No. of Shares	Amt per Share	Total Consideration
1.	Nirved Traders Private Limited	Birla Wellness & Healthcare Private Limited	11/08/2011	2,200,000	10	22,000,000
2.	Shearson Investments & Trading Company Private Limited	Birla Wellness & Healthcare Private Limited	11/08/2011	1,000,000	10	10,000,000
3.	Godavari Corporation Private Limited	Birla Wellness & Healthcare Private Limited	11/08/2011	1,000,000	10	10,000,000
4.	Birla Wellness & Healthcare Private Limited	Mr. Venkateswarlu Nelabhotla	06/09/2011	4,200,000	10	42,000,000

**4. Our Company has issued Equity Shares to the following persons in the year preceding the date of this Offer Document , which may be at a price lower than the Issue price:**

Sl. No.	Name of Shareholder	No. of Shares allotted	Date of Allotment	Price at which allotted (₹)
1.	Birla Wellness & Healthcare Pvt Ltd	5,636,300	20/09/2010	10
2.	Birla Wellness & Healthcare Pvt Ltd	5,000,000	1/12/2010	10
3.	Birla Wellness & Healthcare Pvt Ltd	3,400,000	21/04/2011	10
4.	Shearson Investment & Trading Co. Pvt. Ltd.	6,000,000	15/6/2011	10
5.	Nirved Traders Pvt. Ltd.	9,027,300	15/6/2011	10
6.	Birla Wellness & Healthcare Pvt Ltd	3,000,000	29/07/2011	10
7.	Bennett Coleman & Company Ltd	17,500,000	07/09/2011	10
	<b>Total</b>	<b>49,563,600</b>		

#### 5. 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
<b>1.</b>	<b>PROMOTERS</b>				
<b>(A)</b>	<b>Indian Promoter</b>				
<b>I</b>	<b>Individuals</b>				
	Mr. Yashovardhan Birla	8,000	0.01	[●]	[●]
	<b>Sub Total (i)</b>	<b>8,000</b>	<b>0.01</b>	<b>[●]</b>	<b>[●]</b>
<b>II</b>	<b>Companies / Trusts</b>				
	Birla Wellness & Healthcare Pvt Ltd	22,112,875	37.03	[●]	[●]
	Godavari Corporation Pvt Ltd	4,055,415	6.79		
	Nirved Traders Pvt Ltd	6,837,300	11.45		
	Shearson Investment & Trading Co Pvt Ltd	5,001,000	8.37		
	<b>Sub Total (ii)</b>	<b>38,006,590</b>	<b>63.64</b>	<b>[●]</b>	<b>[●]</b>
	<b>TOTAL (A) (i+ii)</b>	<b>38,014,590</b>	<b>63.66</b>	<b>[●]</b>	<b>[●]</b>
<b>(B)</b>	<b>Foreign Promoter</b>				
<b>I</b>	<b>Individuals</b>	0	0.00	[●]	[●]
	<b>Sub Total (i)</b>	<b>0</b>	<b>0.00</b>	<b>[●]</b>	<b>[●]</b>
<b>II</b>	<b>Companies</b>	0	0.00	[●]	[●]
	<b>Sub Total (ii)</b>	<b>0</b>	<b>0.00</b>	<b>[●]</b>	<b>[●]</b>
	<b>TOTAL (B) (i+ii)</b>	<b>0</b>	<b>0.00</b>	<b>[●]</b>	<b>[●]</b>
<b>(C)</b>	<b>Promoter Group</b>				
	PVR Murthy	1,000	0.00	[●]	[●]
	Mr. Venkateswaralu Nelabhotla	4,200,000	7.03		
	<b>TOTAL (C)</b>	<b>4,201,000</b>	<b>7.03</b>	<b>[●]</b>	<b>[●]</b>
	<b>TOTAL PROMOTERS (A+B+C)</b>	<b>42,215,590</b>	<b>70.69</b>	<b>[●]</b>	<b>[●]</b>
<b>2.</b>	<b>NON PROMOTERS</b>				
<b>I</b>	Bennett, Coleman & Company Ltd	17,500,100	29.30	[●]	[●]
<b>II</b>	Indian Public includes Employees & Institutions	2,000	0.00	[●]	[●]
	<b>TOTAL NON PROMOTERS (i+ii)</b>	<b>17,502,100</b>	<b>29.31</b>	<b>[●]</b>	<b>[●]</b>
	<b>GRAND TOTAL (1+2)</b>	<b>59,717,690</b>	<b>100</b>	<b>[●]</b>	<b>[●]</b>

## 6. Equity Shares held by top Ten Shareholders

### i) Top ten shareholders as on the date of DRHP

Sr. No	Name of the shareholders	No. of shares	%
1.	Mr. Yashovardhan Birla	8000	0.01
2.	Birla Wellness & Healthcare Pvt Ltd	22,112,875	37.03
3.	Godavari Corporation Pvt Ltd	4,055,415	6.79
4.	Nirved Traders Pvt Ltd	6,837,300	11.45
5.	Shearson Investment & Trading Co Pvt Ltd	5,001,000	8.37
6.	Mr. P.V.R. Murthy	1,000	0.00
7.	Mr. Yogesh Chadha	2,000	0.00
8.	Bennett, Coleman & Co Ltd	17,500,100	29.30
9.	Mr. Venkateswarlu Nelabhotla	4,200,000	7.03
	<b>Total</b>	<b>59,717,690</b>	<b>100.00</b>

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

Sr. No	Name of the shareholders	No. of shares	% age
1.	Mr. Yashovardhan Birla	8,000	0.02
2.	Birla Wellness & Healthcare Pvt. Ltd.	26,312,875	62.33
3.	Godavari Corporation Pvt. Ltd.	4,055,415	9.61
4.	Nirved Traders Pvt. Ltd.	6,837,300	16.20
5.	Shearson Investments & Trading Co. Pvt. Ltd.	5,001,000	11.85
6.	Mr. P. V. R. Murthy	1,000	0.00
7.	Mr. Yogesh Chadha	2,000	0.00
8.	Bennett, Coleman & Co. Ltd.	100	0.00
	<b>Total</b>	<b>42,217,690</b>	<b>100.00</b>

### Top ten shareholders two years prior to the date of DRHP:

Sr. No	Name of the shareholders	No. of shares	% age
1.	Mr. Yashovardhan Birla	8,000	0.40
2.	Birla Wellness & Healthcare Pvt. Ltd.	1,000,000	49.75
3.	Godavari Corporation Pvt. Ltd.	1,000,000	49.75
4.	Shearson Investments & Trading Co. Pvt. Ltd.	1,000	0.05
5.	Mr. Yogesh Chadha	1,000	0.05
	<b>Total</b>	<b>2,010,000</b>	<b>100.00</b>

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 Offer Document except as stated in note no. 3 of this section.

8. **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.
9. 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.
10. 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.

11. 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.
12. 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.
13. Our Company has not raised any bridge loan against the proceeds of the Issue
14. As of the date of this Offer Document, 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.
15. 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 DRHP 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.
16. 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.
17. 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.
18. 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.
19. The total number of members of our Company as on the date of filing Offer Document is nine.
20. Our Company has not made any issue of Equity Shares other than as stated above, during the last one year.
21. The company does not currently have any Employee Stock Option Plan.
22. As on date of filing of this Offer Document with SEBI, the entire Issued Share Capital of our Company is fully paid-up.



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23. Since the entire money of ₹ [•] per share (₹ 10/- face value plus ₹ [•]) is being called on application, all the successful applicants will be issued fully paid-up shares only.
24. 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.
25. 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 set up facility for manufacture of Ayurvedic formulations, personal hair care & skin care products and diet foods & supplements.
- 2) To meet the capital expenditure requirement of establishing 30 'Rebirth' stores across various cities in India.
- 3) To establish a R&D set up for Ayurvedic medicines and personal care products.
- 4) To meet the funds requirement related to brand promotion.
- 5) To meet the working capital requirements for running the above Rebirth stores.
- 6) To meet general corporate purposes.
- 7) To meet the Issue expenses.
- 8) To achieve the benefits of listing our Company's Shares on Bombay Stock Exchange Limited (BSE)

The fund requirements as stated below are based on the current business plan. In view of the competitive and dynamic nature of the industry in which our company operates, 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.

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.

### Funds Requirement

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Setting up of manufacturing facility	1993.00
2.	Capex for setting up of Rebirth Stores	600.00
3.	To set up R&D facilities	526.00
4.	Brand Promotion	1000.00
5.	Working Capital	1500.00
6.	General Corporate Purposes	1000.00
7.	Issue Expenses	725.00
8.	Contingencies	156.00
	<b>Total</b>	<b>7500.00</b>

### Means of Finance:

Particulars	Amount (₹ In Lakhs)
Public Offer of Equity Shares	7500
<b>TOTAL</b>	<b>7500</b>

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. Our capital expenditure plans are subject to a number of variables, including possible cost and changes in management's views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in any other activity and/or our Company's internal accrual, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions.

### 1. Setting up of manufacturing facility

We propose to set up a GMP compliant manufacturing facility in the state of Maharashtra for manufacture of Ayurvedic formulations, personal hair care & skin care products and diet foods & supplements. The estimated cost is as under:

Particulars	Amount (₹ in Lacs)
Land and site development	300.00
Factory Building	1000.00
Plant & Machinery	493.00
Utility & miscellaneous assets	200.00
<b>Total</b>	<b>1993.00</b>

Land and site development:

Our Company proposes to acquire suitable land for setting up the aforesaid facility in the state of Maharashtra. The area of land required to set up GMP compliant manufacturing facility is estimated at around 5 acres. The cost of land including stamp duty, site development and other incidental charges is estimated at ₹ 300 Lakhs.

Factory Building:

The estimated built-up area for the manufacturing facility is 173000 square feet. The cost of construction & civil works for the built-up area is estimated at ₹ 1000 Lakhs. The breakup of built-up area is as under:

Section	Area in square feet
Grinding	2000
Tablet	10000
Liquid Manufacturing fermentor, etc.	10000
Capsule	5000
Dry Packing	20000
Wet Packing	20000
Raw Material Warehouse	20000
Finished Goods Warehouse	20000
Dispatch Warehouse	20000
Quality Control Quality Assurance laboratory	10000
Change rooms	5000
Office	10000
Security	1000
Utilities, Canteen and miscellaneous	20000

Plant and Machinery:

The plant and machinery to be installed at the facility amount is ₹ 493 Lakhs. The breakup of same is given in table below.

<b>MACHINERY REQUIRED</b>	<b>Amount (₹ In Lacs)</b>
35st. X 41 st. x 2 rotary machine	70.00
2 auto cap. Filling machine cap. 5 lakh/ shift	24.00
3000 lit. cap. Steam jacket vessel x 2	30.00
3 fermentor of 10,000 lit. capacity	90.00
500 lit. x 2 steam jacketed vessel	10.00
3 pulveriser of 1000 kg capacity	21.00
2 set of 100 lit. capacity RMG & FBD	50.00
3 set of steam jacketed vessel 6000 lit. cap	75.00
1000 lit / hr. evaporation cap.	20.00
6 shifter	3.00
2 blister packing machine	20.00
2 lamitube filling machine	15.00
16 head filling line – filling, capping, labeling	40.00
2 line of powder filling	20.00
1 line of label counter	5.00
<b>TOTAL</b>	<b>493.00</b>

Utilities and other miscellaneous assets:

Utilities required for the plant include Boiler, effluent treatment plant etc. The cost of utilities and other miscellaneous assets has been estimated at ₹ 200 Lakhs.

The above estimate of cost of the manufacturing facility is based on the quotation dated 11<sup>th</sup> August 2011 received from Interlink Marketing Consultancy Pvt. Ltd., Mumbai.

## **2. Details of the capital expenditure for setting up of ‘Rebirth’ Stores**

Our business model envisages owned stores expansion. Our Company is presently operating 9 stores, located at Phoenix Mills - Lower Parel, Walkeshwar, Atria Mall - Worli, Khar, Growels Mall-Kandivali, Powai, and Lokhandwala - Andheri in Mumbai and outside Mumbai in Thane and at Inorbit Mall, Vashi, Navi Mumbai. We are also shortly opening a centre at Colaba, Mumbai.

Our Company is proposing to expand its operations by setting up 30 additional Rebirth Stores across the the country. Some of the proposed locations are New Delhi, Chennai, Kolkata, Nagpur, Jaipur, Hyderabad, Chandigarh, Bangalore, Pune, Indore etc.

### **Capex of establishing one Rebirth Store:**

We have estimated that establishment of each Rebirth Store would cost ₹ 20 lacs as calculated hereunder:

<b>Particulars</b>	<b>Amount (₹ in Lacs)</b>
Interior designing	10.70
AC, Electricals and Furniture & Fixtures	4.15
Deposit	5.00
Other expenses	0.15
<b>Total</b>	<b>20.00</b>

### **Interior Designing and Furniture & Fixtures**

The cost of interior designing and furnishing of each centre is estimated at ₹ 10.70 lacs and ₹ 4.15 lacs respectively. The above estimate with respect to the interior designing and Furniture & Fixtures including air conditioning and electricals is based on the quotation given by Soni Yadgar Furniture Works, Mumbai dated 18<sup>th</sup> July 2011. It is assumed that the average size of each store would be around 500 square feet.

### Deposit

The proposed Rebirth stores will be located on premises to be acquired on leave and licence basis. Each store will be approximately of 500 square feet at an average rent ranging between ₹ 140 to ₹ 200 per square feet inclusive of the maintenance and parking charges payable. The average rent has been arrived at by taking into consideration setting up of stores in metros & Tier II cities. It is assumed that 6 months rent is payable as security deposit to the owners of the premises. Hence on an average, the deposit required per centre is estimated at ₹ 5 lacs.

### Other Expenses

In addition, an amount of ₹ 15,000 has been provided to meet miscellaneous expenses.

We intend to set up additional 30 Rebirth stores, thereby requiring a total outlay of ₹ 600 lacs.

### 3. Setting up of R&D facilities

We propose to set up a full-fledged R&D facility along with a mini plant in Maharashtra. The R&D set up shall be used for new product developments for both Chant & Birla Veda range of products. The mini plant will be used for routine testing of manufactured batches.

As of now, our company sources its products from various vendors and after ensuring the quality standards launches them in the market. The R&D laboratory will enable us to develop our own unique products with desired sensorial thus giving us an edge over current practice. Further, for routine testings and quality assurance, currently we rely on outside agencies which cause some delay in our product launches and increases the cost of the final product. With own R&D set up in place, we shall be able to do all these activities in house.

The mini plant will be used for routine testing of manufactured batches of all Chant & Birla Veda products which will ensure better quality assurance and help us in reducing the cost of manufacture.

The cost of setting up our R & D facility is estimated at ₹ 526 lacs as per details given hereunder:

(₹ In Lakhs)			
Particulars	Quotation details	Item Description	Amount
Land & Building Deposit			18.00
Civil Works	Soni Yadgar Furniture Works, Mumbai dated 18 <sup>th</sup> July 2011		78.51
Furnitures/ Fixtures/ Electricals			108.95
Miscellaneous			10.00
Equipments & Instruments	Perkin Elmer India Pvt. Ltd, Mumbai dated 1 <sup>st</sup> August 2011	HPLC 2nos.	44.00
		Clarus 580 GC	30.00
		Analyst 400 AAS	18.00
		Lamba 35	
		UV/VIS	
	M.J. Exports Pvt. Ltd., Mumbai dated 30 <sup>th</sup> July 2011	Spectrophometer	6.00
		Spectrum 2FT- IR	11.00
	Shah Brothers, Mumbai dated 29 <sup>th</sup> July 2011	Brookfield KU 2+ Digital Viscometer with accessories	3.87
	Mettler- Toledo India Pvt. Ltd., Mumbai dated 2 <sup>nd</sup> August	Various Lab Equipments	15.00
		Various Lab Equipments	8.86

	2011		
	Shimadzu (Asia Pacific) Pte Ltd., Singapore	Shimadzu LC-2010 CHT HPLC Systems with PDA Detector and PDA software	23.89
Library Books			5.00
Computer/LAN/Network			30.00
Pilot Plant	Thermolab Scientific Equipments Pvt. Ltd., Vasai, Dist. Thane dated 2 <sup>nd</sup> August 2011	Stability Chambers 6 Nos	21.00
	Anchrom Enterprises (I) P. Ltd., Mumbai dated 1 <sup>st</sup> August 2011	Camag HPTLC System	40.00
	Presto Stantest Pvt. Ltd., Faridabad, Haryana dated 2 <sup>nd</sup> August 2011	Testing Instruments	10.98
	Precikot Pharma Pvt. Ltd., Mumbai dated 29 <sup>th</sup> July 2011	Ointment/ Cream Manufacturing Plant 15L R & D model	12.70
	Omega Pharmaceutical Equipments, Mumbai dated 1 <sup>st</sup> August 2011	Mixtures / Grinders/ dryer etc for R & D (Lab model)	30.00
Miscellaneous			0.24
<b>TOTAL</b>			<b>526.00</b>

**Land & Building Deposit:** We propose to acquire on lease basis suitable premises admeasuring between 6000 & 9000 square feet in area in Maharashtra. The deposit for this purpose is calculated on the basis of 6 months' rent which is assumed at an approximate rate of ₹ 40 per square feet.

**Library Books:** Our Company plans to maintain a library of books, periodicals & scientific magazines related to the industry in order to keep our scientists and other technical staff abreast with the latest developments. A sum of ₹5 Lakhs is apportioned towards this item.

**Computer/LAN/Network:** The cost of hardware & software required for our R&D setup comprising of routers, switches, firewalls, computer workstations, etc is estimated to be ₹ 30 Lacs.

#### 4. Brand Promotion

Our company seeks to strengthen its position in the Ayurvedic medicines industry and also in the Health foods and Personal care Sector. We are required to undertake extensive sales and marketing activities to promote our brands on a continuous basis for all our product range. These activities are integral to maintaining and enhancing brand visibility and market shares for our products. We have as on date 9 products with registered trademarks in our name and have applied for registration of 27 products trademarks. 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 around ₹ 10 crores over the next 3 years to strengthen our brand image and thereby build up our retail segment. This will be in addition to the outlay as per the agreement with the BCCL.

## 5. Working Capital

Our company intends to finance the requirement of working capital for its proposed Rebirth stores from the proceeds of the issue. We operate in an industry sector wherein the requirement of working capital is based on the level of inventory of medicines, Personal Care Products (PCP) and Health Foods to be kept at the Stores. The working capital also includes the salary of personnel, administrative expenses and rent for the premises. The requirement of working capital is estimated at ₹ 50 Lacs per store in its first year of operations including inventory of ₹ 24 Lacs, staff costs of ₹ 12 Lacs, rent of ₹ 9 Lacs and other administrative costs of ₹ 5 Lacs. It is further assumed that each store will be able to take care of its working capital requirements from second year onwards.

## 6. General Corporate Purposes

To drive our business growth our Company intends to deploy ₹1500 lacs, towards the general corporate purposes, including but not restricted to strategic initiatives, entering into strategic alliances, partnerships, acquisitions, joint ventures, investment in subsidiaries, repayment of debt, etc. or any other purposes as approved by our Board of Directors. As of the date of this Offer Document, we have not yet entered into any definitive commitment for any acquisition, investment or joint venture for which we may use the Proceeds of the Issue. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds of the Issue. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

## 7. Issue Expenses

All the issue related expenses are proposed to be met out of the proceeds of the issue & breakup of the same is as follows:

Sr. No.	Particulars	Amount (in ₹ Lacs)	% of Issue Expenses	% of Issue
1	Fees to BRLM, Underwriting Commission, Brokerage and other selling expenses	[●]	[●]	[●]
2	Advertisement & Marketing Expenses	[●]	[●]	[●]
3	Printing, stationery & dispatch	[●]	[●]	[●]
4	Miscellaneous Expenses including fees payable to SEBI, Stock Exchanges, Registrars, Grading agency, etc.	[●]	[●]	[●]
	<b>Total</b>	<b>725.00</b>	<b>100.00</b>	<b>9.67</b>

## 8. Contingencies

The amount towards contingencies has been estimated at 5% of the cost of the setting up of manufacturing facility, R&D Centre and the additional Rebirth stores to cover upward increase in cost, if any. Accordingly a provision of ₹ 156 lacs has been made.

## Schedule of Implementation:

		(₹ in Lacs)			
Sr. No.	Particulars	2011-12	2012-13	2013-14	Total
1	Manufacturing facility	500.00	1493.00		<b>1993.00</b>
	<i>No. of Rebirth stores</i>	5	10	15	<b>30</b>
2	Capex for setting up of Rebirth Stores	100.00	200.00	300.00	<b>600.00</b>
3	To set up factory and R&D facilities	526.00	0.00	0.00	<b>526.00</b>
4	Brand Promotion	400.00	400.00	200.00	<b>1000.00</b>



5	General Corporate Purposes	500.00	250.00	250.00	<b>1000.00</b>
6	Working Capital	250.00	500.00	750.00	<b>1500.00</b>
7	Issue Expenses	725.00	-	-	<b>725.00</b>
8	Contingencies	56.00	85.00	15.00	<b>156.00</b>
	<b>Total</b>	<b>3057.00</b>	<b>2928.00</b>	<b>1515.00</b>	<b>7500.00</b>

#### **Deployment of funds:**

As on August 30, 2011, we have deployed ₹ 93.15lakhs towards objects of the issue which have been presently paid out of bank overdraft to be eventually met out of the proceeds of the present issue. The deployment of funds and its source have been duly certified by M/s. Kanu Doshi Associates, Chartered Accountants, vide their Certificate dated August 30, 2011

<b>Sr. No.</b>	<b>Deployment</b>	<b>Amount (₹in lakhs)</b>
1.	ROC fees & Stamp duty paid for Increase in Authorised Capital	87.50
2.	ROC filing fees for appointment of Independent Directors	00.07
3.	Merchant Banker fees & related expenses	05.58
	<b>Total</b>	<b>93.15</b>

#### **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.

#### **Monitoring of Utilization of Funds**

As our Issue size is less than ₹ 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 Offer Document 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

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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.

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## **BASIS FOR ISSUE PRICE**

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 by the book building process. The face value of the Equity Shares is ₹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 Offer Document, including the sections titled "Risk Factors", "Business Overview" and "Financial Information of Our Company " beginning on pages 10, 79 and 165, respectively, of the Offer Document 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 25 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 10 listed entities in India.

### **Presence in the growing segment of wellness and healthcare**

We are engaged in the business of marketing of natural healthcare products and services including ayurvedic medicines and formulations. Our Company has already introduced several products and services under its brand names. We believe that this segment offers significant opportunity for the company to grow its business.

### **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. Mr. Venkateswaralu Nelabhotla, Managing Director of our company is having over 10 years experience in strategizing the business and marketing of healthcare & personal care products. Our stores are proposed to be managed and serviced by experienced & trained personnel.

### **Proposed Capital Expenditure programme**

We propose to set up manufacturing facilities for ayurvedic medicines and formulations, expand our network of Rebirth Stores besides setting up inhouse R&D centre for monitoring the quality of our products. Upon its successful implementation, our Company would have integrated facilities for manufacture and marketing of natural healthcare products including ayurvedic medicines and formulations.

## **QUANTITATIVE FACTORS**

Our company was incorporated on 10<sup>th</sup> January 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 primarily based on our future growth strategy rather than on the current or past performance. Our first audited financial statement was for the period commencing January 10, 2008 upto March 31, 2009. Subsequently, we have prepared our audited financial statements for the FY ended March 31, 2010 and March 31, 2011. 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:

### Adjusted earning per share (EPS) weighted

For the period	EPS (₹)	Weightage
Period from 10 <sup>th</sup> January 2008 to 31 <sup>st</sup> March 2009	(2,603.48)	1
FY ended 31 <sup>st</sup> March 2010	(20.83)	2
FY ended 31 <sup>st</sup> March 2011	(3.19)	3
<b>Weighted average</b>	-ve	

**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 is negative for the said periods.

### 2) Price Earning ratio (P/E ratio)\* in relation to the Issue Price of ₹[•] per share

Particulars	P/E at the lower end of the price band (₹ [•])	P/E at the higher end of the price band (₹ [•])
Based on 2010-11 EPS of ₹	N.A	N.A
Based on weighted average EPS of ₹	N.A	N.A
<b>Industry P/E</b>		
Highest		N.A
Lowest		N.A
Industry Composite		N.A

Note: 1) As we have been incurring losses and our earnings per share is negative, Price Earning Ratio cannot be computed.

Note: 2) There are no listed companies which are strictly comparable to us in terms of business model, product and services portfolio and scale of operations. Hence data on Industry P/E is not applicable.

### 3) Return on Net worth (RONW)

Our company has incurred losses for the financial period ended 31<sup>st</sup> March 2009, FY ended 31<sup>st</sup> March 2010 and 2011. 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.

### 4) Asset Value (NAV) per share (₹) Net

Particulars	NAV (Rs)
As on March 31, 2009	(24.98)
As on March 31, 2010	(40.06)
As on March 31, 2011	5.25
After Issue at issue price (floor price)	[•]
After Issue at issue price (cap price)	[•]
Issue Price per equity share	[•]

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#### 6) Comparison with Industry Peers and Industry average

As there is no strictly comparable listed company engaged in activities similar to our company in the Ayurvedic medicines, natural healthcare products, health foods and spa services in the wellness & healthcare sector, it is not possible to identify a peer group for our company which can be used for comparison.

Hence no peer comparison is made.

The face value of our Equity Shares is ₹10 per share and the Issue Price of ₹ [•] is [•] times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.

The Company and the BRLM believe that the Issue Price of ₹ [•] per Equity Shares is justified in view of the above parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the DRHP to have a more informed view about the investment proposition.

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## STATEMENT OF TAX BENEFITS

To  
**The Board of Directors,**  
Birla Research and Lifesciences Limited  
Dalamal House, 1<sup>st</sup> 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 Research and Lifesciences 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, 2011, 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.

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  
Firm Registration No: 104746W

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Jayesh Parmar  
Partner  
Membership No. 45375

Mumbai  
August 01, 2011



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**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 1<sup>st</sup> day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed ₹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.

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**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 1<sup>st</sup> day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed ₹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 1<sup>st</sup> day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed ₹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 1<sup>st</sup> day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed ₹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 1<sup>st</sup> day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed ₹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 15<sup>th</sup> 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.*

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## SECTION VI – ABOUT US

### INDUSTRY OVERVIEW

#### THE AYURVEDIC MEDICINE INDUSTRY

The name ayurveda comes from two Sanskrit words: ayur meaning ‘life’ and veda meaning ‘knowledge’. According to ayurvedic teaching, everyone and everything in the universe consists of three basic forces or elements. In Sanskrit they are called vata, pitta and kapha (also spelled as vat, pit and kaph). They are assumed to control all physical and mental processes and are compared to the workings of the wind, the sun and the moon:

Vata is linked to the wind, which is constantly on the move, and controls the central nervous system. Pitta is like the sun, a source of energy. It controls the digestive system and all biochemical processes. Kapha governs the balance of tissue fluid, controlling cell growth and the firmness of the body—rather as the moon governs the tides.

Good health is believed to result from the three forces being in harmony—not unduly stronger or weaker than each other. Bad health is said to occur when they are out of balance. Maintaining a harmony between the different elements is the key to the ayurvedic concept.

#### Evolution of the Ayurvedic Medicines Industry

There has been a shift in universal trend from synthetic to herbal medicine recently. It is ancient wisdom that plants have therapeutic value and are used to treat various diseases since Neanderthal age. All ancient civilizations in the world are known to use plants for medicinal purposes. Ayurveda and traditional Chinese medicines are well known to the world for their natural ingredients and multiple benefits.

Ayurveda evolved around 600 B.C. in India and is a system of holistic medicine that is based on eliminating toxic imbalances from the body. Basically, it treats the whole well-being of the patient, not just the ailment, under the primary tenet that health is not merely the absence of disease but the overall state of physical, mental, social and spiritual well-being.

Today, people around the globe are giving preference to alternative medicines such as ayurveda, naturopathy, homeopathy and herbal medicine. Herbal medicine is cost effective and generally less expensive than the medicines bought from an allopathic pharmacy. Increasing realization of the side effects of allopathic medicines, coupled with the growing awareness about the medicinal benefits as well as therapeutic effect of herbal products is pushing up the demand for herbal extracts, dietary supplements and herbal-based beauty aids worldwide.

#### Indian Ayurveda Industry:

Nature has bestowed our country with an enormous wealth of medicinal plants; therefore India has often been referred to as the Medicinal Garden of the world. India could make its presence felt in the world herbal market through quality products in view of growing bias towards herbal medicines, dietary supplements and skin and beauty aids because public perception of herbal products is a kin to organic food products. The Indian market can be divided into two categories. One that covers raw material needed by the industries and direct consumption for household remedies, while second category that comprises ready to use finished medicines, health supplements etc. There is a strong demand for raw stock of amla, isabgol, henna, ashwagandha and aloe vera, and these materials are used in a big way in preparing ayurvedic formulations

The commercial production and sale of Ayurvedic products as a modern industry is around 100 years old, and India's annual production of Ayurvedic medicines is estimated to be approximately US\$ 1 billion. In 1970, the Indian Medical Central Council Act was passed to standardize qualifications for Ayurveda and provide accredited institutions for its study and research. Today, more than a hundred colleges around the country offer degree programs in traditional Ayurvedic medicine. The state-sponsored Central Council for Research in

Ayurveda and Siddha (CCRAS) is the primary institution for traditional medicine in India and has conducted studies on ayurvedic elixirs, ingredients and results.

Within India, such traditional, over-the-counter remedies remain the most popular, accounting for almost 70% of medicinal products sold in the country, with 30% being prescription drugs. The herbal and ayurvedic market in India is predicted to continue to grow at a rate of 12 to 15% per year. India has lot of potential for producing world class herbal medicines. For the Entrepreneurship it is one of the areas of great opportunity & potential. The Indian herbal Industry is on a roll and poised to grow in the coming years owing to its high demands for herbal products.

Source: [www.ehow.com](http://www.ehow.com)

### The Industry Today in India:

About 20000 units are involved in this field amounting to about ₹50 Billion in Market Size. In the Ayurveda sector, the main players include Dabur, Himalayas, Zandu, Baidyanath, which together have about 85% of India's domestic market. The products of these companies are included within the broad category of "fast moving consumer goods" (FMCG; which mainly involves foods, beverages, toiletries, cigarettes, etc.). Most of the larger Ayurvedic medicine suppliers provide materials other than Ayurvedic internal medicines, particularly in the areas of foods and toiletries (soap, toothpaste, shampoo, etc.), where there may be some overlap with Ayurveda, such as having traditional herbal ingredients in the composition of toiletries.

Almost 60% Indian Population depends on Ayurvedic system of health Care. Indian Planning Commission estimates massive potential increases in this export volume, to ₹ 30 billion by 2005 and to ₹ 100 billion by 2010 (Planning Commission 2000). Germany, UK, France, Switzerland, Japan and USA are major importers of Indian medicinal plant products. In India, there are about 2,50,000 registered medical practitioners of the Ayurvedic system as compared to about 7,00,000 of the modern medical system. Traditional medicines are governed by the Drugs and Cosmetics Act of 1940 and the Drugs and Cosmetics Rules of 1945.

Source: <http://www.itmonline.org/arts/ayurind.htm> and [www.primaryinfo.com/ayurvedic.htm](http://www.primaryinfo.com/ayurvedic.htm)

### The Future of Ayurveda

The future for Ayurvedic practice is bright, according to the American Academy of Ayurvedic Medicine, but needs the proper support of public and private partnerships such as the Indian government, health ministry, elite Ayurvedic institutions and academic institutions in India and the U.S. AAAM states that "In order for Ayurveda to be recognized as a proper health care discipline, there is a need of well-trained practitioners and clinicians trained in the Indian sub-continent, Europe and the U.S. Ayurveda is supported by historical information and forms the basis of many Eastern and Western health care disciplines. In spite of Ayurveda being a prime healing science, it has suffered great deal of neglect and discrimination by various internal and external forces in India and abroad. It has not achieved its proper position and recognition as a health science due to a lack of proper infrastructure, clinical and academic support."

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

The demand for plant based medicines, health products, pharmaceuticals, food supplement, cosmetics etc are increasing in both developing and developed countries, due to the growing recognition that the natural products are non-toxic, have less side effects and easily available at affordable prices.

The country has over 8,000 licensed ayurveda pharmacies with over 30 per cent of them located in the state of Uttar Pradesh alone, but most of them are quite small, including numerous neighborhood pharmacies that compound ingredients to make their own remedies. Ayurveda is predominant among India's traditional health systems. Today there are over 30 companies doing a million dollars or more per year in business to meet the growing demand for Ayurvedic medicine. It runs parallel to the modern health care sector and has a seventy per cent share of the formal medicine market.



Exports of Ayurvedic medicines have reached a value of 100 million dollars a year (about 10% the value of the entire Ayurvedic industry in India). About 60% of this is crude herbs (to be manufactured into products outside India), about 30% is finished product shipped abroad for direct sales to consumers, and the remaining 10% is partially prepared products to be finished in the foreign countries

Source: <http://www.itmonline.org/arts/ayurind.htm> and [www.niir.org](http://www.niir.org)

The annual turnover of the Indian herbal medicinal industry is about ₹ 7,500 crore as against the pharmaceutical industry's turnover of ₹ 14,500 crores with a growth rate of more than 15 percent. As per study commissioned by the Associated Chamber of Commerce and Industry (ASSOCHAM), the Indian herbal industry is projected to double to ₹15,000 crore by 2015, from the current 7,500 crore business. India has a vast and rich resource of herbal raw materials and it can create a niche for itself in the global herbal market if the domestic industry produced quality products of international standards. The apex chamber estimates global herbal industry to grow to ₹70,000 crore by 2015, more than double from the current level of ₹30,000 crore. Small-scale players in the sector are likely to witness brighter times ahead.

Source: <http://smetimes.tradeindia.com/smetimes/news/top-stories/2010>,  
[pubs.iied.org/pubs/918911ED.pdf](http://pubs.iied.org/pubs/918911ED.pdf) and  
[www.scribd.com/doc/37499541](http://www.scribd.com/doc/37499541)

### India comes 2nd in Asian life science industry

The Life Sciences industry in Asia clocked a growth of 3.4 per cent to record revenues of \$110.89 billion in calendar year 2009, according to a survey by CyberMedia's publication, BioSpectrum Asia, the journal for life sciences industry in the Asia Pacific region, with nearly half the revenues - \$54.24 billion - coming from the listed companies. The publicly listed companies grew at 24.03 per cent. BioSpectrum Asia estimates the growth of Life Sciences, covering pharma, biotech and medtech segments, in 2010 to surpass that of 2009, even though the range is likely to remain the same: 3-5 per cent, as the economic climate begins to change for the better.

The combined revenues of Indian life sciences companies was \$21 billion taking India to the number two spot behind China. India accounted for 19 per cent of the total revenues in Asia Pacific. South Korea, Australia and Singapore followed India in terms of revenue. This figure includes total revenues from sales, licensing, and service income of the companies in the Asia Pacific region, excluding Japan. General healthcare and equipment providers are excluded from this survey. Executed over a period of two months starting in April-May 2010, the third BioSpectrum Asia survey was limited to publicly listed companies in the life sciences industry in the Asia Pacific region. A sample survey of private companies has been factored into the survey numbers.

With revenues of US\$ 22 billion, Chinese publicly listed companies grew the fastest at 51.82 per cent, followed by Taiwan. With revenues of US\$ 2 billion, Taiwan posted a robust 46.29 per cent growth. Indian publicly listed with revenues of US\$ 14.59 billion grew the slowest, at 1.42 per cent. Seven Indian companies were in the Asia's Top 20 publicly listed life science companies, which accounted for 82 per cent of the overall revenues of publicly listed companies. These include Cipla, Ranbaxy Laboratories, Dr Reddy's Laboratories, Cadila Healthcare, Lupin, Aurobindo Pharma and Sun Pharma.

The strong growth registered by the Indian economy helped drive its life sciences industry. India's expanding middle class, with growing affordability and greater access to healthcare, were the main drivers for the current growth of the industry and economy.

Source: <http://www.ciol.com/News/News/News-Reports/India-comes-2nd-in-Asian-life-science-industry/138503/0/>

### Indian Health & Wellness foods – an overview

The Health & Wellness (H&W) food industry in India has witnessed significant activity over the past few years. A number of food players have been introducing healthier variants of their existing products or launching a completely new range of products on this platform. However, H&W products constitute merely 8 to 9% of the US\$ 19 billion packaged food market in India, as compared to the global average of ~27%. With key consumer



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side changes underway, along with the growth of packaged food consumption in India, the H&W market could witness high growth over the next decade

#### **Outlook for India**

H&W foods industry in India currently is still at a nascent stage compared to developed markets.

- Demand for H&W is expected to increase due to increasing cases of lifestyle diseases, exposure to H&W products available globally as well as locally through modern retail channel and communication and marketing initiatives by new entrants especially global food players in India.
- This market is expected to grow largely in the urban centres over the next 5 to 10 years where H&W products would see more traction and could be available more easily through established modern and traditional retail channels.
- While food companies in India, view H&W as a growing consumer concern, and use this platform to differentiate their products in an increasingly competitive and commoditized environment, it would be imperative for them to understand the diversified Indian palette and food habits to create attractive products and convert non users to users

Source : [http://www.ibpcosaka.or.jp/network/e\\_abg/e\\_india\\_abg\\_annual\\_report\\_Health.pdf](http://www.ibpcosaka.or.jp/network/e_abg/e_india_abg_annual_report_Health.pdf)

## OUR BUSINESS OVERVIEW

### OUR GROUP

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

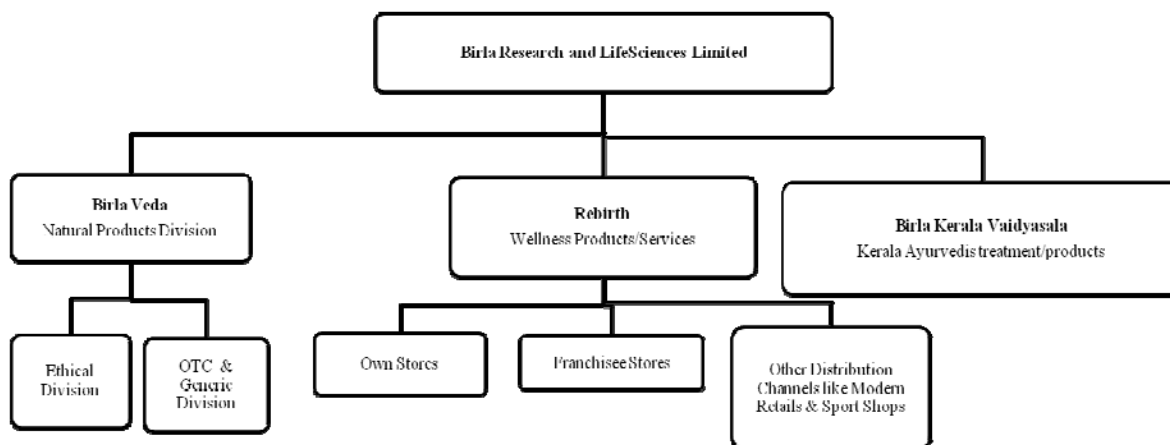
The group has diversified interest in industries like steel pipes, machine tools, cutting tools, tool holders, iron castings, power solution products, multipurpose engines pumps, electrical appliances, textiles, carpets, furnishing, lifestyle, InfoTech, publication, travel, electricity, property development,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

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

Our Company aims to reinstate the faith in the ancient science of natural medicines, by combining modern technology with time tested wisdom of Ayurveda. Our Company aims that each of its products employs standardized raw material and meets highest quality standards.

We are in the business of Ayurvedic medicines, natural health care products, health foods and spa services. Our aim is to re-ignite faith in the ancient science of natural products and get efficacious and safe products and wellness services that meet the expectations of all.

We have three business verticals – BirlaVeda, Rebirth and Birla Kerala Vaidyasala, which could be further divided into sub-segments.



1) BirlaVeda – comprises of two sub-segments for manufacturing and distribution of ayurvedic products. The division parallelly focusses on Ethical, OTC and generics business streams.

- a. Ethical – This division consists of proprietary Ayurvedic prescription drugs comprising of curative medicines for various ailments and health needs based on the ‘natural ingredients’ platform which are marketed through our Medical representatives to allopathic and ayurvedic doctors.
- b. OTC/Ayurvedic Generics – This division includes combination of proprietary Ayurvedic OTC and Ayurvedic generics. OTC comprises of preventive medicines for a healthy lifestyle, based on the ‘natural ingredients’ platform. OTC drugs and Generics are sold freely without any need for prescription by chemists and Ayurvedic bhandars. The sales would be through trade push and

consumer pull which is the result of the company's effective advertising and brand building activities.

BirlaVeda products are targeted to middle and upper class consumers. The Ethical division medical representatives would reach the allopathic and ayurvedic doctors through a separate ethical sales/marketing field force.

Our Company also plans to set up its OTC/ Ayurvedic generics OTC division in a phased manner for pan India presence by FY13. We are in the process of augmenting our sales team to reach chemists and distribute the OTC/ generics drugs in 20 states in the next few years. A mix of advertising and trade push strategy would be undertaken for promoting the OTC products, while generics would basically be through trade push at ayurvedic bhandars where Ayurvedic doctors will be approached with our generics portfolio.

- 2) Birla Kerala Vaidyashala (BKV) – A 99% subsidiary of BRLS, focuses on Ayurvedic treatment/ rejuvenating services and products sales through its own centre and Franchisee centre. It consists of Ayurvedic therapy centres to provide the customers most comprehensive ayurveda and herbal treatment/products to all age groups at affordable prices. BKV plans to expand this segment for middle class & upper class and anticipates pan India presence in the next few years.

BKV's strategy for BirlaVeda and BKV division as a whole is to become an integrated Ayurvedic & natural products/ services player with its ability to synergize the various products that are built in the three divisions of OTC, Ethical and BKV. This will all help in building economy of scale in R & D, manufacturing and sourcing.

- 3) Rebirth- The integrated wellness products and services division, which is positioned as a one stop shop to several health and wellness related concerns, reaches consumers through multi channels of Own Stores, Franchisee stores and Speciality Distribution channels which includes modern trade channels, Shop in Shop, Sports nutrition stores and other speciality channels. The division consists of Personal Care products, Health Foods, Herbal Products and Spa services.

Our Company aims to provide umbrella of natural products and services to its customers. We market personal care products range under "CHANT" brand, ayurvedic medicines under "BIRLA VEDA", diet foods & supplements under "NUTRINEXT" and Spa alongwith sale of these products under "REBIRTH Store".

**Chant:** Chant offers natural skin care and hair care products. The products contain 100% natural active ingredients that provide nourishment and protection from pollution and untimely degradation.

Chant is spread across sub-categories of face, hair, body and baby care products. It also includes hand-made soaps, aroma oils and candles. Chant offers natural skin care and hair care products.

The Brand competes with other brands present in the above categories based on the following USP:

- i. The products do not include harmful chemicals like sodium lauryl sulphate, germall 115 & germall 11, PVP/VA Copolymer, Petrolatum, Propylene Glycol, Parabens, Stearalkonium Chloride, TEA Compounds etc.
- ii. The products include active natural ingredients that are easy on skin.



**Birla Veda** offers formulations that are standardized, safe and innovative products for lifestyle disorders and personal care.

Products of Birla Veda can be categorized as under

- OTC (Over the counter)
- Ethical (Prescription)
- OTX (Over the counter & prescription)



#### Ethical Products

Some of the products launched are Hepatall, Eveshor, Eczepon, Prosporm, Migramin, Constimed, Lukend, Novajoint, Shatavez, DERMARUT, etc.

#### OTC & OTX

Some of the products launched by our company under OTC & OTX are Quitobac, Flagcip, Brahmatej, Rewakke, Dazzlin, Muladhar, etc.



**Nutrinext** offers a range of healthy food products. It includes sugarless, healthy and nutritious food products in contemporary formats like cookies, chocolates, muffins and nutri-bars & health beverages for health conscious individuals. The sugarless nature of the products cuts the calories without compromising on the taste. The 'all nutritional' product nature allows quicker digestion, assimilation and enhances the body metabolism.

**Rebirth** Store is a one-stop solution to several health and wellness related issues. It houses products that are enriched with pure natural ingredients that help regain vitality. With the importance of natural products gaining importance day by day, the Rebirth Store offers an array of authentic natural products that invigorates the mind, body and soul.

**Rebirth Store** offers spa services for the feet, head, face, neck, full body and hair. Each Rebirth store has reflexology and massage sections. The Spa at Rebirth offers an array of personalized therapies and activity programmes designed to meet the individual needs and health goals – de-stress, detoxification and cleansing, deep relaxation etc.

It is ensured that the therapists undergo a thorough in-house training in their skill sets before they are authorized to perform any service. The therapists are trained to personalize every treatment to individual needs and also educate the customers when necessary.



#### **List of Company Operated Rebirth Stores**

##### **At Mumbai**

Growels Mall, Kandivali  
Khar  
Andheri  
Phoenix Mills, Lower Parel

Walkeshwar  
Atria Mall  
Powai  
Colaba (proposed)

##### **Outside Mumbai**

Inorbit, Vashi  
Thane

#### **CONTRACT MANUFACTURING:**

As on date our company does not own any manufacturing facility and gets the products manufactured through contract manufacturers. Presently we have about 12 entities with which such agreements have been entered into. The agreements are made to ensure that the contractors take utmost care of the quality concerns. In some cases our company may be prescribing the formula/ specifications on the basis of which the products are to be manufactured or it could be a direct purchase of the products manufactured by them suiting to the quality standards prescribed by the company. Following are some of the normal conditions that are stipulated in such contracts.

#### Key Terms and conditions of Manufacturing & Supply Agreement normally entered into by our company:

1. *The Manufacturer hereby agrees and acknowledges that the know-how and formulations used for manufacturing the said products under this agreement for BRLS shall not be used for manufacture for any other competitor brand during the validity and subsistence of this agreement.*
2. *BRLS shall always retain the exclusive rights on the manufactured finished products and the Manufacturer shall not manufacture, sell and/or market the products mentioned herein or confusingly similar product range having similar formulation in any country or territory.*
3. *The Manufacturer agrees and undertakes not to use, mix match the formulations used under this agreement for any competitor brand and further shall not facilitate the selling, marketing, distribution in any re-branded form.*
4. *Nothing in this Agreement shall interfere with BRLS's independent right to procure the raw materials, use the same for manufacture of the products at its own facility, without any reference to the Manufacturer. The Manufacturer agrees that it shall not have any right to obstruct such manufacture, claim any fee, compensation and monetary damages for any actual losses and/or potential losses which may be caused to the Manufacturer.*
5. *BRLS shall request and the Manufacturer shall ensure the fitness and merchantability of all the stocks/products at all times whilst such stocks/products are in its possession or under its control. The Manufacturer agrees and undertakes to store all the raw materials, intermediate and/or finished stocks/products and packaging material in a fit and proper warehouse having all the infrastructure facilities to protect the above from natural and manmade calamities.*
6. *The Manufacturer shall deliver the products and all samples to BRLS in accordance with the delivery instructions as provided in PO in writing. The Manufacturer shall include certificates of compliance and certificates of analysis with all deliveries of products.*
7. *Manufacturer accepts the exclusive responsibility for all quality concerns related to the products brought to its notice by BRLS from time to time including all testing to be conducted prior to the dispatch of product to BRLS warehouse or to such locations as may be provided by BRLS.*
8. *The Manufacturer hereby agrees to promptly notify BRLS of any actual or anticipated event(s) that have or may be reasonably expected to have a material effect on the manufacture and supply of the products due to any labor difficulties, strikes, shortages in materials, plant closings, interruptions in activity and the like and shall be solely responsible to get the manufacture of the products done through any other manufacturer with prior written approval of BRLS.*
9. *The Manufacturer indemnifies and keeps indemnified and holds BRLS harmless against all claims made and/or suits brought against BRLS by third parties in respect of any personal loss, damage or injury arising or resulting result from the use of the said finished product sold by BRLS under its brand name.*

10. *The Manufacturer shall indemnify and hold BRLS harmless against all claims made and/or suits brought against BRLS by third parties in respect of any personal loss, damage or injury arising or resulting or alleged to directly arise or result from the appropriate use of the said finished product in so far as in any particular case such personal loss, damage or injury is attributable to faulty manufacture by the Manufacturer.*
11. *The Manufacturer is solely responsible at its own cost for the generation, collection, storage, handling, transportation, and movement of all hazardous materials and waste, as applicable, in compliance with environmental laws as well as the investigation, remediation and monitoring of release or threatened release of hazardous materials.*
12. *The Manufacturer represents that it does not own or have any interest in any intellectual property rights related to the Product prior, during and post execution of this Agreement.*
13. *The Manufacturer hereby undertakes, declares, recognizes and acknowledges that the exclusive right, title and interest in trademarks (whether registered or not), patents, designs or other industrial property or the know-how in respect of the said Product or connected therewith vests solely and exclusively in BRLS and that the Manufacturer shall not dispute the validity thereof and shall not on such basis fail to do or perform or omit to do any act, deed, matter or thing which may affect adversely or jeopardize the exclusive right, title and interest of BRLS therein.*
14. *The Manufacturer shall use the confidential information exclusively for the Manufacture of the products. The Manufacturer may disclose Confidential information to the extent necessary, to its officers and employees only for the sole purpose of manufacture of the product;*

**Manufacturing Process:**

As mentioned earlier, we are not presently engaged in manufacture of our products and we are getting the same manufactured through contract manufacturing. However, we ensure quality of the finished products that we buy from contract manufacturers in the following ways:-

- 1) We have in-house Research & Development team who develop products which are effective and are of high quality standard. This R&D team takes the help of third party R&D centres and third party testing centers to ensure good quality of products during development.
- 2) We have vigorous system of quality assurance for third party manufacturing of Finished Goods. This system includes the following :-
  - (A) Audit of GMP (Goods Manufacturing Practice) and internal quality system of third party manufacturing before the selection of the manufacturer.
  - (B) Subsequent to selection we and third party manufacturer jointly develop Quality Control and Quality Assurance system with respect to following areas:-
    - i. Protocols of specification and testing methods for each Raw Material and Packing Material procured by third party manufacturers from the vendors.
    - ii. Ensuring proper storage condition of Raw Material and Packing Material.
    - iii. Complete specification of the manufacturing process with all Standard Operating Procedures (SOPs) and controls been elaborated
    - iv. In process quality control checks
    - v. Complete specifications and testing methods for Finished Goods. Each batch of Finished Goods supplied by third party manufacturer to be followed by quality certification for each batch (Certificate of Analysis- COA).
    - vi. We do scientific random drawing samples and does the same testing as mentioned in (v) before accepting the batch.
    - vii. Do once in a quarter surprise audit of all the above systems as mentioned in all above points.



**Some of Our Key Products/Services:**

**A) Chant Products**

1. Turmeric And Saffron Face Pack	47. Orange & Bergamot Diffuser Oil	93. Hair Conditioner (Green Tea)
2. Fairness Creams Spf 30	48. Soothing Nourishing & Moisturising Mousse	94. Hair Conditioner (Orange Lemongrass)
3. Grapeoil Shampoo	49. Tranquility Green Tea Mask	95. Eucalyptus Black Pepper Massage Oil
4. Cucumber Scrub For Dry-Delicate Skin	50. Aura Spicy Nourisher	96. Lavender Ylang Ylang Massage Oil
5. Aloevera Shampoo	51. Elixir Lemon Grass Cream	97. Orange Lemongrass Massage Oil
6. Lavender Face Wash For Dry Skin	52. Derma Clean Aroma Cleanser	98. Aloevera Face Gel With Scrub
7. Neem Tulsi Face Pack	53. Hand & Foot Pamper Cream	99. Aloevera Face Gel With Scrub
8. Day Cream For Dry Skin	54. Baby Soft Body Lotion	100. Grapefruit & Honey Face Gel With Scrub
9. Apricot Scrub For Normal Skin	55. Ylang Ylang Aroma Oil	101. Grapefruit & Honey Face Gel With Scrub
10. Firming Mask With Lavender Oils	56. Mandarin Aroma Oil	102. Black Current Face Gel With Scrub
11. Strawberry Face Wash For Oily Skin	57. Mandarin Diffuser Oil	103. Black Current Face Gel With Scrub
12. Strawberry Scrub For Oily Skin	58. Natures Baby-Body Oil	104. Sandal Turmeric Face Gel With Scrub
13. Body Moisturiser With Jojoba	59. After Shave Gel	105. Sandal Turmeric Face Gel With Scrub
14. Hair Serum	60. Jasmine Toner	106. Green Tea & Mint Hair Wash (All Hair Types)
15. Cleansing Milk	61. Mint Toner	107. Green Tea & Mint Hair Wash (All Hair Types)
16. Tea Tree Oil Shampoo	62. Cinnamon Bath Oil	108. Neem & Green Tea Hair Wash ( Antidandruff )
17. Blackberry Face Wash	63. Rose Diffuser Oil	109. Neem & Green Tea Hair Wash ( Antidandruff )
18. Fruit extracts Shampoo	64. Rose Oil Toner	110. Orange Lemongrass Hair Wash (For Oily Hair)
19. Night Cream With Sandalwood Oil	65. Mogra Aroma Oil	111. Orange Lemongrass Hair Wash (For Oily Hair)
20. Clear Shampoo For Intensive Conditioning	66. Eucalyptus Aroma Oil	112. Henna Aloevera Conditioning Hair Wash
21. Shampoo For Treated & Coloured Hair	67. Lavender & Basil Leaf Bath Oil	113. Henna Aloevera Conditioning Hair Wash
22. Natures Hydrating Mist	68. Bliss Lavender Cream	114. Chocolate Honey Body Butter (Soothing Skin Replenishment)
23. Neroli Face Wash	69. Herbal Body Cream	115. Peach Avacado Body Butter (Fruity Revival)
24. Acnepore Refining Gel	70. Bliss Hair Conditioner	116. Rose & Honey Body Butter (Skin Radiance & Glow)

25. Nutritive Night Cream	71. Supreme Hair Gel	117. Sandalwood Body Butter
26. Lemongrass Diffuser Oil	72. Butter Visage Cream	118. Lemon Aqua Airfreshner
27. Hydrating And Balancing Gel	73. Alive! Olive Cream	119. Mediterranean Blue Aqua Body Mist
28. Cocoa Ginger Foot Nourisher	74. Leaf! Life Cream	120. Bergamot Aqua Airfreshner
29. Refiningmask For Dry Mature Skin	75. Velvet Touch Cream	121. Lavender Aqua Airfreshener
30. Lemongrass Ginger Body Oil-75ml	76. Tress Care Hair Oil	122. Jasmine Aqua Airfreshener
31. Under Eye Gel	77. Soothing Sense Hair Oil	123. Rosewood Aqua Body Mist
32. Radiances Green Tea Scrub	78. Jojoba Enchantment Shower Gel	124. Floral Aqua Body Mist
33. Mens Facial Gel	79. Lavender Mystique Shower Gel	125. Honey & Oat Meall Massage Soap
34. Shea Butter Face & Body Moisturiser	80. Nirvana Sandalwood Shower Gel	126. Berrilicious Strawberry
35. Vitamin E Cream	81. Refreshing Mandarin Shower Gel	127. Lavender
36. Lavender Geranium Relaxation Oil-75ml	82. Rapture Radianc Facial Oil	128. Moisturising Peach
37. Pore Clarifying Mask For Oily Skin	83. Revitalising Hair Oil	129. Peach Tropical
38. Seaweed Showergel	84. Joie De Vivre (Wheat Germ Massage Oil)	130. Blue Ocean
39. Eternity Salt Scrub	85. Bioformula Bio Hydra	131. Sensual Jasmine
40. Invigorating Minty Mask	86. Bioformula Bio Gel Eyecontour	132. Apple Blossom
41. Tea Tree Diffuser Oil	87. Bioformula Bio Wrinkle	133. Tangy Apple
42. Tropical Smoothie Body Wash	88. Bioformula Bio Whitening Gel	134. Lime Aroma Soap
43. Mogra Toner	89. Bioformula Bio Firminggel	135. Mediterranean Bergamot Aroma Bar
44. Moisture Boosting Body Butter	90. Bioformula Bio Lipogel	136. Jasmine Mood Aroma Bar
45. Wild Lavender Aroma Bar	91. Spiritual Ylang Ylang Aroma Bar	137. Sensuous Aroma Bar
46. Serene Patchouli Aroma Bar	92. Refreshing Green Tea Aroma Bar	



**B) Nutrinext Products**

1. Guava Jelly	20. Plain Dark Chocolate	38. Brahmi Sharbat
2. Black Cherry	21. All Spice Bar	39. Shankhpuspt Sharbat
3. Black Grape	22. Amla Bar	40. Jamun Juice
4. Mango	23. Anjeer Amaranath Bar	41. Neem Juice
5. Strawberry	24. Apple Cinnamon Bar	42. Green Tea
6. Apricot Marm	25. Apricot Bar	43. Crunchy Dark Almond Chocolate
7. Gooseberry	26. Date Bar	44. Crunchy Dark Hazelnut Chocolate
8. Banana & Walnut	27. Ginger Clove Bar	45. Dark Milk Chocolate
9. Chocolate And Black Currant S Cookies	28. Lime Date Bar	46. Orange Chocolate
10. Chocolate Black Currant Cup Cake	29. Rose & Anise Bar	47. Roasted Almond Rock Chocolate
11. Classic Chocolate	30. Aloe vera Litchi	48. Sultana And Hazelnut Chocolate
12. Date & Walnut	31. Aloe vera Natural	49. Vanilla Butter Cookies
13. Mint Chocolate	32. Amla Juice	50. Guava
14. Natural Ginger & Cinnamon Cookies	33. Aloe vera Pineapple Juice	51. Mango
15. Natural Fig Biscotti Cookies	34. Aloe vera Honey Juice	52. Jamun
16. Oatmeal Lemon & Kiwi Cream Cookies	35. Aloe vera Orange Juice	53. Pineapple Bites
17. Oatmeal Raspberry Cream Cookies	36. Herbal Ginger Honey	54. 70% Dark Chocolate
18. Oatmeal Sour Cherry Cream Cookies	37. Herbal Body Slim Honey	55. Herbal Memory Power Honey
19. Oatmeal Strawberry Cream Cookies		

**C) Birla Veda**

1. Novajoint Tablet	11. Eczegaon	20. Quitobac
2. Psorilin Tablet	12. Shatavez	21. Garbitone
3. Glucobal Tablet	13. Immufy Syrup	22. Muladhar
4. Sumon Tablet	14. Immufy Tablets	23. Breathon Chewy
5. Rement Tablet	15. Menobid Tablets	24. Rewakkke
6. Eveshor Tablet	16. Hepatall Syrup	25. Dermalut
7. Hepatall Tablet	17. Eveshor Syrup	26. Constimed
8. Proserm Tablet	18. Breathon Syrup	27. Dermalut
9. Constimed	19. Migramin (Migrad)	28. Flagcip
10. Dazzlin		

**D) Spa Services:-**

i) Foot-o-logy: It tends the feet with a sea salt scrub and foot reflexology; followed by an energizing massage that covers all major reflex points.

ii) Hands- on: Starts with a sea salt crub, followed by a massage pressing the palm reflex points.

iii) Sens-o-logy: In this Head-to- toe massage is done. .

iv) Swedish Massage: Massage to soothe the nerves with long-relaxing strokes.

v) Aromatherapy: It is a gentle therapeutic massage using special blends of essential oils that nourish body and mind.

vi) Lomilomi Massage: It is a traditional Hawaiian deep massage that uses the arms, elbows, forearms with refreshing massage oils.

## **BUSINESS STRATEGY**

The elements of business strategy followed by us are as under:

- **Business 2 Consumer (B2C)** – is basically operated through super stockist distribution channel. Under B2C vertical our Company mainly sells Ayurvedic Medicines through the network of distributors. It has already opened up 3 territories for its B2C model and has presence in Mumbai, Gujarat and Madhya Pradesh. Under B2C Vertical it plans to appoint super stockist for each region.

The following are the salient features of B2C Model:

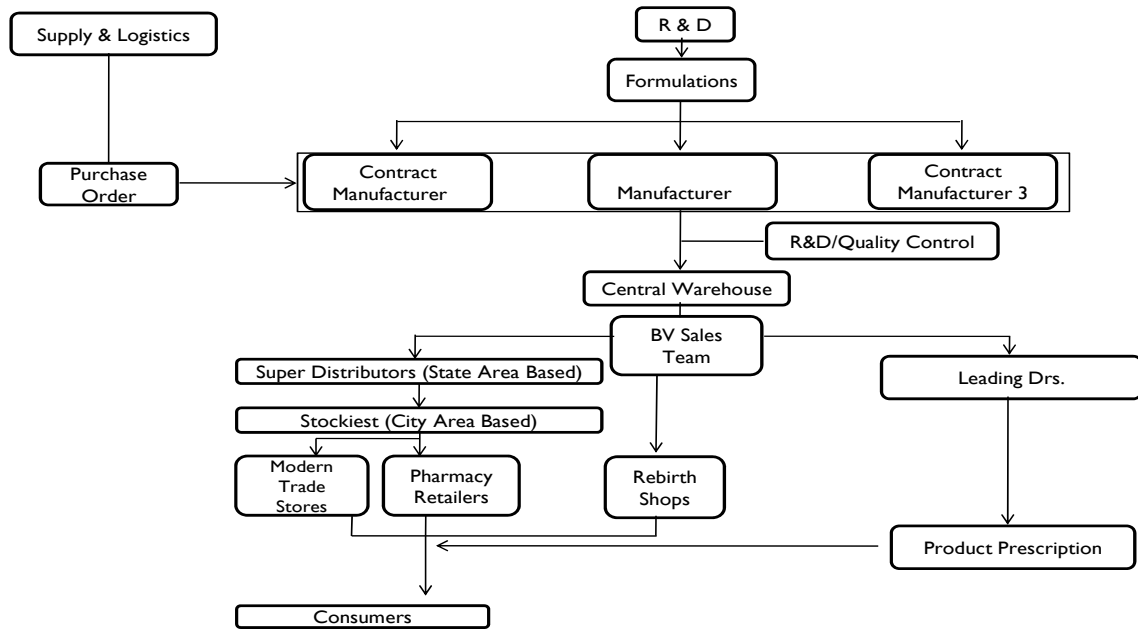
- Our Company offers its Birla Veda range of products through B2C Channel.
- The OTC and Personal care range of Birla Veda is promoted through advertising and promotions.
- Retail chemists are the main channel to sell OTC and OTx products.
- Our company promotes its ethical range of medicines through doctor's prescriptions.
- Our Company has presence in 3 major territories - Mumbai, Gujarat and Madhya Pradesh.
- It has employed more than 200 field staff covering more than 8000 chemists and 500 doctors across these territories.

- **Retailing through Rebirth Stores**

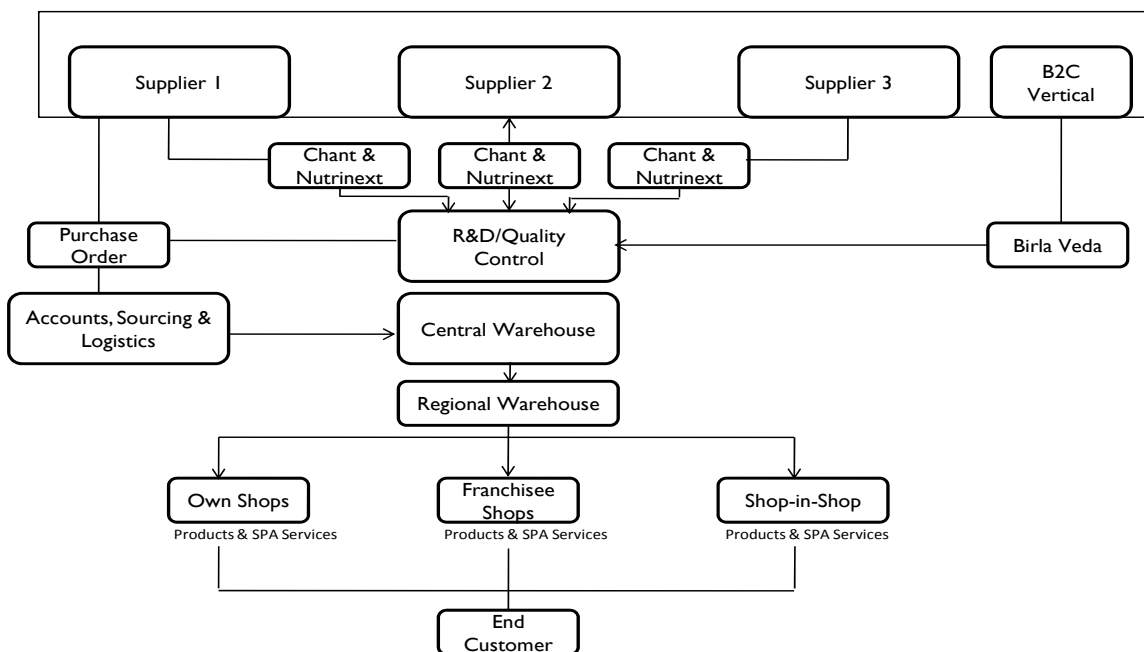
The business strategy for Rebirth stores model is broadly as under:

- The shop model is operational through owned stores which are proposed to be expanded across the country. It is also proposed to set up Rebirth stores selectively through franchisees and shop-in-shops.
- The store provides a holistic experience to its customers. It is positioned as a one-stop solution to several health and wellness related concerns.
- We would mainly focus on metros & Tier II cities across India for its shop presence. In next three years our company intends to establish Rebirth stores in cities like Mumbai, Pune, Banglore, Delhi, Chennai, Hyderabad, Jaipur, Nagpur, Indore, Kolkata etc.
- The owned and franchisee stores would be around 500 sq.ft. in area. Whereas shop-in-shops would be in a small format of around 80-100 sq.ft.
- Our Company plans to set up its stores mainly in shopping malls which provide an added advantage of natural footfalls.

## Process Flow Chart - B2C



## Process Flow Chart - REBIRTH



### PROSPECTS OF THE PRESENT AND PROPOSED PRODUCTS

Our present products include Ayurvedic medicines, natural healthcare, personal hair & skin care products and diet foods & supplements. These products are marketed under the brand names of Birla Veda, Chant and Nutrinext respectively. We believe that these products have found reasonable acceptance in the market and we expect them to gain increased customer preference over the years to come. Our proposed products will be under one of the existing verticals. The proposed capital expenditure programme being financed through the present issue will enable us to improve the quality of our products besides increasing the product portfolio.

### MARKETING STRATEGY & MARKETING SET-UP

- We presently market our products under our various brands, through our chain of Rebirth stores. We also market our select products through retail chemists, stockists and through doctor's prescription.
- We propose to promote Ayurvedic products to be prescribed as supplementary products along with allopathic products thus winning over the allopathic believers and fusing with the strengths of the allopathic industry.
- We propose to enter into arrangements with other service providers like spas and clinics in the healthcare industry to offer package deals to customers.
- Our product portfolio will be built on prevention of diseases, enhancement, maintenance, restoration and recovery of health.
- We have employed more than 200 field staff covering more than 8000 chemists and 500 doctors across Mumbai, Gujarat and Madhya Pradesh. We intend to reinforce our team to cover more states.

- Product Classification will be towards
  - Lifestyle: Self Care
  - Family Healthcare
  - Ailments based segmentation
  - Pan India presence with basket of innovative and differentiated products

We have also acquired 99% equity shareholding of Birla Kerala Vaidyashala Pvt Ltd., a company which has been in the business of offering ayurvedic therapies based on the ancient texts and 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 etc. It has over 20 centres across India, located in Kerala, Mumbai, Chennai, Bangalore and Kolkata.

### **SWOT Analysis of Birla Research & Lifesciences Ltd**

#### **Strengths**

- The brand name 'Birla' is believed to command the trust and faith of customers.
- We have a well diversified product offering, ranging from medicines to cosmetics, diet supplements etc. Therefore the chances and opportunities to reach out to a wider customer base increases and the platform to build a 'complete Ayurveda brand' is created.
- The raw materials for making ayurvedic products are generally available cheaply and naturally; and is eco-friendly.
- Ayurveda itself has good reputation and prestige. Since its origin dates back to the ancient times, people generally have trust in it. It is linked with the scriptures and is thus a traditional science. Ayurveda is considered to be effective and is not generally known to have side effects.
- The production process is not highly capital intensive.

#### **Weaknesses**

- We have no previous exposure to ayurvedic sector.
- Ayurveda is essentially considered as an alternate medicine rather than a main form of treatment and people largely prefer Allopathy to Ayurveda.
- Ayurveda has not yet come up with any definite cures for serious ailments and it takes a long time to take effect.
- Our business has a long gestation period.

#### **Opportunities**

- Increasing consumer preference towards natural and Ayurvedic products;
- Popularizing the Ayurvedic products as medicine along with allopathic prescriptions given by hospitals, clinics.
- Scope for exclusive outlets and mass distribution network for natural healthcare & personal care products.
- Our research & Development efforts aim to create innovative Ayurvedic products which may be suitable for patenting.
- Vertical expansion into fields such as ayurvedic hospitals, clinics.
- Potential for marketing by striking package deals with spas and clinics.

#### **Threats**

- Competition from existing and experienced brands like Dabur, Himalaya, Baidyanath, Zandu, etc.
- No significant entry barrier as the industry is not capital intensive, so future competition may be widespread.

## OUR COMPETITIVE STRENGTH

- Our company will be offering a wide range of Ayurvedic medicines, cosmetics, food supplements etc. Therefore our chances and opportunities to reach out to a wider customer base increases and the platform to build a 'complete Ayurveda brand' is created.
- Vision of our company is to increase shift of customer focus from illness to wellness; our products would revolve around self care and preventive care.

## Our proposed manufacturing facility

We propose to set-up a GMP compliant manufacturing facility in the state of Maharashtra for manufacture of Ayurvedic formulations, personal hair care & skin care products and diet foods & supplements.

The manufacturing facility is proposed with the following capacities;

Category	Capacity
Tablet	41 lakh tablets per day
Capsules	7 lakh capsules per day
Syrus	4000 litres per day
Asava & Arish.	3400 litres per day
Creams	650 kg per day
Churnas	2000 kg

## Rationale for the proposed manufacturing facility

We are currently engaged into marketing of products like Ayurvedic medicines, natural healthcare, personal hair & skin care products and diet foods & supplements. These products are marketed under the brand names of Birla Veda, Chant and Nutrinext respectively. We believe that these products have found reasonable acceptance in the market and we expect them to gain increased customer preference over the years to come. We are not presently engaged in manufacture of our products and we are getting the same manufactured through contract manufacturing. The proposed capital expenditure programme being financed through the present issue will enable us to improve the quality of our products besides increasing the product portfolio. Our proposed manufacturing set-up is expected provide us with more control over the timing, quality and reliability of our product supplies.

## Location and Land details

We propose to acquire suitable land for setting up the aforesaid facility in the state of Maharashtra. The area of land required to set up GMP compliant manufacturing facility is estimated at around 5 acres. The cost of land including stamp duty, site development and other incidental charges is estimated at ₹ 300 Lakhs.

## Factory Building and Civil works

The estimated built-up area for the manufacturing facility is 173000 square feet. The cost of construction & civil works for the built-up area is estimated at ₹ 1000 Lakhs. For further details please refer section titled "Objects of the Issue" on page no 51 of this offer document.

## Plant and Machinery

The plant and machinery proposed to be installed at the facility amounts to ₹ 493 Lakhs. The breakup of same is given in table below. For further details please refer section titled "Objects of the Issue" on page no 51 of this offer document.

### Utilities and other miscellaneous assets

Utilities required for the plant include Boiler, effluent treatment plant etc. The cost of utilities and other miscellaneous assets has been estimated at ₹ 200 Lakhs.

We do not have any intention of procuring second hand machinery for the proposed manufacturing facility.

We are yet to place orders for plant and machinery worth approximately ₹ 493 Lakhs being 100% of our total plant and machinery requirements for the aforesaid facility.

Utilities

### Power & Fuel

As we are not currently engaged into manufacturing of products we do not need power and fuel arrangements of industrial nature. We propose to take requisite power connection from the Maharashtra State Electricity Board.

### Water

As we are not currently engaged into manufacturing of products, our water requirements are minimal. Water would be required for drinking, sanitary and other miscellaneous purposes in the proposed facility. The source for water at proposed location would be from respective local authorities.

### Raw Material

The raw materials for making ayurvedic products comprise of plants, seeds, herbs, leaves and other natural products. The raw material required are generally available cheaply and naturally. Raw material is easily available in the domestic market and no difficulty is envisaged in sourcing of the raw material.

### Manpower

The total manpower requirement for the aforesaid facility is estimated at about 50 personnel, comprising senior executives, technical & supervisory staff and commercial staff.

We propose to recruit the manpower in a phased manner, depending on the progress made in implementation of the proposed facility. Recruitment of skilled / semi skilled labourers will be done locally. We have appointed Dr Vilas Shirhatti as President - Technical for monitoring of the implementation of the proposed facility and look after the research activities.

### Marketing Arrangements

Our sales and marketing is looked after by our managing director Mr. Venkateswaralu Nelabhotla. He is ably supported by adequate number of qualified marketing personnel who interact on a day to day basis with customers and ensure a healthy relationship with them.

### Schedule of implementation

The schedule of implementation of project is as follows:

Sr. No.	Particulars	2011-12	2012-13	2013-14	Total
1	Manufacturing facility	500.00	1493.00		1993.00
	No. of Rebirth stores	5	10	15	30
2	Capex for setting up of Rebirth Stores	100.00	200.00	300.00	600.00
3	To set up R&D facilities	526.00	0.00	0.00	526.00
4	Brand Promotion	400.00	400.00	200.00	1000.00
5	General Corporate Purposes	500.00	250.00	250.00	1000.00

6	Working Capital	250.00	500.00	750.00	1500.00
7	Issue Expenses	725.00	-	-	725.00
8	Contingencies	56.00	85.00	15.00	156.00
	Total	3057.00	2928.00	1515.00	7500.00

#### Expected Commencement Date

As per the current schedule of Implementation, the commercial production from the aforesaid facility is expected to commence from last quarter of FY13.

#### Insurance Policies

Standard Fire and Special Perils Policy and Burglary.




S.No.	Policy No	Description/ Property Insured	Expiry date	Sum Assured Amt ₹ in lakhs	Premium amount	Ins Co.
1.	500100/11/10/11/00000413	<b>Standard Fire &amp; Special Perils Policy (including earthquake, fire &amp; shock)</b> –Furniture, Fixtures & Fittings and other stocks at Rebirth, The Birla Wellness Stores in Worli, Walkeshwar, Vashi, Rishikesh, Thane, Kandivali, Lower Parel, Khar & Powai.	21/12/2011	143.00	₹11,547	United India Insurance Co. Ltd., Mumbai
2.	500100/11/10/13/00000412	<b>Standard Fire &amp; Special Perils Policy</b> – materials in godown, solids which are moderately or slightly combustible at Gala no. 1,2,3,11,12,16,17 & 18 at Bldg no. B13, first floor, Pritesh Complex, Val Village, Bhiwandi, Thane and Birla Mansion, Charni Road, Mumbai	21/12/2011	200.00	₹ 32,759	United India Insurance Co. Ltd., Mumbai
3.	500100/21/10/02/00003289	<b>Marine Cargo Open Policy</b> – transportation of Ayurvedic Medicines, Personal care products & Food Products from anywhere in India to anywhere in India by Rail/ Road	21/12/2011	650.00	₹ 46,596	United India Insurance Co. Ltd., Mumbai



**PROPERTY**







**Intellectual property**

**The table below outlines the current status of the Intellectual Property owned by us (Registered Trademark Approvals)**


Sl. No.	Issuing Authority	Application No.	Nature of License	Validity upto
1.	Registrar of Trade Marks, Mumbai	01847529 – 01847535	Trade mark for 'REBIRTH' under Classes 3, 30, 5, 29, 31, 32, 35 respectively	4 <sup>th</sup> August 2019
2.	Registrar of Trade Marks, Mumbai	01847540 – 42	Trademark for 'BIRLA WELLNESS' under Classes 31, 32, 35 respectively	4 <sup>th</sup> August 2019
3.	Registrar of Trade Marks, Mumbai	01847543 – 01847546	Trademark for 'NUTRINEXT' under Classes 29, 30, 31, 32 respectively	4 <sup>th</sup> August 2019
4.	Registrar of Trade Marks, Mumbai	01847547	Trademark for 'CHANT' under Class 3	4 <sup>th</sup> August 2019
5.	Registrar of Trade Marks, Mumbai	01858756, 01858758- 61	Trademark for the logo  under Classes 3, 29, 30, 31, 32 respectively	3 <sup>rd</sup> September 2019
6.	Registrar of Trade Marks, Mumbai	01858763 – 01858768	Trademark for logo  under Classes 3, 5, 29, 30, 31, 32 respectively	3 <sup>rd</sup> September 2019
7.	Registrar of Trade Marks, Mumbai	01858771 & 01858774	Trademark for the name & logo – 'Birla Wellness' under Classes 5, 31 respectively	3 <sup>rd</sup> September 2019
8.	Registrar of Trade Marks, Mumbai	01858778 – 01858780	Trademark for the logo  under Classes 30, 31, 32 respectively	3 <sup>rd</sup> September 2019
9.	Registrar of Trade Marks, Mumbai	1918748	Trademark for the name FLAGCIP	7 <sup>th</sup> February 2020
10.	Registrar of Trade Marks, Mumbai	1918749	Trademark for the name MULADHAR	7 <sup>th</sup> February 2020
11.	Registrar of Trade Marks, Mumbai	1918750	Trademark for the name DERMARUT	7 <sup>th</sup> February 2020
12.	Registrar of Trade Marks, Mumbai	1918752	Trademark for the name JARACA	7 <sup>th</sup> February 2020
13.	Registrar of Trade Marks, Mumbai	1918754	Trademark for the name REWAKKE	7 <sup>th</sup> February 2020
14.	Registrar of Trade Marks, Mumbai	1918755	Trademark for the name ACHEFIZZ	7 <sup>th</sup> February 2020

15.	Registrar of Trade Marks, Mumbai	1918756	Trademark for the name EVESHOR	7 <sup>th</sup> February 2020
16.	Registrar of Trade Marks, Mumbai	1918758	Trademark for the name NAMEHA	7 <sup>th</sup> February 2020
17.	Registrar of Trade Marks, Mumbai	1964347	Trademark for the name AciHeal	11 <sup>th</sup> May 2020

**The table below outlines the current status of the Intellectual Property applied by us (Pending Trademark Approvals):**

Sl. No.	Issuing Authority	Application No.	Nature of License	Application Date
1.	Registrar of Trade Marks, Mumbai	01756009	Trademark for the logo  under Class 5	20 <sup>th</sup> November 2008
2.	Registrar of Trade Marks, Mumbai	01847536 – 01847539	Trademark for 'BIRLA WELLNESS' under Classes 3, 5, 29, 30 respectively	5 <sup>th</sup> August 2009
3.	Registrar of Trade Marks, Mumbai	01858757 & 01858762	Trademark for the logo  under Classes 5, 35 respectively	4 <sup>th</sup> September 2009
4.	Registrar of Trade Marks, Mumbai	01858769 pending	Trademark for logo  under Classes 35 respectively	4 <sup>th</sup> September 2009
5.	Registrar of Trade Marks, Mumbai	01858770, 72, 73, 75 & 76	Trademark for the name & logo – 'Birla Wellness' under Classes 3, 29, 30, 32, 35 respectively	4 <sup>th</sup> September 2009
6.	Registrar of Trade Marks, Mumbai	01858777	Trademark for the logo  under Classes 29 respectively	4 <sup>th</sup> September 2009
7.	Registrar of Trade Marks, Mumbai	01858781	Trademark for the logo  under Class 3	4 <sup>th</sup> September 2009
8.	Registrar of Trade Marks, Mumbai	01912127, 01912129, 01912130, 01912132, 01912133, 01912135, 01912137, 01912139	Trademark for 'BIRLA VEDA' under Classes 3, 5, 29, 30, 31, 32, 35, 42 respectively	21 <sup>st</sup> January 2010
9.	Registrar of Trade Marks, Mumbai	01912128, 01912131, 01912134, 01912136, 01912138, 01912140, 01912141	Trademark for the logo  under Classes 3, 29, 31, 32, 35, 30, 42 respectively	21 <sup>st</sup> January 2010
10.	Registrar of Trade Marks, Mumbai	1918751	Trademark for the name under Class 5 ECZEGON	08/02/2010

11.	Registrar of Trade Marks, Mumbai	1918753	Trademark for the name under Class 5 GLUCOBAL	08/02/2010
12.	Registrar of Trade Marks, Mumbai	1918757	Trademark for the name under Class 5 GARBITON	08/02/2010
13.	Registrar of Trade Marks, Mumbai	1918759	Trademark for the name under Class 5 QUITOBAC	08/02/2010
14.	Registrar of Trade Marks, Mumbai	1923691	Trademark for the name under Class 5 IQKID	17/02/2010
15.	Registrar of Trade Marks, Mumbai	1923692	Trademark for the name under Class 5 ConstiEnd	17/02/2010
16.	Registrar of Trade Marks, Mumbai	1934004	Trademark for the name under Class 5 ProSperm	10/03/2010
17.	Registrar of Trade Marks, Mumbai	1943060	Trademark for the name under Class 5 BreathOn	29/03/2010
18.	Registrar of Trade Marks, Mumbai	1943061	Trademark for the name under Class 5 ConstiMed	29/03/2010
19.	Registrar of Trade Marks, Mumbai	1943062	Trademark for the name under Class 5 NovaJoint	29/03/2010
20.	Registrar of Trade Marks, Mumbai	1943063	Trademark for the name under Class 5 D-gest	29/03/2010
21.	Registrar of Trade Marks, Mumbai	2061407	Trademark for the name under Class 5 AloeMax	30/11/2010
22.	Registrar of Trade Marks, Mumbai	2061408	Trademark for the name under Class 5 TurmOxy	30/11/2010
23.	Registrar of Trade Marks, Mumbai	2061409	Trademark for the name under Class 5 ImmuGuard	30/11/2010
24.	Registrar of Trade Marks, Mumbai	2061410	Trademark for the name under Class 5 KoliStrim	30/11/2010
25.	Registrar of Trade Marks, Mumbai	2061411	Trademark for the name under Class 5 ToxiClear	30/11/2010
26.	Registrar of Trade Marks, Mumbai	2061412	Trademark for the name under Class 5 HairMor	30/11/2010
27.	Registrar of Trade Marks, Mumbai	2061413	Trademark for the name under Class 5 PsoRid	30/11/2010
28.	Registrar of Trade Marks, Mumbai	2061414	Trademark for the name under Class 5 DermaPur	30/11/2010
29.	Registrar of Trade Marks, Mumbai	2061415	Trademark for the name under Class 5 AptiGro	30/11/2010
30.	Registrar of Trade Marks	2124666	Trademark for the name under Class 5 ANJIKA	01/04/2011
31.	Registrar of Trade Marks	2124667	Trademark for the name under Class 5 KRUMIFER	01/04/2011
32.	Registrar of Trade Marks	2124668	Trademark for the name under Class 5 GIDDIRIL	01/04/2011

33.	Registrar of Trade Marks	2124669	Trademark for the name under Class 5 LukEnd	01/04/2011
34.	Registrar of Trade Marks	2124670	Trademark for the name under Class 5 ANXILO	01/04/2011
35.	Registrar of Trade Marks	2124671	Trademark for the name under Class 5 IMMUFY	01/04/2011
36.	Registrar of Trade Marks	2124672	Trademark for the name under Class 5 MENOBID	01/04/2011
37.	Registrar of Trade Marks	2185877 – 79	Trademark for the logo  under Class 5, 44 & 03	04/08/2011

**Leasehold Property**

Sr. No.	Lease Date	Name of the lessor	Location	Area (Sq. ft.)	Period	Consideration (₹)	
						Rent Amount	Security Deposit
1.	5 <sup>th</sup> October 2009	Phoenix Mills Ltd.	Unit No. 18/A, Skyzone, 1 <sup>st</sup> Floor, Block no. 2, Phoenix Mills Compound, 462 Senapati Bapat Marg, Lower Parel, Mumbai – 13	394	59 months from 19 <sup>th</sup> September 2009 to 18 <sup>th</sup> August 2014	Minimum Guaranteed License Fees - First 33 months, 1,36,350, for the next 26 months 1,56,803	4,09,050
2.	6 <sup>th</sup> February 2009	Birla Industry Group Charity Trust	Gopi Birla Memorial School, 68, Walkeshwar, Mumbai – 6	115	33 months from 1 <sup>st</sup> January 2009	1000 per month	-
3.	4 <sup>th</sup> November 2009	Inorbit Malls (India) Pvt. Ltd.	Unit No. G20, Ground Floor, Inorbit Mall, Sector No. 30-A, Vashi, Navi Mumbai	393	33 months from 1 <sup>st</sup> December 2009	Minimum Guaranteed License Fees 61,700 per month	5,55,300
4.	20 <sup>th</sup> April 2010	Santosh Anant Choudhary	RCC Warehouse no. B13, Gala no.16,17,18 Preetesh Compound Anjur Raod, Mankoli Naka, Dapoda, Bhiwandi -21302, Thane	5172	3 Years from 20 <sup>th</sup> April 2010	26817 per month	53,634
5.	15 <sup>th</sup> June 2010	Lal Mahindra Leasing Pvt Ltd	49/A Gr. Floor, Atria Mall, Worli, Mumbai-400018	450	15 <sup>th</sup> July 2010 to 14 <sup>th</sup> July 2015.	1,40,000 per month for the initial 3 years and 1,61,000 for the next 2 years.	8,40,000
6.	1 <sup>st</sup> June 2010	Girish Kidarnath Sawhney & Anitha Girish Sawhney	Shop no. 2, Vishnudham cooperative Housing	400 in Gr. Floor and 200	1 <sup>st</sup> June 2010 to 31 <sup>st</sup> May 2015	225000 Per Month for the period	13,50,000

			Society, Plot no.406, S.S.VII, Khar(w), Mumbai-400052	in Basement		from 1 <sup>st</sup> July 2010 to 31 <sup>st</sup> May 2013 and 258750 for the next two years	
7.	14 <sup>th</sup> September 2010	M/s Lake View Developers	City Park, Hiranandani Business Park, CTS no. 15A, Municipal Corporation of Greater Mumbai, Powai, Mumbai-400 076	1,750	31 <sup>st</sup> July 2010 to 30 <sup>th</sup> July 2015	3,67,500 per Month with 5% escalation every year	22,05,000
8.		Runwal Constructions	Unit No. G-19, Ground Floor, R Mall, Ghodbunder Road, Thane (W), Tukdi and District Thane.	467		38,836 per month with 15% escalation after 3 years	2,33,014
9.	8 <sup>th</sup> March 2011	Grauer & Weil (India) Ltd.	Unit no. G 18A, Ground Floor, City Survey no, 151, Village – Ackurli, Borivali, Mumbai – 400101	459	16 <sup>th</sup> August 2010 to 15 <sup>th</sup> August 2015	43,815 per month with 15% escalation after 3 years	2,62,869 with 15% escalation at end of 3 years
10.	14 <sup>th</sup> June 2011	Mr. Hoshang R Yazdegardi & Mrs. Zarine R Yazdegardi	Shop no. 4, Ground Floor, Ruki Mahal, Colaba Causeway, S B Singh Road, Colaba, Mumbai – 400005		16 <sup>th</sup> July 2011 to 15 <sup>th</sup> July 2016	1,90,000 per month for 3 years 2,18,500 for next 2 years	12,00,000
11.	27 <sup>th</sup> May 2011	Mrs. Noora Nisa Abdul Khalid Rangooni	Ground Floor, Suuny side Co-operative Hsg Society Ltd, Lokhandwala Shopping Complex, Andheri West, Mumbai –400053	380		80,000 per month with 15% escalation every year after 3 years	9,00,000

### Details of Principal Terms of Loans and assets charged as security

Karnataka Bank Ltd, Fort Branch, Mumbai had vide its letter no. MDS LCFD 276/10-11 dated 11.03.2011 sanctioned our company fund based facilities of ₹1500 Lakhs comprising of ₹1000 lakhs towards Term Loan and ₹ 500 Lakhs of Overdraft facility.

The salient features of the aforesaid sanction are as under:-

<b>Term Loan:</b>	
Amount of Loan	₹ 1000 Lakhs
Currency	INR
Purpose	General Capital Expenditure
Margins	43.44% on project cost.
Rate of Interest	Base rate +4% p.a - presently at 13.75%
Period	42 months
Repayment	After initial holiday of 6 months, repayable in 11 equal quarterly instalments of ₹83.35 lakhs.
Security	Nil
Additional Interest	3%
Amount Outstanding as on 31 <sup>st</sup> July 2011	₹ 241.88 lacs
<b>Overdraft:</b>	
Amount of Loan	₹ 500 Lakhs
Currency	INR
Purpose	to meet Working Capital requirements
Margins	25% on stock & book debts considered good and outstanding not more than 120 days
Rate of Interest	Base rate +4% p.a - presently at 13.75%
Period	12 months
Repayment	On demand or as per Bank's OD Rules.
Security	Hypothecation of stocks and book debts.
Additional Interest	3%
Collateral security for both the above facilities	
Amount Outstanding as on 31 <sup>st</sup> July 2011	₹ 386.40 lacs
1. Equitable mortgage by way of deposit of title deeds of Residential Flat admeasuring 1944 sq. ft situated at No.52, Ashoka Apartments CHS, 68, Napeansea Road, Near Petit Hall, Mumbai -400 006, owned by M/s. Asian Distributors Pvt. Ltd, one of the group companies of YBG.	
2. Corporate Guarantee of M/s. Asian Distributors Pvt. Ltd.	

Karnataka Bank Ltd have, vide their letter dated 16<sup>th</sup> August 2011 conveyed their no objection for our Company's proposed public issue.

The principal terms of sanction of Karnataka Bank Ltd are as under:

- 1) Before availing the credit facilities:
  - a. Our Company to furnish appropriate Resolution authorizing the Directors to accept all the terms and conditions of the sanction , avail the sanctioned limits with the bank, execute necessary loan documents, pledge, hypothecate, mortgage, lien etc of the assets of the company in favor of the bank.

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- b. Our Company to furnish appropriate Board resolution of M/s. Asian Distributors Ltd authorizing its directors to extend corporate guarantee and to equitable mortgage of company's property as security to the credit facilities sanctioned to our company and to execute necessary loan documents in this regard
    - c. Necessary licenses/approvals from various departments to open the shops or franchisees to be furnished to the Bank
  - 2) Our Company shall arrange to get the charge registered/modified on the assets of the Company and Guarantor Company in favour of the bank with the Registrar of Companies within 30 days of such creation/modification.
  - 3) Our Company shall submit all the relative necessary invoices/ stamped receipts in respect of furniture & fixtures, lab equipments, Computers etc. for the term loan
  - 4) Our Company shall increase the authorized capital as projected and submit the relevant documentation filed with ROC as and when the authorized capital and the paid up capital are increased.
  - 5) Our Company shall pay additional interest at the rate of 3.00% p.a. over and above the sanctioned rate, in case of default in payment of interest, additional interest and/ or principal for the period of default
  - 6) Our Company shall get the external rating from the Approved Rating Agencies and submit the copy of the same
  - 7) The Bank reserves the rights to revoke in part or in full or withdraw/ stop financial assistance at any stage, without any notice or giving any reasons for any purpose whatsoever.
  - 8) The credit facility should be utilized for the specific purpose for which the same has been sanctioned by the Bank and if the Bank has reason to believe that our company has violated, or apprehends that our company is about to violate the said conditions, the Bank shall have the option to exercise its right to recall the entire loan or any part thereof at once, in addition to its right to withdraw the undrawn limits, notwithstanding anything contrary contained in this Sanction Advice. It is affirmed that this right is without prejudice to the Bank's right to demand the the Loan amount for violation of other terms and conditions of the sanction and/or the terms reflected in the loan / security documents to be executed by our company/ guarantors.
  - 9) Our Company should not repay the funds raised by way of deposits/ loans from friends and relatives during pendency of bank loan. An undertaking letters shall be furnished by our Company and from the major lenders/ depositors in this regard
  - 10) Our Company should not divert the funds to its group companies. An undertaking letter to this effect should be furnished.
  - 11) Our Company shall not pay any commission to its directors for standing as Guarantors with regard to the Bank's loans. A letter to this effect shall be furnished.
  - 12) Our Company shall obtain a NOC from the bank for further expansion of business, taking up of a new business activity or setting up/ investing in a subsidiary whether in the same business line or unrelated business.
  - 13) Our Company has to furnish periodically copies of the income-tax /sales tax assessment orders of the company.



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- 14) Our Company to note that the facilities are sanctioned subject to the convenience of the Bank and may be cancelled at any time before making available the sanctioned facilities. The Bank reserves the right to revoke in part or in full or withdraw I stop financial assistance at any stage, without any notice or giving any reasons for any purpose whatsoever.
  - 15) Our Company needs to submit latest encumbrance certificate/ tax/ society charges paid receipt etc in respect of collateral securities.

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## KEY INDUSTRY REGULATIONS

### **Drugs and Cosmetics Act, 1940**

Drugs and Cosmetics Act, 1940 governs and regulates the manufacture, sale, stock, import, export, distribution of drugs. This legislation requires a company inter alia engaged in any of the above activities to obtain licenses for the manufacture, sale, distribution and import of drugs, as the case may be, from the Drugs Controller General of India and to maintain records of the same. In order to obtain a License for a particular drug, the approval of the Central Drugs Laboratory certifying the standards of quality is required for which the product is subjected to series of tests involving different stages and procedures. In case of APIs, the Drug Controller General of India issues manufacturing licenses. These manufacturing and marketing Licenses are submitted by the Company seeking to produce the drug to the state level authority, the Drug Control Administration which clears the drug for manufacturing and marketing. The Drug Control Administration also provides the approval for the technical staff as per the drugs and Cosmetics Act and rules framed under the legislation abiding by WHO inspection norms.

### **Drugs and Cosmetics Rules, 1945**

These Rules have been framed under the Drugs and Cosmetics Act, 1940. These Rules, inter alia, provide that for the purpose of importing drugs import license and registration certificate is required from the Licensing Authority. The authorization by a manufacturer to his agent in India is documented by a Power of Attorney executed and authenticated in India before a 1<sup>st</sup> class Magistrate or in the country of origin before such equivalent authority. The Rules also provides for the approval of the Technical staff as per the Drugs and Cosmetics Act and rules framed under the legislation abiding by the World Health Organisation inspection norms.

### **Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954**

The legislation prohibits the advertising of a drug in such a way that the advertisement contains any matter which directly or indirectly misrepresents the true character of the drug or makes a false claim or a claim which is false or misleading in any material particulars. The legislation also expressly prohibits the import or export of any document containing an advertisement relating to the same. The contravention of any provisions of this Act has been made subject to punishments as specified therein.

### **The Drugs (Prices Control) Order 1995 (under the Essential Commodities Act).**

Drugs and formulations have been subjected to price control for more than three decades now. The economic reforms initiated by the Government of India in July 1991, trickled down to the [Pharmaceutical](#) Industry only in 1994 and that too partially. Price control in a large number of industries has already been abolished.

The main objectives of the Drug Policy after the modifications in the Policy of 1986 announced in September 1994 are to ensure availability, at reasonable prices of essential and life saving and prophylactic medicines of good quality; strengthening the system of quality control over drug production and promoting the rational use of drugs in the country; creating an environment conducive to channelizing new investment into the pharmaceutical industry to encourage cost-effective production with economic sizes and introducing new technologies and new drugs; and strengthening the indigenous capability for production of drugs. The Drugs Price Control Order (DPCO), 1995 is an order issued by the Government of India under Section 3 of the Essential Commodities Act, 1955 to regulate the prices of drugs. The Order inter alia provides the list of price controlled drugs, procedures for fixation of prices of drugs, method of implementation of prices fixed by Government and penalties for contravention of provisions among other things. For the purpose of implementing provisions of DPCO, powers of the Government have been vested in the National Pharmaceutical Pricing Authority ([NPPA](#)).

### **Trade Marks Act, 1999**

“Trade Mark” is generally a visually perceptible sign used in relation to goods or services. The primary purpose of a trade mark is to identify the commercial or trade origins of the goods or services. As such a trade mark distinguishes a particular product from another product. It offers an assurance to the consumer that when he is buying a particular item with a trade mark he is purchasing the same item which he has been assured of its quality, composition etc. So a trade mark reflects the goodwill or reputation of a particular product. It is statutorily not compulsory for somebody to register a trade mark. If a trade mark is registered by some one in that case he has a built in right to the safety of that particular mark.

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### **Designs Act, 2000**

Under WTO obligations, member countries must provide for protection to independently created new or original industrial designs. The member countries however have an option to exclude from protection, designs dictated by technical or functional consideration, as against aesthetic consideration, constituting the coverage of industrial designs. Accordingly, Industrial Design Act, 2000 was enacted to make Indian laws compliant with the WTO obligations in this respect.

An article is distinguished not only by its utility but also by its visual appeal which too usually play an important role in shaping the buyers preference for the article. The Design of an article and even design of its packaging is important from the commercial point of view.

### **Patent Regulation**

The protection and enforcement of patent rights in India are essentially governed by the Patents Act, 2005 (including the rules framed thereunder), as amended from time to time, the Patent Cooperation Treaty (PCT) and related international conventions to which India is a signatory. A patent unlike a trademark or copyright is territorial in nature meaning that an invention (be it product or process) that is patented in one country does not enjoy protection as a patented invention in any other country. The PCT is an international treaty between more than 125 Paris Convention countries, administered by the World Intellectual Property Organisation (WIPO). The PCT makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing a single “international” patent application instead of filing several separate national or regional patent applications. The granting of patents remains under the control of the national or regional patent offices called the “national phase”. In keeping with its commitment as a signatory of Trade Related Aspects Intellectual Property Rights (TRIPs) in 1995, India is required to recognize product patents in addition to process patents in respect of pharmaceutical products. Under the amended Patents Act 1970, patents in India can be granted for a product or a process. Under the new Indian patent regime, patent protection has been increased from seven years to twenty years.

### **The Factories Act**

Applicability of the Factories Act, 1948:

The Act is applicable to the premises wherein: -

- (i) 10 or more workers are employed with use of power
- (ii) 20 or more workers are employed without the use of power
- (iii) Less than 10 workers, if activity is notified by the State Government.

Engaged in manufacturing activities.

- Factories act 1948, is a central act, enforced by the state governments making the relevant rules to extend scope and objectives of the Act.
- The Act is applicable to all the factories including State, and Central Government.
- Onus is on the part of the factory management to comply with the provisions of the Act and Rules made there under.

The Standards of Weights and Measures Act, 1976, and Standards of Weights and Measures (Packaged Commodities) Rules, 1977

The above act is designed to establish fair trade practices with respect to packaged commodities. The rules prescribe that the basic rights of consumers regarding vital information about the nature of the commodity, the name and address of the manufacturer, the net quantity, date of manufacture, and sale price are provided on the label.

### **Environmental Regulations**

In India, regulation and enforcement of environment protection and safety is governed by three major central regulations namely Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, and the Environment Protection Act, 1986. The main purpose of these legislations is to regulate prevent and control pollution, by the setting up, inter alia of national and regional Pollution Control Boards (PCBs) which monitor and enforce standards and norms in relation to air, water pollution and other kinds of wastes causing environmental damage. In addition, the Environment (Protection) Act, 1986 also

prescribes rules for the management and disposal of hazardous industrial wastes governed by Hazardous Wastes (Management and Handling) Rules, 1989 and Bio-Medical Waste (Management and Handling) Rules, 1998. Further all proposals for setting up, expansion or modernization are evaluated in terms of environment assessment impact, by the Ministry of Environment and Forests, which accords the necessary clearance for projects after evaluation of Environment Impact Assessment.

#### **Foreign Direct Investment Policy**

Industrial Licensing: Industrial licensing for all bulk drugs cleared by Drug Controller General (India), all their intermediates and formulations has been abolished, subject to stipulations laid down from time to time in the Industrial Policy, except in the cases of

- a) Bulk drugs produced by the use of recombinant DNA technology.
- b) Bulk drugs requiring in vivo use of nucleic acids as the active principles and
- c) Specific cell/tissue targeted formulations

#### **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 thereunder, 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 Outside 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 10th January 2008 under the name and style of Birla Lifesciences Private Ltd. The name was further changed to Birla Research & Lifesciences Private Limited on 23<sup>rd</sup> September 2010 to reflect the nature of activities carried out by us. Our Company was converted into a Public Limited Company named as Birla Research & Lifesciences Limited on 25<sup>th</sup> November 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:

10 <sup>th</sup> January 2008	The Company was incorporated
March 2009	Takeover of the proprietary business of Birla Lifesciences
2009	Advertisement Agreement with Bennett Coleman & Company Ltd
October 2009	Opening of Rebirth store at Walkeshwar, Mumbai and Phoenix Mills, Mumbai
December 2009	Opening of Rebirth store at Inorbit (Vashi), Navi Mumbai
5 <sup>th</sup> January 2010	Agreement with Bennett Coleman & Company Ltd
July 2010	Opening of Rebirth store at Bandra, Mumbai
13 <sup>th</sup> August 2010	The Main Object Clause was modified to include Research.
September 2010	Opening of Rebirth store at Atria Mall Worli, Mumbai and R Mall (Thane)
23 <sup>rd</sup> September 2010	Name changed to Birla Research & Lifesciences Pvt Ltd
October 2010	Opening of Rebirth store at Powai, Mumbai
25 <sup>th</sup> November 2010	Company converted to Public Limited company and the name changed to Birla Research & Lifesciences Ltd
December 2010	Opening of Rebirth store at Kandivali, Mumbai
16 <sup>th</sup> August 2011	Supplemental Agreement with Bennett Coleman & Company Ltd
August 2011	Opening of Rebirth store at Andheri, Mumbai

### Changes in the Memorandum of Association of our Company

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

Sr. No.	Changes in Memorandum of Association	Date of General Meeting
1.	Amendment in the Object Clause of the Memorandum of Association Clause III (A)(1) under Main Object Clause of the Memorandum of Association of the Company deleted and substituted with the following revised clause: “1. To carry out, organize, develop, exploit and manage in any part of India or abroad any or all businesses relating to and to the research, discovery, development, cultivation, manufacture, production, trade, store, maintain, sell or buy medical, biological, food products and services based on Ayurvedic sciences, herbal sciences, advanced chemistry, plant/agricultural biotechnology, industrial biotechnology, medical biotechnology, bioinformatics, biophysics, cell sciences, material sciences and genetics.”	13/08/2010
2.	Alteration in Name Clause of Memorandum and Articles of Association Name of the Company changed from “Birla Lifesciences	16/09/2010

	Private Limited” to “Birla Research & Lifesciences Private Limited”	
3.	A. Conversion from a Private Limited Company to Public Limited Company B. Adoption of new set of Articles of Association pursuant to Conversion from a Private Limited Company to Public Limited Company	04/10/2010

#### **Number of Shareholders/ Members**

The Company presently has nine shareholders.

#### **Main Objects of our Company:**

To carry out, organize, develop, exploit and manage in any part of India or abroad any or all businesses relating to and to the research, discovery, development, cultivation, manufacture, production, trade, store, maintain, sell or buy medical, biological, food products and services based on ayurvedic sciences, herbal sciences, advanced chemistry, plant/agricultural biotechnology, industrial biotechnology, medical biotechnology, bioinformatics, biophysics, cell sciences, material sciences and genetics.

#### **Injunction or restraining orders**

Our Company is not operating under any injunction or restraining orders issued by any court/tribunal.

#### **Our Holding Company**

We do not have a holding company

#### **DETAILS OF SUBSIDIARY COMPANY**

Our Company did not have any Subsidiaries as on 31<sup>st</sup> March 2011. However subsequently our company had acquired 99% of the equity shares of Birla Kerala Vaidyashala Pvt Ltd (BKV), one of the group companies of the Yash Birla Group, keeping in view the synergy in the nature of business of both the companies. BKV is in the business of offering ayurvedic therapies based on ancient texts and beauty & healthcare treatments providing health spa services/treatment, ayurvedic therapies, health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments, sanatorium centers.

#### **Shareholders Agreement**

##### **A. Agreement between Bennett Coleman & Company Limited & our company**

The company and its promoters have entered into a share cum warrant subscription agreement with Bennett Coleman & Co. Ltd.(BCCL) on 5<sup>th</sup> January 2010 as amended by agreement dated 16<sup>th</sup> August 2011 under which BCCL subscribed to 5 Warrants of aggregate value of ₹ 35,000,000 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:  
BCCL Shares = Warrant Exercise Amount ÷ Subscription Price
2. The Warrants may be exercised at any time within a period commencing from 1st April 2010 and ending on the 5th anniversary of the Closing Date (“Warrant Exercise Period”), at the sole discretion of BCCL. Provided that upon the Company proposing to have an IPO of its Shares, BCCL may exercise the Warrants at any time after the appointment of a lead manager for such IPO of the Company.
3. The exercise of Warrants by BCCL shall be such that it shall hold not more than 24% (Twenty Four Percent) of the issued and subscribed Share capital of the Company, at the time of exercise of the Warrants.
4. In the event BCCL does not exercise its option to acquire all the Shares within the Warrant Exercise Period, the Warrant Subscription Amount shall be forfeited by the Company and the Warrants shall lapse. If BCCL

converts only a part of the Warrants to Shares during the Warrant Exercise Period, then the Warrants which have not been converted within the Warrant Exercise Period shall lapse and the Warrant Subscription Amount in relation to the non-converted Warrants shall be forfeited by the Company.

5. In the event, after obtaining prior written consent of BCCL, the Promoters Transfer any of the Shares held by them prior to exercise of all the Warrants and the Present Price for such Transfer is lower than the Subscription Price at that point of time, the Subscription Price for the purposes of this Agreement shall be the Present Price at which Transfer by Promoters shall have taken place. If Promoters sell their shares in 2 (two) or more lots, then the Subscription Price shall be the lowest such Present Price. This Article shall not be applicable for sale of Shares inter se Promoters.
6. In the event the Company makes any fresh issue of Shares or Share linked securities prior to exercise of all the Warrants, not including (i) Shares issued under ESOP, and (ii) Shares issued to the Promoters/Yash Birla Group Companies for an aggregate consideration not exceeding ₹ 33,98,00,000/- (Rupees Thirty Three Crore and Ninety Eight Lakh only) in one or more tranches prior to 1st April 2012 or the date of Exercise of any of the Warrants, whichever is earlier, whereby the Present Price is lower than the Subscription Price at that point of time, the Subscription Price for the purposes of this Agreement shall be such Present Price. If such fresh offering of Shares or Share linked securities is made in 2 (two) or more lots, then the Subscription Price shall be the lowest relevant Present Price.
7. In the event the Company proposes to issue shares through an IPO, at any time prior to exercise of all the Warrants, the Subscription Price shall be mutually agreed upon and be as close as possible to 80% of the lower end of the IPO price band, determined in terms of the ICDR Regulations provided that the Subscription Price has not been determined under other provisions of this agreement or the price determined in terms of this clause is lower than the Subscription Price.
8. In the event of a merger of another entity with the Company prior to exercise of all the Warrants and the Present Price of the Shares to be issued to the shareholders of the Company pursuant to such merger is lower than the Subscription Price, then the Present Price of the Shares of the Company used for the purpose of determination of exchange ratio for the merger shall be deemed to be the Subscription Price.
9. In case of issue of bonus Shares or split/subdivision of Shares, the Subscription Price and the BCCL Shares shall accordingly stand adjusted
10. 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 ending on 31st March 2014, including but not limited to obtaining all consents and approvals (corporate and otherwise) for the same in accordance with applicable Laws. The Company and the Promoters further covenant that at the time of the IPO the Company shall disclose the material terms of this Agreement in the offer document to the satisfaction of BCCL.
11. The Company shall provide and the Promoters shall cause the Company to provide, intimation to BCCL of all the details of any fresh issue of any further Shares, including in the event of a merger or amalgamation of another entity with the Company, within a period commencing from the date hereof till any point of time prior to the completion of the IPO (a "Fresh Offering") made by the Company after the date hereof, within 5 (five) Business Days of such Fresh Offering.
12. 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.
13. 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.



14. The Company and BCCL hereby agree that prior to filing of the red herring prospectus in accordance with the ICDR Regulations in connection with a proposed IPO of the Shares of the Company, the Company may amend its articles of association without taking consent of BCCL. Provided that, upon the Company failing to ensure listing of the Subscription Shares pursuant to the said red herring prospectus, the Company shall ensure that all such amendments carried out in the articles of association which in any manner effects BCCL's rights, shall be reversed.
15. 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.
16. The Company and the Promoters hereby agree that at the time of IPO of the Company (i) the shareholding of Birla Wellness & Healthcare Systems Pvt. Ltd., one of the Promoters of the Company, shall not be less than 37% (Thirty Seven Percent) of the issued and outstanding equity share capital of the Company and (ii) the total Promoters' shareholding shall not be less than 70% (Seventy Percent) of the issued and outstanding equity share capital of the Company.

BCCL had exercised the warrants on 6<sup>th</sup> September 2011 and were issued 1,75,00,000 shares aggregating to ₹ 1750 Lacs at a price of ₹10 per share being the price mutually agreed upon between the company and BCCL.

**B. Agreement between Mr. Venkateswaralu Nelabhotla, MD of the company & our company**

Our company has entered into agreement with Mr. Venkateswarlu Nelabhotla, Managing Director of the Company on 17<sup>th</sup> June 2011. The main terms and conditions of this agreement are as under:-

1. Mr. Venkateswaralu Nelabhotla shall serve the Company, as the Managing Director from the 17th day of June 2011 for a period of Three years.
2. Subject to the superintendence, control and direction of the Board, Mr. Venkateswaralu Nelabhotla is (a) entrusted with general control of the business of the Company and be vested with the Management and day to day affairs of the Company (b) authorized to enter into contracts on behalf of the Company in the ordinary course of business and (c) authorized to do and perform all other acts and things which in the original course of such business he may consider necessary or proper in the best interest of the Company.
3. No remuneration shall be paid to Mr. Venkateswaralu Nelabhotla during the currency of his tenure as a Managing Director.
4. The Managing Director shall not be entitled for sitting fees for attending the meetings of the Board of Directors or Committee thereof.
5. During the currency of this Agreement, Mr. Venkateswaralu Nelabhotla shall not directly or indirectly engage himself in any other employment whatsoever (except as a Managing Director in Birla Wellness & Healthcare Pvt Ltd), without the permission of the Board.
6. Mr. Venkateswaralu Nelabhotla shall not during the continuance of his employment hereunder or at any time thereafter divulge, publish or disclose to any person whomsoever or make use whatsoever for his own purpose or for any other purpose other than that of the Company of any information, knowledge, methods, trade secrets or any confidential information relating to the business affairs or activities of the Company, obtained by him during his employment with the Company and Mr. Venkateswaralu Nelabhotla shall, during the continuance of his employment, hereunder, use his best endeavour to prevent any other person from doing so.
7. The Agreement may be terminated by giving three months notice on either side.

**C. Share transfer agreement between our Company, Birla Wellness & Healthcare Pvt Ltd, our promoter & Mr. Venkateswaralu Nelabhotla, MD of our company.**

Our Company, **Birla Wellness & Healthcare Pvt Ltd (BWHPL), our promoter & Mr. Venkateswaralu Nelabhotla, MD of our company** have entered into a share sale and purchase agreement on 5<sup>th</sup> September 2011

The salient features of the agreement/s are as under:

1. Mr. Venkateswaralu Nelabhotla is in employment with BWHPL w.e.f 17<sup>th</sup> September 2010 pursuant to an Appointment Agreement dated 20/06/2010 and is the managing director of BWHPL and our Company.
2. In terms of the said Appointment Agreement, it has been agreed that Mr. Venkateswaralu Nelabhotla shall be issued 10% of the paid up equity shares of the Company i.e. rounded off to 42,00,000 equity shares ('Sale Shares') at the face value of ₹ 10/-(Rupees Ten Only) per share of the Company.
3. Subject to the provisions of this Agreement, BWHPL as legal and beneficial owner of the Sale Shares, sells, transfers, conveys and delivers to Mr. Venkateswaralu Nelabhotla, and Mr. Venkateswaralu Nelabhotla purchases, acquires and accepts from BWHPL, free from all Encumbrances, all rights, title and interest of BWHPL in and to the Sale Shares, together with all accrued benefits and rights attached thereto and the right to receive all dividends declared in respect of the Sale Shares, for the total consideration of ₹ 4,20,00,000/- (Rupees Four Crores and Twenty Lakhs Only) and on the terms and subject to the conditions contained in the Agreement. Simultaneously with the execution of this Agreement, Mr. Venkateswaralu Nelabhotla acknowledges the receipt from BWHPL, of the duly executed and stamped Share Transfer Deeds for the Shares along with the Share Certificates.
4. The Consideration as mentioned in the agreement shall be payable by Mr. Venkateswaralu Nelabhotla to BWHPL over a period of 3 years as and when called upon by BWHPL.
5. The Stamp Duty or any other duties or levies that may be assessed and any related charges, for the purchase of the Sale Shares is being or shall be borne by Mr. Venkateswaralu Nelabhotla
6. The Sale Shares shall be entitled to all the rights and obligations as of the other equity shares on pari passu basis.
7. Right of First Refusal: Subject to the restriction imposed by the Agreement, Mr. Venkateswaralu Nelabhotla shall have the right to sell the Sale Shares or a part thereof either through Stock Exchange or by way of a negotiated deal with Third Party however in case if Mr. Venkateswaralu Nelabhotla proposes to sell 1,00,000 equity shares to an individual or an entity or two or more entities belonging to the same group, the same shall be subject to the following:-

In case, if Mr. Venkateswaralu Nelabhotla desires to Transfer the Sales Shares, or a part thereof ("Offered Shares") by way of a negotiated deal, Mr. Venkateswaralu Nelabhotla shall first give a written notice("Transfer Notice") to the BWHPL, stating his intention to transfer the ("Offered Shares"), the number of shares proposed to be sold, the identity and details of the proposed buyer and the price and other terms and conditions at which Mr. Venkateswaralu Nelabhotla proposes to transfer such shares.

Upon receipt of the notice, BWHPL or any of the group Companies of Yash Birla Group, as may be preferred by BWHPL shall have the irrevocable and exclusive right to buy all the Offered Shares by Mr. Venkat at a price and on the same terms and conditions as specified in the notice. Such a right shall be exercisable by a written notice from BWHPL to Mr. Venkat within 30 days from the date of the written notice sent by Mr. Venkat. In the event, BWHPL or any person/entity nominated by BWHPL does not buy the Offered Shares within 30 days of notice period, then Mr. Venkat shall have the right to sell the Offered Shares to the proposed buyer on terms not more favourable than those specified in the Transfer Notice.
8. In case of termination, Mr. Venkateswaralu Nelabhotla shall retain shares as provided in the terms of Agreement and shall return to BWHPL, at face value, those remaining shares of the Company which he is not entitled to retain as per the terms of the Agreement.
9. Any part of the consideration as mentioned in the Agreement, which remains unpaid on such date of termination shall be adjusted against the amount to be paid by BWHPL or the Company to Mr. Venkateswaralu Nelabhotla

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10. Any expenses (including but not limited to Tax obligations) for affecting such transfer shall be borne by Mr. Venkateswaralu Nelabhotla

**Other Agreements**

Except the Business Transfer Agreement, agreement with BCCL, agreement with Mr. Venkateswaralu Nelabhotla 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.

**Strategic Partners**

Our Company does not have any strategic partners as on date of the Draft Red Herring Prospectus.

**Financial Partners**

Our Company does not have any financial partners as on date of the Draft Red Herring Prospectus.

## 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
<b>Mr Yashovardhan Birla</b> S/O. Mr.Ashokvardhan Birla Age: 44 yrs Address: Birla House, 21, Mount Pleasant Road, Mumbai - 400006 Director/ Chairman Non Executive & Non Independent DIN: 00005804 Term: Permanent	10/01/2008	M.Com, L.L.B	<ul style="list-style-type: none"> <li>• Asian Distributors Pvt. Ltd</li> <li>• Birla Bombay Pvt. Ltd</li> <li>• Birla Brothers Pvt. Ltd</li> <li>• Birla Precision Technologies Limited</li> <li>• Birla Power Solutions Ltd.</li> <li>• Birla Machining &amp; Toolings Ltd</li> <li>• Shearson Investment &amp; Trading Co. Pvt. Ltd.</li> <li>• Birla Viking Travels Ltd.</li> <li>• Zenith Birla (India) Ltd.</li> <li>• Birla Wellness &amp; Healthcare Pvt. Ltd.</li> <li>• Birla Shloka Edutech Limited</li> <li>• Birla Pacific Medspa Ltd</li> <li>• Birla Surya Ltd.</li> <li>• Birla Edutech Ltd.</li> <li>• Lakshmi Properties Ltd.</li> <li>• Ashok Birla Apollo Hospital Pvt. Ltd.</li> <li>• Birls Cotsyn (India) Ltd.</li> <li>• Melstar Information Technologies Ltd</li> <li>• Birla Integrated Textile Park Limited</li> <li>• Birla Urja Limited</li> <li>• Birla Ayurveda Pvt. Ltd</li> </ul>
<b>Mr. P.V.R.Murthy</b> S/O. Mr.P.Dakshina Murthy Age: 59 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	19/07/2010	B.Com, F.C.A, M.B.A	<ul style="list-style-type: none"> <li>• Birla Power Solutions Limited</li> <li>• Birla Precision Technologies Limited</li> <li>• Birla Cotsyn (India) Ltd.</li> <li>• Zenith Birla (India) Ltd.</li> <li>• Melstar Information Technologies Ltd.</li> <li>• Sanguine Media Limited</li> <li>• Birla Wellness and Healthcare Ltd.</li> <li>• Birla Infrastructure Ltd</li> <li>• Birla Kerala Vaidyashala Pvt. Ltd.</li> <li>• Birla Integrated Textile Park Ltd</li> <li>• Birla Urja Ltd</li> <li>• Birla Energy Infra Ltd</li> <li>• Ashok Birla Apollo Hospital Pvt. Ltd.</li> <li>• Birla Edutech Ltd.</li> <li>• Birla Surya Ltd.</li> <li>• Birla Pacific Medspa Ltd.</li> <li>• Abhirama Steels Pvt. Ltd</li> <li>• Abhirama Hotels &amp; Resorts Pvt Ltd</li> </ul>

<b>Name, Age, Address, Designation and Occupation</b>	<b>Date of Appointment</b>	<b>Qualification</b>	<b>Other Directorships</b>
<b>Mr. Venkateswaralu Nelabhotla</b> S/o. Mr. Anjaneya Sharma Nelabhotla Age: 50 years Address: Flat No. 2103, 21 <sup>st</sup> Floor, B-wing, Phoenix Towers, Senapati Bapat Marg, Lower Parel Mumbai- 400 013. Additional Director Managing Director DIN: 03288992 Term: Liable to retire by rotation	25/11/2010		<ul style="list-style-type: none"> <li>• Birla Pacific Medspa Ltd.</li> <li>• Customer Lab Pvt Ltd.</li> <li>• Birla Wellness &amp; Healthcare Pvt. Ltd</li> </ul>
<b>Dr. Govinda Rajan Ethirajan</b> S/O. RadhaKrishna Ethirajan Age: 60 years Address: 12-2-831/53/201, Venkat Homes, MIGH, Medhipatnam, Hyderabad – 500 028 Andhra Pradesh. Additional Director Independent and Non Executive DIN: 00217043 Term: Liable to retire by rotation	22/11/2010	Ph.D in Electrical Engineering from IIT, Kanpur.	<ul style="list-style-type: none"> <li>• Pentagram Research Centre Pvt. Ltd.</li> </ul>
<b>Dr. Jayaprakash Narayan</b> S/o. Shri. Venkatesh Bangalore Srinivasa Pandit Age: 66 Years Address: 93, 3 <sup>rd</sup> Cross, Ist Stage, Dollar Scheme, BTM Layout, Bangalore – 560 068 Additional Director Independent and Non Executive DIN: 00217043 Term: Liable to retire by rotation	17/6/2011	B.S.A.M., M.B.B.S., M.D (Ayurveda)	<ul style="list-style-type: none"> <li>• Proprietor of Lohadrava Pharmacy, Bangalore</li> <li>• Managing Director of Poornayu Ayurveda Hospital, Bangalore. (Trust)</li> </ul>

Name, Age, Address, Designation and Occupation	Date of Appointment	Qualification	Other Directorships
<b>Mr. Vijay Agarwal</b> 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	17/6/2011	FCA	<ul style="list-style-type: none"> <li>• Themis Medicare Ltd.</li> <li>• Birla Machining &amp; Toolings Limited</li> <li>• Birla Shloka Edutech Limited</li> <li>• Nucsoft Ltd.</li> <li>• Compuage Infocom Ltd.</li> <li>• Gujarat Themis Biosyn Ltd.</li> <li>• OSS Software Solutions Lab Pvt. Ltd.</li> <li>• Richter Themis Medicare (I) Pvt. Ltd.</li> <li>• Tiveni Sangam Estate Pvt. Ltd.</li> <li>• Sanskar Foundation (Sec. 25 Co.)</li> <li>• Sparc Samudaya Nirman Sahayak (Sec. 25 Co.)</li> <li>• Pramerica Trustees Pvt. Ltd.</li> <li>• Collins Stewart Inga Pvt Ltd</li> <li>• Indigold Trade and Services Ltd</li> <li>• DLF Pramerical Trustees Pvt Ltd</li> <li>• Birla Pacific Medspa Ltd</li> <li>• Neue Allianz Corporate Services Pvt. Ltd</li> </ul>

Note: All of our directors are Indian nationals. None of the directors are related to one another.

None of the above mentioned Directors are on the RBI List of wilful defaulters as on the date of the Draft Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.

None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on the Bombay Stock Exchange Ltd./National Stock Exchange of India Ltd.

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 – 01.12.2010 ASE – 18.01.2011	Voluntary Delisting	Due to insignificant trading volumes	Not Applicable	Mr. Yashovardhan Birla since 25th May, 2009 till date. Mr. Vijay Agarwal since 25th May, 2009 till date.

None of our other directors are or have been directors in any of the listed companies which have been/ were delisted from the stock exchange(s).

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.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

## PROFILE OF THE PROMOTER DIRECTORS

**Mr. Yashovardhan Birla** aged 44 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, Dagger Forst Tools ltd, Birla Shloka Edutech Ltd etc.

## MANAGING DIRECTOR

**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 Managing Director in Birla Wellness & Healthcare Pvt. Ltd., a Yash Birla Group company, one of our promoters. 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 Ltd., 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

## OTHER DIRECTORS

**Mr. P.V.R .Murthy** aged 59 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 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. He guides our company on matters relating to finance.

**Mr. Vijay Agarwal** aged 53 years is a Practicing Chartered Accountant for the last 27 years, specializing in Corporate Advisory, Tax and Audit field. He provides guidance to our company in the area of taxation and audit as and when required.

**Dr. E. G. Rajan** aged 60 years, is the founder President of Pentagram Research Centre (P) Ltd based in Hyderabad. He has to his credit more than 35 years of industrial, professional, teaching and Research experience. He had been a lecturer and visiting professor (Research Associate) in Directorate of Technical Education, College of Engineering, Guindy, Madras and Department of Electrical Engineering, IIT, Kanpur. During the period 1977 to 1986, he was working as Electronic Warfare Officer/ Signal Analyst in the Aviation Centre, Directorate General of Security, Government of India. He provides valuable inputs to our company in matters of business strategy and planning.

**Dr. Jayprakash Narayan** aged 66 years, is the fourth generation Ayurveda Vaidya/ Physician. He has Ayurvedic medical practice for more than 30 years and is an Ayurveda consultant physician in various countries like Switzerland, Italy, Germany, Austria, Australia, UK, Canada etc. He holds Fellowship in Royal Asiatic Society, London and also in International His vast experience and insight into the ayurvedic field, helps our company in selecting and launching products relevant to the community.



### Details of the Borrowing Powers

Vide a resolution passed at the Extra Ordinary General Meeting of our Company held on 15<sup>th</sup> March 2011, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of moneys which together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), shall not exceed in the aggregate at any one time ₹ **50 Crores ( Rupees Fifty Crores only)** over and above the paid up capital and free reserves of our Company, exclusive of interest..

### Compensation of Whole Time Directors

Mr. Venkateswaralu Nelabhotla was appointed as a Director of Our Company on 25<sup>th</sup> November 2010. The Board of Directors of our Company at their meeting held on 17<sup>th</sup> June 2011, have subject to the approval of the Members in General Meeting had appointed Mr. Venkateswaralu Nelabhotla, who is already a Managing Director of Birla Wellness & Healthcare Pvt Ltd. as the Managing Director of our Company under section 2(26), 269, 316 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 for a period of three years commencing from 17<sup>th</sup> June 2011 without any remuneration.

Further, no compensation is paid to the chairman, or to the Directors of our 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. Vijay Agarwal	Independent, Non Executive – Director
2	Dr. E. G. Rajan	Independent, Non Executive – Director
3	Dr. Jayprakash Narayan	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 17<sup>th</sup> June 2011 consisting of 3 directors as mentioned hereunder:

Sr. No	Name of the Director	Designation	Nature of Directorship
1	Mr. Vijay Agarwal	Chairman	Independent and Non executive
2	Dr. E. G. Rajan	Member	Independent and Non executive
3	Mr. PVR Murthy	Member	Non Independent and Non executive

The Audit Committee is to deal with the following matters:

1. Review and discuss periodically about internal control systems, scope of audit
2. Review the half-yearly and annual financial statements
3. Ensure compliance of internal control systems

4. Investigate into any matter in relation to the items specified above or referred to it by the Board of Directors.
5. Review with the management, the utilization of proceeds of a Public or right issue and make appropriate recommendation to the Board to take steps in the matter
6. Recommend the appointment of Cost Auditor as and when applicable and to ensure related compliances

#### **Investors Grievance Committee**

The Investors Grievance Committee constituted by the Board of Directors in their meeting held on 17<sup>th</sup> June 2011 consisting of 3 directors as mentioned below.

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1	Mr. Jayaprakash Narayan	Chairman	Independent and Non executive
2	Mr. Venkateswaralu Nelabhotla	Member	Managing Director
3	Mr. PVR Murthy	Member	Non Independent and Non executive

The above committee will act as Investors Grievance Committee under Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges as and when the equity shares of the company are listed on these stock exchanges and all the provisions of the Investors Grievance Committee as specified under Clause 49 of the Listing Agreement shall be applicable to the said committee.

#### **Remuneration Committee**

The Remuneration Committee was constituted by our Directors at their Board meeting held on 17<sup>th</sup> June 2011.

#### **Composition of Remuneration Committee**

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Mr. Vijay Agarwal	Chairman	Independent and Non executive
2.	Dr. E.G. Rajan	Member	Non- Independent and Non executive
3.	Mr. PVR. Murthy	Member	Non-Independent and Non executive

The terms of reference of the Remuneration Committee are as follows:

- To frame the company's policy and approve remuneration payable to Managing Directors/ Executive Directors under the provisions of applicable law, rules and regulations.
- To approve the compensation payable to the Non- executive Directors..

#### **IPO Committee**

Our Company for the purpose of giving effect to the proposed IPO has formed a IPO Committee on 17<sup>th</sup> June 2011 in its Board of Directors meeting, consisting of the following:

#### **Composition**

The composition of the Committee is as follows:

<b>Name</b>	<b>Title</b>	<b>Status</b>
Mr. Vijay Agarwal	Member	Independent Director
Mr. P. V. R. Murthy	Chairman	Non Independent & Non Executive Director
Mr. Venkateswaralu Nelabhotla	Member	Managing 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 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 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 Initial 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 Initial Public Issue of the Company.

#### **Project Monitoring Committee**

Our Company for the purpose of overseeing the project implementation, has formed a Project Monitoring Committee on 17<sup>th</sup> June 2011 in its meeting of Board of Directors. The composition of the Committee is as follows:

<b>Name</b>	<b>Title</b>	<b>Status</b>
Mr. P. V. R. Murthy	Chairman	Non Independent, Non Executive Director
Dr. Jayprakash Narayan	Member	Independent, Non Executive Director
Mr. Venkateswaralu Nelabhotla	Member	Managing Director.

The committee will be responsible for monitoring the implementation of project and deployment of funds raised through the IPO and to ensure that the funds are utilized for achieving the objects of the issue as mentioned in the offer document.

#### **INTERESTS OF DIRECTORS**

Except as stated in Related Party Transactions under section titled “Financial Information of Our Company” beginning on page 165 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/transferred 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 165 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 Offer Document 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**

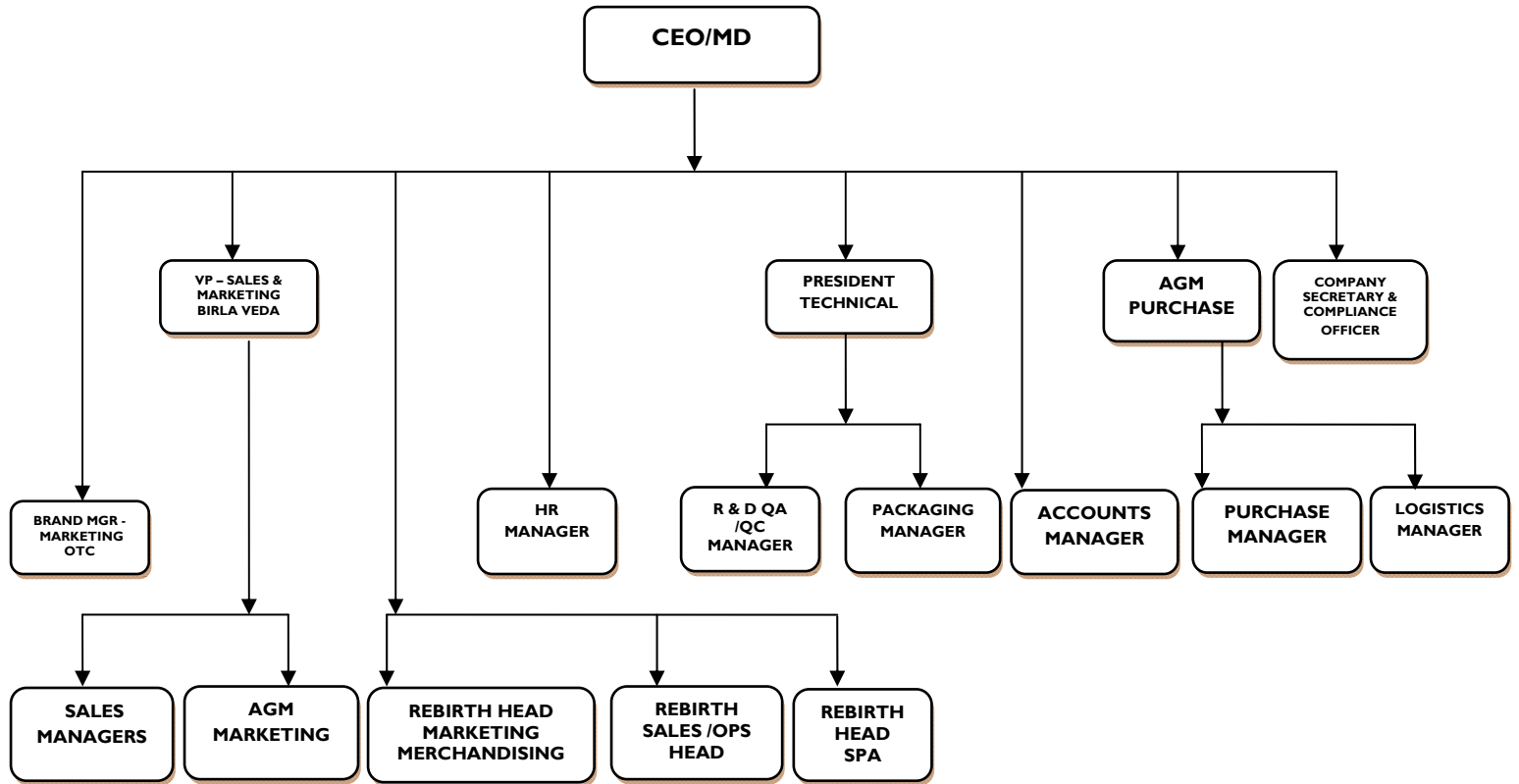
Sr. No.	Name of the Director	Number of Shares held
1	Mr. Birla	8000
2	Mr.P.V.R.Murthy	1000
3	Mr. Venkateswaralu Nelabhotla	4200000

**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	Director	10/01/2008	-	On Incorporation
2	Mr. Anuj Batra	Director	10/01/2008	21/08/2009	Resigned on Account of Personal Reasons
3	Mr Yogesh Chaddha	Executive Director	10/01/2008	17/05/2011	Resigned on Account of Personal Reasons
4	Mr.P.V.R.Murthy	Director	19/07/2010	-	Fresh Appointment
5	Dr. E.G.Rajan	Additional Director	22/11/2010	-	Fresh Appointment
6	Mr. Venkateswaralu Nelabhotla	Additional Director	25/11/2010		Fresh Appointment
7	Dr. Jayaprakash Narayan	Additional Director	17/06/2011	-	Fresh Appointment
8	Mr. Vijay Agarwal	Additional Director	17/06/2011	-	Fresh Appointment

## MANAGEMENT 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.

Name	Designation	Age in years	Qualification	Experience (Years)	Date of Joining	Functional Responsibility	Payment made during FY 11 (₹Lacs)	Previously Employed
Mr. Venkateswaralu Nelabhotla	Managing Director	50	BE Mech, MBA (IIMA)	23	17/6/11	Managing Director	-	Emami Ltd
Dr Vilas Shirhatti	President - Technical	56	Ph.D (Chemistry)	36	01/6/11	Technical	-	Marico Ltd
Dr Nikhil R. Siddhanta	Vice President Marketing & Sales	42	MBBS	18	20/4/11	Sales & Marketing	-	Avitech Life Sciences
Mr. Abhishek Bansal	Accounts Manager	30	C.A	5	28/12/09	Accounts & Finance	11.73	Sun Pharmaceutica l Ltd
Mr. Ajeet Patwardhan	AGM - Purchase	41	MBA (Fin)	15	21/2/11	Purchases	1.61	VVF Ltd
Ms. Anupama Verma	AGM - HR	38	MBA	13	01/4/11	Human Resources	-	CGA Delhi
Ms. Pratibha Rane	Company Secretary & Compliance Officer	26	ACS	2	01/7/11	Secretarial & Compliance Matters	-	Birla Capital & Financial Services Ltd

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

**Shareholding of Key Managerial Personnel:** Except Mr. Venkateswaralu Nelabhotla, none of the key managerial personnel have any shareholding in the company.

**Bonus or Profit Sharing Plan for the Key Managerial Personnel: NIL**

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

Name	Designation/ functional responsibility	Date of joining	Date of leaving	Reason
Mr. Yogesh Chadha	Executive Director	10-Jan-08	17-May-11	Resigned on account of personal reasons
Mr. Venkateswaralu Nelabhotla	Managing Director	17-Jun-11	-	Appointment
Dr Vilas Shirhatti	President – Technical	01-Jun-11	-	Appointment
Dr Nikhil R. Siddhanta	Vice President Marketing & Sales	20-Apr-11	-	Appointment
Mr. Abhishek	Accounts Manager	28-Dec-09	-	Appointment

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Bansal				
Mr.Ajeet Patwardhan	AGM – Purchase	21-Feb-11	-	Appointment
Ms.Anupama Verma	AGM – HR	14-Feb-11	-	Appointment
Ms.Pratibha Rane	Company Secretary	01-Jul-11	-	Appointment

**EMPLOYEES:**

The present employee strength of our Company is about 302 as on 26<sup>th</sup> July 2011.

**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 Offer Document or is intended to be paid, other than in the ordinary course of their employment, other than the shares allotted/transferred to them from time to time.



## OUR PROMOTERS


Our company has been promoted by Mr. Yashovardhan Birla and the following companies of Yash Birla Group

1. Birla Wellness & Healthcare Pvt Ltd
2. Nirved Traders Private Limited
3. Shearson Investment & Trading Company Private Limited
4. Godavari Corporation Private Limited

### Details of Promoters Being Individuals:

#### 1. Name: Mr. Yashovardhan Birla

Designation: Chairman

	Permanent Account Number	AAJPB2505N
	Passport Number	F3355431
	Nationality	Indian
	Voter ID Number	-
	Driving License Number	-
	Bank A/c details	SB A/c No. -022-704757-006 HSBC, Fort Branch
	Address:	Birla House, 21 Mt. Pleasant Road, Mumbai – 400006

**Mr. Yashovardhan Birla**, aged 44 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 formidable Birla Conglomerate through identifying and exploiting various business opportunities.

### 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 Stock Exchanges, on which our Company proposes to list its Equity Shares at the time of filing of this DRHP.

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 DRHP or is intended to be given by us except mentioned / referred to in this Chapter and in Page no 165 under Related Party Transactions, under the Chapter “Financial Information of our company” of this Offer document and the purchase consideration paid to Birla Lifesciences, a proprietorship firm for acquiring its business.

#### **DETAILS OF PROMOTER COMPANIES:**

##### **1. Birla Wellness and Healthcare Pvt. Ltd (BWHPL)**

<b>Date of incorporation</b>	Our Company was incorporated on 9 <sup>th</sup> 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 <sup>rd</sup> October 2007 by the Registrar of Companies, Maharashtra
<b>CIN</b>	U85120MH2006PTC161718 dated 3 <sup>rd</sup> October 2007
<b>Registered Office Address</b>	Industry House, 159, Backbay Reclamation, Churchgate, Mumbai – 400 020
<b>Permanent Account Number</b>	AADCR3038F
<b>Nature of Business</b>	Wellness & Healthcare

#### **Board of Directors as on 30<sup>th</sup> June 2011**

<b>Sl. No</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Yashovardhan Birla	Director
2	Mr. PVR Murthy	Director
3	Mr. Venkateswaralu Nelabhotla	Director

### **Change in Control**

There has been no change in control or management of BWHPL in the last three years.

### **Nature and extent of interest of the BWHPL in the Company:**

BWHPL holds 37.03% of the share capital of the company.

### **List of Promoters:**

- a) Nirved Traders Private Limited
- b) Shearson Investment & Trading Company Private Limited
- c) Godavari Corporation Private Limited

## **2. GODAVARI CORPORATION PRIVATE LIMITED(GCPL)**

<b>Date of Incorporation</b>	The Company was originally incorporated in the name of Godavari Corporation Ltd. on 13 <sup>th</sup> February, 1946 under the Indore Companies Act. VII of 1940, in the state of Madhya Pradesh. The Company's registered office has been changed from the state of Madhya Pradesh to the state of Maharashtra with effect from 25 <sup>th</sup> March, 1980. The name of the company was changed to Godavari Corporation Pvt. Ltd. with effect from 21 <sup>st</sup> September, 2004.
<b>CIN</b>	U51900MH1946PTC022398
<b>Registered Office</b>	Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.
<b>NBFC Registration No.</b>	13.00509
<b>Permanent Account Number</b>	AAACG1850D
<b>Nature of Business</b>	The company is NBFC and at present engaged in the business of dealing and trading in shares and securities. The company has also commissioned a wind mill at Karad, Maharashtra which is generating electrical power and transmitting/ distributing the same through the MSEB.

### **Board of Directors as on 30<sup>th</sup> June 2011**

<b>Sl. No</b>	<b>Name</b>	<b>Designation</b>
1	Ms. Avanti Birla	Director
2	Mr. R.S. Malani	Director
3	Mr. Arun Singhi	Director
4	Mr. G.L.Lath	Director

### **Change in Control**

There has been no change in control or management of GCPL in the last three years.

### **Nature and extent of interest of GCPL in the Company:**

GCPL holds 6.79% of the share capital of the company.

### **Promoters:**

- M/s Shearson Investment & Trading Co. Pvt. Ltd.
- M/s Nirved Traders Pvt. Ltd.
- Sunanda Medical Institute

**Board of Management of Sunanda Medical Institute:**

- 1) Mr. Yashovardhan Birla
- 2) Mrs. Avanti Birla
- 3) Mr. G.L.Lath
- 4) Mr. Arun Singhi
- 5) Mr. R.S.Malani
- 6) Mr. Nikhil Agarwal

**3. NIRVED TRADERS PRIVATE LIMITED (NTPL):**

<b>Date of Incorporation</b>	The company was originally incorporated in the name of Nirved Traders Private Limited (Nirved) on 25 <sup>th</sup> October, 1994 under the Companies Act, 1956 in the state of Maharashtra.
<b>CIN</b>	U51900MH1994PTC082365
<b>Registered Office</b>	Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.
<b>NBFC Registration No.</b>	B -13.01563
<b>Permanent Account Number</b>	AAACN 3387L
<b>Nature of Business</b>	At present the company is operating as NBFC and engaged in the business of dealing in shares & securities.

Nirved is 100% subsidiary of Birla International Private Limited.

**Board of Directors as on 30<sup>th</sup> June 2011**

Sl. No	Name	Designation
1	Mr. G. L. Lath	Director
2	Mr. Arun Singhi	Director
3	Mr. Nikhil Agarwal	Director

**Promoter:**

M/s Birla International Private Limited.

**Board of Directors of Birla International Pvt Ltd as on 30<sup>th</sup> June 2011:**

Sl. No	Name	Designation
1.	Mr. R P Todi	Executive Director
2.	Ms. Ashalata Mohta	Director
3.	Mr. R S Malani	Director
4.	Mr. Nikhil Agarwal	Director

**Change in Control**

There has been no change in control or management of NTPL in the last three years.

**Nature and extent of interest of NTPL in the Company:**

NTPL holds 11.45% of the share capital of the company

#### 4. SHEARSON INVESTMENT & TRADING COMPANY PRIVATE LIMITED (SITCPL):

<b>Date of Incorporation</b>	The company was originally incorporated in the name of Shearson Investment & Trading Co. Pvt. Ltd. on 10 <sup>th</sup> October, 1989 under the Companies Act, 1956 in the state of Maharashtra.
<b>CIN</b>	U67120MH1989PTC054227
<b>Registered Office</b>	Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.
<b>NBFC Registration No.</b>	B.13.01742
<b>Permanent Account Number</b>	AABCS4653H
<b>Nature of Business</b>	The company is NBFC and at present engaged in the business of Financier and dealing in shares & securities.

#### Board of Directors as on 30<sup>th</sup> June 2011

Sl. No	Name	Designation
1	Mr. Yashovardhan Birla	Director
2	Mr. Arun Singhi	Director
3	Mr. G.L. Lath	Director
4	Mr. R.P. Todi	Director

#### Promoters

- Mr. Yashovardhan Birla.
- M/s Godavari Corporation Pvt. Ltd.

#### Change in Control

There has been no change in control or management of SITCPL in the last three years.

#### Nature and extent of interest of SITCPL in the Company:

SITCPL holds 8.37% of the share capital of the company.

#### DETAILS OF SUBSIDIARY COMPANY

##### BIRLA KERALA VAIDYASHALA PVT. LTD. (BKV)

<b>Date of Incorporation</b>	11 <sup>th</sup> November 2008
<b>CIN</b>	U24233MH2008PTC188123
<b>Registered Office</b>	Dalamal House, 1 <sup>st</sup> Floor, Nariman Point, Mumbai – 400021
<b>Permanent Account Number</b>	AADCB6165D
<b>Nature of Business</b>	It is in the business of offering ayurvedic therapies based on ancient texts and beauty and healthcare treatments providing health spa services/treatment, ayurvedic therapies, health and fitness resorts, services of dieticians, yoga ashrams, saloons, hair and skin treatments, sanatorium centers.

**Board of Directors as on 30<sup>th</sup> June 2011**

1. Mr. PVR Murthy
2. Mr. Tushar Dey
3. Mr. GL Lath

Mr. Venkateswaralu Nelabhotla

**Shareholding Pattern as on 30<sup>th</sup> June 2011**

<b>Name</b>	<b>No. of shares</b>	<b>%</b>
Shri P.V.R. Murthy	5000	0.05
Shri G.L. Lath	5000	0.05
Birla Research & Lifescience Ltd.	9154900	99.22
Kerala Vaidyashala (India) Pvt. Ltd.	62400	0.68
<b>Total</b>	<b>9,227,300</b>	<b>100.00</b>

BRLS holds 99.22 % of the share capital of BKV as on 30<sup>th</sup> June 2011.

The accumulated losses not accounted for by BRLS as on 31<sup>st</sup> March 2011 is ₹ 512.86 Lakhs whereas the miscellaneous expenditure to the extent not written off comprised of preliminary expenses of ₹ 16.25 Lakhs and deferred revenue expenditure towards brand building of ₹ 55.12 Lakhs.

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## **PROMOTER GROUP ENTITIES**

In addition to our Promoter, as specified under the section “Our Promoters” on page no. 122 of the Draft 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. Zenith Birla (India) Limited
4. Birla Precision Technologies Limited (Previously known as Birla Kennametal Limited)
5. Birla Pacific Medspa Limited
6. Birla Shloka Edutech Limited
7. Birla Capital & Financial Services Limited (Formerly Birla Leasing & Infrastructure Limited)
8. Birla Transasia Carpets Limited
9. Birla Machining & Toolings Limited (previously known as Dagger Forst Tools Limited)
10. 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 Surya Limited
11. Birla Lifestyle Private Limited
12. Birla Viking Travels Limited
13. Birla Integrated Textile Park Limited
14. Ashok Birla Apollo Hospital Private Limited
15. Birla Aircon Infrastructure Private Limited
16. Birla Urja Limited
17. Birla Energy Infra Limited
18. Lakshmi Properties Limited
19. Birla Kerala Vaidyashala Private Limited



## 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)

<b>Date of Incorporation</b>	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.
<b>CIN</b>	L31101MH1984PLC032773
<b>PAN</b>	AAACB5253D
<b>Registered Office</b>	Industry House, 159, Churchgate Reclamation, Mumbai – 400 020
<b>Nature of Business</b>	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 30<sup>th</sup> June 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

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

**Shareholding Pattern as on 30<sup>th</sup> June 2011**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	1	2409600	2409600	0.16	0.11	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	6	83851584	83851584	5.67	3.93	19655000	23.44
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	7	86261184	86261184	5.84	4.04	19655000	22.79
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	86261184	86261184	5.84	4.04	19655000	22.79
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	3	10800	0	0.00	0.00	0	0.00
(b)	Financial Institutions	8	27000	1200	0.00	0.00	0	0.00

	Banks							
(c)	Central Government/ State Government(s)	1	6474564	6474564	0.44	0.30	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	12	6512364	6475764	0.44	0.31	0	0.00
2	Non-institutions							
(a)	Bodies Corporate	1268	184716433	184627221	12.50	8.65	0	0.00
(b)	Individuals							
I	Individuals i. Individual shareholders holding nominal share capital up to ₹1 lakh	212488	892310290	884670551	60.37	41.79	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	995	206918987	206806487	14.00	9.69	0	0.00
(c)	any other							
(c-i)	clearing member	106	6184392	6184392	0.42	0.29	0	0.00
(c-ii)	NRIs	1394	41120815	41118415	2.78	1.93	0	0.00
(c-iii)	NRI Corp Bodies	6	12400	0	0.00	0.00	0	0.00
(c-iv)	foreign corp Bodies (Including FDI)	1	53972156	53972156	3.65	2.53	0	0.00
(c-v)	Trusts	7	7064	7064	0.00	0.00	0	0.00
	Sub-Total (B)(2)	216265	1385242537	1377386286	93.72	64.88	0	0.00
(B)	Total Public Shareholding (B)=(B)(1)+(B)(2)	216277	1391754901	1383862050	94.16	65.18	0	0.00
	TOTAL (A)+(B)	216284	1478016085	1470123234	100.00	69.22	19655000	0.92
(C)	Shares held by Custodians and against which Depository Receipts have							

	been issued							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0
2	Public	1	657180820	657180820	0	30.78	0	0
	Sub-Total (C )	1	657180820	657180820	0	30.78	0	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>216285</b>	<b>2135196905</b>	<b>2127304054</b>	<b>0</b>	<b>100</b>	<b>19655000</b>	<b>0.92</b>

**Brief Audited Financial Performance**

(₹ in Lacs)

Particulars	year ended 31.3.2011 (Audited)	6 months ended 31.3.2010	From 15th July 2008 to 30th Sep 2009 (14 months)
Share Capital (FV ₹10)	21352.11	1046.86	555.01
Reserves (Excluding Revaluation Reserve)	-	(785.96)	(457.75)
Net Worth	20102.26	260.90	97.26
Sales	29199.20	152.87	170.47
PAT	755.65	(161.50)	(457.75)
EPS (Per Share) (₹)	0.05	- ve	-ve
NAV Per Share (₹)	0.94	2.49	1.75

**NOTE:-**

\* The face value of the shares has been sub-divided from ₹10 to ₹ 1 with effect from 5<sup>th</sup> May 2009.

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

Month	High (₹)	Low (₹)	No. of Shares Traded	Total Turnover (₹ in Lacs)
March 2011	1.09	0.99	49245350	513.15
April 2011	1.45	1.00	180645300	2158.50
May 2011	1.16	1.00	39921790	418.45
June 2011	1.03	0.83	66953540	630.12
July 2011	0.89	0.76	91677601	750.41
August 2011	0.79	0.62	50014159	352.23

(Source: [www.bseindia.com](http://www.bseindia.com))

**The stock market data of BPSL at NSE is as under:**

Month	High (₹)	Low (₹)	No. of Shares	Total Turnover (₹ in Lacs)
March 2011	1.10	1.00	64669983	675.53
April 2011	1.45	1.00	215471081	2544.12
May 2011	1.15	1.00	44086052	459.76
June 2011	1.05	0.80	77527040	722.55
July 2011	0.90	0.75	96355377	794.39
August 2011	0.80	0.60	48227247	335.96

(Source : [www.nseindia.com](http://www.nseindia.com))

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**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 ₹10 each for cash at a premium of ₹32 per shares (i.e. Issue Price of ₹ 42/- per share) aggregating to ₹5040 Lakhs. Further, BPSL has issued and allotted 29,25,00,000 Equity Shares of ₹ 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 ₹ 3.20 per share. BPSL has also issued and allotted 1,062,192,350 Equity Shares of ₹ 1/- each on 9<sup>th</sup> July 2010 against underlying 21,243,847 Global Depository Receipts (GDR's). Offer price was at USD 2.52 per GDR and ₹ 2.35 per share. For details, please refer to Section IX on Regulatory and Statutory Disclosures – Page No 266

## 2. BIRLA COTSYN (INDIA) LIMITED (BCIL)

<b>Date of Incorporation</b>	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 <sup>th</sup> October, 1998. The name of BCIL was further changed to Birla Cotsyn (India) Private Limited with effect from 9 <sup>th</sup> 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.
<b>CIN</b>	L17110MH1941PLC003429
<b>PAN</b>	AAACJ1362K
<b>Registered Office</b>	Dalamal House, First Floor, Nariman Point, Mumbai – 400 021.
<b>Nature of Business</b>	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 30<sup>th</sup> June, 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

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

**Shareholding Pattern as on 30<sup>th</sup> June 2011**

Category Code	Category of shareholder	Number of share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
					A + B	A + B + C	Shares	Percentage
I	II	III	IV	V	VI	VII	VIII	IX=VIII/IV* 100
A	ShareHolding of Promoter and Promoter Group							
1	Indian							
a	Individuals/HUFs	1	252000	0	0.01	0.01	0	0.00
b	Central Govt./State Govt.	0	0	0	0.00	0.00	0	0.00
c	Bodies Corporate	4	285885194	285882794	16.18	10.94	139920000	48.94
d	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
e	Any Other							
e01	Trusts	3	2537280	0	0.14	0.10	0	0.00
e02	Directors	1	1121040	1121040	0.06	0.04	0	0.00
SubTotal : A1		9	289795514	287003834	16.40	11.09	139920000	48.28
2	Foreign							
a	Individuals(NRI/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	1	238101240	238101240	13.47	9.11	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Other(specify)	0	0	0	0.00	0.00	0	0.00
SubTotal : A2		1	238101240	238101240	13.47	9.11	0	0.00
SubTotal : A = (A1+A2)		10	527896754	525105074	29.87	20.21	139920000	26.51
B	Public shareholding							
1	Institutions							
a	Mutual Funds/UTI	0	0	0	0.00	0.00	0	0.00
b	Financial Institutions/Banks	1	4	4	0.00	0.00	0	0.00
c	Central Govt./State Govt.	1	3000	3000	0.00	0.00	0	0.00
d	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
e	Insurance Companies	0	0	0	0.00	0.00	0	0.00
f	Foreign Institutional Investors	1	47893810	47893810	2.71	1.83	0	0.00
g	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
h	Any other	0	0	0	0.00	0.00	0	0.00
SubTotal : B1		2	47896814	47896814	2.71	1.83	0	0.00
2	Non-Institutions							
a	Bodies Corporate	726	425876326	425876326	24.10	16.30	0	0.00
bi	Ind-Hold nominal shr capital upto ₹1L	62798	453666050	453598750	25.67	17.37	0	0.00
bii	Ind-Hold nominal shr capital in excess of ₹1L	859	278191676	278191676	15.74	10.65	0	0.00
c	Any Other							
c01	Clearing member	65	2564730	2564730	0.15	0.10	0	0.00



c02	NRIs	384	30912654	30912654	1.75	1.18	0	0.00
c03	Trusts	3	77400	77400.00	0.00	0.00	0	0.00
SubTotal : B2		64836	1191288836	1191221536	70.13	47.44	0	0.00
SubTotal : B = (B1+B2)		64838	1239185650	1239118350	70.13	47.44	0	0.00
Total of A+B		64848	1767082404	1764223424	100.00	67.65	139920000	5.36
C	Shares held by Custodians and against which							
	Depository receipt have been issued							
1	Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public	1	845180000	845180000	0.00	32.35	0	0.00
SubTotal : C		1	845180000	845180000	0.00	32.35	0	0.00
Total of A + B + C		64849	2612262404	2609403424	100.00	100.00	139920000	5.36

**Brief Audited Financial Performance:**

(₹ 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)	1555.92	5139.57	3981.62
Net Worth	27678.74	26488.65	15641.70
Sales	53197.56	34400.57	19377.44
PAT	1080.11	754.66	211.79
EPS (Per Share) (₹)	0.042	*0.035	0.23
NAV Per Share (₹)	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 ₹ 10 per share to ₹ 1 per share with effect from 26<sup>th</sup> October 2009.

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

Month	High (₹)	Low (₹)	No. of Shares Traded	Total Turnover (₹ in Lacs)
March 2011	0.72	0.56	340,56558	207.76
April 2011	0.73	0.57	62190215	395.88
May 2011	0.64	0.49	176902682	977.14
June 2011	0.56	0.40	86761081	422.14
July 2011	0.51	0.37	151703406	663.71
August 2011	0.44	0.31	69960986	257.65

(Source : [www.bseindia.com](http://www.bseindia.com))

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

Month	High (₹)	Low (₹)	No. of Shares Traded	Total Turnover (₹ In Lacs)
March 2011	0.75	0.55	34710667	215.01
April 2011	0.75	0.55	82310374	516.92
May 2011	0.70	0.50	165387743	914.31
June 2011	0.60	0.40	97270876	464.46
July 2011	0.55	0.35	122266266	536.15
August 2011	0.45	0.30	47641479	175.97

(Source : [www.nseindia.com](http://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 ₹ 1.20 per share on 15<sup>th</sup> March 2010 and got listed on Luxembourg Stock Exchange on 16<sup>th</sup> 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 ₹10 each for cash at a price of ₹14/- per share aggregating to ₹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 31<sup>st</sup> March 2011 are as under:

(₹ in Crores)			
Sl. No.	Particulars	Estimated Utilisation Amount	Actual Utilisation Amount upto 31 <sup>st</sup> March 2011
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
	<b>Total</b>	<b>144.18</b>	<b>127.25</b>

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

### 3. ZENITH BIRLA (INDIA) LIMITED (ZBIL)

<b>Date of Incorporation</b>	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 <sup>st</sup> October, 1975. The name of ZBIL was further changed to Zenith Limited with effect from 28 <sup>th</sup> January, 1986 which was subsequently changed to Zenith Birla (India) Limited with effect from October 18, 2005.
<b>CIN</b>	L29220MH1960PLC011773
<b>PAN</b>	AAACZ0103C
<b>Registered Office</b>	Dalamal House, 1 <sup>st</sup> Floor, 206, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021
<b>Nature of Business</b>	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 30<sup>th</sup> June 2011

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
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

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

**Shareholding Pattern as on 30<sup>th</sup> June 2011**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	4	155709	94224	0.14	0.12	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	7	33845959	33845265	30.21	25.78	1345000	3.97
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
(e-i)	Society	1	75169	0	0.07	0.06	0	0.00
	<b>Sub Total(A)(1)</b>	<b>12</b>	<b>34076837</b>	<b>33939489</b>	<b>30.41</b>	<b>25.96</b>	<b>1345000</b>	<b>3.95</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>12</b>	<b>34076837</b>	<b>33939489</b>	<b>30.41</b>	<b>25.96</b>	<b>1345000</b>	<b>3.95</b>

<b>(B)</b>	<b>Public shareholding</b>						NA	NA
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	10	3955	572	0.00	0.00		
(b)	Financial Institutions / Banks	49	1159839	1131971	1.04	0.88		
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	1	4700000	4700000	4.19	3.58		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Any Other (specify)	0	0	0	0.00	0.00		
	<b>Sub-Total (B)(1)</b>	<b>60</b>	<b>5863794</b>	<b>5832543</b>	<b>5.23</b>	<b>4.47</b>	<b>0</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	785	21941381	21908717	19.58	16.71		
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹1 lakh	78804	24117528	22632939	21.52	18.37		
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	502	23957819	23957819	21.38	18.25		
(c)	Any Other (specify)							
(c-i)	Trust	8	1447	1447	0.00	0.00		
(c-ii)	Clearing Members	95	1084435	1084435	0.97	0.83		
	NRIs	355	1004721	1001799	0.90	0.77		
	Director	1	14	14	0.00	0.00		
	<b>Sub-Total (B)(2)</b>	<b>80550</b>	<b>72107345</b>	<b>70587170</b>	<b>64.35</b>	<b>54.93</b>		
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>80610</b>	<b>77971139</b>	<b>76419713</b>	<b>69.59</b>	<b>59.39</b>		
	<b>TOTAL (A)+(B)</b>	<b>80622</b>	<b>112047976</b>	<b>110359202</b>	<b>100.00</b>	<b>85.35</b>		

(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0		0.00		
2	Public	1	19232472	19232472		14.65		
	<b>Sub-Total (C )</b>	<b>1</b>	<b>19232472</b>	<b>19232472</b>		<b>14.65</b>		
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>80623</b>	<b>131280448</b>	<b>129591674</b>		<b>100.00</b>	<b>1345000</b>	<b>1.02</b>

**Brief Audited Financial Performance:**

(₹ In Lacs)

Particulars	31.03.2011	31.03.2010	31.3.2009
Share Capital	13128.04	5374.28	4007.25
Reserves (Excluding Revaluation Reserve)	16745.00	15295.00	18466.59
Net Worth	29873.04	20669.28	22473.84
Sales	49431.00	47707.00	58651.70
PAT	1088.00	929.00	1484.39
EPS (Per Share) (₹)	0.83	1.72	3.70
NAV Per Share (₹)	2.28	38.46	56.08

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

Month	High (₹)	Low (₹)	No. of Shares Traded	Net Turnover (₹ in Lacs)
March 2011	10.35	8.5	3354305	305.65
April 2011	11.4	8.96	9698315	939.41
May 2011	10.00	7.90	10397817	901.76
June 2011	8.55	6.39	22393915	1638.13
July 2011	7.44	6.30	8948436	604.56
August 2011	6.65	4.56	2772723	152.05

(Source: www.bseindia.com)

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

Month	High (₹)	Low (₹)	No. of Shares Traded	Net Turnover (₹ in Lacs)
March 2011	10.35	8.7	4240292	385.73
April 2011	11.1	9	12159937	1175.48
May 2011	10.45	7.95	13380638	1157.11
June 2011	8.35	6.35	25462960	1882.24
July 2011	7.40	6.30	10207088	688.06
August 2011	6.45	4.60	3844454	211.24

(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 28<sup>th</sup> May 2010 at an offer price of USD 12.69 per GDR and ₹ 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, 8<sup>th</sup> 2010 in response to Petition Number 521 of 2009/ Application Number 385 of 2009 has approved the Scheme of Amalgamation entered into by Tungbhadra 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 ₹ 10) of ZBIL would be allotted for every 7 shares (Face Value ₹ 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 1<sup>st</sup> April 2008. As per the Scheme, 2 shares (Face value ₹ 2) of BPTL would be allotted for every 5 shares (Face Value ₹ 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 ₹10/- each offered at a fixed price of ₹55/- per share (including a premium of ₹45/- per share) aggregating to ₹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 16<sup>th</sup> October, 2006 and closed on 20<sup>th</sup> October, 2006.

Details of utilization of Public Issue proceeds of ₹131 crores towards ongoing project as on 31<sup>st</sup> March 2011, are as follows:

(₹ In Lakhs)			
Sl. No.	Particulars	Projected Amount	Actual Utilisation Amount upto 31 <sup>st</sup> March 2011
I	Land and Site Development	42	42
II	Building	1576	741
III	Plant and Machinery	7157	859
IV	Miscellaneous Fixed Assets	47	10
	<b>Sub Total</b>	<b>8822</b>	<b>1652</b>
V	Preliminary and Pre-operative expenses	150	52
VI	Public Issue Expenses	1200	1210
VII	Contingency	221	-
VIII	Working Capital (Existing)	2150	2150
IX	Working Capital (Project)	557	-
	<b>Total</b>	<b>13100</b>	<b>5064</b>

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.

#### 4. BIRLA PRECISION TECHNOLOGIES LIMITED (BPTL) (FORMERLY BIRLA KENNAMETAL LIMITED)

<b>Date of Incorporation</b>	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 <sup>st</sup> December, 1989 and it was subsequently changed to Birla Precision Technologies Limited with effect from November 20, 2007.
<b>CIN</b>	L29220MH1986PLC041214
<b>PAN</b>	AAACB2046A
<b>Registered Office</b>	B-15/4, MIDC Industrial Area, Waluj, Aurangabad – 431 133
<b>Nature of Business</b>	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 30<sup>th</sup> June 2011

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
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

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



**Shareholding Pattern as on 30<sup>th</sup> June 2011**

Category Code	Category Of Shareholder				Total Shareholding As A % Of Total No Of Shares		Shares Pledge Or Otherwise Encumbered	
		No Of Shareholders	Total Number Of Shares	No Of Shares Held In Dematerialized Form	As A Percentage Of (A+B)	As A Percentage Of (A+B+C)	Number Of Shares	As A Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(a)	Individual /HUF	3	55333	35197	0.17	0.17	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	8	17293844	16793613	54.00	54.00	3335000	19.28
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	1	25056	0	0.08	0.08	0	0.00
	Sub-Total A(1) :	12	17374233	16828810	54.25	54.25	3335000	19.20
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	0	0	0	0.00	0.00	0	0.00
	Total A=A(1)+A(2)	12	17374233	16828810	54.25	54.25	3335000	19.20
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	10	1318	191	0.00	0.00		
(b)	Financial Institutions /Banks	35	56645	48472	0.18	0.18		
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	2	1335000	1335000	4.17	4.17		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Others	0	0	0	0.00	0.00		
	Sub-Total B(1) :	47	1392963	1383663	4.35	4.35		
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	431	6202177	6189518	19.36	19.36		
(b)	Individuals							
	(i) Individuals holding nominal share capital upto ₹1 lakh	61057	4361278	3562316	13.62	13.62		
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	7	2578828	2578828	8.05	8.05		
(c)	Others							

	TRUSTS	7	391	391	0.00	0.00		
	NON RESIDENT INDIANS	203	80828	79848	0.25	0.25		
	CLEARING MEMBERS	17	37298	37298	0.12	0.12		
	Sub-Total B(2) :	61722	13260800	12448199	41.40	41.40		
	Total B=B(1)+B(2) :	61769	14653763	13831862	45.75	45.75		
	Total (A+B) :	61781	32027996	30660672	100.00	100.00		
(C)	Shares held by custodians, against which Depository Receipts have been issued:							
	Promoter & Promoter group	0	0	0	0.00	0.00		
	Public	0	0	0	0.00	0.00		
	<b>GRAND TOTAL (A+B+C) :</b>	<b>61781</b>	<b>32027996</b>	<b>30660672</b>	<b>100.00</b>	<b>100.00</b>	<b>3335000</b>	<b>10.41</b>

**Brief Audited financials of BPTL**

(₹ in Lacs)

Particulars	31.3.2011 (Unaudited)	31.3.2010	31.3.2009
Share Capital (FV ₹2)	640.56 <sup>#</sup>	640.56 <sup>#</sup>	320.00
Reserves (Excluding Revaluation Reserve)	6922.29	6358.56	1707.21
Net Worth	7562.85	6999.12	2027.21
Sales	10710.43	7913.42	2714.00
PAT	563.73	95.66	56.11
EPS (Per Share) (₹)	1.76	0.30	0.35
NAV Per Share (₹)	11.81	21.85	12.67

<sup>#</sup> In accordance with the Scheme of Arrangement sanctioned by the Honorable High Court of Bombay vide its order dated 8<sup>th</sup> January 2010, the tooling division of Zenith Birla (India) Ltd stands merged with BPTL. BPTL has on 19<sup>th</sup> 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 ₹ 641 Lacs.

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

Month	High (₹)	Low (₹)	No. of Shares Traded	Total Turnover (₹ in Lacs)
March 2011	14	11.95	350537	45.91
April 2011	15.27	12.31	133371	18.05
May 2011	14.69	10.03	134794	15.66
June 2011	12.10	10.10	147640	16.35
July 2011	11.90	8.89	3407870	372.76
August 2011	9.76	6.75	219902	17.70

Source: ([www.bseindia.com](http://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, 8<sup>th</sup> 2010 in response to Petition Number 523 of 2009/ Application Number 387 of 2009 has approved the Scheme of Arrangement entered into

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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 1<sup>st</sup> April 2008. As per the Scheme, 2 shares (Face value ₹ 2) of BPTL would be allotted for every 5 shares (Face Value ₹ 10) of ZBIL held on the record date namely, March 5, 2010.

Further, it is proposed to merge Birla AccuCast Limited (BAL) and Birla Machining & Toolings Limited (BMTL) with Birla Precision Technologies Limited (BPTL) with the objective of realigning the businesses and enhancing the shareholder value in the merged/consolidated Company.

The rationale behind the above referred scheme as placed before the Board of the respective companies is:

1. To reap the benefits of higher capacity of machining business, which is common to all the three Companies.
2. Greater size, scale integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value;
3. The synergy of Machining Business that exists between the three entities can be put to the best advantage of all stakeholders;
4. The amalgamated entity is to benefit from improved organizational capability and leadership arising from combination of people who have the diverse skills, to compete successfully in an increasingly competitive industry.

BPTL & BMTL, the listed entities have received the 'No Objection' for the said scheme of amalgamation from BSE vide their letters no. DCS/AMAL/AKS/24(f)/241/2011-12 & DCS/AMAL/AKS/24(f)/242/2011-12 respectively both dated 13<sup>th</sup> July 2011.

The ratio of exchange in the above mentioned scheme of merger is 7 (Seven) equity shares of BPTL of ₹ 2 each fully paid up for every 16 (Sixteen) equity shares of BAL of ₹ 10 each fully paid up. 2 (Two) equity shares of BPTL of ₹ 2 each fully paid up for every 3 (Three) equity shares of BMTL of ₹ 10 each fully paid up.

The amalgamating companies are in the process of making application to the competent Court for its approval.

## 5. BIRLA PACIFIC MEDSPA LIMITED (BPML)

<b>Date of Incorporation</b>	15 <sup>th</sup> July 2008
<b>CIN</b>	U85100MH2008PLC184689
<b>PAN</b>	AADCB5167F
<b>Registered Office</b>	Dalamal House, First Floor, Nariman Point, Mumbai – 400 021.
<b>Nature of Business</b>	Business of beauty and healthcare treatments, health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments and Sanatorium centers.

### Board of Directors as on 30<sup>th</sup> June 2011

<b>Sr. No.</b>	<b>Designation</b>
Mr. Yashovardhan Birla	Chairman
Dr. Abhijit Prabhakar Desai	Managing Director
Dr. William Lai Leong Chong	Non- Independent and Non- Executive Director
Mr. P.V.R .Murthy	Non- Independent and Non-Executive Director
Mr. Venkateswaralu Nelabhotla	Non- Independent and Non-Executive Director
Mr. Mohandas Shenoy Adige	Independent Director
Mr.Vijay Agarwal	Independent Director
Mr.Anoji Menon	Independent Director
Mr. Rajesh Shah	Independent Director
Mr. Upkar Singh Kholi	Independent Director
Mr. Tushar Dey	Alternate Director to Dr. William Chong

### Details of Listing of Birla Pacific Medspa Ltd

<b>Year of Initial Listing</b>	2011
<b>Name of the Stock Exchanges where currently listed</b>	Bombay Stock Exchange
<b>Details of Public/ Rights offering in last 3 Years</b>	BPML came out with an IPO aggregating to 6517.50 Lakhs in June 2011.
<b>Date of Allotment</b>	30 <sup>th</sup> June 2011
<b>Date of Listing</b>	7 <sup>th</sup> July 2011
<b>Listing Code</b>	533469

**Shareholding Pattern as on 30<sup>th</sup> June 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	5,000	-	-	-	-	-
Bodies Corporate	1	30,183,500	30,183,500	26.92	26.92	-	-
Any Others (Specify)	2	230,000	-	0.21	0.21	-	-
Directors/Promoters & their Relatives & Friends	2	230,000	-	0.21	0.21	-	-
Sub Total	4	30,418,500	30,183,500	27.12	27.12	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	4	30,418,500	30,183,500	27.12	27.12	-	-
(B) Public Shareholding							
(1) Institutions							
Foreign Institutional Investors	5	33,812,000	33,812,000	30.15	30.15	-	-
Sub Total	5	33,812,000	33,812,000	30.15	30.15	-	-
(2) Non-Institutions							
Bodies Corporate	4	14,161,885	11,711,885	12.63	12.63	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to	945	2,103,106	2,103,106	1.88	1.88	-	-

₹ 1 lakh							
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,016	28,242,539	28,242,539	25.18	25.18	-	-
Any Others (Specify)	9	3,404,554	21,221	3.04	3.04	-	-
Non Resident Indians	8	21,221	21,221	0.02	0.02	-	-
Foreign Nationals	1	3,383,333	-	3.02	3.02	-	-
Sub Total	2,974	47,912,084	42,078,751	42.72	42.72	-	-
Total Public shareholding (B)	2,979	81,724,084	75,890,751	72.88	72.88	-	-
Total (A)+(B)	2,983	112,142,584	106,074,251	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)	2,983	112,142,584	106,074,251	-	100.00	-	-

**Brief Audited financials of BPML**

(₹ in Lacs)

Particulars	9 months ended 31.12.2010	6 months ended 31.3.2010
Share Capital (FV ₹10)	4471.62	1046.86
Reserves (Excluding Revaluation Reserve)	(724.94)	(785.96)
Net Worth	3746.68	260.90
Sales	164.90	152.87
PAT	(367.56)	(328.20)
EPS (Per Share) (₹)	- ve	- ve
NAV Per Share (₹)	8.38	2.49

**The stock market data of BPML on BSE is as under:**

Month	High (₹)	Low (₹)	No. of Shares Traded	Total Turnover (₹ in Lacs)
July 2011	30.70	10.10	191845320	34879.60
August 2011	22.30	17.60	48654497	9599.36

Source: ([www.bseindia.com](http://www.bseindia.com))

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**Other Details:**

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

**B. Details of group companies which are under BIFR**

**(1) BIRLA TRANSASIA CARPETS LIMITED (BTCL)**

<b>Date of Incorporation</b>	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 <sup>th</sup> January, 1979 and it was subsequently changed to Birla Transasia Carpets Limited with effect from February 18, 1998.
<b>CIN</b>	L17222UP1972PLC004772
<b>PAN</b>	AAACB4659B
<b>Registered Office</b>	Plot No. 3 &4 Industrial Area, Secunderabad – 203 205, Dist. – Bulandshahr U.P
<b>Nature of Business</b>	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 30<sup>th</sup> June 2011**

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
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**

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



**Shareholding Pattern as on 30<sup>th</sup> June 2011**

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percent age of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a % of Total No. of Shares
<b>(A)</b>	<b>Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate	7	1730497	0	61.04	61.04	0	0
(d)	Financial Institutions/ Banks							
(e)	Any Other (specify)							
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>1730497</b>	<b>0</b>	<b>61.04</b>	<b>61.04</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Other (specify)							
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>1730497</b>	<b>0</b>	<b>61.04</b>	<b>61.04</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public shareholding</b>						N.A	N.A
<b>(1)</b>	<b>Institutions</b>						N.A	N.A
(a)	Mutual Funds/UTI	1	4550		0.16	0.16	0	0
(b)	Financial Institutions/ Banks	2	400	0	0.01	0.01	0	0
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies	1	26312	0		0.92	0.92	0
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							

(h)	Any Other (specify)							
	<b>Sub-Total (B)(1)</b>	<b>4</b>	<b>31262</b>	<b>0</b>	<b>1.09</b>	<b>1.09</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Non-institutions</b>						N.A	N.A
(a)	Bodies Corporate	28	23600	0	0.83	0.83	0	0
(b)	Individuals -	6483	663500	0	23.40	23.40	0	0
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.							
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	11	335850	0	11.85	11.85	0	0
(c)	Any Other In transit	1	50320	0	1.77	1.77	0	0
	<b>Sub-Total (B)(2)</b>	<b>6523</b>	<b>1073270</b>	<b>0</b>	<b>37.85</b>	<b>37.85</b>		
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>6527</b>	<b>1104532</b>	<b>0</b>	<b>38.96</b>	<b>38.96</b>	<b>0</b>	<b>0</b>
	<b>TOTAL (A)+(B)</b>	<b>6534</b>	<b>2835029</b>	<b>0</b>	<b>100</b>	<b>100</b>		
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>			N.A		N.A	N.A
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>6534</b>	<b>2835029</b>	<b>0</b>	<b>100</b>	<b>100</b>		

**Brief Audited Financial Performance:**

(₹ In Lacs)

Particulars	31.03.2011 (Unaudited)	31.03.2010	31.03.2009
Share Capital	283.50	283.83	283.83
Reserves (Excluding Revaluation Reserve)	-	(3492.75)	(3323.56)
Net Worth	-	(3208.92)	(3039.73)
Sales	297.25	166.02	150.76
PAT	(121.37)	(169.20)	(175.57)
EPS (Per Share) (₹)	-ve	-ve	-ve
NAV Per Share (₹)	-	-ve	-ve

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

Month	High (₹)	Low (₹)	No. of Shares Traded	Total Turnover (₹ in Lacs)
March 2011	110.70	95.90	57850	61.04
April 2011	116.20	116.20	100	0.12
May 2011	121.60	110.40	200	0.23
June 2011	No Shares Traded			
July 2011	No Shares Traded			
August 2011	No Shares Traded			

(Source: [www.bseindia.com](http://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 ₹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 ₹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 ₹ 3,90,48,493/- and Guarantees issued by the banks on behalf of BTCL of ₹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 31.03.11 (₹ In Lakhs)
FBT	1.84
Excise Duty	34.74
Sales Tax	14.72

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

**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	(₹ 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 (₹)	-ve	-ve	-ve
NAV Per Share (₹)	-ve	-ve	-ve

**Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June 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	(₹ 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 (₹)	0.41	-ve	-ve
NAV Per Share (₹)	-ve	-ve	-ve

**Nature & extent of interest of the promoters**

As on 30th June 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 PRIVATE 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**

Particulars	(₹in Lacs)		
	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 30th June 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.

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## **D. OTHER GROUP COMPANIES**

### **1. BIRLA SHLOKA EDUTECH LIMITED (BSEL)**

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 Merchantile 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. 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. The shares of BSEL are listed on BSE.

#### **Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June 2011 Yash Birla Group holds 25.77% of the total equity holdings.

### **2. 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 7<sup>th</sup> 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 30<sup>th</sup> June 2011 Yash Birla Group holds 65.10% of the total equity holdings.

### **3. 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 23<sup>rd</sup> 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 29<sup>th</sup> 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 30<sup>th</sup> June 2011, Yash Birla Group holds 52.11% of the total equity holdings. Mr. Yashovardhan Birla is the Chairman of this Company.

Further, it is proposed to merge Birla AccuCast Limited (BAL) and Birla Machining & Toolings Limited (BMTL) with Birla Precision Technologies Limited (BPTL) with the objective of realigning the businesses and enhancing the shareholder value in the merged/consolidated Company.

The rationale behind the above referred scheme as placed before the Board of the respective companies is:

5. To reap the benefits of higher capacity of machining business, which is common to all the three Companies.
6. Greater size, scale integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value;
7. The synergy of Machining Business that exists between the three entities can be put to the best advantage of all stakeholders;
8. The amalgamated entity is to benefit from improved organizational capability and leadership arising from combination of people who have the diverse skills, to compete successfully in an increasingly competitive industry.

BPTL & BMTL, the listed entities have received the 'No Objection' for the said scheme of amalgamation from BSE vide their letters no. DCS/AMAL/AKS/24(f)/241/2011-12 & DCS/AMAL/AKS/24(f)/242/2011-12 respectively both dated 13<sup>th</sup> July 2011.

The ratio of exchange in the above mentioned scheme of merger is 7 (Seven) equity shares of BPTL of ₹ 2 each fully paid up for every 16 (Sixteen) equity shares of BAL of ₹ 10 each fully paid up. 2 (Two) equity shares of BPTL of ₹ 2 each fully paid up for every 3 (Three) equity shares of BMTL of ₹ 10 each fully paid up.

The amalgamating companies are in the process of making application to the competent Court for its approval.

#### **4. 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 30<sup>th</sup> June, 2011, Yash Birla Group holds 50.00% of the total equity holdings. Mr. Yashovardhan Birla is the Chairman of this Company.

5. **ASIAN DISTRIBUTORS PVT. LIMITED** was incorporated on 24<sup>th</sup> 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 30<sup>th</sup> June, 2011, Yash Birla Group holds 64.54% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

6. **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 30<sup>th</sup> June, 2011, Yash Birla Group holds 77.48% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

7. **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 30<sup>th</sup> June, 2011, Yash Birla Group holds 100% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

- 8. 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 30<sup>th</sup> June, 2011, Yash Birla Group holds 100% of the total equity holdings.

- 9. 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 30<sup>th</sup> June, 2011, Yash Birla Group holds 100% of the total equity holdings.

- 10. 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 30<sup>th</sup> June, 2011, Yash Birla Group holds 100% of the total equity holdings.

- 11. 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 30<sup>th</sup> June, 2011, Yash Birla Group holds 95.88% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

- 12. BIRLA VIKING TRAVELS 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.



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**Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June, 2011, Yash Birla Group holds 100% of the total equity holdings. Mr. Yashovardhan Birla is a Director on the board of this company.

- 13. BIRLA INTEGRATED TEXTILE PARK LIMITED** was incorporated on 14<sup>th</sup> 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 & manmade fibers and to develop integrated textile parks etc.

**Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June 2011, Yash Birla Group holds 100% of the total equity holdings.

- 14. ASHOK BIRLA APOLLO HOSPITAL PVT. LTD** was incorporated on 25<sup>th</sup> 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.

- 15. 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.

- 16. BIRLA ACCUCAST LIMITED** was incorporated on 24<sup>th</sup> July 1997 under the Companies Act, 1956 in the State of Maharashtra. The main object is to carry on the business of manufacture and to deal in ferrous and non-ferrous casting, automobile parts and smelter. This company had been referred to the BIFR u/s 15(1) of SICA on 4<sup>th</sup> 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 2<sup>nd</sup> February 2010. The BIFR having noted that the scheme has been substantially implemented and the networth of the company as on 31<sup>st</sup> March 2010 has turned positive, has discharged the company from the purview of SICA/BIFR vide its Order dated 11<sup>th</sup> April, 2011.

**Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June 2011, Yash Birla Group holds 95.70% of the total equity holdings.

Further, it is proposed to merge Birla AccuCast Limited (BAL) and Birla Machining & Toolings Limited (BMTL) with Birla Precision Technologies Limited (BPTL) with the objective of realigning the businesses and enhancing the shareholder value in the merged/consolidated Company.

The rationale behind the above referred scheme as placed before the Board of the respective companies is:

1. To reap the benefits of higher capacity of machining business, which is common to all the three Companies.

2. Greater size, scale integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value;
3. The synergy of Machining Business that exists between the three entities can be put to the best advantage of all stakeholders;
4. The amalgamated entity is to benefit from improved organizational capability and leadership arising from combination of people who have the diverse skills, to compete successfully in an increasingly competitive industry.

BPTL & BMTL, the listed entities have received the 'No Objection' for the said scheme of amalgamation from BSE vide their letters no. DCS/AMAL/AKS/24(f)/241/2011-12 & DCS/AMAL/AKS/24(f)/242/2011-12 respectively both dated 13<sup>th</sup> July 2011.

The ratio of exchange in the above mentioned scheme of merger is 7 (Seven) equity shares of BPTL of ₹ 2 each fully paid up for every 16 (Sixteen) equity shares of BAL of ₹ 10 each fully paid up. 2 (Two) equity shares of BPTL of ₹ 2 each fully paid up for every 3 (Three) equity shares of BMTL of ₹ 10 each fully paid up.

The amalgamating companies are in the process of making application to the competent Court for its approval.

17. **LAKSHMI PROPERTIES LIMITED** was incorporated on 27<sup>th</sup> May 1932 under the Companies Act, 1956 in the State of Maharashtra. The main object is to carry on the business of acquiring/purchasing/developing property for investment or resale, to reclaim or otherwise acquire and to traffic in land and house and any other property movable and immovable.

**Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June 2011, Yash Birla Group holds 99.55% of the total equity holdings.

18. **BIRLA URJA LIMITED** was incorporated on 19<sup>th</sup> March 2010 under the Companies Act, 1956 in the State of Maharashtra. The main object is to carry on the business of a general Electric Power Supply Company in all its branches, and to construct all necessary power stations and to generate, accumulate, distribute and supply electricity, and to light cities, towns, etc. and establishing, commissioning, setting up, operating and maintaining electric power generating stations based on conventional/non conventional recourses, tie-lines, sub-stations and transmission lines on build, own and transfer (BOT), and/or build, own, lease and transfer (BOLT), and/or build, own, operate and transfer (BOOT) basis and acquiring, operating, managing and maintaining existing power generation stations, tie –lines, sub-stations and transmission lines, either owned by the private sector or public sector or the Government or Governments or other public authorities.

**Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June 2011, Yash Birla Group holds 100% of the total equity holdings.

19. **BIRLA ENERGY INFRA LIMITED** was incorporated on 22<sup>nd</sup> March 2010 under the Companies Act, 1956 in the State of Maharashtra. The main object is to carry on the business of setting up facilities for generation, accumulation, purchase, sale, distribution of all forms of renewable energy, whether from conventional sources such as thermal, hydel, oil, gas, diesel or baggasse, or from non-conventional sources such as tide, wind, windmill, solar, solid waste, spent wash and geo-thermal biomass, biogas etc.

**Nature & extent of interest of the promoters**

As on 30<sup>th</sup> June 2011, Yash Birla Group holds 100% of the total equity holdings.

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*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**

There has been no change in accounting policies since last 3 years.

**CHANGE IN ACCOUNTING PERIOD**

The Company's first accounting period was from 10<sup>th</sup> January 2008 to 31<sup>st</sup> March 2009 comprising of Fourteen (14) months and twenty one days. The subsequent periods of accounting are for year ended 31st March.

**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 offer document 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:**

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 165 of this offer document.

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## **CURRENCY OF PRESENTATION**

In this offer document, all references to “Rupees” and “₹” and “Indian Rupees” and “₹” 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.

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## **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.

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## **SECTION VII - FINANCIAL STATEMENTS**

### **FINANCIAL INFORMATION OF OUR COMPANY**

#### **REPORT OF THE AUDITOR ON FINANCIAL INFORMATION**

The Board of Directors  
**BIRLA RESEARCH & LIFESCIENCES LIMITED.**  
Dalamal House, First Floor  
206, Jamnalal Bajaj Marg,  
Nariman Point,  
Mumbai - 400 021.

Dear Sirs,

We have examined the financial information of **BIRLA RESEARCH & LIFESCIENCES 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 DRHP 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 17<sup>th</sup> June, 2011 received from the Company, requesting us to issue a report as Statutory Auditors of the Company relating to the DRHP 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 January 2008; therefore the first report on the financial information of the company for the period from January 10, 2008 to March 31, 2009, second report for the year March 31, 2010 and third report for the year ended March 31, 2011 has been prepared and audited.

- a. We have examined the accompanying 'Summary Statement of Profits and Losses, as Restated' (Annexure - I ) for the period ended March 31, 2009 and for the year ended March 31, 2010 and March 31, 2011 and the 'Summary Statement of Assets and Liabilities, as Restated' (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 March 31, 2009 and for the year ended March 31, 2010 audited by us, approved by the Board of Directors and adopted by the Members and for the year ended March 31, 2011 audited by us, approved by the Board of Directors.

b. We report as under:-

- (i) The statement of restated profits and/or losses, and the assets and liabilities of the Company as at the end of the period ended March 31, 2009 and for the year ended March 31, 2010 and March 31, 2011, reflect the profits and losses and assets and liabilities extracted from the Profit and Loss Accounts and Balance Sheets for the period ended March 31, 2009 and for year ended March 31, 2010 and March 31, 2011 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 except for the effect of accounting for retirement benefits on cash basis which is not as per the Accounting Standard 15 "Employee Benefits". The Company has carried out actuarial valuation for Gratuity w.e.f. April 01, 2011. Accordingly provision is made in F.Y.2010-11. *However, disclosures are not made as required in Accounting Standard 15 "Employee Benefits".* In the absence of information, no effect has been given for the same in Restated Financial Statements for period ended March 31, 2009 and Year ended March 31, 2010.
- (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 Offer Document, extracted from the accounts for the period ended March 31, 2009 and for the period ended March 31, 2010 and March 31, 2011 audited by us, except that, the Related Party transactions, are as prepared by the management and reviewed by us:-

- i) Summary Statement of Cash Flow, from Restated Financial Statements (Annexure - V)
- ii) Schedule of Secured Loans, as Restated (Annexure - VI)
- iii) Schedule of Unsecured Loans, as Restated (Annexure - VII)
- iv) Schedule of Investments, as Restated (Annexure - VIII)
- v) Schedule of Debtors, as Restated (Annexure – IX)
- vi) Schedule of Loans and Advances, as Restated (Annexure – X)
- vii) Schedule of Other Income, as Restated (Annexure - XI)
- viii) Statement of Dividend paid (Annexure - XII)
- ix) Capitalization Statement (Annexure -XIII)
- x) Summary of Accounting Ratios based on adjusted profits relating to the earning per share, net asset value and return on net worth (Annexure – XIV)
- xi) Related Party Transactions (Annexure - XV)
- xii) Statement of Tax Shelter (Annexure - XVII)

Based on and subject to our comments as above we are of the opinion that the restated financial information has been made considering:

- i. Adjustments, if any, required for the changes in accounting policies and estimates adopted by our Company retrospectively in respective financial years have been made to reflect the same accounting treatment as per changed accounting policy and estimates for all the reporting periods except for the effect of accounting for retirement benefits on cash basis which is not as per the Accounting Standard 15 "Employee Benefits". The Company has carried out actuarial valuation for Gratuity w.e.f. April 01, 2011. Accordingly provision is made in F.Y.2010-11. However, disclosures are not made as required in Accounting Standard 15 "Employee Benefits". In the absence of information, no effect has been given for the same in Restated Financial Statements for period ended March 31, 2009 and Year ended March 31, 2010;

- ii. Material prior period items have been restated to the respective years to which such prior period items related;
- iii. There are no extraordinary items which need to be disclosed separately in the Statement of Restated Financial Information;
- iv. All material qualifications in the auditors' reports, which require adjustments to the summary statements, have been so adjusted.

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 Research Lifesciences 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.

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.

We have been subjected to peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI.

For and on behalf of  
**Kanu Doshi Associates**  
Chartered Accountants  
Firm Registration No. : 104746W

Sd/-  
Jayesh Parmar  
Partner  
Membership No. : 45375

Place: Mumbai  
Date: August 01, 2011



## Annexure I

### Summary Statement of Profit and Loss Account, as Restated

Particulars	(Amount in ₹)		
	For the year ended 31st March 2011	For the year ended 31 <sup>st</sup> March 2010 (*)	For the 15 months ended 31st March 2009
<b>INCOME</b>			
<b>Sales:</b>			
of products manufactured	1,467,646	6,934,479	-
of products traded in	454,274,872	1,612,718	-
of Services provided	5,300,690	770,249	-
<b>Total</b>	<b>461,043,208</b>	<b>9,317,446</b>	<b>-</b>
Other Income	550,371	9,000	-
Increase/(Decrease) in Stock	6,395,284	(163,193)	-
<b>Total Income</b>	<b>467,988,863</b>	<b>9,163,253</b>	<b>-</b>
<b>EXPENDITURE</b>			
Cost of goods sold	398,323,110	5,608,310	3,053,400
Staff Costs	40,155,043	12,226,992	3,944,422
Administration expenses	47,600,221	16,246,936	12,166,234
Selling & Distribution expenses	47,619,525	16,935,222	3,082,583
Finance Charges	597,721	25,418	13,188
<b>Total Expenditure</b>	<b>534,295,620</b>	<b>51,042,878</b>	<b>22,259,827</b>
<b>Net Profit before Taxes &amp; Extraordinary items</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(22,259,827)</b>
Taxation	-	-	-
Less: Provision for current tax (including Wealth tax )	-	-	-
Less: Provision for deferred tax (net)	-	-	-
Less : Provision for Fringe Benefit tax	-	-	-
Effect of adjustments on tax	-	-	-
<b>Net Profit before Extraordinary items</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(22,259,827)</b>
<b>Less: Extraordinary items</b>			
Pre operative expenses	-	-	(3,775,016)
<b>Net Profit/ (loss) after tax</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(26,034,843)</b>

(\*): Includes income and expenses of Pre-operative period.

#### Notes:

For the first year of Accounting, the accounts have been made from the date of registration January 10, 2008 to March 31, 2009, the second and third report have been prepared for year ended March 31, 2010 and March 31, 2011 respectively.

The above statement should be read with the Notes to Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flow

## Annexure II

### Summary Statement of Assets and Liabilities, as Restated

(Amount in ₹)				
Particulars		For the year ended 31 <sup>st</sup> March 2011	For the year ended 31 <sup>st</sup> March 2010	For 15 months ended 31 <sup>st</sup> March 2009
A.	<b>Fixed Assets :</b>			
(i)	Gross Block	21,453,383	9,901,838	5,314,428
	Less: Accumulated Depreciation	4,450,651	1,555,213	373,899
	Net Block	17,002,732	8,346,625	4,940,529
	Less: Revaluation Reserve	-	-	-
	Net Block after adjustment for Revaluation Reserve	17,002,732	8,346,625	4,940,529
(ii)	Capital work in Progress	-	-	-
	<b>TOTAL (A)</b>	<b>17,002,732</b>	<b>8,346,625</b>	<b>4,940,529</b>
B	<b>Investments (B)</b>	-	-	-
C	<b>Current Assets , Loans &amp; Advances:</b>			
	Inventories	42,617,839	36,582,573	36,745,766
	Sundry Debtors	189,482,990	3,154,929	-
	Cash & Bank Balances	4,294,005	1,018,258	119,321
	Loans & Advances	34,863,962	24,871,102	3,901,563
	<b>TOTAL (C)</b>	<b>271,258,796</b>	<b>65,626,862</b>	<b>40,766,650</b>
	<b>TOTAL ( A+B+C )</b>	<b>288,261,528</b>	<b>73,973,487</b>	<b>45,707,179</b>
D	<b>Less :Liabilities &amp; Provisions:</b>			
	Secured Loans	7,487,438	-	-
	Unsecured Loans	-	51,315,759	18,539,586
	Net Deferred Tax liabilities	-	-	-
	Current Liabilities & provisions	207,091,415	70,471,196	53,102,436
	<b>TOTAL (D)</b>	<b>214,578,853</b>	<b>121,786,955</b>	<b>71,642,022</b>
	<b>Net worth– (A+B+C – D)</b>	<b>73,682,675</b>	<b>(47,813,468)</b>	<b>(25,934,843)</b>
	<b>Represented By:</b>			
(i)	Share Capital	207,903,900	20,101,000	100,000
(ii)	Profit & Loss Account debit balance	(134,221,225)	(67,914,468)	(26,034,843)
	<b>Net worth–( i+ ii + iii)</b>	<b>73,682,675</b>	<b>(47,813,468)</b>	<b>(25,934,843)</b>

#### Notes:

The above statement should be read with the Notes to 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 under the historical cost convention, except where impairment is made and on accrual basis in accordance with accounting principles generally accepted in India and the provisions of the Companies Act, 1956. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### 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 :

Revenue from sales is recognised when significant risk and rewards of ownership are transferred. Revenue from services are recognised on completion of service. Interest income is recognised on accrual basis.

#### 4. Fixed Assets :

Fixed 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 :

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.

Assets having individual value below ₹5,000/- are depreciated @ 100% considering their useful life to be less than 1 year.

Softwares are depreciated @ 40% on Written Down Value method.

Expenditure on Brand Building will be amortised from the period beginning from F.Y. 2013-2014 over a period of 5 years as decided by management.

The financials for the period ended March 31, 2009 were qualified as under

*The Company has deferred miscellaneous expenditure of ₹ 2,60,34,843 (being preliminary expenses ₹ 2,84,393; research & development expenditure ₹ 40,37,587 and pre-operative expenses ₹ 2,17,12,863) which is in contravention of AS 26 "Intangible Assets". Due to the above, the loss for the year is understated to the above extent of ₹2,60,34,843 and reserves of the company is overstated to the extent of ₹ 2,60,34,843;*

The financials for the year ended March 31, 2010 were qualified as under

*The Company has deferred miscellaneous expenditure of ₹ 5,79,64,344 ( including ₹ 2,60,34,843 for previous year) (being preliminary expenses ₹ 2,84,393; research & development expenditure ₹ 55,76,611; brand building expenses of ₹ 1,11,79,184 and pre-operative expenses ₹ 4,09,24,156) which is in contravention of AS 26 "Intangible Assets". Due to the above, the loss as reported by the profit and loss account is understated by ₹ 3,19,29,501 and reserve of the company is overstated to the extent of ₹ 5,79,64,344. Our report for the earlier period contained similar observation;*

The financials for the year ended March 31, 2011 were qualified as under

*The Company has deferred miscellaneous expenditure of ₹ 10,28,38,051 ( including ₹ 5,79,64,344 for previous year) (being preliminary expenses ₹ 2,84,393; research & development expenditure ₹ 62,86,348; brand building expenses of ₹ 5,53,43,154 and pre-operative expenses ₹ 4,09,24,156) which is in contravention of AS 26 “Intangible Assets”. Due to the above, the loss as reported by the profit and loss account is understated by ₹ 4,48,73,706 and reserve of the company is overstated to the extent of ₹ 10,28,38,051. Our report for the earlier period contained similar observation;*

The above expenditure will be amortised from the period beginning from F.Y.2013-14 over a period of 5 years, as per the policy of the Company.

However, the restated accounts are prepared after considering above qualification.

#### **6. Impairment of Assets :**

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 by the ICAI. 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 if any (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.

#### **8. Foreign Currency Transactions :**

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 realisable 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 upto the date when such assets are ready for its intended use. Other borrowing cost 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 by The Institute of Chartered Accountants of India, 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

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the related service.

**B. Post Employment / Retirement Benefits :** Retirement Benefits are accounted on cash basis and hence no provision is made in the books.

The financials for the period ended March 31, 2009 and year ended March 31, 2010 and March 31, 2011 were qualified as under

*Retirement benefits are accounted by the Company on cash basis which is in contravention of AS 15 “Employee Benefits”. In the absence of information we are unable to comment on the effect of the same on the profits/loss and reserve of the company;*

However, the restated accounts are prepared after considering above qualification. Provision for retirement benefits is made in restated financials of F.Y.2010-11 based on Actuarial Valuation.

**13. Cash and Cash Equivalent :**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank, in hand (including cheques in hand) and short term investment with an original maturity of three months or less.

**14. Provisions & Contingent Liabilities.**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

## Annexure - IV

### Major Notes forming part of the Accounts

- Background of the company:  
The company is currently engaged in the business of Ayurvedic Medicines, personal care products, food products and Reflexology services.
- Equity Warrants represent 5 Convertible Warrants issued of ₹ 3,50,00,000/- each with a part payment of ₹35,00,000 per warrant to BENETT COLEMAN & CO. LTD. These warrants are, at the option of the warrant holder, convertible in to fully paid equity shares during the warrant period and after paying the balance consideration.
- Debtors, Creditors & Loans & Advances are subject to confirmation & reconciliation if any.
- Remuneration to Auditors :

Statutory Auditors	31-Mar-11	31-Mar-10	31-Mar-09
Audit Fees	55,150	55,150	55,150
Tax Audit Fees	27,575	27,575	-
Certification and			
Others	27,575	-	-
Out of Pocket expenses	9,330	-	-

- Earning per share is calculated as follows:

Particulars	31-Mar-11	31-Mar-10	31-Mar-09
Net Profit / (Loss) after tax	(66,306,757)	(41,879,625)	(26,034,843)
Weighted no. of Equity shares outstanding as at the period end (in Nos.)	14,032,032	1,193,579	1,038,269
Nominal Value per Equity Share (in ₹)	10	10	10
Earning Per Share (Basic & Diluted) (in ₹)			
Not Annualised	(4.73)	(35.09)	(25.08)

- 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 Leases:

#### A. Operating Lease Taken:

The Company has entered into operating lease arrangements for seven (in F.Y.: 10-11) two (in F.Y.: 09-10) premises. The future minimum lease payments in respect of such non-cancellable operating leases are summarized below:

Particulars	31-Mar-11	31-Mar-10	31-Mar-09
Amount due within one year from the balance sheet date	13,721,129	2,730,348	-
Amount due in the period between one year and five years	45,084,088	8,238,068	-
Amount due later than five years	-	-	-

The Following Lease payments are recognized in Profit and Loss Account:

Lease Rent	11,659,646	747,514	-
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General description of the leasing arrangement:

- Leased Assets: Premises
- Future lease rentals are determined on the basis of agreed terms.
- At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

**B. Operating Lease Given:**

	31-Mar-11	31-Mar-10	31-Mar-09
Operating lease income recognised in Profit & Loss Account	547,141	9,000	-

General description of the leasing arrangement:

- Leased Assets: Premises
- Future lease rentals are determined on the basis of agreed terms.

**8 The break up of deferred tax assets and liabilities is as under:**

Deferred Tax Asset/(Liability)	31-Mar-11	31-Mar-10	31-Mar-09
Timing difference on account of Depreciation	119,576	(97,836)	(35,308)
Professional Tax Payable	-	-	2,642
Disallowance under Sec 40(a)	-	-	2,737,550
Business Losses	(33,606,387)	(8,934,610)	(5,542,795)
Net deferred tax Liability/ (Asset)	(33,486,811)	(9,032,445)	(2,837,911)

No recognition of the Deferred Tax Asset as above has been made as the realization of the said Assets is not virtually certain.

**9 Quantitative details of Manufacturing and Trading activities and Raw materials Consumed :**

**(i) Manufacturing Operation:**

Particulars	Installed Capacity	Actual Prod (In Nos)	Opening Stock -01.04.2010		Sales*- 2010-11		Closing Stock- 31.03.2011	
			Qty in Nos	Value (₹)	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)
Ayurvedic Medicines	N.A.	400,000	6,545,758	8,858,225	518,284	1,467,646	6,427,474	8,837,027

Particulars	Installed Capacity	Actual Prod (In Nos)	Opening Stock -01.04.2009		Sales*- 2009-10		Closing Stock- 31.03.2010	
			Qty in Nos	Value (₹)	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)
Ayurvedic Medicines	N.A.	800,000	8,900,000	11,057,823	3,154,242	6,934,479	6,545,758	8,858,225

Particulars	Installed Capacity	Actual Prod (In Nos)	Opening Stock -10.01.2008		Sales*- 2008-09		Closing Stock- 31.03.2009	
			Qty in Nos	Value (₹)	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)
Ayurvedic Medicines	N.A.	8,900,000	-	-	-	-	8,900,000	11,057,823

**(ii) Raw Material Consumed**

Particulars	2010-11		2009-10		2008-09	
	Qty. (Kg.)	Value (₹)	Qty. (Kg.)	Value (₹)	Qty. (Kg.)	Value (₹)
Herbs	NIL	NIL	NIL	NIL	29,199	4,719,900
Compounding Botanicals Products	NIL	NIL	NIL	NIL	18,750	7,396,119
Compounding botanical standardized concentrates	NIL	NIL	NIL	NIL	13,678	5,469,435
Intermediates	311	360,017	252	444,000	1,550	2,734,000
<b>Total</b>	<b>311</b>	<b>360,017</b>	<b>252</b>	<b>444,000</b>	<b>63,177</b>	<b>20,319,454</b>

**(iii) Trading Activities**

Particulars	Opening Stock - 01.04.2010		Purchases- 2010-11		Sales*- 2010-11		Closing Stock- 31.03.2011	
	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)
Ayurvedic Medicines	NIL	NIL	254,509,770	387,407,357	248,585,782	448,789,946	5,923,988	3,422,693
Personal Care Products	5,341	283,742	54,007	4,254,083	29,587	4,782,238	29,761	3,068,109
Food Products	844	64,347	12,155	891,109	8,773	702,688	4,226	273,769
<b>Total</b>	<b>6,185</b>	<b>348,089</b>	<b>254,575,932</b>	<b>392,552,549</b>	<b>248,624,142</b>	<b>454,274,872</b>	<b>5,957,975</b>	<b>6,764,571</b>

Particulars	Opening Stock - 01.04.2009		Purchases- 2009-10		Sales*- 2009-10		Closing Stock- 31.03.2010	
	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)	Qty in Nos	Value (₹)
Ayurvedic Medicines	NIL	NIL	NIL	NIL	NIL	NIL	(NIL)	(NIL)
Personal Care Products	NIL	NIL	30,377	753,914	25,038	1,601,065	5,341	283,742
Food Products	NIL	NIL	1,032	79,871	188	11,652	844	64,347
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>31,409</b>	<b>833,785</b>	<b>25,226</b>	<b>1,612,717</b>	<b>6,185</b>	<b>348,089</b>

There were no trading activities during financial period ended March 31, 2009.

\* Sales quantity includes units distributed as free samples.

**10 Segment Reporting:**

The Company is operating in only one segment, namely, in the Retail Segment.

**11 Previous figures are regrouped and rearranged wherever necessary.**

**12 Figures are rounded off to the nearest rupee.**

**NOTES TO RESTATED ACCOUNTS**

**1 Consolidation of Financial Statements**

The Company did not have any Subsidiaries as on 31st March 2011. However subsequently the Company had acquired 99.32% of the equity shares of Birla Kerala Vaidyashala Pvt Ltd , one of the group companies of the Yash Birla Group, keeping in view of the synergy in the nature of business of both the companies.



## 2 Provision for Gratuity

The company has been hitherto accounting for gratuity on cash basis. For the purpose of restatement, the management has evaluated the liability on account of gratuity by an actuary. Based upon the amount calculated by the actuary, Provision has been made in F.Y. 2010-11 for the purpose of restated statements.

## 3 Provision for Pervious years expenses

Material Previous year's expenses have been adjusted in the relevant year to which they relate to for the purpose of the restated accounts. The impact of the changes are reflected in the attached Statement of adjustment in Profit and Loss Account.

## 4 Material Regroupings

- a Share Application Money and Equity Share Warrant which were shown under Shareholders' Funds in the audited financials for the financial period ended March 31, 2009 and financial year ended March 31, 2010 and Mach 31, 2011 have been regrouped in the restated financial statements under Current Liabilities.
- b Appropriate material adjustments have been made in the Restated summary statement, wherever required, by a reclassification of the corresponding items of assets, liabilities, Income, Expenditure and cash flows vis-à-vis the classification / groupings as per the audited financials of our Company for the respective year(s) / period.
- c Change in Accounting Policies

Retirement Benefits were accounted on cash basis for the period ended March 31, 2009 and financial year ended March 31, 2010 which was in contravention of AS 15 "Employee Benefits". However provision is made for financial year ended March 31, 2011.

### STATEMENT OF ADJUSTMENTS IN PROFIT AND LOSS ACCOUNT

Year / Period Ended	(Amount in ₹)		
	For the year ended 31st March 2011	For the year ended 31st March 2010	For the 15 months ended 31st March 2009
Profit as per Profit & Loss Accounts (after Tax)	(21,426,113)	(9,703,301)	-
Add: Prior Period Expense	246,823	-	-
Less: Deferred Miscellaneous Expenditure which are expensed off	(44,873,707)	(31,929,501)	(26,034,843)
Provision for Gratuity	(253,760)	-	-
Prior Period Expense	-	(246,823)	-
Net Profit / (Loss) as per Restated Profit & Loss A/c	(66,306,757)	(41,879,625)	(26,034,843)

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**Notes:**

i) The company had incurred miscellaneous expenses of ₹ 26,034,843 during the period ended March 31, 2009, ₹ 31,929,501 during F.Y. 2009-10 and ₹ 44,873,707 during F.Y. 2010-11 but the same is deferred and being amortised from the period beginning from F.Y.2013-14 over a period of 5 years, as per the policy of the Company. The same is not as per AS – 26 "Intangible Assets". Accordingly, the same has been expensed off in the same period for the purpose of the restated statements.

ii) The company had not made any provision for gratuity for the financial year ended March 31, 2011; March 31, 2010 and March 31, 2009. For the purpose of restated statements, the company has appointed LIC to carry out the actuarial valuation of the gratuity liability. LIC has determined an cumulative amount of ₹ 253,760 as on April 01, 2011. The entire amount has been charged off in F.Y. 2010-11. In the absence of the year wise data, the provisions, if any, required to be made in the accounts as on March 31, 2009 and March 31, 2010 have not been separately identified and provided in the respective year(s).

iii) Material Previous year's expenses have been adjusted in the relevant year to which they relate to for the purpose of the restated accounts. The impact of the changes are reflected in the attached Statement of adjustment in Profit and Loss Account.

**5 NON ADJUSTMENTS**

The financials for the year ended March 31, 2011 were qualified as under

i) Debtors, loans and advances and creditors are subject to confirmation and reconciliation, if any.

ii) The Company didn't had a Managing Director as required by Section 269 of the Companies Act, 1956 during the audit period. However the Company has appointed a Managing Director through a board resolution on 17th June 2011.

iii) The Company didn't have an Audit Committee as required by Section 292A of the Companies Act, 1956 during the audit period. However the Company has constituted an Audit Committee through a board resolution on 17th June 2011.

iv) The Company didn't had a Whole Time Secretary as required by Section 383A of the Companies Act, 1956 during the audit period. However the Company has appointed a Whole Time Secretary through a board resolution on 1st July 2011.

**Annexure V**

**Summary Statement of Cash Flow, from Restated Financial Statement**

(Amount in ₹)			
Particulars	For the year ended 31 <sup>st</sup> March 2011	For the year ended 31 <sup>st</sup> March 2010	For 15 months ended 31 <sup>st</sup> March 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) before Taxation	(66,306,757)	(41,879,625)	(26,034,843)
<b>Adjustments for :</b>			
Financial Charges	597,721	25,418	13,188
Loss/(profit) on sale of Fixed Assets/investments	-	-	-
Depreciation	2,895,438	1,181,314	373,899
Excess Provision/ liabilities written back	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(62,813,598)</b>	<b>(40,672,893)</b>	<b>(25,647,756)</b>
Decrease (Increase) in Sundry Debtors	(186,328,061)	(3,154,929)	-
Decrease (Increase) in Inventories	(6,035,266)	163,193	(36,745,766)
Decrease (Increase) in Loans & Advances	(9,992,860)	(20,969,539)	(3,901,563)
(Decrease) Increase in Current Liabilities & Provisions	143,183,830	9,867,760	2,539,280
<b>Cash Generated from Operations</b>	<b>(121,985,955)</b>	<b>(54,766,408)</b>	<b>(63,755,805)</b>
Taxes Paid (net of refund)	-	-	-
<b>Net Cash from Operating Activities (A)</b>	<b>(121,985,955)</b>	<b>(54,766,408)</b>	<b>(63,755,805)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets (including Capital work in Progress)	(11,551,545)	(4,587,410)	(5,314,428)
Purchase / Sale or redemption of Investments	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(11,551,545)</b>	<b>(4,587,410)</b>	<b>(5,314,428)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES.</b>			
Proceeds from Issue of Capital	187,802,900	20,001,000	100,000
Share Application money received	(6,563,611)	(9,999,000)	50,563,156
Equity Warrant		17,500,000	-
Proceeds/ (Repayment) Secured Loans	7,487,438	-	-
Proceeds/ (Repayment) Unsecured Loans	(51,315,759)	32,776,173	18,539,586
Financial Charges	(597,721)	(25,418)	(13,188)
<b>Net Cash from Financing Activities (C)</b>	<b>136,813,247</b>	<b>60,252,755</b>	<b>69,189,554</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>3,275,747</b>	<b>898,937</b>	<b>119,321</b>
<b>Cash and Cash equivalents:</b>			
<b>At the beginning of the year</b>	<b>1,018,258</b>	<b>119,321</b>	<b>-</b>
<b>At the end of the year</b>	<b>4,294,005</b>	<b>1,018,258</b>	<b>119,321</b>

#### **Annexure VI**

##### **Schedule of Secured Loan, as Restated**

(Amount in ₹)

Particulars	As on 31st March		
	2011	2010	2009
Payable to Promoter / Promoter Group Companies	-	-	-
Payable to Others - Karnataka Bank Ltd OD	7,487,438	-	-
<b>Total</b>	<b>7,487,438</b>	<b>-</b>	<b>-</b>

**Notes:** The company has been sanctioned a term loan of ₹ 1000 Lakhs and ₹ 500 Lakhs as overdraft facility for a period of 42 months & 12 months respectively with the rate of interest of 13.75% per annum based on the present base rate. To secure the above, the company has offered an Equitable mortgage by way of deposit of title deeds of Residential Flat admeasuring 1944 sq. ft situated at No.52, Ashoka Apartments CHS, 68, Napeansea Road, Near Petit Hall, Mumbai -400006, owned by M/s. Asian Distributors Pvt. Ltd, one of the group companies of YBG. In addition to this, a Corporate Guarantee of M/s. Asian Distributors Pvt. Ltd has also been given.

#### **Annexure VII**

##### **Schedule of Unsecured Loan, as Restated**

(Amount in ₹)

Particulars	As on 31st March		
	2011	2010	2009
Payable to Promoter / Promoter Group Companies*	-	51,315,759	18,539,586
Payable to Others	-	-	-
<b>Total</b>	<b>-</b>	<b>51,315,759</b>	<b>18,539,586</b>
<b>*Promoter Group Co. Consist of :</b>			
Birla Wellness & Healthcare Pvt Ltd		51,315,759	18,539,586
<b>Total</b>	<b>-</b>	<b>51,315,759</b>	<b>18,539,586</b>

#### **Annexure VIII**

##### **Schedule of Investments, as Restated – NIL**

**Annexure IX  
Schedule of Debtors, as Restated**

(Amount in ₹)

Particulars		As on 31st March		
		2011	2010	2009
<b>More than six months</b>	<b>Considered good</b>			
	Receivable from Promoter/ Promoter Group Co.	156,321		-
	Receivable from Others	301,035	1,124,320	-
	Less: Provision			-
	<b>TOTAL (A)</b>	<b>457,356</b>	<b>1,124,320</b>	<b>-</b>
<b>Less than six months</b>	<b>Considered good</b>			
	Receivable from Promoter/ Promoter Group Co	1,531	70,662	-
	Receivable from Others	189,024,103	1,959,947	-
	Less: Provision			-
	<b>TOTAL (B)</b>	<b>189,025,634</b>	<b>2,030,609</b>	<b>-</b>
	<b>TOTAL (A+B)</b>	<b>189,482,990</b>	<b>3,154,929</b>	<b>-</b>
Note: The promoter group consists of				
	Birla Edutech Limited	76,054	45,068	-
	Birla Kerala Vaidyashala Pvt Ltd	23,731	25,363	-
	Raih & Evolve	8,420	231	-
	Birla Sarvajani Hospital	48,116	-	-
	Birla Corporation Limited	1,531	-	-

**Annexure X**

**Schedule of Loans & Advances, as Restated**

(Amount in ₹)

Particulars	As on 31st March		
	2011	2010	2009
Receivable from Promoter/ Promoter Group Companies / Director	-	-	-
Receivable from other body corporate	-	-	-
VAT & other taxes refund receivable and deposit for VAT registration and sales tax	1,441,782	1,408,652	1,120,993
Advances recoverable in cash or in kind or for value to be received	26,903,112	21,635,886	2,480,570
Deposits given to landlords, telephone, etc.	6,519,068	1,826,564	300,000
<b>Total</b>	<b>34,863,962</b>	<b>24,871,102</b>	<b>3,901,563</b>

Parties as identified by the management & relied upon by the Auditors.

## Annexure XI

### Schedule of Other Income, as Restated

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2011	For the year ended 31 <sup>st</sup> March 2010	For 15 months ended 31st March 2009
Rent	547,141	9,000	-
Interest on Fixed Deposits	3,230	-	-
<b>Total</b>	<b>550,371</b>	<b>9,000</b>	<b>-</b>

## Annexure XII

### Statement of Dividend

(Amount in ₹)

Particulars	As on 31st March		
	2011	2010	2009
<b>Equity shares</b>			
Weighted average number of shares	14,032,032	1,193,579	1,038,269
Face value (₹)	10/-	10/-	10/-
Paid-up value (₹)	10/-	10/-	10/-
Rate of dividend	-	-	-
Total dividend (Rs)	-	-	-
Corporate dividend tax on above (Rs)	-	-	-

## Annexure XIII

### Statement of Capitalization

Particulars	Pre issue as at 31st March 2011	Adjusted for present issue
<b>Borrowings :</b>		
Short term Debts	7,487,438	-
Long term Debts	-	-
<b>Total Debts</b>	<b>7,487,438</b>	<b>-</b>
<b>Shareholders Funds:</b>		
Share Capital	207,903,900	[•]
Reserves & Surplus	-	[•]
Less: Profit & Loss Account debit balance	-	
<b>Total Shareholders' Funds</b>	<b>207,903,900</b>	<b>[•]</b>
<b>Long term Debt/ Equity ratio</b>	<b>-</b>	<b>[•]</b>

**Annexure XIV**  
**Significant Accounting Ratios**

(Amount in ₹)

Particulars	As on 31st March		
	2011	2010	2009
<b>Equity shares</b>			
Net Profit after Tax	(66,306,757)	(41,879,625)	(26,034,843)
No. of Equity shares	20,790,390	2,010,100	10,000
<b>BASIC EARNINGS PER SHARE (EPS) (₹)</b>	<b>(3.19)</b>	<b>(20.83)</b>	<b>(2,603.48)</b>
No. of Equity shares (weighted)	14,032,032	1,193,579	1,038,269
<b>DILUTED EARNINGS PER SHARE (EPS) (₹)</b>	<b>(4.73)</b>	<b>(35.09)</b>	<b>(25.08)</b>
<b>NET ASSETS VALUE (NAV)</b>			
Net Assets	73,682,675	(47,813,468)	(25,934,843)
No. of Equity shares (weighted)	14,032,032	1,193,579	1,038,269
<b>NAV PER SHARE</b>	<b>5.25</b>	<b>(40.06)</b>	<b>(24.98)</b>
<b>RETURN ON NET WORTH</b>			
Net Profit after Tax	(66,306,757)	(41,879,625)	(26,034,843)
Net Worth	73,682,675	(47,813,468)	(25,934,843)
<b>RETURN ON NET WORTH</b>	<b>(0.90)</b>	<b>0.88</b>	<b>1.00</b>

**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)/( weighted average number of Equity shares).
- 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**

(Amount in ₹)

Particulars	Category of related party	For the year ended 31st March 2011	For the year ended 31st March 2010	For fifteen months ended 31st March 2009
<b>Sales:</b>				
Goods and services	Related Parties referred in (A) Below	287,404	670,849	-
	Related Parties referred in (B) Below	-	66,430	-
<b>Expenses:</b>				
Incurred by related parties:	Related Parties referred in (A) Below	2,420,732	360,303	-
	Related Parties referred in (B) Below	121,257	-	-
Incurred for related parties:	Related Parties referred in (A) Below	-	-	-
	Related Parties referred in (B) Below	-	-	-
<b>Equity Shares issued</b>	Related Parties referred in (A) Below	187,792,900	20,000,000	10,000
	Related Parties referred in (B) Below	10,000	-	90,000
<b>Share Application money received</b>	Related Parties referred in (A) Below	-	1,000	50,563,156
	Related Parties referred in (B) Below	-	-	-
<b>Advances and Loan taken/repayment</b>				
Unsecured loan taken	Related Parties referred in (A) Below	39,863,536	42,776,173	18,539,586
	Related Parties referred in (B) Below	-	-	-
Advances given	Related Parties referred in (A) Below	-	-	-
	Related Parties referred in (B) Below	10,000	-	1,095,286
Unsecured loan repayment	Related Parties referred in (A) Below	-	-	-
	Related Parties referred in (B) Below	-	-	-
Refund of advance	Related Parties referred in (A) Below	-	-	-
	Related Parties referred in (B) Below	-	900	-
Dues received	Related Parties referred in (A)			



	Below	-	-	-
	Related Parties referred in (B)			
	Below	-	-	-
<b>Outstandings:</b>				
Unsecured loan payable	Related Parties referred in (A)		51,315,75	
	Below	545	9	18,539,586
Payable (Others)	Related Parties referred in (B)			
	Below	-	-	-
Payable (Others)	Related Parties referred in (A)			
	Below	423,340	29,702	-
Receivable	Related Parties referred in (B)			
	Below	-	-	-
Receivable	Related Parties referred in (A)			
	Below	157,852	70,662	-
	Related Parties referred in (B)			
	Below	-	-	-
Note: Related party disclosures are identified by the management and relied upon by the auditors				

For the period ended 31 <sup>st</sup> March 2011	
<b>A. Enterprises owned or significantly influenced by key management personnel or their relatives</b>	
Holding company	- Birla Wellness & Healthcare Pvt Ltd
Associate companies/ enterprises	- Birla Bombay Pvt Ltd
	- Birla Edutech Ltd
	- Birla Kerala Vaidyashala Pvt Ltd
	- Birla Lifestyle Pvt Ltd
	- Birla Viking Travels Ltd
	- Godavari Corporation Pvt Ltd
	- Raih & Evolve
	- Shearson Investment & Trading Co. Pvt. Ltd
	- Zenith Birla (India) Ltd
	- Nirved Traders Pvt Ltd
	- Birla Corporation Pvt Ltd
	- Birla Surya Ltd
	- Birla Electricals Ltd
	- Birla Sarvajanic Hospital
<b>B. Key Management Personnel &amp; their relatives</b>	
	- Mr. Yashovardhan Birla (Chairman)
	- Mr. Yogesh Chadha (Director)
	- Mr. PVR Murthy
	- Mr. Venkateswaralu Nelabhotla
	- Dr. EG Rajan

## Annexure XVI

### STATEMENT OF SEGMENT REPORTING

The Company is operating in only one segment, namely, in the business of retailing of personal skin & hair care products, ayurvedic medicines and diet foods. Moreover, as the turnover of the company is less than ₹ 50 crores, the accounting standard AS 17 is not applicable.

## Annexure XVII

### Statement of Tax Shelter

Particulars	(Amount in ₹)	
	For the Assessment Year 2010 -11	For the Assessment Year 2009 -10
Profit before current and deferred taxes, as restated (A)	(41,879,625)	(26,034,843)
<b>Adjustments :</b>		
<b>Add: Permanent Differences</b>		
Expenses disallowed u/s 40	25	9,711,502
Expenses disallowed u/s 43 (B)	17,831	
Others	31,000	
<b>Total (B)</b>	<b>48,856</b>	<b>9,711,502</b>
<b>Less: Temporary Differences</b>		
Difference between tax depreciation and book depreciation	1,202,607	192,839
P F/ Gratuity payable		
Others	853,846	56,879
<b>Total (C )</b>	<b>2,056,453</b>	<b>249,718</b>
<b>Business Profit / Loss (A+B-C)</b>	<b>(43,887,222)</b>	<b>(16,573,059)</b>
<b>TOTAL INCOME</b>		
Set-off of brought forward unabsorbed loss /depreciation		
Taxable Profit		
Tax Liability on above or on Book Profit u/s 115 JB		
<b>Tax as per P/L A/c</b>		
Adjusted Tax Provision		
<b>Carried forward unabsorbed loss as on 31st March</b>		

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.

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

*You should read the following discussion and analysis of our financial condition and results of operations together with our restated financial statements and the annexures and notes thereon, included in the Draft Red Herring Prospectus, under the chapter titled “Auditors Report and Financial Information” on page 165 of the Draft Red Herring Prospectus, which presents important financial and statistical information about our Company’s business. You should also read the chapter titled “Risk Factors” on page 10 of the Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. This discussion also contains forward looking statements and you should refer to the chapter titled “Forward-Looking Statements” on page 9 of the Draft Red Herring Prospectus. The following discussion is based on internally prepared statistical information and on publicly available information. Our financial year ends on March 31, so all references to a particular financial year are to the twelve-month period ended March 31 except the period ended March 31, 2009 which was for a period of about fifteen months.*

*The following discussion relates to our Company and is based on our restated financial statements, as of and for the for the period from 10<sup>th</sup> January 2008 to 31<sup>st</sup> March 2009, Fiscal years ended March 31,2010 (“Fiscal Year 2010”), and March 31,2011 (“Fiscal Year 2011”), which have been prepared in accordance with Indian GAAP, the accounting standards referred to in section 211(3C) of the Companies Act,1956 and other applicable legal provisions.*

*Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the Section titled “Definitions and Abbreviations” on page 1 of the Draft Red Herring Prospectus.*

### **Overview:**

We belong to the Yash Birla Group, which 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 Pacific Medspa 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 on January 10, 2008 under the name and style of Birla Lifesciences Private Ltd. The name was further changed to Birla Research & Lifesciences Private Limited on 23<sup>rd</sup> September 2010. Our Company was converted into a Public Limited Company on 25<sup>th</sup> November 2010 and the name was changed to Birla Research & Lifesciences Limited.

We are in the business of Ayurvedic medicines, natural health care products, health foods and spa services. Our aim is to re-ignite faith in the ancient science of natural products and introduce efficacious and safe products and wellness services that meet the expectations of large sections of the community.

We have three business verticals – BirlaVeda, Rebirth and Birla Kerala Vaidyasala.

Under Birla Veda, we have two sub-segments for manufacture and distribution of ayurvedic products. The division focuses on Ethical, OTC and generics business streams. BirlaVeda products are targeted to middle and upper class consumers.

Rebirth is an integrated wellness products and services division, which is positioned as a one stop shop to several health and wellness related concerns, reaches consumers through multi channels of Own Stores, Franchisee stores and Speciality Distribution channels which includes modern trade channels, Shop in Shop,

Sports nutrition stores and other speciality channels. The division consists of Personal Care products, Health Foods, Herbal Products and Spa services.

Birla Kerala Vaidyashala (BKV) has become a 99% subsidiary of our company in the current financial year and focuses on Ayurvedic treatment/ rejuvenating services and products sales through its own centres and Franchisee centres. It consists of Ayurvedic therapy centres seeking to provide the customers comprehensive ayurveda and herbal treatment/products to all age groups. BKV plans to expand this segment for middle class and upper class and anticipates pan-India presence in the next few years.

Our strategy for BirlaVeda and BKV division as a whole is to become an integrated Ayurvedic and natural products/ services player based on the ability to synergize the various products that are built in the three divisions of OTC, Ethical and BKV. This will all help in building economy of scale in R & D, manufacturing and sourcing.

We market personal care products range under “CHANT” brand, ayurvedic medicines under “BIRLA VEDA”, diet foods & supplements under “NUTRINEXT” and Spa services along with sale of these products under “REBIRTH Store”.

### **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 Offer Document, 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 other than what is stated below.

The Company does not have any Subsidiaries as on 31<sup>st</sup> March 2011. However subsequently the company had acquired 99% of the equity shares of Birla Kerala Vaidyashala Pvt Ltd (BKV), one of the group companies of the Yash Birla Group, keeping in view of the synergy in the nature of business of both the companies. For details on BKV please refer to page number 126 of this chapter.

### **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:

#### **Factors Affecting Our Results of Operations**

Our financial condition and results are affected by numerous factors including the following:

#### ***General Economic and Business Conditions***

Our business performance is dependent upon national and global growth. India’s growth rate of Gross Domestic Product (GDP) was 6.8 per cent during 2008-09 which recovered to 8% in 2009-10 and 8.6% in 2010-11 following fiscal and monetary policy interventions which provided stimulus to the economy. The structure of India’s economy has changed over the last ten years with contribution of the services sector to GDP at well over 50 per cent of GDP in 2008-09. Our business is in the field of natural healthcare products and services where, we believe, consistent growth would depend on the overall performance of Indian economy. Any adverse development in the economic or business conditions in India or globally, could weaken consumer spending in the segment to which we cater, thereby impacting our business operations.

For more information on these and other factors/developments which have or may affect us, please refer to chapters titled “Risk Factors”, “Industry Overview” and “Business Overview” beginning on pages 10, 75 and 79 respectively of this Draft Red Herring Prospectus.

#### ***Brand Image***

The recognition and acceptance of our brand is a critical factor that would contribute significantly to the success of our business. We believe, our brand names such as “Rebirth” for our wellness stores, “Chant” under which we market our personal care products, “BirlaVeda” for our Ayurvedic formulations and “Nutrinext” for our health foods and supplements are gaining recognition and acceptance, although confined largely to Mumbai and other limited regions. Our future growth would depend on the continued establishment and promotion of our brand through which we offer our service offerings. Promoting and positioning our brand largely depends on the success of our marketing efforts and our ability to provide a consistent, high-quality customer experience. 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, thereby adversely affecting our business.

### ***Competition***

Typically, the wellness industry in which we operate is highly fragmented with presence of a number of players drawn from national, regional, local and unorganized sectors. Our healthcare products and services are largely based on natural or ayurvedic therapies and are considered as alternative treatments thereby facing competition from mainstream medicinal offerings of the Allopathy segment. Besides, within the natural and ayurvedic products, we face competition from a host of similar products or services offered by players from both organized and unorganized sectors. Absence of any material entry barrier further intensifies competition. There are different players that compete with us in various market segments. While we believe our corporate set-up with a professional approach will enable us to sustain any pressure from our competitors, it will depend on our ability to consistently provide quality products and services at reasonable costs.

### ***Pricing Pressures***

Our company is operating in a competitive environment and may have to compete with established players of reputation besides players from the unorganized sector. Hence we expect to face pressure to correctly price the products and services of our Company.

### ***Consumer Demographics***

India has a very large population of over 1 billion people and a very large part of the population is comprised of middle income consumers. Owing to strong GDP growth over the years, Indian consumers benefited from increases in their level of disposable income. The wellness industry owes its growth to the burgeoning middle-income consumers, as it has enabled them to spend more on health, wellness and lifestyle.

Besides, there are changing attitudes among Indian consumers as they become more willing to spend their disposable income on “premium” health and personal care products. As Indian consumers become more demanding and more discerning about health and wellness, we will need to provide superior quality of services in order to appeal to them and this will create a need for more creative and affordable packages.

### ***Ability to introduce new products, more Rebirth Centres and broaden the scope of our services***

Our revenues are dependent on growth in sale of our healthcare and ayurvedic medicinal products besides the services that we offer. The future growth would depend on our ability to introduce newer products and services that meet the requirements of consumers and our ability to market these products and services through our Rebirth Stores. We believe that we have succeeded in introducing products and services that appeal to certain classes of consumers and our challenge would be to sustain and enhance the acceptability of our existing and new products and services among larger sections of consumers consistently.

### **Significant items of Income and expenditure**

(Amount in ₹)

Particulars	For the year ended 31st March 2011	For the year ended 31 <sup>st</sup> March 2010 (*)	For the 15 months ended 31st March 2009
<b>INCOME</b>			
<b>Sales:</b>			
of products manufactured	1,467,646	6,934,479	-
of products traded in	454,274,872	1,612,718	-
of Services provided	5,300,690	770,249	-
<b>Total Sales</b>	<b>461,043,208</b>	<b>9,317,446</b>	-
Other Income	550,371	9,000	-
Increase/(Decrease) in Stock	6,395,284	(163,193)	-

<b>Total Income</b>	<b>467,988,863</b>	<b>9,163,253</b>	<b>-</b>
<b>EXPENDITURE</b>			
Cost of goods sold	398,323,110	5,608,310	3,053,400
<b>% of Total Sales</b>	<b>86.40</b>	<b>60.19</b>	
<b>% of Total Expenditure</b>	<b>74.55</b>	<b>10.99</b>	<b>13.72</b>
Staff Costs	40,155,043	12,226,992	3,944,422
<b>% of Total Expenditure</b>	<b>7.52</b>	<b>23.95</b>	<b>17.72</b>
Administration expenses	47,600,221	16,246,936	12,166,234
<b>% of Total Expenditure</b>	<b>8.91</b>	<b>31.83</b>	<b>54.66</b>
Selling & Distribution expenses	47,619,525	16,935,222	3,082,583
<b>% of Total Sales</b>	<b>10.33</b>	<b>181.76</b>	
<b>% of Total Expenditure</b>	<b>8.91</b>	<b>33.18</b>	<b>13.85</b>
Finance Charges	597,721	25,418	13,188
<b>% of Total Expenditure</b>	<b>0.11</b>	<b>0.05</b>	<b>0.06</b>
<b>Total Expenditure</b>	<b>534,295,620</b>	<b>51,042,878</b>	<b>22,259,827</b>
<b>% of Total Income</b>	<b>114.17</b>	<b>557.04</b>	<b>-</b>
<b>Net Profit before Taxes &amp; Extraordinary items</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(22,259,827)</b>
<b>% of Total Income</b>	<b>(14.17)</b>	<b>(457.04)</b>	
Taxation	-	-	-
Less: Provision for current tax (including Wealth tax )	-	-	-
Less: Provision for deferred tax (net)	-	-	-
Less : Provision for Fringe Benefit tax	-	-	-
Effect of adjustments on tax	-	-	-
<b>Net Profit before Extraordinary items</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(22,259,827)</b>
<b>Less: Extraordinary items</b>			
Preliminary expenses	-	-	-
Brand Building Expenses	-	-	-
Pre operative expenses	-	-	(3,775,016)
R&D Expenditure	-	-	-
Amounts written off	-	-	-
<b>Net Profit/ (loss) after tax</b>	<b>(66,306,757)</b>	<b>(41,879,625)</b>	<b>(26,034,843)</b>
<b>% of Total Income</b>	<b>(14.17)</b>	<b>(457.04)</b>	<b>-</b>
<b>(*) : Includes income and expenses of Pre-operative period.</b>			

Our company was incorporated in January 2008 but commenced commercial operations only during the Fiscal 2010 and Fiscal 2011 was only the second year of commercial operations. We have launched our products and services and opened few Rebirth Stores in and around Mumbai during Fiscal 2010 and Fiscal 2011. Since we are still in the initial years of our commercial operations, no fixed trend in financial performance can be established and as such, the year-on-year comparison of financial performance given below may not lead to any meaningful conclusion.

**Review of results for the financial year ended 31<sup>st</sup> March 2011 versus the financial year ended 31<sup>st</sup> March 2010:**

**Sales**

The company had total sales of ₹ 461,043,208 for the financial year ended 31<sup>st</sup> March 2011, comprising of ₹ 454,274,872 out of products traded, ₹ 1,467,646 of products manufactured & ₹ 5,300,690 of services provided as against sales of ₹9,317,446 in the financial year ended 31<sup>st</sup> March 2010. This was mainly on account of trading activities undertaken by the company in ayurvedic medicines during FY 2010-11.



### Other Income

The company had earned other income of ₹ 550,371 for the financial year ended 31<sup>st</sup> March 2011 as against a nominal amount of ₹ 9,000 in the financial year ended 31<sup>st</sup> March 2010. The major contributor to the other income in the FY 2011 was rental income of ₹ 547,141 as against only ₹9000 in the FY 2010. As a strategic decision, we have rented out excess space in one of our Rebirth Stores..

### Expenditure

The total expenditure for the financial year ended 31<sup>st</sup> March 2011 was ₹ 534,295,620 as against ₹51,042,878 in the financial year ended 31<sup>st</sup> March 2010. The increase is in line with the increase in scale of operations of the company.

### Cost of goods sold

The cost of goods sold has gone up from ₹ 5,608,310 in FY 2010 to ₹ 398,323,110 in the FY 2011 As a percentage to total sales it works out to 86.40% as against 60.19% in FY 2010. In view of the increased level of trading activities in Ayurvedic medicines, the cost of goods sold has gone up in FY 2011.

### Staff expenses

The total staff cost for the financial year ended 31<sup>st</sup> March 2011 was ₹ 40,155,043 as compared to ₹ 12,226,992 of the financial year ended 31<sup>st</sup> March 2010. The increase in cost is on account of additional Rebirth stores opened during the year, besides increase in field staff for marketing of our various products. However as a percentage to total expenditure, it has come down from 23.95% to 7.52%. The decline in percentage terms is attributable to increase in scale of operations.

### Administration expenses

Administration expenses accounted for about 8.91% and 31.83% of the total expenditure in the financial years ending 31<sup>st</sup> March 2011 & 2010 respectively. The details of different expenses grouped under administration expenses are as under:

Particulars	FY ended 31.03.2011	FY ended 31.3.2010	31.03.2009 (15 months)
Rent	116,59,646	7,47,514	11,84,609
Legal & Professional Charges	131,36,976	10,05,030	14,84,018
Depreciation	28,95,438	2,95,328	3,73,899
Other administration expenses	199,08,161	141,99,064	91,23,708
<b>Total</b>	<b>476,00,221</b>	<b>162,46,936</b>	<b>121,66,234</b>

As the company opened more Rebirth stores in FY 2011, the amount paid towards rent increased by ₹10,912,132 The increase in number of stores accompanied by application and registration of more trademarks and entering into contractual agreements led to an increase in the legal & professional charges.

### Selling and Distribution expenses:

Expenses on marketing and advertising which are grouped together as selling and distribution expenses as a percentage to total sales have come down substantially from 181.76% in the FY 2009-10 to 10.33% in the FY 2010-11. Selling and distribution expenses were ₹ 47,619,525 which accounted for 8.92% of the total expenditure for FY 2011 as against ₹ 16,935,222 in FY 2010 which accounted for 33.18% the total expenditure for FY 2009-10. The major component of this head is the expenses incurred on brand building which accounted for ₹44,163,970 and ₹ 11,179,184 respectively.

### Financial Charges

The financial charges are mainly on account of bank charges for FY 2010. As against ₹ 25,418 in the financial year ended 31<sup>st</sup> March 2010, the company had incurred ₹ 597,721 in the financial year ended 31<sup>st</sup> March 2011. For FY 2011, the finance charges comprise mainly of interest on working capital facilities availed during FY 2011.

### **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 ₹ 66,306,757 and ₹ 41,879,625 respectively for FY 2011 & FY 2010. The reason for increase in the loss in the current year was mainly on account of increase in all the major heads of accounts namely staff costs, administration expenses and selling & distribution expenses. However, the loss as a percentage to total income has come down from 457% to 14.17%.

### **Review of results for the period 10th January 2008 to 31<sup>st</sup> March 2009 and for the year ended 31<sup>st</sup> March 2010:**

The first financial statements of the company were prepared for a period about fifteen months ending 31<sup>st</sup> March 2009 which is the first reporting period. The second report was prepared for the year ended 31<sup>st</sup> 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 first period are taken for comparison.

### **Total Sales**

The company has started its commercial operations in FY 2009-10 only.

### **Expenditure**

The total expenditure for the first period of operations was ₹22,259,827. In FY 2009-10, the total expenditure was at ₹51,042,878 which amounts for an increase of 179.56 % on annualized basis over the previous period. Since the commercial operations of the company have commenced only in FY 2009-10, the amount spent on staff costs, administration expenses and selling & distribution expenses have gone up.

### **Cost of goods sold**

In the first period of reporting, the amount incurred under the head 'cost of goods sold' was ₹ 3,053,400 which is the cost of materials consumed for research & development of ayurvedic medicines. As against this, in FY 2010, the cost of goods sold was ₹ 5,608,310 which represented 60.19% of the total sales of FY 2010.

### **Staff expenses**

The total staff cost for FY 2009-10 was approximately ₹ 12,226,992 as compared to ₹ 3,944,422 in the first reporting period. As the company had started its operations in the FY 2009-10, the staff expenses increased due to recruitment of additional staff.

### **Administration expenses**

The administrative expenses had gone up from ₹ 12,166,234 to ₹ 16,246,936 registering an increase of 62.81 % on an annualized basis. Administration expenses accounted for about 54.66% and 31.83% of the total expenditure in the first period of accounting and FY 2010 respectively. Under this head of account the expenses on account of rent, professional fees, depreciation etc are included. The details of the same are given above while comparing the performance of the company for the FY 2011 and FY 2010.

### **Selling and Distribution expenses:**

Expenses on marketing and advertising are grouped together as Selling and distribution Expenses. Selling and distribution expenses were ₹ 3,082,583 or about 13.85% of total expenditure in the first reporting period whereas for FY 2010, the expenses were ₹ 16,935,222 which accounted for 33.18% of the total expenditure. As the commercial operations commenced in FY 2010, emphasis on selling and distribution activities resulted in higher expenditure on this account in FY 2010.

### **Financial Charges**

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 0.06%.



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### **Profit/ (loss) before extraordinary items & taxes**

There were no extra ordinary items of income or expenditure in both the periods except for a sum of ₹ 3,775,016 incurred towards pre-operative expenses in the first accounting period. The loss before extra-ordinary items and taxes had gone up from ₹22,259,827 to ₹41,879,625 in FY 2009-10., as the company has started its commercial activities in its second year of incorporation leading to increased cost associated with establishment, production and sales..

### **PBT/ PAT**

The Loss has gone up from ₹ 26,034,843 to ₹ 41,879,625. On an annualized basis, the loss has gone up by 96.12 % in FY 2009-10 as compared to the previous period.

### **Significant Items in the Balance sheet**

#### **1. Loans & advances**

##### **Financial period ended 31.03.2009**

Loans & Advances in the first period of accounting of about fifteen months ended 31st March 2009 stood at ₹ 3,901,563 . The major component comprised ₹ 2,480,570 being the advances recoverable in cash or kind, ₹1,120,993 towards VAT & other tax refunds receivable and ₹ 300,000 of deposits given to landlords and telephone deposits.

##### **Financial year ended 31.3.2010**

Loans & Advances in FY 2009-10 stood at ₹ 24,871,102 . The major component comprised ₹ 21,635,886 being the advances recoverable in cash or kind, ₹1,408,652 towards VAT & other tax refunds receivable and ₹ 1,826,564 of deposits given to landlords and telephone deposits.

##### **Financial year ended 31.03.2011**

Loans & Advances in FY 2010-11 stood at ₹ 34,863,962 . The major component comprised ₹ 26,903,112 being the advances recoverable in cash or kind, ₹1,441,782 towards VAT & other tax refunds receivable and ₹ 6,519,068 of deposits given to landlords and telephone deposits.

All the above loans/ advances are incidental to the business carried out by the Company. All the above loans/ advances are interest free. In all the periods, no amount is advanced to any of the promoters, promoter group companies or directors.

#### **2. Current Liabilities & provisions**

The Current Liabilities & provisions include the amounts received towards the share application pending allotment and share warrant to the tune of ₹ 50,563,156 for period ending 31<sup>st</sup> March 2009 & ₹ 405,64,156 and ₹ 17,500,000 for FY 2009-10 and ₹ 340,00,545 and ₹ 17,500,000 for FY 2010-11 respectively.

#### **3. 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.

## Cash Flows

(Amount in ₹)

Particulars	For the period ended 31 <sup>st</sup> March		
	2011	2010	2009
Net cash from (used in ) operating activities	(121,985,955)	(54,766,408)	(63,755,805)
Net cash from (used in ) investing activities	(11,551,545)	(4,587,410)	(5,314,428)
Net cash from (used in ) financing activities	136,813,247	60,252,755	69,189,554

**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 changes in the working capital on account of increase in sundry debtors / loans and advances and increase in current liabilities & provisions.

**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, receipt of secured & unsecured loans 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 offer document.

### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations:

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except, as detailed in the preceding paragraph and as described in the chapter titled "*Risk Factors*" beginning on page 10 of this Draft Red Herring Prospectus and chapter titled "*Management's Discussion and Analysis*" beginning on page 186 of this Draft Red Herring Prospectus.

### 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.

Other than as described in the chapter titled "*Risk Factors*" beginning on page 10 of this Draft Red Herring Prospectus and as described under this Chapter, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income 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.

Other than as described in the chapter titled "*Risk Factors*" beginning on page 10 of this Draft Red Herring Prospectus and as described under this Chapter, to our knowledge there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

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**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 have been on account of commencement of trading activities in ayurvedic products, other new products introduced by us, increase in number of Rebirth stores in operation and expansion of our bouquet of services. In future too, we expect that new products and services and opening of new Rebirth stores will account for part of the increase in revenues.

**6. Total turnover of each major Industry segment in which our Company operates.**

Our Company operates in only one industry segment viz. natural healthcare products and services comprising of Ayurvedic medicine, personal care products and health foods & supplements.

**7. Status of any publicly announced new products or business segment.**

We are in the business of natural healthcare products and services, where we keep introducing new products and services that appeal to consumers or meet their requirements. Such products are introduced based on product and market research.

**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.

**10. Competitive Conditions**

For a discussion of the competitive conditions that the company faces, please see the para titled 'Competition' on page no. 187 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

(i)	Labour Cases filed against the Company	:	Nil
(ii)	Labour Cases filed by the Company	:	Nil
(iii)	Civil Cases filed against the Company	:	Nil
(iv)	Civil Cases filed by the Company	:	Nil
(v)	Criminal cases against the company	:	Nil
(vi)	Criminal cases filed by the company	:	Nil
(vii)	Notices served on the Company	:	Nil

### **Litigations pending - Promoters**

#### **(i) Mr. Yashovardhan Birla**

- (a) Criminal case against our promoter: Nil
- (b) Civil cases against our promoter: Nil
- (c) Criminal Cases filed by our Promoter: Nil
- (d) Civil case filed by our promoter: Nil

#### **(ii) Birla Wellness & Health Care Pvt. Ltd**

- (a) Criminal case against our promoter: Nil
- (b) Civil cases against our promoter: Nil
- (c) Criminal Cases filed by our Promoter: Nil
- (d) Civil case filed by our promoter: Nil

#### **(iii) Nirved Traders Pvt. Ltd**

- (a) Criminal case against our promoter: Nil
- (b) Civil cases against our promoter: Nil
- (c) Criminal Cases filed by our Promoter: Nil
- (d) Civil case filed by our promoter: Nil
- (e) Related to Tax Matters:

<b>Assesment order Challenged</b>	<b>Assessing Authority</b>	<b>Claim Amount (₹ In Lacs)</b>	<b>Date Instituted</b>	<b>Status</b>
Asst. Year 2007-08	CIT (Appeal) Disallowance under section 14A	215.65	30 <sup>th</sup> December 2009	Hearing date is awaited
Asst. Year 2008-09	CIT (Appeal) Disallowance under section 14A	422.72	29 <sup>th</sup> December 2009	Awaited

#### **(iv) Shearson Investment & Trading Co Pvt. Ltd**

- (a) Criminal case against our promoter: Nil
- (b) Civil cases against our promoter: Nil
- (c) Criminal Cases filed by our Promoter: Nil
- (d) Civil case filed by our promoter: Nil

(e) Related to Tax Matters:

Assessment Order Challenged	Assessing Authority	Claim Amount ₹ In Lacs	Date instituted	Status
Assessment year 2006-07	CIT (Appeal) for disallowance u/s 14A	22.86	19 <sup>th</sup> January, 2009	Hearing date awaited
Assessment year 2007-08	CIT (Appeal) for disallowance u/s 14A	55.88	24 <sup>th</sup> December 2009	Order received but against which we are moving to ITAT
Assessment year 2008-09	CIT (Appeal) for disallowance u/s 14A	112.32	4 <sup>th</sup> January, 2011	Awaited

**(v) Godavari Corporation Pvt. Ltd**

(a) Criminal case against our promoter: Nil

(b) Civil cases against our promoter: Nil

(c) Criminal Cases filed by our Promoter: Nil

(d) Civil case filed by our promoter: Nil

(e) Cases filed by Godavari pertaining to tax disputes:

Assessment Order Challenged	Assessing Authority	Date Instituted	Claim Amount (₹ In lakhs)	Status
Assessment Year 1998-1999 u/s 143(3) Joint Commissioner of Income Tax SR-6	Income Tax Appellate Tribunal	23 <sup>rd</sup> February, 2005	₹69.67 lakhs in the matter of Interest.	The hearing is awaited
A Y 2001-02	CIT Appal	6 <sup>th</sup> January, 2011	Penalty U/s 271 (1)(C) & ₹ 4.09 lacs disallowance u/s 14A r.w. Rule 8D	Matter is under process. Orders awaited.
A Y 2003-04	Income Tax Appellate Tribunal	25 <sup>th</sup> June, 2010	₹2.62 lacs in the matter of disallowance	Matter is under process. Orders awaited.
A Y 2004-05	CIT Appeal	-	Penalty u/s 271 (1) (c)	Matter is under process. Orders awaited.
A Y 2005-06	Income Tax Appellate Tribunal	25 <sup>th</sup> June, 2010	₹ 3.28 lacs in the matter of disallowance	Matter is under process. Orders awaited.
AY 2007-08	CIT Appeal	December 2009	₹48.03 Lakhs in the matter of disallowance	The hearing is awaited
A Y 2008-09	CIT Appeal	25 <sup>th</sup> October, 2010	₹ 11.78 lacs disallowance u/s 14A r.w. Rule 8D	Matter is under process. Orders awaited.

(f) Cases filed against Godavari pertaining to tax disputes:

Assessment Order Challenged	Assessing Authority	Date Instituted	Claim Amount	Status
AY 2002-03	Appeal in Bombay High Court by CIT Appeal lodging no. ITXAL 2133 of 2009	August 2009	₹ 60.69 lakhs expenses allowed by ITAT.	The hearing is awaited

**(vi) Litigations pending – Subsidiary**

**Birla Kerala Vaidyashala Pvt. Ltd.**

- (a) Criminal case against our subsidiary: Nil
- (b) Civil cases against our subsidiary: Nil
- (c) Criminal Cases filed by our subsidiary: Nil
- (d) Civil case filed by our subsidiary: Nil

**(vii) Litigations Pending - Directors other than promoters**

1. Mr. Venkateswaralu Nelabhotla : Nil
2. Mr. P.V.R.Murthy : Nil
3. Dr. E. G. Rajan : Nil
4. Dr. Jayaprakash Narayanan : Nil
5. Mr. Vijay Agarwal : Nil

**Outstanding litigation involving Group Companies:**

**(A) LISTED COMPANIES**

**1. Birla Capital and Financial Services Limited (BCFSL)**

i. Civil/ Criminal Cases filed by/ against BCFSL: Nil

ii. Cases filed by BCFSL pertaining to 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 <sup>th</sup> 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 ₹ 532.22 lacs. The hearing is pending.

**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 (₹)	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	5.95 Lacs	For Evidence
2.	Gajanand Ingle	(ULP) No. 11/2010 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.	Reinstatement and Wages	For Argument
3.	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	Reinstatement and Wages	Evidence -



			was filed by the Company praying for dismissal of the application, as well as the main complain as they were devoid of any substance.		
4.	Girmi 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.	Camp Matter	Hearing
5.	Ajay Waghade	ULP No. 563/2004 (old No. 69/2003) Labour Court, Buldana Industrial Court Ref. ULP No. 52/2009	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	Pending in Akola court
6.	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	Evidence
7.	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		Next date awaited.

			dissolution of the existing body of the Girni 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.		
8.	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 ₹ 46,860 for the same. He claims that the entire amount was not paid. Applicant has prayed for condoning delay.	After deducting ₹26486 which we have already paid, now ₹20374/- claimed	Fresh Notice to be issued to Insurance Co. and to us. Insurance Co. to pay the amount if awarded. No next date given.
9.	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.	5,08,116	For Cross Examination
10.	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.	5,08,116	For Cross examination of Doctor
11.	Girni Kamgar Sabha	BIR 1/8 Industrial Court, Akola	Union matter for recognition.		18.08.2011 For Hearing
12.	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 for evidence

13.	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		For Arguments
14.	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 for evidence
15.	Madhukar	ULP 37/8 Industrial Court, Akola	Complainant filed revision petition against the order of Labour court, Buldhana dated 18 August 2008.		For Hearing
16.	Mohan Shelke	ULP 26/9 Labour Court Buldhana	Discharge for Loss of Confidence		For Argument
17.	Pralhad Raut	ULP 27/9 Labour Court Buldhana	Discharged for Absentism		For Arguments
18.	Manish	R ULP 32/9 Industrial Court Akola	Revision against order of Labour Court		Next Awaited
19.	Ajay	RULP 52/9 Industrial Court Akola	Revision against order of Labour Court		For Hearing
20.	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.		For Hearing
21.	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.		For Hearing

ii. Labour Cases filed by BCIL:

Sr. No.	Name of the Opposite Party	Case No. & Name of the Court	Brief History	Current Status
2	Vardhan Syntex Kamgar Sangh, Mukunda Baburao	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 Evidence

	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.		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.	
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.	Date 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	For Hearing
5	Najans & other	ULP 21/8 Industrial. Court Akola	Company has filed revised application against the order of labour court dated 06.05.2008	For Hearing
6	ESIC Pune	9./2009 ESI Court Dhule	For Damages amounting to ₹336029.00	For Evidence
7	ESIC Pune	10./2009 ESI Court Dhule	Interest amounting of ₹205824.00	For Evidence

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	The Defendant Company was an agent of the Company and the contract (from 1 April 2002 to 31 March 2003) was	158,223	Decree Filed in Solapur

		Court, Khamgaon	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 ₹ 158,223.92/- (i.e. ₹ 143,769.20/- outstanding debit balance, ₹ 14,454.72/- interest @ 12% p.a. by way of damages) and also the cost of the suit be awarded.		Dist.Co urt for executi on (Pendi ng)
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 ₹ 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 ₹ 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 supply 2 units by deducting the costs as per the bill and the cost of the suit.	Decree awarded	Decree has to be filed for executi on in Ahmed abad court (Matter pending for filing executi on )
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 ₹ 1,500,000/- have been claimed along with interest @ 24 % p.a.	₹ 1,500,000	Decree on 10.12.2 010 (Propert y search in process)
4	S.P. Bhise	WP/19157/200 9 High court Bench Nagpur	Against the order of Industrial court on issue of Employee	Matter over. Parties reinstate, matter going on for the issue of back wages to	Decided against us

				be paid. Matter before the Labour Court, Buldhana.	
5	T.C. Sharma	WP/19158/2009 High court Bench Nagpur	Against the order of Industrial court on issue of Employee	Matter over. Parties reinstate, matter going on for the issue of back wages to be paid. Matter before the Labour Court, Buldhana.	Decided against us.
6	S.L.Sharma	WP/19154/2009 High court Bench Nagpur	Against the order of Industrial court on issue of Employee	Matter over. Parties reinstate, matter going on for the issue of backwage s to be paid. Matter before the Labour Court, Buldhana.	Decided against us.
7	Ramrao. Sitaram. Patil	281/2005 Civil Court, Dhulia	Encroachment on the land in side the factory premises by defendant	Matter over and the same settled on 24-06- 2011. Encroach ment to be removed in a period of one	Matter has partly heard. Fixed for final argume nts.

				month.	
8	1. Kailash Kobragade. 2. Namdeo. Ramteke. 3. Savitri. Ramteke. 4. Shastirram. 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. Khobragade. 16. Pramod. Nanpar. 17. Ahilyabai. Nanpar. 18. Ramaji. Meshram. Ramdeo. Kaninde.	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.	Pending for Execution before the court.	Case still pending for final possession orders.

(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 ginning 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 date of hearing is 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 06/10/2005 along with the stay application.	Paper book getting prepared.	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 06/10/2005 along with the stay application.	Paper book getting prepared.	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 06/10/2005 along with the stay application.	Paper book getting prepared.	Date awaited
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(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 processes issued by the Hon'ble JMFC, Malkapur dated 18.10.2010 u/s 138 of N.I. Act in case of 827/2009	-	Next date of hearing is 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 <sup>st</sup> Class, Malkapur	Case u/s 138 of Negotiable Instruments Act, 1881.	₹1,000,000	Next date of hearing is 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

<b>SL No.</b>	<b>Opposite Parties</b>	<b>Case No. &amp; Name of the Court</b>	<b>Brief History Of The Case</b>	<b>Amount (In Lacs)</b>	<b>Current Status Of The Case</b>
1	BYL v/s Blue Bird Autosales	214/2002 Gurgaon, District Court	Suit decreed in favour of the company along with interest pendente lite and future 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 ₹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 ₹ 11,70,625 + Interest filled against the dealer	11.70	Suit decreed in favour of the company for 11.70 Lacs with interest @ 6 % per annum from the date of filing of suit till payment on 05-05-2010
5	Sawan Sales v/s BPSL	1642/6 High Court, Delhi	Recovery suit filed by the dealer for ₹ 47.0 lac and counter claim by the Company for ₹ 26.0 lac	47.00	FOR Plaintiff's Evidence.
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 totaling ₹ 18.48 + interest	18.48	For Plaintiff's Evidence

7	G.C Agarwal v/s BSPL	184/04 High Court, Delhi	Appeal filed against the findings of the lower Court by G.C.Agarwal 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	cross examination of defendants.
9	Lalit Sharma v/s. BPSL	555/2008 Sh.Vinod Kumar adj. Court no 31 Tis Hazari Delhi	Suit for recovery of ₹ 15,95,274 for the balance of dues on execution of work contracts	15.95	for Plaintiff's Evidence.
10	Ramakrishna Electro components C/s BPSL and another	707/09 Smt. Samita Garg, ASSJ, Rohini Court	Suit for recovery of ₹ 1,70,716 + interest pendtelite + costs	1.70	for further proceedings
11.	BPSL V/s Gopal Motors.	Delhi high Court	Revision petition filed against the order refusing rejection of plaint by the Id. Adj, Rohini court	-	Dismissed
12	BPSL V/s Diwan automobile	Sh. Sanjeev Jain, ADJ, THC, Delhi	Appeal filed against the order of dismissal of the suit	1.07	29-08-2011 for Final Arguments.

(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 for ₹ 2.5	2.5	Details Not Available
2	BYL V/s Permil Traders.	746/2000	Civil Court Bulandsahar	Suit for recovery filed against the dealer for ₹ 9.50	9.50	Details Not Available
3	BYL V/s Lohia Jute Press	592/96	Civil Court, Kolkatta	Civil suit has been filed for recovery for ₹ 6.62	6.62	Details Not Available
4	BYL V/s Ameri Gas	593/96	Civil Court, Kolkatta	Civil suit has been filed for recovery for ₹ 3.13	3.13	Details Not Available
5	BYL V/s Mohanty & Company	73/2001	Civil Court, Bhubaneswar	Recovery suit filed against the dealer for ₹ 24.00	24.00	Details Not Available
6	BYL V/s UniversalEngg	123/99	Metropolitan Court	Case u/s 138 filed against the	7.00	Details Not Available

			Coimbatore	dealer for bouncing of cheque for ₹ 7.00		
7	Unitech Service Centre V/s BPSL	108/05	Sub Judge Tirupattur, TN	Recovery suit filed by the dealer for a sum of ₹ 3 Lacs + interest. For ₹ 3.00	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 for ₹ 0.40	0.40	Details Not Available
9	Smt. Rashmi arora V/s Bpsl	65/2009	Sh. Bhupender Singh, Civil Judge, Senior Division, Ruderpur.	1.75 lacs	Civil suit for recovery	Suit partially decreed for ₹ 39898/- along with interest @ 12 % form date of credit notes till 12-08-2009 and 6 % thereafter till payment

(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. Claiming a Sum of ₹ 2,25,000 matters 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	Reference Dismissed.
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	743/20 00	State Forum, Lucknow	Complaint regarding defective generator	0.16	Bench not Sitting
3	Mod V/S G.K Seth	592/19 92	State Comission Lucknow	Complaint regarding defective generator appeal	0.93	Bench not Sitting
4	Sehgal Enterprises V/S Ajay Kumar	2560/2 000	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 Ahmed V/S BPSL	231/05	Conumer Forum Saharanpur	Complaint against the defective inverter	0.70	Details Not Available
6	Vinayak James V/S BPSL	11/06	Consumer Forum Jaipur	Claimed a sum of ₹ 88,000/- towards defective inverter & battery	0.88	Details Not Available
7	Ajit Kr Jain V/S BPSL	24/06	Consumer Forum Agra	Execution petition filed	0.24	Details Not Available
8	Shyam Khemka V/S BPSL	71/06	Consumer Forum Sonbhadra	Complaint against the defective inverter & battery	1.75	Details Not Available
9	Naresh Kumar V/S BPSL	140/07	Consumer Forum Merrut	Claim against the defective inverter	Amount Not Mentioned.	Details Not Available
10	Tarun Sharma V/S BPSL	66/07	Consumer Forum Sawai Madhopur Rajasthan	Claim against the defective battery	0.20	Details Not Available
11	Khairatilal V/S BPSL	116/06	Consumer Forum Saharanpur	Claim against the defective inverter & battery	0.15	Details Not Available
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 Not Available
13	Simon Nv V/S BPSL	528/05	Consumer Forum Thrussur	Replacement of inverter + /refund alongwith interest @ 12%p.a.	0.25	Details Not Available
14	Dr Rajkumar V/S BPSL	69/07	Cf Kannur	Compensation for defective inverter including compensation towards mental agony etc	0.45	Details Not Available

15	Shatrughan Prasad Sinha V/S BPSL	202/06	Consumer Forum, Chapra	Replacement of defective inverter + compensation	0.32	Details Not Available
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 Not Available
17.	Ramchander a R Singh V/s Dipshru Enterprises & BPSL	233/08	Comumer Disputes Redressal Forum Thane	Complaint against the defective goods ( generator / inverter )	Amount Not Mentioned In Court Notice	Details Not Available
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 of ₹ 55,350/-+ interest @ 12% + Comp. 25,000 + 550 As cost of Petition.	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 i.e. 55,500 + Comp. of ₹ 1,00,000 + other	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	Complaint u/ sec 13 of consumer protection act for a compensation against the defective supply of Genset		Written arguments

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(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 (₹ in Lacs)	Current Status Of The Case
1.	Sindhu Electric, Chennai, Tamilnadu	CC/1068 5/04	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 of hearing for proceedings under section 82/83 of CrPC. On 23-05-2011 fresh affidavit tendered and file ordered to be consigned to record room after the accused having been declared absconder.
2.	Sym Power System, Cochin, Kerela	CC/316/01	Sh. Nipun Awasthi, MM, Saket Courts, New Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	4.64	summoned of accused on payment of pf
3.	Japan Trading Corporation, Trichy, Tamilnadu	CC/8761/04	Miss Charu Gupta, M M. Saket Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.40	Next date of hearing 12-09-2011 Issued NBW Against The Accused And To Be Executed
4.	Japan Trading Corporation, Trichy, Tamilnadu	CC/8762/04	Miss Charu Gupta, M M. Saket Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	5.10	Next date of hearing 12-09-2011 Issued NBW's Against The Accused And To Be Executed
5.	Universal Engineering, Coimbatore, Tamilnadu	CC/708/04	SH. Arvind Bansal, MM, Patiala House Court, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	11.50	Issued NBW's against the accused and to be executed..
6.	Universal Engineering, Coimbatore, Tamilnadu	CC/705/04	SH. Arvind Bansal, MM, Patiala House Court, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.78	Issued NBW's against the accused and to be executed

7.	Universal Engineering, Coimbatore, Tamilnadu	CC/1098/2/04	SH. Vikrant Vaid, MM, Saket Courts, New Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	11.50	Next date of hearing 22-11-2011 Issued NBW's against the accused and to be executed
8.	Universal Engineering Coimbatore, Tamilnadu	CC/6224/04	SH. Vikrant Vaid, MM, Saket Courts, New Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	13.00	Next date date of hearing 22-11-2011 Issued NBW's against the accused and to be executed
9.	Goodwill Auto, Hubli, Karnataka	CC/1001/C/2004	Sh. Anuj Aggarwal, MM, Saket Courts, Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	25.00	For Cross-examination of complainant's witness
10.	Arun Pratap Singh (Ps Moto), Gurgaon Haryana	CC/329/02	SH. Nipun Awasthi, MM, Saket Courts, New Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	5.00	For summoning Of Accused On Payment of PF
11.	Gautum Moto, 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	Notice has been issued to accused and his sureties.
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	Issued BW's against the accused and to be executed.
13.	Kendrapara, Kendrapa, Orissa	CC/6624/01	SH. Anuj 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	Summons against the accused on PF. Next date awaited
14.	Yash Motors., Bulandshahr, UP	CC/208/02	Miss. Bhawna Kalia, 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	Issued NBW's against the accused and to be executed.
15.	Vijayalakshmi, Theni, Tamilnadu	CC/1349/02	SH. Vikrant Vadya, MM, Saket Courts, New Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.99	Matter fixed for Summons issued against the accused and P.F, filed.
16.	Atchaya Power House, Thanjavur, Tamilnadu	CC/1276/02	SH. Vikrant Vadya, MM, Saket Courts, New Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	2.50	Next date of hearing awaited For Court notice.
17.	Kamal Moto, Gurgaon Haryana	CC/1299/02	SH. Vikrant Vaid, MM, Saket Courts, New Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	For summoning Of Accused On Payment of PF



	Anandpur, AP	02	Vadya, MM, Saket Courts, New Delhi	BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.		of accused
18.	Kamal Moto, Anandpur, AP	CC/1275/02	SH. Vikrant Vadya, MM, Saket Courts, New Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.50	for summoning of accused
19.	Power Point, Padukottai, Tamilnadu	CC/1422/03	Sh. Parveen Singh, MM, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.72,	Matter list for appearance
20.	Power Point, Padukottai, Tamilnadu	CC/1427/03	Sh. Parveen Singh, MM, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.00	Matter list for appearance
21.	Madumati Enterprises, Baripada, Orissa	CC/426/03	Miss. Geetanjali Goel, 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	FOR BW of the accused
22.	B.N Kejriwal, Burdwan, West Bengal	CC/03/2003	SH. Manoj Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.32	Matter list for summoning of accused and payment of PF.
23.	Unitech, Vellore, Tamilnadu	CC/3665/03 CC/562/02	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	Issued BW's against the accused and to be executed.
24.	Unitech, Vellore, Tamilnadu	CC/3666/03 CC/563/02	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.	0.25	Issued BW's against the accused and to be executed.
25.	Diamond Documentation, Vellore, Tamilnadu	CC/3662/03	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.	3.00	Issued BW's against the accused and to be executed.
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	Issued BW's against the accused and to be executed
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 date of hearing awaited Matter fixed for Evidence
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 Accused For Dishonor Of Cheque.	10.00	Next date of hearing awaited Matter fixed for Evidence



29.	Sawan Power Pvt. Ltd., Delhi	CC/3444/1/2003	SH.Arvind Bansal, 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	Case listed for post summing evidence of the complainant.
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	for NBW of the accused and notice to surety.
31.	Sawan Sales Agencies Pvt. Ltd., Delhi	CC/352/03	SH. Arvind Bansal, 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	for NBW of the accused and notice to surety.
32.	Sakthi Marketing, Cudalore, Tamilnadu	CC/352/1/03	Sh. Vikrant Vaid, 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 date of hearing 12-09-2011 Matter fixed for appearance
33.	Shakti Automobiles, Maharaj Ganj, U. P.	CC/09/2004	SH. Manoj 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 date of hearing 30-09-2011 For Summoning Of Accused On Payment Of Pf
34.	Priya Enterprises, Cochin, Kerela	CC/3054/04	Sh. Vikrant Vaid, M.M, Saket Courts, New Delhi.	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.00	Issued BW's against the accused and to be executed.
35.	Priya Enterprises, Cochin, Kerela	CC/3055/04	SH. D K. Jangla 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	Issued BW's against the accused and to be executed.
36.	Gen Power, Trichy, Tamilnadu	CC/3056/04	SH. Manoj Kumar, MM, , Patiala House, Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	1.50	Issued NBW's against the accused and to be executed.
37.	Gen Power, Trichy, Tamilnadu	CC/3057/04	SH. Manoj Kumar,,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	Issued NBW's against the accused and to be executed.
38.	Gen Power, Trichy, Tamilnadu	CC/3058/04	SH. Manoj Kumar,, 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	Issued BW's against the accused and to be executed.
39.	Gen Power, Trichy, Tamilnadu	CC/3059/04	SH. Manoj Kumar,, 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	Issued NBW's against the accused and to be executed.
40.	Gen Power, Trichy, Tamilnadu	CC/3060/04	SH. Manoj Kumar,, 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	Issued NBW's against the accused and to be executed.

41.	Gen Power, Trichy, Tamilnadu	CC/3061/ 04	SH. Manoj 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	Issued NBW's against the accused and to be executed.
42.	Gen Power, Trichy, Tamilnadu	CC/3062/ 04	SH. Manoj 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	Issued NBW's against the accused and to be executed.
43.	Gen Power, Trichy, Tamilnadu	CC/3063/ 04	SH. Manoj 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	Issued BW's against the accused and to be executed.
44.	Gen Power, Trichy, Tamilnadu	CC/3064/ 04	SH. Manoj 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	Issued NBW's against the accused and to be executed.
45.	Gen Power, Trichy, Tamilnadu	CC/162/0 5	SH. Manoj 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	Issued NBW's against the accused and to be executed.
46.	Gen Power, Trichy, Tamilnadu	CC/163/0 5	SH. Manoj 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	Issued NBW's against the accused and to be executed.
47.	Gen Power, Trichy, Tamilnadu	CC/499/0 5	SH. Manoj Kumar,, M.M., Patiala House Courts. Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.31	Issued NBW's against the accused and to be executed.
48.	Gen Power, Trichy, Tamilnadu	CC/500/0 5	SH. Manoj Kumar,, 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	Issued NBW's against the accused and to be executed.
49.	GEN Power, Trichy, Tamilnadu	CC/ 1229/05	SH. Manoj Kumar,, 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	Issued NBW's against the accused and to be executed
50.	Delta Enterprises, Visakapatnam, A.P	CC/166/0 5	Miss. Bhawna Kalia, 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	NBW's of the accused issued.
51.	Delta Enterprises, Visakapatnam, A.P	CC/165/0 5	Miss. Bhawna Kalia, 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	NBW's of the accused issued.
52.	Delta Enterprises, Visakapatnam, A.P	CC/164/0 5	Miss. Bhawna Kalia, 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	NBW's of the accused issued
53.	K.S Automobiles, Machilapatna m	CC/1498/ 05	SH. Manoj Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	3.38	Next date of hearing 17-10- 2011 Issued BW's against the

						accused and to be executed
54.	Maresh Enterprises, Bolangir Orissa	CC/27/5/05	SH. Manoj Kumar, 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	Issued BW's against the accused and to be executed
55.	Cadia Systems, Malapuram Kerela	CC/2250/05	SH. Manoj Kumar, 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 date of hearing 30-09-2011 Matter fixed for Appearance
56.	Cadia Systems, Malapuram Kerela	CC/2137/05	SH. Manoj Kumar, 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 date of hearing 30-09-2011 Matter fixed for Appearance
57.	Cadia Systems, Malapuram Kerela	CC/2138/05	SH. Manoj Kumar, M.M, Patiala House Courts, Delhi	Complaint Filed By BPSL U/S 138 N. I. Act against The Accused For Dishonor Of Cheque.	0.59	Next date of hearing 30-09-2011 For summoning of accused on payment of pf/rc/etc
58.	Online Systems, Nagpur, Maharashtra	CC/2139/05	Miss. Bhawna Kalia, 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	For Framing of notice to accused
59.	Bhajan Enterprises, Nagaur, Rajasthan	CC/117/01	Miss. Bhawna Kalia, 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	For fresh address.
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 date of hearing 20-10-2011 Appeal u/s 378.CR. P.C. against the accused for summoning of respondents.

(vi) Sales Tax cases:

Sr. No	Name of Act	Amount ₹ 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
	<b>TOTAL</b>	<b>969.17</b>	

**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 (₹)	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 ₹18,117 (inclusive of interest) on failure of the opposite party to comply with the order placed with it by the Company on 25 <sup>th</sup> January 2000.	18,117/- (inclusive of interest)	Decree was obtained in the favour of the Company on 25 <sup>th</sup> 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 ₹ 77,388 by way of construction bill.	77,388/-	Ex-parte order was passed on 2 <sup>nd</sup> September 2002 in favour of the Company and the opposite party was decreed to pay ₹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 ₹ 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 ₹ 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 <sup>th</sup> 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 (₹)	Current status/ next date
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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 ₹ 10,000/- paid as advance to the party for supply of T-shirts was demanded by the Company. The party issued a cheque for ₹ 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.	10,000/-	Case Settled out of Court. Payment received. Application given for withdrawal of the case.
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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 (₹)	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 Nil
- (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 (₹)	Current Status
1	Mr. Satish Vicharen, Proprietor M/s. Satish Book Distributors, Pune	4136SS/07 Metropolitan Magistrate, 23 <sup>rd</sup> Court at Esplanade, Mumbai	Complaint u/s 138 of the Negotiable Instruments Act, 1881	8,338	Being Heard

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	Name of the Court/tribunal	Brief History	Amount in Dispute (₹)	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, Metropolitan Magistrate, Mumbai	Argument on Application for discharge is pending. Settlement proposal has failed.	3,00,000	Argument on Application for discharge is pending. Next Date awaited
2.	M/s Roshanlal Gupta & Sons & Partners, Mr. Anil Kumar Gupta, Mr. Gaurav Gupta	1094/SS/ Of 2007	23, Metropolitan Magistrate, Mumbai	Argument on Application for discharge is pending. Settlement proposal has failed. Case has been filed by the Company under section 138 of the Negotiable instruments Act for the recovery of ₹ 600000/- against cheque.	300000/-	Argument on Application for discharge is pending. Next Date awaited



3.	M/s Unique Flooring, Mr. Subhodh Khandelwal, Mr. Atul Khandelwal	3319/SS/ Of 2007	23, Metropolitan Magistrate, Mumbai	Fresh Bailable Warrant executed against Accused. Case has been filed by the company under section 138 of the Negotiable Instruments Act for the recovery of ₹ 1235690/- against cheque.	1235690/-	Fresh Bailable warrant issue
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(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 dated awaited

(iii) Provident Fund

Case no 102 (14) 09 BTCL Vs EPF APPELLATE. Under Tribunal hearing.

(iv) Cases filed against BTCL pertaining to Tax Disputes

S. No.	Income Tax, New Delhi	Demand / Penalty	Remarks	Present Status
01.	A. Y. 2003 – 04	₹ 27,32,253	Penalty Imposed by CIT Appeal. Reason for disallowing is amount written as ₹ 52,66,627 by BTCL	BTCL gone to Tribunal Appellate.
02.	A. Y. 2006 – 07	₹ 1,71,201	Penalty imposed by Assessing Authority.	Case pending with CIT Appeal.
03.	A. Y. 2008 – 09	₹ 1,05,33,346	Penalty / Demand imposed by Department in Scrutiny by disallowing Unsecured Loan taken by BTCL from Group Companies amounting ₹ 3,50,15,937	BTCL gone in Appeal

S. No.	Sales Tax, New Delhi	Demand / Penalty	Remarks	Present Status
01.	A. Y. 2002 – 03	LST - ₹ 93,861 CST – ₹ 59,500	Case remanded by Sales Tax Commissioner for further Assessment.	Pending with Assessing Authority.
02.	A. Y. 2003 – 04	LST – ₹ 1,76,835 CST – ₹ 2,63,293	Case remanded by Sales Tax Commissioner for further Assessment.	Pending with Assessing Authority.
03.	<b>Civil Suit,</b> Fazilka Court	₹ 4,77,065	Party demanded ₹ 2,60,286 as Principal amount & ₹ 2,16,778 as an Interest Amount.	The Case is pending with sub judicial magistrate , Fazilka.

- 1) One appeal filed at Appellate Tribunal, New Delhi on 06/10/2009 for ₹ 17,25,392 with interest from the date of payment till the refund being granted. It is still pending before the adjudicating authority. No hearing till date.

- 2) Contempt Petition filed against Excise Department at Allahabad High Court against our refund of ₹ 17, 25,392 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	Next date is awaited
3	L.C. II	A.R.Jaidi	Evidence	294/2001	Next date is awaited
4	L.C. I	Bholeram	Worker Cross	687/2001	Next date is awaited
5	L.C. I	Noor Mohd.	Worker Cross	689/2001	Next date is awaited
6	L.C. I	Santosh	Worker Cross	695/2001	Next date is awaited

\* 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

(5) 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 ₹	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 ₹	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 ₹ 2,51,490/- against dishonour of cheque.	2,51,490/-	Next date of hearing is 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 date of hearing is awaited

(iii) Labour cases against BMTL:

Name of the Opposite Party	Case No. & Name of the Court	Brief History	Amt in Dispute ₹	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 – <b>date awaited</b> 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: Nil

**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 ₹122544/- was due to the Company, filed a claim for ₹91286/- before Bombay High Court in 2005.	₹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.	604695.68	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 Lodgement no. 2095/ 2006. Counter claim no. 22/2007	High court Mumbai	The company has filed a counter-claim for ₹122544/- with the Bombay High court in the matter.	122544 + interest @18%	Pre-admission Stage

(iii) Relating to tax laws:

Assessment Order Challenged	Assessing Authority	Date issued	Claim Amount	Remark
<b>Income Tax</b>				
Assessment Year – 2007-08	Dy.Comm. of Income Tax – 8(2)	13/10/2008	₹806,280	The said order was received under section 115WE. The Company has filed a letter of rectification with the said Authority.

<b>ESIC</b>				
October 1995 to December 1996	Regional Director- ESIC Kanpur	17/11/2003	₹135,627	₹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 (₹)	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 <sup>th</sup> 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	As per the direction of the court the matter is settled and the settlement amount to be paid by 31 <sup>st</sup> August 2011.
(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 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.	----	Order is passed in favour of the company in the Labour court, now Employees have filed an Appeal in the Industrial court vide ULP No. 06/2011, the proceedings are in progress.
(3)	Maharashtra Rajya 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	----	The Company has now filed an application to the First Labour Court at Thane for reviewing the Original Interim Order dated 4 <sup>th</sup> April 2001.  The next date of

			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.		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)	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. Matter is pending.
(6)	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.	----	Filed an Appeal. Appeal pending for hearing..
(7)	THPL V/S Tehsildar - Murbad	NAA/Appeal/SR/19/08	Penalty of ₹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. Matter is under revision.
(8)	THPL V/S Kashinath R Hindurao	31/09 at Murbad	Gate A has been obstructed by party	----	Matter is being heard.
(9)	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. Revised Application submitted on 12-01-2011, case is pending.

(10)	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. Next date of hearing 14-09-2011.
(11)	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.	----	Matter is being heard
(12)	Mr. R K Sathe	Dy. Comm. Of Labour	Company has paid Gratuity but individual is claiming that he has not being paid the Gratuity amount and hearing is at appellant Authority i.e. Dy. Labour Comm. Nasik, on Gratuity order, filed Appeal to appealing authority on 18-09-2009 and the matter is sent for re-assessment to the controlling Authority.		P.A. Interest on the Gratuity amount ₹ 11,264/- within 30 days from the date of the order i.e. 25-07-2011. Company is again filing appeal to Appellant Authority.
(13)	48 Workmen individually		48 Workmen individually filed the case in labour court for claiming old dues		WS in one case has been filed.

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 (₹)	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 ₹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) in respect of cash discount given by the Company's Tool division to its customers.	Not ascertainable.	Tool Division case will be trfd post de merger
3.	Central Excise Department	Appl. No. E/ 2507/ 04 Mum Dy. Comm. of	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	4,96,000	Next hearing date awaited.

		Appeal Amravati	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.	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 <sup>nd</sup> 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 ₹ 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 notice and has prayed that the proceedings be stopped. The Next hearing date awaited.	1,14,53,344	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 <sup>th</sup> January 1992 demanding duty of ₹11,86,325.32/- and ₹ 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 <sup>th</sup> November 1997 to the Customs, Excise & Gold (Central) Appellate Tribunal, New Delhi (CEGAT), which was dismissed by order dated 19 <sup>th</sup> December,1997. the Company filed an application for rectification of mistake in the said order dated 19 <sup>th</sup> December 1997 before the CEGAT on 21 <sup>st</sup> March 1998. In response to the Company's application for rectification, an order was passed by the CEGAT on 10 <sup>th</sup> 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 <sup>th</sup> 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/E XP/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/-	As per discussion at CESTAT, some of the similar type of cases are pending at Apex/High court and they are waiting for their decision. Matter is pending.
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/-	Appeal No. 717 dated 03-05-2011 and Appeal No. 727 dated 04-05-2011 filed by us at CESTAT. Part heard. 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/-	Ae per discussion with department officers, some of the similar type of cases are pending at CESTAT/Apex/High court and



					they are waiting for their decision. Matter is pending.
12.	Excise Department	SCN NO.V/ADJ9S CN)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 500,000/-	As per discussion with the consultant, CESTAT has still hold the part heard for all cases related to the circular issued by the department. Matter is pending.
13.	Customs Department	SCN NO.Cus(M & P)ALB/PNP0 7/2008/1661 DT.30.05.2008 Commissioner of Customs (Appeal)	Demand of redemption fine of ₹14.75 lakhs on Zenith Birla (India) Limited and ₹ 2.5 Lakhs on Shri N.K. Chaudhari	14.75 lakhs +2.5 lakhs	Company has filed an Appeal with CESTAT ON 13.08.2009. Appeal awaited.
14.	Customs Department	SCN No.V/Adj./SC N/15-166/Zenith/R GD/07-08, New Panvel dt. Jan, 2009 Commissioner of Central Excise, Raigad Division	The Company has replied to the Show Cause Notice on 12 <sup>th</sup> August, 2009.	35,32,236/-	As per discussion with the consultant, CESTAT has still hold the part heard for all cases related to the circular issued by the department. Matter is pending.

15.	Joint Sales Bangalore Comm. Tax	Karnataka Appellate Tribunal	As per the Assessment Order dated 18 <sup>th</sup> 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 ₹13,81,931/-. The Company appealed before the Joint Commissioner of Commercial Taxes (Appeals), Belgaum but the appeal was dismissed on 14 <sup>th</sup> July 2004. The Company has appealed before the Karnataka Appellate Tribunal at Bangalore on 30 <sup>th</sup> August 2004 against the order dated 14 <sup>th</sup> 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 ₹ 2490787 is payable from 09.07.04 to 31.12.06. Of this ₹ 1617255 is already paid through TR6 Challan. Interest under Section 75 and penalty under Section 76, 77 & 78	As per discussion at HQ Panvel, some of the similar type cases are pending at CESTAT/A pex/high court and they are waiting for their decision. Matter is pending.
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/-	Appeal filed at CESTAT on 18-03-2011. Part heard, awaited.
18	Commissioner of Central Excise and Customs Preventive.	SCN No. V/PI/GR-II/Rgd/Zenith birla/20/2010/ 10267/New Panvel dt. 06-08-2010	Supply made to SEZ without discharging the applicable Export duty, after discussion with our Range Superintendent we discharged the duty amounting ₹ 1,57,093/- through our Cenvat A/c and afterwards the same is deposited through PLA. Reply to Show Cause Notice filed on 26-09-2010. Part heard attended on 21-02-2011 and written submission was given. Interest and penalty	1,57,093/-	Order No.RGD/K PL/DC/45/2 010 Dated 17.03.2010 passed by the Dy. Commissioner in our

			under section 28 AB, 113 (1), 114, 114A, of Customs Act, 1962. Order No. RGD/KPL/DC/45/2010 Dated 17.03.2010 passed by the Dy.commissioner in our favour and waive the Penalty & Interest.		favour and waive the Penalty & Interest. As per discussion with the Consultant the Refund of the same is not possible because the SCN is issued for the Penalty & Interest and the same is waiver now. Now case is required to be closed.
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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 (₹)	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 ₹ 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	49,036	Yet to come up for hearing

			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 ₹ 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.		
(3)	Joint Comm. Sales Tax	Karnataka Appellate Tribunal	As per the Assessment order dated 18 <sup>th</sup> 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 ₹13,81,931/-. The Company appealed before the Joint Commissioner of Commercial Taxes (Appeals), Belgaum but the appeal was dismissed on 14 <sup>th</sup> July 2004. The Company has appealed before the Karnataka Appellate Tribunal at Bangalore on 30 <sup>th</sup> August 2004 against the order dated 14 <sup>th</sup> 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 <sup>th</sup> 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 ₹ 4,00,986/- from the Company for the period from 25 <sup>th</sup> July 1989 to 31 <sup>st</sup> March 1992 under the said Act, by an order dated 8 <sup>th</sup> February 1996. the Company filed an application dated 12 <sup>th</sup> March 1996 for review of the impugned order, but the Company's plea was not granted and it was directed to pay the	4,00,986	Hon.High Court has passed the order and returned the matter to PF Commissioner Aurangabad. matter is in progress.

			amount. The Company has filed a writ petition in the High Court, Bombay on 17 <sup>th</sup> 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)	Asst. Comm. Sales Tax, Kolkata	---- CTO Kolkata	In August 2003, the Sales Tax Department (West Bengal) claimed ₹ 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	Demand Note not received from Department
(6)	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
(7)	Asst. Comm Sales Tax, Kolkata	CTO Kolkata	In March 2009 the Sales Tax Department (West Bengal) claimed ₹ 1,69,401/- from the Company for the financial year: 2006-07 Assessment order received and appeal to be made	1,69,401	Demand Note not received from Department
(8)	<b>Joint Comm. Sales Tax</b> Bangalore	Karnata High Court	Based on the Hon. High Court decision the Karnataka Sales tax have issued a Demand note of ₹ 80.79 L towards Entry tax demand from 2002-03 to 2007-08 and fine and penalty of ₹ 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.

iv. Civil Cases filed against ZBIL :

Sr. No.	Name of opposite party	Case No. & Name of the Court	Brief history	Claim amount (₹)	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 ₹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 <sup>th</sup> August 2003 and the suit is pending. The date of hearing was 14 <sup>th</sup> August 2007 and the Company has been asked to hand over possession of the property before 30 <sup>th</sup> November, 2007. The Company has filed appeal against the order and Next hearing date awaited.		The next date of hearing for appeal filed by us is 12-08-2011
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 ₹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 ₹7,72,912 along with interest @ 18% p.a. which was stayed till	15,00,000	The above mentioned RFA (“Regular First Appeal”) has been filed by us against the order of the

			the decision of the previous suit instituted by Ramson Enterprises.		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 ₹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 <sup>th</sup> May 2002 against the Punjab State Electricity Board (PSEB) in the Dispute Settlement Authority, PSEB. An order was passed on 25 <sup>th</sup> August 2003 against Shreyans Industries Ltd. for a claim of ₹19,57,000/- Shreyans Industries Ltd. made a counter claim on Zenith Ltd. as the Paper Division was purchased from the Company. Shreyans	19,57,000	Next hearing date awaited.

			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 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 <sup>th</sup> November, 1991 by Royce Dyestuffs Company against Zenith Ltd. for recovery of ₹ 99,999/- for the goods supplied to the Company. An ex-parte money decree was passed against the Company for ₹ 99,999/- with interest on 22 <sup>nd</sup> 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 <sup>nd</sup> July, 1996 in the Court of the Additional District and Sessions Judge, Delhi on 23 <sup>rd</sup> 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 ₹24,369.66 to the party. The Company filed an appeal against the said order on 6/6/2007.	24370	File is missing from Court. The party is also not responding
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

v. Civil Cases filed by ZBIL :

Sr. No.	Name of opposite party	Case No. & Name of the Court	Brief history	Claim amount (₹)	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 ₹ 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 <sup>rd</sup> September 1992 in the High Court at Bombay against M/s. Khatri Bros. & Anr. To claim an amount of ₹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 <sup>rd</sup> 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 ₹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 <sup>th</sup> June 1998 favouring the Company.	10,58,642/-	Decree yet to be executed
4.	Modi Dyes and Chemicals	Suit No. 728 of 1982.	The Company had filed a Suit in 1982 in the High Court, Bombay against	3,40,946/-	Decree time barred.

	Industries.	High Court, Bombay.	M/s. Modi Dyes and Chemicals for recovery of ₹1,12,689.64/- alongwith interest on ₹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 ₹3,40,946.26/-		
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 ₹ 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 <sup>th</sup> December 2007	68,820/-	Disposed off. Decree yet to be executed.
7.	Indian Roadways	Suit No.3897of 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 ₹ 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 <sup>th</sup> January, 1984 for ₹1,96,906.50 plus interest @ 2% per annum from 19 <sup>th</sup> 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.	Deegee 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 ₹ 8,72,110 which is yet to be executed as the property declared by	8,72,110	Decree is yet to be executed.

			the partners of Defendants firm are not sufficient to recover full dues.		
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 ₹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 <sup>th</sup> April 1997 for winding up of Grand Foundry Limited because of their failure to repay ₹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 <sup>th</sup> July 1998 admitted the petition. The other party filed an Appeal against the said order, which was dismissed on 3/8/1989. 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 ₹ 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 ₹2,30,496.65 towards an amount	3,74,273 as claimed by Defendant in court claim	Yet to come up for final hearing

			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.		
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 <sup>th</sup> January 1992 in the Punjab & Haryana High Court against the award dated 10 <sup>th</sup> March 1998 of the Arbitrator directing the Company to pay ₹ 2,50,000/- to Meghdoot Publishers towards security deposit lying with the Company and rejecting the Company's claim of ₹ 11,11,942/- towards material supplied to Meghdoot Publishers. The appeal is pending.	11,11,942/-	Next hearing date awaited
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. Inspite of repeated request, MIDC has refused to withdraw the notice. Hence the Company has filed a case, seeking	Not ascertainable.	Matter is at the stage of submitting the w.s. from MIDC on our

			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 <sup>th</sup> September 2004, the Hon'ble Court has issued a stay order to MIDC from repossessing the plot till the final disposal of the matter.		amendment submission. Next date of hearing is awaited
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 unauthorized 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 ₹ 53,314/- along with interest of ₹ 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 <sup>th</sup> October, 1983 for recovery of a loan granted to Amitabh Textiles Mills Ltd. and has claimed the amount with interest on ₹ 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,		Yet to come up for hearing

			New Delhi, for the Company on the payment of an advance of ₹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 ₹72,750/- alongwith interest . The suit is yet to come for hearing		
23.	Kaithan Fenesty holdings P Ltd.	S 1497 of 1987	Suit filed to recover sum of ₹ 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 (₹)	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 ₹5,98,000/- the Metropolitan Magistrate, 28 <sup>th</sup> Court passed an order to dispose off the property and to deposit a sum of ₹ 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 <sup>th</sup> 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 <sup>th</sup> 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	----	Yet to be taken on Board

			has been admitted and is pending for hearing.		
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	File misplaced by Court Admin. (Application for the same is put up by our Advocate in the court)

Note :Tungabhadra Holdings Pvt. Ltd

The Hon'ble High Court of Judicature of Mumbai vide its Order dated January, 8<sup>th</sup> 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 391and 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

<b>Sr. No.</b>	<b>Name of Parties</b>	<b>Brief History</b>	<b>Current Status</b>
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

#### 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 8<sup>th</sup> 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

**10. Birla Pacific Medspa Limited (BPML)**

- |       |                                |   |     |
|-------|--------------------------------|---|-----|
| (i)   | Civil Cases filed against BPML | : | Nil |
| (ii)  | Civil Cases filed by BPML      | : | Nil |
| (iii) | Criminal cases against BPML    | : | Nil |
| (iv)  | Criminal cases filed by BPML   | : | Nil |
| (v)   | Trademarks 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 <sup>nd</sup> 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 <sup>th</sup> 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.



**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	₹ 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 (₹ 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. Pending
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 be half of Company's Advocate appeared there is no appeal to the Decree. Matter is pending for recovery notice Warrant is issued and pending. Next date awaited.
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	2,59,000	Matter is pending.

			obtained by Party and pending for execution		
6	Associated Engineering	172/2003 Recovery Civil Suit 5 <sup>th</sup> Adhoc Addl District Judge, Kolhapur	Recovery Suit filed by the Party	7,74,287	Stay application filed before Sr. Division Court, 21-07-2011
7.	Laxmi Traders	Suit No O.S.5793 CITY CIVIL Judge, Bangalore	Matter is pending at Bangalore	1,68,658	Matter is pending. Last date was 13-07-2011 when asked to submit latest status on BIFR.

(ii) Cases filed by the Company : Nil

### **3. Birla Bombay Private Limited (BBPL)**

i. Court Matters:

<b>Name of the Opposite Party</b>	<b>Case No. &amp; Name of the Court</b>	<b>Brief history</b>	<b>Current status</b>
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 Next Date awaited .

(ii) Cases Filed against the company: Nil

(iii) Cases filed by Birla Bombay Private Limited: Nil

4. **Birla Concepts India Private Limited** : Nil

5. **Birla Edutech Ltd:** Nil

6. **Birla Electricals Ltd:** Nil

7. **Birla Global Corporate Private Limited:** Nil

8. **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 & Others.	Bandra	Consumer Dispute	16 <sup>th</sup> May, 2005	Appeal filed by company was allowed and matter remand back to Bandra court. Next Date awaited .

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	₹ 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 ₹ in Lacs	Status
1.	Ruchison electronics	4082/SS/08	23 <sup>rd</sup> 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 proclamation allowed Next Date is awaited

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 Lifestyle Pvt. Ltd** : Nil

11. **Birla Viking Travels Ltd**

Cases filed by Viking

Sr. No.	Name of Party	Case No.	Name of the Court	Nature of Case	Amount in Lacs	Status
1.	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	Disposed off.
2.	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	Warrant issued

12. **Ashok Birla Apollo Hospital Pvt. Ltd.:** Nil

13. **Birla Aircon Infrastructure Pvt. Ltd.:** Nil

14. **Birla Integrated Textile Park Ltd.:** Nil

15. **Birla Surya Ltd.:** Nil

16. **Birla Energy Infra Ltd.:** Nil

17. **Birla Urja Ltd.:** Nil

**18. Laxmi Properties Ltd.:**

**Cases filed against the company**

<b>Sr. No</b>	<b>Name of the Party</b>	<b>Name of the court</b>	<b>Case No.</b>	<b>Claim</b>	<b>Status</b>
1	Avantika CHS	High Court at Mumbai	Suit No. 1961 of 2010 – Juhu Property	Suit filed for execution of Conveyance, Cancellation of allotment of parking and illegal sale of terrace. <b>Notice of Motion dismissed on 21.12.10</b>	As per listing
2	Avantika CHS	High Court at Mumbai	Appeal No. 64 of 2010 – Juhu Property	Appeal filed by the Society against the Order of Dismissing Notice of Motion for Ad Interim reliefs on 21.12.10. Order passed on Notice of Motion on 11.2.2011 – Appeal admitted	The matter will come up for final hearing in due course
3.	Rehmat Betty Kapadia	High Court at Mumbai	Civil Revision Appln. No. 819 of 2009 – Juhu Property Dimple Kapadia	Petitioners have filed CRA against the eviction decree of trial court and obtained a stay order in respect of eviction proceedings. Bungalow situated at Birla Lane.	Matter is being heard
4.	MCGM	Metropolitan Magistrates 41 Court, Dadar	4100092/SW 2010	Laxmi House – Matunga Property regarding Notice issued by MCGM u/s 354 for pulling down the building as the same is dilapidated condition. Lakshmi Properties have forwarded the said notice to all the tenants but the tenants have refused to vacate the premises.	Order passed in our favour on 19.5.11

**Cases filed by the Company**

<b>Sr. No</b>	<b>Name of the Party</b>	<b>Name of the court</b>	<b>Case No.</b>	<b>Claim</b>	<b>Status</b>
1	M.S. Khokhars	Court of Small Causes at Mumbai	R.A & E Suit No.846/ 1816 of 1994	Defendants committed the breach of consent term dated 16.8.73 filed in R.A. & E suit No. 7938 of 1973 and sub-let the premises, hence the present R.A.&E suit has been filed – for Birla	Matter is being heard

				Mansion at Prathana Samaj, Girgaon	
2	Universal Cables Ltd.	Court of Small Causes at Mumbai	R.A & E Suit No.11 of 2008	Suit for Eviction is filed against occupants of a Servant Quarter (suit premises at Birla House, Nepeansea Road, Mumbai) employed by the Defendant Company (Working capital is above ₹1 crore hence T.E. & R Suit is filed) – In all there 8- 9 Servant quarters of which 1 is occupied by Universal Cables. Cross examination of Plaintiff was done on 22.7.11	Matter is being heard
3.	Baban Bhiku Sapkal	Court of Small Causes at Mumbai	R.A & E Suit No.1184/2299 of 2010F	Laxmi House – Matunga Property (18 Suits) for the recovery of possession of the suit premises.	Matter is being heard
4.	MCGM & A11	Court of Small Causes at Mumbai	Municipal Application No. of 2010	Laxmi House – Matunga Property – Suit filed under section 507 of MMC Act for possession of property	Matter is being heard
5	Mita Khimji	Court of Small Causes at Mumbai	RAE Suit No. 245/2010	Birla House – Nepeansea Road – Suit for eviction filed against the shop on bonafide requirement of ground	Matter is being heard
6	Yogendra Desai	Court of Small Causes at Bandra	RAD Suit No.846/1816 of 1994	Juhu Property – suit for Declaration of tenancy in respect of property which was given to company(Clariant India Ltd.) to be used as one of the Directors Residence. Bungalow adjacent to Avantika	Matter is being heard
7	West End Hotels Ltd	Court of Small Causes at Bandra	Suit filed	Suit for eviction filed against them on the ground of bonafided requirement.	

#### Related to Tax Matters

Sr. No.	Assessment Order Challenged	Assessing Authority	Claim Amount ₹ In Lacs	Date instituted	Status
1.	Assessment year 2006-07	CIT (Appeal) for disallowance u/s 14A	0.50	12.01.99	Hearing date awaited

Default in payment of undisputed statutory dues

As at March 31, 2011 our company had outstanding liability towards undisputed statutory dues amounting to ₹3.87 lacs details of which are as under :-

Name of the Statute	Nature of the Dues	Amount	Period to which amount relates	Due Date	Date of Payment
Profession Tax Act	Profession Tax	17,831	2009-2010	Various Dates	Not paid till date
Profession Tax Act	Profession Tax	44,127	2010-2011	Various Dates	Not paid till date
Income Tax Act	Tax Deducted at Source	3,03,040	2009-10	7 <sup>th</sup> February, 2010	Not paid till date
Service Tax Act	Service Tax	22,645	2010-2011	5 <sup>th</sup> October, 2010	Not paid till date

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## **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. Birla Machining & Toolings Limited (BMTL) (formerly known as 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.

ROC, Maharashtra, Mumbai have called for information u/s 234 of the Companies Act 1956 in the matter of IPO with reference to the balance sheet as at 31<sup>st</sup> March 2008 vide their letter no. SRN/psk/STA(13198)/TSBS/2010/4762 dated 9<sup>th</sup> March 2010. DFTL had submitted the information sought



by the ROC vide its letter dated 1<sup>st</sup> April 2010. The Company has made suo-moto compounding application pursuant to above referred the Registrar of Companies letters on March 25, 2011 for the financial year ended March 31, 2008 and March 31, 2009.

ROC, Maharashtra, Mumbai have called for information u/s 234 of the Companies Act 1956 in the matter of IPO with reference to the balance sheet & Profit & Loss Account for the year ended 31<sup>st</sup> March 2008 & 2009 vide their letter no. SRN/psk/13198STA/TSBS/2010/7173 dated 24<sup>th</sup> January 2011. DFTL had submitted the information sought by the ROC vide its letter dated 22<sup>nd</sup> February 2011. The Company has made suo-moto compounding application pursuant to above referred the Registrar of Companies letters on March 25, 2011 for the financial year ended March 31, 2008 and March 31, 2009.

Subsequently the Company has also made suo-moto compounding application on March 25, 2011 under Section 295 of the Companies Act, 1956 for the financial years ended March 31, 2010 and March 31, 2011

BMTL received a notice from the Regional Director of Western Region, Ministry of Corporate Affairs, Government of India for offence committed under Section 297(1) of the Companies Act 1956 vide letter no. RD:80/621-A/STA(A)/06/11/2197 dated 30<sup>th</sup> June 2011. BMTL has submitted desired information vide its letter dated

### 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.

Notice nos. SRN/Z01012313 /STA(DG)/TSBS/ 2010/3429/287 & 2397 dated 12<sup>th</sup> April 2011 & 30<sup>th</sup> June 2011 respectively calling for information u/s 234 of the Companies Act 1956 in the matter of IPO with reference to the balance sheet as at 31<sup>st</sup> March 2009. BCIL had replied the said notices & submitted the information sought on 2<sup>nd</sup> June 2011 & 13<sup>th</sup> July 2011 respectively.

Further BCIL has received a letter dated 6<sup>th</sup> July 2011 from the Regional Director for furnishing further documents in the matter of 297(1) of the Companies Act 1956 vide their letter no. RD: 125/621-A/STA(A)/06/11/2353. BCIL is also in receipt of a letter from the Company Law Board, Mumbai Bench, vide their letter no. 621A/CLB/MB/11/1706 dated 10<sup>th</sup> August 2011 mentioning certain defects in the compounding application filed under Section 621 (A) of the Companies Act and directing the company to submit reply/ information with respect to the points observed by them.

### 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
- 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.

On the basis of this compounding application made with respect to the violation of Sec. 297 referred in 'v' above, the Regional Director had passed its orders compounding the offence vide his order no. RD:1/62-A-STA(A)/4/11/3085 dated 5<sup>th</sup> August 2011.

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.

On 12<sup>th</sup> August 2011, BPSL had submitted a suo-moto application u/s 621(A) of the Companies Act 1956 for compounding offence committed under Section 295 of the Companies Act 1956 for the financial years ended 31<sup>st</sup> March 2010 & 11 and for the period 1<sup>st</sup> April 2011 to 30<sup>th</sup> June 2011.

5. Zenith Birla (India) Ltd. (ZBIL)

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.

ZBIL has received a letter no. MCA/RoC-Mumbai/CIPC/Z01317652/L1 dated 12<sup>th</sup> May 2011 regarding complaint against the affairs of the company from ROC, Mumbai followed by a reminder letter no. MCA/RoC-Mumbai/CIPC/Z01317652/L2/3620 dated 4<sup>th</sup> August 2011

6. Birla Precision Technologies Limited (BPTL)

BPTL has received a letter no. MCA/RoC-Mumbai/CIPC/Z01166763/L1 dated 7<sup>th</sup> February 2011 regarding complaint against the affairs of the company from ROC, Mumbai followed by a reminder letter no. MCA/RoC-Mumbai/CIPC/Z01166763/L2/2516 dated 5<sup>th</sup> July 2011 to which BPTL had replied on 4<sup>th</sup> August 2011 where the company has clarified that BPTL has not declared any dividend in the year 2009-10 and hence there is no question of non receipt of dividend by the shareholder.

7. 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 ₹3,50,000/- towards settlement charges and ₹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 ₹3,50,000 towards settlement charges and ₹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 ₹4, 00,000/- on 15th July 2008. On 31st July 2008, Securities Appellate Tribunal, Mumbai, disposed off the appeal.

**8. 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.

**9. Birla Surya Limited**

- I) Compounding of offence under Section 292A (Audit Committee) of the Companies Act, 1956:** The Company was incorporated on September 25, 2008, with the initial paid up Capital of ₹ 5.00 lacs, subsequently the Authorised Capital for increased to ₹ 400 crores. The paid up capital of the Company exceeded ₹ 5.00 crores wef June 14, 2010. The Company ought to have formed Audit Committee immediately at the time of paid up capital exceeded ₹ 5.00 crores, but the Company inadvertently & without prejudice to anyone, formed the Audit Committee wef August 6, 2010. So there was delay of 1 month and 23 days in forming the Audit Committee. Non formation of Audit Committee u/s 292A of the Companies Act, 1956 for formation of Audit Committee was due to inadvertence and oversight. The nature of offence committed by the applicant is well within the purview of section 621A of the Companies Act, 1956. The Company has filed suo-moto compounding application with the Registrar of Companies, Mumbai, Maharashtra.
- II) Compounding of offence under Section 269 of the Companies Act, 1956:-** The Company was incorporated on September 25, 2008, with the initial paid up Capital of ₹ 5.00 lacs, subsequently the Authorised Capital was increased to ₹ 400 crores. The paid up capital of the Company exceeded ₹ 5.00 crores wef June 14, 2010. The Company ought to have appointed Manager immediately at the time of paid up capital exceeded ₹ 5.00 crores, but the Company inadvertently & without prejudice to anyone, appointed Mr. Mohan Rao Datari as manager wef March 1, 2011. So there was delay of 8 months and 15 days in appointing the Manager. Non appointment of Manager has not prejudiced the interest of stakeholders of the Company. Non appointment of Manager was due to inadvertence and oversight. The nature of offence committed by the applicant is well within the purview of section 621A of the Companies Act, 1956. The Company has filed suo-moto compounding application with the Registrar of Companies, Mumbai, Maharashtra.
- III) Compounding of offence under Section 297 of the Companies Act, 1956 for the financial year 2010 – 2011 (Transaction with Birla Viking Travels Limited):** The Company has entered into the transactions of sale, purchase of goods and supply of services with the entity covered under 297 (1) of the Companies Act, 1956, the details of which are mentioned in Annexure – 1. As per the provisions of section 297 (1) of the Companies Act, 1956, Company having paid-up capital of more than ₹ 1 crore, need to take prior approval of the Central Government before entering into the transactions of sale, purchase of goods and supply of services with certain entity. However, the company follows the financial year October to September and the Company inadvertently overlooked the provisions of the Companies Act, 1956 and entered with the transactions with the entity specified in Annexure 1 as on 31st March, 2011. The transactions between the Company and entity specified in Annexure – 1 were as per prevailing market rates coupled with strict compliances of the terms and conditions thereof. No special favors or consideration has been

extended while accepting and materializing the contract/deal by the Company. Non obtaining of prior approval from the Central Government under section 297 of the Companies Act, 1956, was due to inadvertence and oversight. The nature of offence committed by the applicant is well within the purview of section 621A of the Companies Act, 1956. The Company has filed suo-moto compounding application with the Registrar of Companies, Mumbai, Maharashtra

- IV) Compounding of offence under Section 297 of the Companies Act, 1956 from 1st April, 2011 to 24th June, 2011 (Transaction with Birla Viking Travels Limited):** The Company has entered into the transactions of sale, purchase of goods and supply of services with the entity covered under 297 (1) of the Companies Act, 1956, the details of which are mentioned in Annexure – 1. As per the provisions of section 297 (1) of the Companies Act, 1956, Company having paid-up capital of more than ` 1 crore, need to take prior approval of the Central Government before entering into the transactions of sale, purchase of goods and supply of services with certain entity. However, the company follows the financial year October to September and the Company inadvertently over sighted the provisions of the Companies Act, 1956 and entered with the transactions with the entity specified in Annexure 1 as on 24th June, 2011. The transactions between the Company and entity specified in Annexure – 1 were as per prevailing market rates coupled with strict compliances of the terms and conditions thereof. No special favors or consideration has been extended while accepting and materializing the contract/deal by the Company. Non obtaining of prior approval from the Central Government under section 297 of the Companies Act, 1956, has not prejudiced the interest of stakeholders of the Company. Non obtaining of prior approval from the Central Government under section 297 of the Companies Act, 1956, was due to inadvertence and oversight. The nature of offence committed by the applicant is well within the purview of section 621A of the Companies Act, 1956. The Company has filed suo-moto compounding application with the Registrar of Companies, Mumbai, Maharashtra
- V) Compounding of offence under Section 75 of the Companies Act, 1956 for the allotment done on 31st May, 2011:** The Company has allotted 21,05,331 equity shares at ` 10 per share at a premium of ` 9 per share on 31st May, 2011. While filing return of allotment pursuant to section 75 of the Companies Act, 1956 i.e. Form 2 we had erroneously mentioned nominal value per share as ₹1 instead of ` 10 per share and the rest of the particulars has been accurately mentioned in the e-form 2. Subsequently, the wrongly filed e-form 2 with nominal value has been approved in the MCA-21 system. The reference of e-form 2 vides SRN S05439435 filing dated 30/06/2011. Erroneously filing of e-form 2 has not prejudiced the interest of stakeholders of the Company. Erroneously filing of e-form 2 was due to inadvertence and oversight. The nature of offence committed by the applicant is well within the purview of section 621A of the Companies Act, 1956. The Company has filed suo-moto compounding application with the Registrar of Companies, Mumbai, Maharashtra
- VI) Compounding of offence under Section 75 of the Companies Act, 1956 for the allotment done on 28th July, 2011:** On 28th July, 2011, the Company had allotted 60,00,000 equity shares at ` 10 each. While filing return of allotment pursuant to section 75 of the Companies Act, 1956 i.e. Form 2 we had erroneously mentioned 6,00,00,000 equity shares at ` 10 each amounting to ` 60 crores instead of 60,00,000 equity shares at ` 10 each amounting to ` 6 crores. Further, there has been typographical error in the particulars of issued/subscribed/paid-up share capital in the e-form 2. Subsequently, the wrongly filed e-form 2 with nominal value has been approved in the MCA-21 system. The reference of e-form 2 vides SRN S05654744 filing dated 09/08/2011. Erroneously filing of e-form 2 has not prejudiced the interest of stakeholders of the Company. Erroneously filing of e-form 2 was due to inadvertence and oversight. The nature of offence committed by the applicant is well within the purview of section 621A of the Companies Act, 1956. The Company has filed suo-moto compounding application with the Registrar of Companies, Mumbai, Maharashtra



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- VII)** Compounding of offence under Section 75 of the Companies Act, 1956 for the allotment done on 4th August, 2011: On 4th August, 2011, the Company had allotted 36,84,211 equity shares at ` 10 per share at a premium of ` 9 per share. Subsequent to approval of e-form 2 vide SRN S05654744, the particulars of issued/subscribed/paid-up share capital in e-form 2 had been incorrectly mentioned. Subsequently, the wrongly filed e-form 2 has been approved in the MCA-21 system. Due to error in filing of e-form 2, the particulars of paid-up capital of the company in the Master Data are wrongly mentioned in the MCA-21 system. The reference of e-form 2 vide SRN S05654827 filing dated 09/08/2011. Erroneously filing of e-form 2 has not prejudiced the interest of stakeholders of the Company. Erroneously filing of e-form 2 was due to inadvertence and oversight. The nature of offence committed by the applicant is well within the purview of section 621A of the Companies Act, 1956. The Company has filed suo-moto compounding application with the Registrar of Companies, Mumbai, Maharashtra.

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#### **Material Developments since the Last Balance Sheet Date**

Our Company did not have any Subsidiaries as on 31<sup>st</sup> March 2011. However subsequent to our last Balance Sheet, our company had acquired 99% of the equity shares of Birla Kerala Vaidyashala Pvt Ltd (BKV), one of the group companies of the Yash Birla Group, keeping in view the synergy in the nature of business of both the companies. BKV is in the business of offering ayurvedic therapies based on ancient texts and beauty & healthcare treatments providing health spa services/treatment, ayurvedic therapies, health and fitness resorts, dieticians, yoga ashrams, saloons, hair and skin treatments, sanatorium centers.

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 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 Draft Red Herring Prospectus with the Registrar of Companies.

## GOVERNMENT APPROVALS/ LICENSING ARRANGEMENTS

We believe our Company has received 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.	Asst. Registrar of Companies, Maharashtra	U24100MH2008PTC1 77694	Certificate of Incorporation of Birla Lifesciences Private Limited	10 <sup>th</sup> January 2008
2.	Additional Registrar of Companies, Maharashtra, Bombay	U24100MH2008PTC1 77694	Certificate of change of Name from Birla Lifesciences Pvt. Ltd to Birla Research & Lifesciences Pvt. Ltd.	23 <sup>rd</sup> September 2010
3.	Asst. Registrar of Companies, Maharashtra	U24100MH2008PLC1 77694	Fresh certificate of incorporation consequent upon change of name on conversion to Public Ltd Co	25 <sup>th</sup> November 2010
4.	Director of Income Tax, Government of India	AADCB4705B	Permanent Account Number of Birla Research & Lifesciences Ltd.	10 <sup>th</sup> January 2008
5.	Income Tax Department	MUMB18967E	Tax Deduction Account Number (TAN) of Birla Research Lifesciences Ltd.	1 <sup>st</sup> January 2011
6.	Office of the Deputy Commissioner of Service Tax, Mumbai division I & II,	AADCB4705BSD003	Service Tax Code Number	26 <sup>th</sup> August 2011
7.	Office of the Regional Provident Fund Commissioner, Bombay	MH/BAN/126906	Allotment of PF number	26 <sup>th</sup> October 2009
8.	Deputy Director, Employee State Insurance Corporation, Mumbai	31001010760001002	Allotment of ESIC code	1 <sup>st</sup> February 2010
9.	Sales Tax Department, Maharashtra	VAT TIN: 27560680871V CST TIN: 27560680871C	Allotment of TIN Number	Active with effect from 10 <sup>th</sup> November 2008



10.	Foreign Trade Development Officer, Ministry of Commerce & Industry, GoI	0309038863	Allotment of Importer Exporter Code (IEC)	7 <sup>th</sup> September 2009
11.	Profession Tax Officer, Registration Branch, Profession Tax division, Mumbai	27560680871	Registration of Profession tax for Birla Research & Lifesciences Limited	Valid till <b>12th November 2011</b>
12.	Inspector under the Bombay Shops & Establishments Act, 1948	760093684/ Shop I Ward D	Registration of Certificate of Establishment for Gopi Birla Memorial School, 68, Walkeshwar, Mumbai	15 <sup>th</sup> May 2009 Valid till 31 <sup>st</sup> December 2012
13.	Inspector under the Bombay Shops & Establishments Act, 1948	760112843/ Commercial II Ward GS	Registration of Certificate of Establishment for 18-A, Skyzone, Level 1, First Floor, Phoenix Mills Compund, Mumbai – 13	7 <sup>th</sup> October 2009 Valid till 31 <sup>st</sup> December 2011
14.	Inspector under the Bombay Shops & Establishments Act, 1948	S 27360	Registration of Certificate of Establishment for G20/ Inorbit Malls, Sector 30 – A, Vashi, Navi Mumbai	Expired on 16th December 2010. Applied for renewal
15.	Inspector under the Bombay Shops & Establishments Act, 1948	760154092/ Commercial II Ward GS	Registration of Certificate of Establishment for 49/A, GR FL Commercial Com, Atria Mall Worli Mumbai – 400 018.	25th August 2010 Valid till 31st December 2012
16.	Inspector under the Bombay Shops & Establishments Act, 1948	S 68816	Registration of Certificate of Establishment for G19/ R Mall, Chitalsir, Manpada, Godbunder Road, Thane (west)	7 <sup>th</sup> Feb 2011 Valid till 31 <sup>st</sup> December 2011
17.	Inspector under the Bombay Shops & Establishments Act, 1948	760164880/ COMMERCIAL II Ward S	Registration of Certificate of Establishment for G4, City Park, Hiranandani Business Park, Powai, Mumbai – 400076	4 <sup>th</sup> November 2010 Valid till 31 <sup>st</sup> December 2011
18.	Inspector under the Bombay Shops & Establishments Act, 1948	760190533/ Shop I Ward RS	Registration of Certificate of Establishment for shop at G-18A, Ground floor, Phase 2, Growels Mall, Ackurli Road, Kandivali East, Mumbai – 400101	2 <sup>nd</sup> May 2011 Valid till 31 <sup>st</sup> December 2011
19.	Inspector under the Bombay Shops & Establishments Act, 1948	760146847/shop 1 Ward HW	Registration of Certificate of Establishment for shop at 406 CTS no. 240, TPS VII, Khar West, Mumbai – 400052	21 <sup>st</sup> June 2010 Valid till 31 <sup>st</sup> December 2011.

20.	Inspector under the Bombay Shops & Establishments Act, 1948	Applied for	Registration of Certificate of Establishment for shop at Ground Floor, Suuny side Co-operative Hsg Society Ltd, Lokhandwala Shopping Complex, Andheri West, Mumbai –400053	
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### **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.

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## **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 22nd April 2011. 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 17th May 2011.

### **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 Pratibha Rane, as Company Secretary and 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 BRLS 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.

BRLS 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.

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## **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 12<sup>th</sup> SEPTEMBER 2011 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:**

**WE, THE LEAD MERCHANT BANKER 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 MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A) THE DRAFT RED HERRING PROSPECTUS 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 ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION**

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**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 ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE SHALL SATISFY 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 THE 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 WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING 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 CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING 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 SHALL BE 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**

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**MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE SHALL ENSURE THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT MODE ONLY.**
- 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:**
  - a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY 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 Research & Lifesciences 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 Draft 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 Prospectus 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.brls.in](http://www.brls.in) 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 August 9, 2011 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 Prospectus 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 Prospectus 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 Offer Document may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Offer Document 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 [●] 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**

[●]

#### **FILING**

A copy of the Draft Red Herring Prospectus would be 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 would be 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 Prospectus. 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.

Our 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.



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## **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. Bankers to our Company
  3. Auditors to our Company
  4. Book Running Lead Manager to the Issue
  5. Syndicate Members\*
  6. Legal Advisor to the Issue
  7. Registrar to the Issue
  8. Company Secretary & Compliance Officer
  9. Bankers to the Issue
  10. 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 Prospectus 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 Prospectus 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 report of [●] in respect of the IPO grading of this Issue, we have not obtained any expert opinions.

## 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:

(₹ in Lakhs)				
Sr. No.	Particulars	Amount (₹ in Lacs)	% of Issue Expenses	% of Issue
1	Fees to BRLM, Underwriting Commission, Brokerage and other selling expenses	[●]	[●]	[●]
2	Advertisement & Marketing Expenses	[●]	[●]	[●]
3	Printing, stationery & dispatch	[●]	[●]	[●]
4	Miscellaneous Expenses including fees payable to SEBI, Stock Exchanges, Registrars, Grading agency, etc.	[●]	[●]	[●]
	<b>Total</b>	725.00	100	9.67

## FEES PAYABLE TO THE BRLM, BROKERAGE AND SELLING COMMISSION

The total fees payable to the BRLM including underwriting & brokerage if any for the Issue will be as per the Agreement executed between our Company and the BRLM dated [●], 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, Link Intime Pvt. Ltd., will be as per the Memorandum of Understanding executed between our Company and the Registrar dated 28<sup>th</sup> June 2011 a 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 issued 1000 Equity Shares of ₹10 each for consideration other than cash. For Further details please refer Chapter Capital Structure appearing on page no 42 of this offer document.

## 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 “Promoter Group Entities”, beginning on Page no. 128 of this Offer Document.

## **PERFORMANCE VIS-À-VIS OBJECTS**

### **Listed Ventures of Promoters**

#### **Group Companies**

Six 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, Birla Shloka Edutech Limited and Birla Pacific Medspa 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 ₹10/- each offered at a fixed price of ₹55/- per share (including a premium of ₹45/- per share) aggregating to ₹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 16<sup>th</sup> October, 2006 and closed on 20<sup>th</sup> 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 21<sup>st</sup> 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 ₹131 crores towards ongoing project as on 31<sup>st</sup> March 2011 are as follows:

(₹ In Lakhs)			
<b>Sl. No.</b>	<b>Particulars</b>	<b>Projected Amount</b>	<b>Actual Utilisation Amount upto 31<sup>st</sup> March 2011</b>
I	Land and Site Development	42	42
II	Building	1576	741
III	Plant and Machinery	7157	859
IV	Miscellaneous Fixed Assets	47	10
	<b>Sub Total</b>	<b>8822</b>	<b>1652</b>
V	Preliminary and Pre-operative expenses	150	52
VI	Public Issue Expenses	1200	1210
VII	Contingency	221	-
VIII	Working Capital (Existing)	2150	2150
IX	Working Capital (Project)	557	-
	<b>Total</b>	<b>13100</b>	<b>5064</b>

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.

<b>Activity - Mechanical Tube Project</b>	<b>As per Prospectus Commencement Date</b>	<b>As per Prospectus Completion Date</b>	<b>Actual/Expected</b>
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
<b>Building</b>			
Factory Building	December 2006	June 2007	December 2011
Auxiliary Building	December 2006	May 2007	December 2011
Machine Foundation	February 2007	May 2007	November 2011
Administrative Building	March 2007	June 2007	December 2011
<b>Plant and Machinery</b>			
Indigenous - Placement of order	November 2006	January 2007	November 2011
Delivery at Site	April 2007	August 2007	December 2011
Imported - Placement of order	October 2006	December 2006	December 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 ₹ 10/- each aggregating to ₹ 2900.00 lakhs comprising of:

Rights issue of 33,24,954 equity shares of ₹ 10/- each for cash at a premium of ₹ 23 per share (i.e. at a price of ₹ 33 per share) aggregating to ₹ 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 ₹ 10/- each for cash at a price of ₹ 45 inclusive of premium aggregating to ₹ 1,802.77 lakhs including promoter's contribution of 4,00,000 equity shares for cash at a price of ₹ 45 inclusive of premium aggregating to ₹ 180.00 lakhs. Thus net offer to the public is 36,06,150 equity shares of ₹ 10/- for cash at a price of ₹ 45 inclusive of premium aggregating to ₹ 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 30th June, 2011 is as under:

(₹ in Lakhs)

Sr. No.	Description	Total Estimated Cost	Deployed upto 30 <sup>th</sup> June, 2011
I	<b>Aurangabad Project</b>		
	Building	120.00	102.95
	Plant and Machinery & Electrical	1365.50	845.25
	Miscellaneous Fixed Assets	329.36	-
	Contingencies	185.00	-
	Pre Operative Expenses	80.00	2.65
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
	<b>Total</b>	<b>2900.00</b>	<b>1697.41</b>

As per the prospectus, the funds which were proposed to be deployed in the Aurangabad Project upto the quarter ended 30<sup>th</sup> September, 2008 was envisaged at ₹ 2129.86 Lacs consisting of ₹ 120 Lacs towards building and ₹ 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 ₹ 102.95 Lacs and ₹ 847.90 Lacs respectively.

Pending utilization, the balance amount of ₹ 1167.55 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		December 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 29<sup>th</sup> 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 ₹10 each for cash at a price of ₹14/- per share aggregating to ₹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 30<sup>th</sup> June 2008 and closed on 4<sup>th</sup> 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 30<sup>th</sup> July 2008.

The details of utilization of the funds received from IPO of equity shares of Birla Cotsyn (India) Limited as on 31st March 2011 are as under:

(₹ in Crores)					
Sl. No.	Particulars	Estimated Utilisation Amount	Actual Amount	Utilisation upto March 2011	
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	
	<b>Total</b>	<b>144.18</b>		<b>127.25</b>	

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
<b>Setting up of new apparel manufacturing unit</b>				
A	Land acquisition		Completed	100%
B	Site Development	August 2009	Completed	100%
C	Construction of Buildings	December 2009	December 2011	-
D	Plant and Machinery Order Placement	April 2010	November 2011	60%
E	Delivery	September 2010	March 2012	-
F	Installation	October 2010	May 2012	-
G	Trial Runs	February 2011	June 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 ₹10 each for cash at a premium of ₹32 per shares (i.e. Issue Price of ₹ 42/- per share) aggregating to ₹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 Accoustic Hoods
- To meet the margin money for working capital requirement
- To meet the expense of the issue

**The project was fully implemented by 31<sup>st</sup> March 2007.**

Details of utilization of funds of Public Issue amounting to ₹ 5041.34 Lakh are as follows:

(₹ 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	2314.89	2314.89

	Misc.)		
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
	<b>Total</b>	<b>5041.34</b>	<b>5041.34</b>

### 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 ₹ 10/- at a premium of ₹26/- per share aggregating to ₹ 67,31,85,600/- to Qualified Institutional Buyers (QIBs) in January 2008. The amount is fully spent upto 30<sup>th</sup> June 2008. The utilization of the aforesaid amount is given hereunder:

Sl No.	Particulars	Amount (₹ 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
	<b>TOTAL</b>	<b>6731.86</b>

### 5. Birla Shloka Edutech Limited (BSEL)

BSEL has allotted 69,94,625, equity shares of Face Value ₹10 each at a premium of ₹55.25 Per share aggregating to ₹ 4563.99 Lacs on August 5<sup>th</sup>, 2010.

Company has 1994823 shares warrants allotted to Promoter's out of which 997412 warrants were converted into same no of shares @ ₹ 10/- each at premium of ₹ 58/- per share aggregating to ₹ 678.24 lacs on March 18<sup>th</sup>, 2011. 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 <sup>st</sup> March 2011
1.	Capital Expenditure for BOOT Model	1500.00	1421.99
2.	Capital Expenditure for XL@ School	950.00	1158.62
3.	Mergers & Acquisition Activity	450.00	-
4.	Working Capital Requirement	213.10	398.83
5.	Issue Expenses	303.15	303.15
6.	Contingencies	61.25	40.87
	<b>Total</b>	<b>3477.50</b>	<b>3323.46</b>

Unitilised FPO proceeds of ₹ 150 Lakhs have been temporarily held in short term interest bearing instruments and the balance of ₹4.04 Lakhs is held in current account with the bank.



### 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 December 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 November 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 31<sup>st</sup> 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.

### 6. BIRLA PACIFIC MEDSPA LIMITED (BPML)

BPML had come out with its IPO in June 2011 by issuing 6,51,75,000 Equity shares of ₹10 each for cash at par aggregating to ₹6517.50 Lakhs vide prospectus dated 29<sup>th</sup> June 2011. The said issue was opened for subscription on 20<sup>th</sup> June 2011 and closed on 23<sup>rd</sup> June 2011. The shares of BPML are listed on the Bombay Stock Exchange Ltd.

The objects of the issue were

- 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).

### 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 Link Intime Pvt. Ltd. as the Registrar and Share Transfer Agents of Our Company vide Memorandum of Understanding dated 29<sup>th</sup> June 2011.

#### **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:

<b>Sl. No.</b>	<b>Nature of complaint</b>	<b>Time Table</b>
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. Pratibha Rane, 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. Pratibha Rane**  
**Company Secretary and Compliance Officer**  
**Birla Research & Lifesciences Limited**  
 Dalamal House, 1<sup>st</sup> Floor,  
 J.B. Marg, Nariman Point,  
 Mumbai – 400 021  
 Maharashtra  
 Tel: +91-22- 66168400/ 460  
 Fax: +91-22-2204 7835  
 Email: [complianceofficer@brls.in](mailto:complianceofficer@brls.in)

#### **CHANGES IN AUDITORS DURING THE LAST THREE YEARS**

M/s. Kanu Doshi Associates, Chartered Accountants, Mumbai were appointed as the First Statutory Auditors of the company by the Board of Directors at their meeting held on 14<sup>th</sup> January 2008, and confirmed by the shareholders of the company at the AGM held on 7<sup>th</sup> July 2009, 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 ₹ 10/- each for cash at a price of ₹ [●] per equity share aggregating to ₹ 7500 lakhs (hereinafter referred to as the “Issue”). The details of the issue structure are as follows:

Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares*</b>	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.
<b>Percentage of Issue Size available for allocation</b>	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.
<b>Basis of Allocation if respective category is oversubscribed</b>	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
<b>Minimum Bid</b>	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2, 00,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2, 00,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount is less than ₹ 2, 00,000.
<b>Maximum Bid</b>	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 ₹ 2,00,000/-
<b>Mode of Allotment</b>	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
<b>Bid/ Allotment Lot</b>	[●]Equity Shares and in multiples of [●] Equity Shares	[●]Equity Shares and in multiples of [●] Equity Shares	[●]Equity Shares and in multiples of [●] Equity Shares
<b>Trading Lot/Market lot</b>	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share
<b>Who can apply**</b>	Public financial	Companies, Corporate	Individuals (including

	institutions, as specified in 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 ₹ 2500 Lakhs , pension funds with minimum corpus of ₹ 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 Insurance funds set up and managed by Army, Navy or Air Force of the Union of India; and Insurance Funds set-up and managed by the Department of Posts, India	Bodies, Scientific Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), and NRIs (applying for an amount exceeding ₹ 2,00,000/-)	NRIs and HUFs in the name of Karta) such that the Bid Amount does not exceed ₹ 2,00,000 in value.
<b>Terms of payment***</b>	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.
<b>Margin Amount</b>	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: [●]

BID/ISSUE CLOSES ON: [●]

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 ₹ 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 ₹ 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 ₹ 10 each are being issued at a price of ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] 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.

### Bid/Issue Program

The period of operation of subscription list of public issue:

Bid/Issue opens on: [●]	Bid/Issue closes on: [●]
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*Our Company in consultation with the BRLM, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date*

### 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.



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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 325 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.**



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## ISSUE PROCEDURE

*This section applies to all Bidders. Please note that all 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 Non-ASBA Bidders are required to make payment of the full Bid Amount along with the Bid-cum-Application Form and the ASBA Bidders shall instruct the relevant SCSB to block the full Bid Amount along with the application.*

*By a Circular dated April 29, 2011 issued by SEBI and bearing no. CIR/CFD/DIL/1/2011, it is now mandatory for all QIB Bidders and Non-Institutional Bidders to apply through the ASBA process only. Further, the Syndicate/ sub-syndicate members shall also accept Bid-cum-Application Forms from all Bidders applying through the ASBA process at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat only (“**Specified Centres**”). However, before accepting these ASBA forms 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 forms.*

*Investors are also advised in their own interest to ensure before they submit ASBA applications to Syndicate / Sub Syndicate Members that the SCSB whose name has been filled in the ASBA form has named a branch in that centre to accept ASBA forms. Neither the company nor the BRLM shall be responsible for any claims from investors who submit ASBA applications to Syndicate/sub-syndicate members without verifying and confirming as above.*

*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 Process wherein not more than 50% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated for Mutual Funds). Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 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.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders may submit their Bids either to the Designated Branch of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders’ depository account including the DP ID Numbers, PAN and the beneficiary account number shall be treated as incomplete and rejected. 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. Bidders will not have the option

of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

### **Bid-cum-Application Form**

**The prescribed colour of the Bid-cum-Application Form for various categories is as follows:**

<b>Category</b>	<b>Colour of Bid-cum-Application Form</b>
Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis (ASBA as well as Non-ASBA)	White
Non-residents, NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as Non-ASBA)	Blue

Copies of the Bid-cum-Application Form and the Red Herring Prospectus will be available for categories of Bidders with the members of the Syndicate and at our Registered office and Corporate Office. Before being issued to Bidders, the Bid-cum-Application Forms must be 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 a unique application number. The BRLM 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 or to a Designated Branch of the SCSB 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 in physical form either to the Designated Branches of the SCSBs or to any of the members of the Syndicate/ sub-syndicate at the Specified Centers or in 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 Bid-cum-Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered multiple Bids.

<b>Category of Bidder</b>	<b>Mode of Bidding</b>	<b>Application Form to be used for bidding</b>	<b>To whom the application form has to be submitted</b>
Retail Individual Bidders and Eligible Employees	Either (i) ASBA or (ii) Non-ASBA	(i) If Bidding through ASBA, ASBA form (physical or electronic) or; (ii) If Bidding through Non-ASBA, Bid-cum-Application	(i) If using physical ASBA Form, to the members of the Syndicate only at Syndicate ASBA Centres; <b>or</b> (ii) If using physical ASBA Form, to the Designated

		Form	Branches of the SCSBs where the SCSB account is maintained; <b>or</b> (iii) If using electronic ASBA Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained; <b>or</b> (iv) If using Bid cum Application Form, to the members of the Syndicate at the Bidding Centres.
Non-Institutional Bidders and QIBs (excluding Anchor Investors)	ASBA ( <i>Kindly note that ASBA is mandatory and no other mode of Bidding is permitted</i> )	ASBA Form (physical or electronic)	(i) If using physical ASBA Form, to the members of the Syndicate only at Syndicate ASBA Centre; <b>or</b> (ii) If using physical ASBA Form, to the Designated Branches of the SCSBs where the SCSB account is maintained; <b>or</b>  (iii) If using electronic ASBA Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained.

#### Who can Bid?

- Any person eligible to invest under all applicable laws, rules, regulations and guidelines;
- 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);
- Hindu Undivided Families or 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 authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

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- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual bidding in the QIB portion;
  - Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
  - Venture Capital Funds registered with SEBI;
  - Foreign Venture Capital Funds registered with SEBI;
  - Multilateral and bilateral development financial institutions;
  - State Industrial Development Corporations;
  - Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
  - Scientific and/or industrial research organisations authorised to invest in equity shares;
  - Insurance Companies registered with Insurance Regulatory and Development Authority;
  - Provident Funds with a minimum corpus of ₹ 2500 Lacs and who are authorised under their constitution to hold and invest in equity shares;
  - Pension Funds with a minimum corpus of ₹ 2500 Lacs and who are authorised under their constitution to hold and invest in equity shares;
  - National Investment Fund set up by resolution F. No. 2/3/2005 – DDII dated November 23, 2005, by the GoI, published in the gazette of India;
  - Insurance funds set up and managed by the army, navy or air force of the Union of India; and
  - Insurance funds set-up and managed by the Department of Posts, India.

As per the existing regulations, OCBs cannot participate in this Issue.

#### **Participation by associates and affiliates of the BRLM and the Syndicate Members**

The BRLM and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. Such holding or subscription may be on their behalf or on behalf of their clients.

#### **Bids by Mutual Funds**

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund 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 the 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 Fund Portion.

**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.**

**As per the existing regulations, no mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single 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.**

**The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.**

#### **Bids by Non Residents**

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per the existing regulations, OCBs cannot participate in this Issue.

#### **Bids by Eligible NRIs**

1. Bid-cum-Application Forms have been made available for Eligible NRIs at the Registered Office and with the members of the Syndicate.
2. Eligible NRIs applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the Bid cum Application form meant for Resident Indians (White in colour).

#### **Bids by FIIs**

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up share 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 paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign 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 (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client's norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on

behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by provident funds/ pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

#### **Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds**

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the following investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI:

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. Further, venture capital funds and foreign venture capital investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

**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 occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and 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 Draft Red Herring Prospectus.**

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lacs 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 of Association and Articles of Association and/or bye laws must be lodged with the Bid-cum-



Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form.
- (b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid-cum-Application Form.
- (c) With respect to Bids made by provident funds with minimum corpus of ₹ 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form.

Our Company in their 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 that our Company and the BRLM may deem fit.

**The above information is given for the benefit of the Bidders. Our Company and the BRLM is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.**

#### *Maximum and Minimum Bid Size*

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price 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.
- (a) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the SEBI Regulations, a **QIB Bidder cannot withdraw its Bid after 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 ₹200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹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 allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at “Cut-off Price”.

The maximum and minimum Bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

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**Bidders are advised to make independent enquiries and 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 offer document.**

**Information for the Bidders:**

- (a) Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the Registrar of Companies, publish pre-Issue advertisement, in the form prescribed under the SEBI Regulations, in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, each with wide circulation..
- (b) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- (c) Copies of the Bid-cum-Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.
- (d) Eligible Bidders who are interested in subscribing for the Equity Shares should approach BRLM or any of the Syndicate Members or their authorised agent(s) or to the Designated Branches of the SCSBs to register their Bids.
- (e) Any Bidders (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid-cum-Application Form can be obtain the same from our Registered Office, Corporate Office and from the BRLM and the members of the syndicate.
- (f) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bid cum Application Forms (except electronic ASBA Bid cum Application Forms) which do not bear the stamp of a member of the Syndicate or the Designated Branch are liable to be rejected.
- (g) The Syndicate (in accordance with the terms of the Syndicate Agreement) and the Designated Branches will accept Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus.
- (h) With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

**Bidders may note that in case the DP ID and Client ID and PAN mentioned in the Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.**

**Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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.



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### **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 submission of the Bid. With respect to ASBA Bidders, the ASBA Form or the ASBA Revision Form may be submitted to the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate and SCSBs, as applicable, 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.

### **Additional information specific to ASBA Bidders**

- (i) ASBA Bid cum Application Forms in physical form will be available with the Designated Branches and with the members of the Syndicate; and electronic ASBA Bid cum Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites.
- (ii) SCSBs 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 ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.
- (iii) The SCSBs shall accept Bids only during the Bid Period and only from the ASBA Bidders. The SCSB shall not accept any ASBA Bid cum Application Form after the closing time of acceptance of Bids on the Issue Closing Date.
- (iv) The ASBA Bid cum Application Form shall bear the stamp of the Designated Branch or the members of the Syndicate (in case of Bids through Syndicate ASBA), if not, the same shall be rejected.

### **Public announcement upon filing of this DRHP**

The Company shall either on the date of filing the DRHP with SEBI or on the next day shall make a public announcement in one English national daily newspaper and one Hindi national daily newspaper, each with wide circulation, disclosing that the DRHP has been filed with SEBI and inviting the public to give their comments to SEBI in respect of disclosures made in the DRHP

### **Method and Process of Bidding**

- (a) Our Company and the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in widely circulated national newspapers (one each in English and Hindi) and a widely circulated Marathi newspaper. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Issue Period.
- (b) Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation at least two Working Days prior to the Bid/Issue Opening Date.

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- (c) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLM, at the terminals of the Syndicate and by intimation to the SCSBs.
  - (d) During the Bid/Issue Period, Bidders (other than ASBA Bidders), who are interested in subscribing for the Equity Shares should approach the Syndicate Members or their authorised agents to register their Bids. The Syndicate Members shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders applying through the ASBA process may approach the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres to register their Bids.
  - (e) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) 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/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
  - (f) The Bidder cannot Bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form or ASBA Bid Cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids 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 allocation or 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 “Build up of the Book and Revision of Bids”.
  - (g) In case of Bidders applying through the ASBA process has submitted the Bid-cum-Application Forms to the Syndicate Member(s)/sub-syndicate members at the Specified Centres or its authorized agents, the Syndicate members shall upload the Bid details in the electronic bidding system of the Stock Exchange. Before accepting the Bid-cum-Application Forms, the Syndicate/sub-syndicate members shall ensure that SCSBs whose name has been entered in the Bid-cum-Application Form has designated a branch in that particular bidding center to accept such Bid-cum-Application Forms. Within two days of the Bid/Issue Closing date, the Syndicate members shall forward a schedule containing the application and amount along with the application forms to the branch of the SCSBs so authorised to accept the ASBA forms procured by the Syndicate members. Upon receipt of such application forms the SCSBs shall verify whether sufficient funds are available in the ASBA account as mentioned in the application forms. In the event sufficient funds are not available in the relevant ASBA Account, the Designated Branch of the SCSB shall reject such Bids.
  - (h) The members of the Syndicate/the SCSBs will enter each Bid 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.

- (i) Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in “Escrow Mechanism- Terms of payment and payment into the Escrow Accounts” on page 309.
- (j) In case of receipt of the ASBA Form directly from the Bidder, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSBs shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- (l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Bids at Different Price Levels and Revision of Bids**

- (a) The Price Band and the minimum Bid lot size shall be decided by our Company in consultation with the BRLM and advertised at least two working days prior to the Bid/Issue Opening Date, in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation.
- (b) Our Company, in consultation with the BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
- (c) In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the Syndicate Member(s).
- (d) Our Company, in consultation with the BRLM will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (e) The Bidders 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 may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non- Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- (f) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In

case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

- (g) In the event of any revision in the Price Band, whether upward or downward, the minimum application size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹7,000.

#### **Escrow mechanism, terms of payment and payment into the Escrow Accounts**

For details of the escrow mechanism and payment instructions, please see “Issue Procedure - Payment Instructions” on page 309.

#### **Electronic Registration of Bids**

- (a) The members of the Syndicate and the Designated branches of 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 to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation.
- (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 BRLM, 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 BRLM 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.
- Price Option
- 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 or the Syndicate/ Sub-Syndicate members 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	Non- Institutional	QIB
(No sub category)	<ul style="list-style-type: none"> <li>• Individual</li> <li>• corporate</li> <li>• other</li> </ul>	<ul style="list-style-type: none"> <li>• Mutual Funds</li> <li>• Financial Institutions</li> <li>• Insurance companies</li> <li>• Foreign Institutional</li> <li>• Investors other than corporate and individual</li> <li>• sub-accounts</li> </ul>

- Number of Equity Shares Bid for.
  - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
  - 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 members of the Syndicate or the SCSBs as the case may be. The registration of the Bid by the member of the Syndicate or the SCSB does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of 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 BRLM and their affiliate Syndicate Members also have the right to accept the bid or reject it. However, such rejection should 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 and Retail Individual Bidders, Bids would not be rejected except on the technical grounds.
- (j) The permission given by BSE 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, or the BRLM are cleared or approved by BSE; 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, our Promoters, our management or any scheme or project of our Company.
- (k) It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE; 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 BSE.

#### **Build up of the book and revision of Bids**

- (a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges main frame on a regular basis.
- (b) The Book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of the Bid/Issue Period and can be obtained from them.
- (c) During the Bid/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 or ASBA Bid Cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount 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 such Bidder 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 revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bid/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 or the SCSB through whom such Bidder had placed the original Bid. 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.
- (f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, 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 cap of the Price Band



prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

- (g) 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.
- (h) Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.
- (i) 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. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.
- (j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Syndicate or the SCSB, as applicable. 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.

#### **Price Discovery and Allocation**

- a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- b) Our Company, in consultation with the BRLM shall finalize the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.
- c) The allocation available to QIBs for not more than 50% of the Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
- e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
- f) Our Company in consultation with the BRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.



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The allotment details shall be uploaded on the website of the Registrar to the Issue.

**Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, Our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the “Prospectus”. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

**Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, Our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

**Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement 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. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

**Issuance of Confirmation of Allotment Note (“CAN”)**

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.
- (b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allocated to such Bidder.

**Designated Date and Allotment of Equity Shares**

- (a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder’s depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.
- (b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.**

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## **GENERAL INSTRUCTIONS**

### **Do's:**

- (a) Check if you are eligible to apply in terms of the Red Herring Prospectus and under applicable law;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Bid-cum-Application Form;
- (d) Ensure that the details about the Depository Participant, PAN and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;
- (e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted either at a Designated Branch of the SCSB or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres.;
- (f) With respect to ASBA Bids ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Form;
- (g) Ensure that you request for and receive a TRS for all your Bid options;
- (h) 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 SCSBs or the Syndicate members;
- (i) In case of Non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and in case of Bids under the ASBA process funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.
- (j) 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;
- (k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (l) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and subject to the SEBI circular dated April 3, 2008 from the residents of the state of Sikkim, all Bidders should mention their PAN allotted under the IT Act. Bid Cum-Application Form in which the PAN is not provided will be rejected;
- (m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- (n) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form 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 Bid-cum-Application Form.

- (o) 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 buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (b) Do not Bid if you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise, or if you are not competent to contract under the Indian Contract Act, 1872, as amended;
- (c) Do not Bid if you are a US resident;
- (d) Do not bid after the time prescribed as per the Bid cum Application Form, Pre-issue advertisement and the Red Herring Prospectus and if the Bid is not as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- (e) Do not submit your Bids on plain paper;
- (f) Do not forget to tick the Bidder category on the Bid cum Application Form;
- (g) In case of ASBA Bids, do not forget to tick the authorization to the SCSB to block funds in the ASBA Account;
- (h) Do not Bid for lower than the minimum Bid size;
- (i) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- (j) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;
- (k) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
- (l) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;
- (m) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 200,000);
- (n) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
- (o) 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;
- (p) Do not Bids under power of attorney or if you are a limited company, corporate, trust, etc., unless the Bid is supported with relevant documents;
- (q) Do not forget to mention the sole or first Bidder's PAN (except for Bids on behalf of the Central or State Government, residents of Sikkim and officials appointed by the courts), DP ID and BAN in the Bid-cum-Application Form;

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- (r) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
  - (s) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
  - (t) Do not submit the Bids without the full Bid Amount.

#### **INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM**

Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.
- (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, Beneficiary Account Number 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 or incorrect Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms.
- (c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- (d) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹200,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. 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 the applicable laws or regulations.
- (f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (h) If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should also be signed by the account holder as provided in the Bid cum Application Form.

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### **Bidder's PAN, Depository Account and Bank Account Details**

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT) or unblocking of ASBA Account. It is mandatory to provide the bank account details in the space provided in the Bid-cum-Application Form and Bid-cum-Application Form that do not contain such details are liable to be rejected. 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 despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks or the SCSBs nor Our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT 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.**

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar.

By signing the Bid-cum-Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ 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 Bidder (other than ASBA 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 such Bidder's sole risk and neither our Company, the Escrow Collection Banks, Registrar, 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, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

**Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis**

Bids and revision to Bids must be:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained in the Red Herring Prospectus, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision are liable to be rejected.
2. Bids by Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to a maximum Bid Amount of ₹200,000.
3. Bids by QIBs bidding and Non- Institutional Bidders must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ [●] and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of this Issue, subject to applicable investment limits under laws or regulations to the Bidders.
4. Made in a single name or joint names (not more than three and in the same order as their Depository Participant Details).
5. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

**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 US 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. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies**

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 & Article of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part.

Certain additional documents are required to be lodged along with the Bid cum Application Form by the following entities:

- (a) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Bid cum Application Form.



- (c) With respect to Bids made by provident funds with minimum corpus of ₹ 25.00 crore (subject to applicable law) and pension funds with a minimum corpus of ₹ 25.00 crore, a certified copy

Our Company in our absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney and additional documents, as specified above, along with the Bid cum Application Form, subject to such terms and conditions that the Bank and the BRLMs may deem fit.

## **PAYMENT INSTRUCTIONS**

*By a Circular dated April 29, 2011 issued by SEBI and bearing no. CIR/CFD/DIL/1/2011, it is now mandatory for all QIB Bidders and Non-Institutional Bidders to apply through the ASBA process only.*

### **Escrow Mechanism for Bidders other than ASBA Bidders**

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) 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 would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Retail Individual Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Retail Individual Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

### **Payment mechanism for ASBA Bidders**

The ASBA Bidders shall specify the bank account number in the ASBA Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA 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 unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. 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 Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

### **Payment into Escrow Account for Bidders other than ASBA Bidders**

Each Retail Individual Bidder shall draw a cheque or demand draft or remit the funds electronically through the NEFT/RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:



1. All Retail Individual Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form.
2. The Retail Individual Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid of the Bidder shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - (a) In case of Resident Retail: “Escrow – BRLS Public Issue - R”
  - (b) In case of Non-Resident Retail “Escrow – BRLS Public Issue - NR”
4. 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 Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
5. In case of Bids by NRIs applying on non-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 or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-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 or NRO Account.
6. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.
7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
8. Within 12 Working Days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.
9. Payments should be made by cheque, or a demand draft 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 centre where the Bid-cum-Application Form is submitted. Outstation cheques/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.

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## OTHER INSTRUCTIONS

### Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. 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 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.

Bids by QIBs under QIB Portion will not be considered as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.
4. The addresses of all the applications in the multiple master will be strung from the address master. 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. The Bids with same name and same address will be treated as multiple Bids.
5. The Bids will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

### Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for 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.**

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## REJECTION OF 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 shall be made by 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:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid-cum-Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [ ];
- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid-cum-Application Forms does not have the stamp of the BRLM or Syndicate Members or the SCSB;

- Bid-cum-Application Forms does not have Bidder's depository account details;
- Bid-cum-Application Forms are not delivered by the Bidders 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 the Red Herring Prospectus and the Bid-cum-Application Forms;
- 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 account number;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- ASBA Bids for QIBs not intimated to the BRLM;
- Bids by persons in the United States;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by QIBs and Non-Institutional Bidders through the non-ASBA process;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES.**

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be 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 agreements have been signed among our Company, the respective Depositories and the Registrar:

Agreement dated [●], between NSDL, Our Company and the Registrar;

Agreement dated [●], between CDSL, Our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

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- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
  - (b) 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.
  - (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
  - (d) 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 account details in the Depository.
  - (e) 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.
  - (f) 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.
  - (g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
  - (h) The trading of the Equity Shares of Our Company would be in dematerialised form only for all Bidders 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 quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

**Bidders can contact the Compliance Officer or the Registrar 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. In case of ASBA Bids submitted to the Designated Branches of the SCSBs/ to the Syndicate Member(s)/sub-syndicate members at the Specified Centres, the Bidders can contact the Designated Branches of the SCSBs or the Syndicate/ Sub-Syndicate members, as the case may be.**

### **PAYMENT OF REFUND**

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. 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 dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither Our Company, nor the Book Running Lead Managers, the Registrar, Escrow Collection Bank(s), Bankers to the Issue, the BRLM shall

be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

*Mode of making refunds for Bidders other than ASBA Bidders*

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. **NECS** – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. 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. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit.
2. **Direct Credit** – Applicants having bank accounts with the Refund Bank (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 our Company.
4. **NEFT** – 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 Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever 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. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched 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 centres will be payable by the Bidders.

*Mode of making refunds for ASBA Bidders*

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

**DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

With respect to Bidders other than ASBA Bidders, Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days of the Bid/Issue Closing Date.



In case of applicants who receive refunds through NECS, NEFT, direct credit the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our 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/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, Our Company further undertakes that:

Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

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 through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 12 Working Days from the Bid/ Issue Closing Date or on refusal by stock exchanges to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

## **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.”*

## **BASIS OF ALLOTMENT**

### **A. 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 category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue



Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment 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 at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**B. 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 category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment 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 at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**C. For QIBs**

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 Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
  - (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
  - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the 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 for Allotment to all QIB Bidders as set out in (b) below;
- (b) In the second instance Allotment to all QIBs shall be determined as follows:

- (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for up to 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, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, 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. The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

The Book Running Lead Managers, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the 'Basis of Allocation' is finalized in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalize the 'Basis of Allocation' shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

#### **A. Illustration of Allotment to QIBs and Mutual Funds ("MF")**

<b>Sr. No</b>	<b>Particulars</b>	<b>Issue Details</b>
1.	Issue Size	200 Crores equity shares
2.	Allocation to QIB (50%)	100 Crores Equity Shares
3.	Anchor Investor Portion	30 Crores Equity shares
4.	Portion available to QIBs other than Anchor	70 Crores Equity shares
	Of which	
	a. Allocation to Mutual Funds	3.5 Crores Equity Shares
	b. Balance for all QIBs including MFs	66.5 Crores Equity Shares
5.	No. of QIB applicants	10
6.	No of Shares applied for	500 Crores Equity shares

#### **B. Details of QIB Bids**

<b>Sr .No</b>	<b>QIB Bidders</b>	<b>No. of shares bid (in crores)</b>
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	500

#A1-A5 : (QIB bidders other than MFs), (MF1-MF5) : (QIB Bidders other than Mutual Funds)

### C. Details of Allotment to QIB Bidders

Type of QIB Bidders	Equity shares bid for	Allocation of 3.5 crores equity shares to MFs proportionately	Allocation of balance 66.5 crores equity shares to QIBs proportionately	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF1	40	0.7	5.32	6.02
MF2	40	0.7	5.32	6.02
MF3	80	1.4	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	<b>500</b>	<b>3.5</b>	<b>66.5</b>	<b>30.1</b>

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “*Issue Structure*” on page 282.
2. Out of 70 crores equity shares allocated to QIBs, 3.5 crores (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 equity shares in QIB category.
3. The balance 66.5 crores equity shares (i.e. 70 – 3.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including five MF applicants who applied for 200 equity shares).
4. The figures in the fourth column entitled “Allocation of balance 66.5 crores Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

For QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 66.5 / 496.5

For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted ( i.e., column III of the table above)] X 66.5 / 496.5

The numerator and denominator for arriving at allocation of 66.5 crore Equity shares to the 10 QIBs are reduced by 3.5 crores Equity shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

### Method of Proportionate Allotment

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director/authorized employees of the Designated Stock Exchange along with the post Issue Lead Merchant Banker and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

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The allotment shall be made in marketable lots, on a proportional basis as explained below:

- (a) Bidders will be categorized according to the number of Equity Shares applied for,
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is 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, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio, in that category subject to a minimum allotment of [●] Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- (d) In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
  - Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
  - 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.
- (e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- (f) Investors should note that the Equity Shares will be allocated to all successful Bidders in dematerialised form only. Bidders will not have the option of being allocated Equity Shares in physical form.

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 allotted 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.

**Letters of Allotment or Refund Orders or instructions to the SCSBs, disposal of application and application moneys**

Our Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit. Our Company will ensure dispatch of any refund orders by speed or registered post or direct credit, NEFT or NECS, at the sole or first Bidders' sole risk, within 12 Working Days from the Bid/ Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

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**Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.**

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that 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 through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 12 working days from the Bid/ Issue Closing Date or on refusal by stock exchanges to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

**UNDERTAKING BY OUR COMPANY**

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within 12 Working Days of closure of Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
4. 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 the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time.
6. that no further issue of securities shall be made till the securities offered through the Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
7. 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.

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.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with SEBI.

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## **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

- i) All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- ii) Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and
- iii) Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;
- iv) Our Company shall comply with the requirements of Clause 49 of the listing agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds; and
- v) Our Company shall not have recourse to the proceeds of the Issue until the approval for listing of the Equity Shares from the Stock Exchanges has been received.

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## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy 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, 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. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI.

RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

### Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India (“NRIs”). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchange. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

### Investment by Foreign Institutional Investors

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

### Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.



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#### **Registration of Equity Shares under US Laws**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended 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 of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

**The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of the Draft Red Herring Prospectus.**

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## **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.

### **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.

#### **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.

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## 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.

**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

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upon giving such member not less than three months notice in writing.

## **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.

**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.

#### **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.

#### **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.

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**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 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**

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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.

## **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



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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.

**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:**

1. Shri Yashovardhan Birla
2. Shri Yogesh Chadha
3. Shri 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 Article 99 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 dispatch 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 and shall not be liable to retire by rotation.

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

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specified locality in such manner as they may think fit.

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## **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.

## **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.

## **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 clause (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**

- (2) 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.
- (3) 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.
- (4) 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
  - (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.

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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

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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 acquitted, 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.**



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## **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, 1<sup>st</sup> 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. Agreement dated August 9, 2011 entered between our Company and Arihant Capital Markets Limited, the Book Running Lead Manager.
2. Memorandum of Understanding dated 28<sup>th</sup> June 2011 entered into by our Company with Link Intime India Pvt. Ltd. to act as the Registrars to the Issue
3. Escrow agreement dated [●] between our Company, BRLMs, Registrar, the Syndicate Members and the Escrow Collection Banks.
4. Syndicate Agreement dated [●] between our Company, BRLM and the Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, BRLM and the Syndicate Members.
6. Tripartite agreement between the Company, CDSL and Link Intime India Pvt. Ltd. [●]
7. Tripartite agreement between the Company, NSDL and Link Intime India Pvt. Ltd. [●]
8. Business Transfer Agreement between our Company and Birla Lifesciences dated 12<sup>th</sup> March 2009.
9. Share Cum Warrant Subscription Agreement between the Company & its promoters and Bennett, Coleman & Co. Ltd. dated 5<sup>th</sup> January 2010 and as amended by agreement dated 16<sup>th</sup> August 2011.
10. Advertisement Agreement between Bennett, Coleman & Co. Ltd. and the Company dated 5<sup>th</sup> January 2010

11. Agreement with Mr. Venkateswaralu Nelabhotla dated 17<sup>th</sup> June 2011 recording terms and conditions of his appointment as the Managing Director of the company.
12. Share Sale and Purchase Agreement between the Company, Birla Wellness & Healthcare Pvt Ltd and Mr. Venkateswaralu Nelabhotla. dated 5<sup>th</sup> September 2011

**B. Material Documents:**

1. Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of Incorporation dated January 10, 2008, issued by the Registrar of Companies, Maharashtra and a fresh certificate of incorporation consequent upon change of name from Birla Lifesciences Private Limited to Birla Research & Lifesciences Private Limited dated 23<sup>rd</sup> September 2010 and the fresh certificate of incorporation consequent upon change of name on conversion to Public Limited Company on 25<sup>th</sup> November 2010.
3. Copy of the resolution passed at the meeting of the Board of Directors held on 22<sup>nd</sup> April 2011 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 17<sup>th</sup> May 2011 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 17<sup>th</sup> June 2011 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 17<sup>th</sup> June 2011 interalia constituting the Project Monitoring Committee to oversee the implementation of the project.
7. Copies of Annual reports of our Company for the period from 10<sup>th</sup> Jan 2008 to 31<sup>st</sup> March, 2009 and for the years ended 31<sup>st</sup> March 2010 and 2011.
8. Resolution of the members of the Board passed at the Meeting of the Board of Directors of the company held on 14<sup>th</sup> January 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 1<sup>st</sup> August 2011 as mentioned in the DRHP.


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10. Letter dated 1<sup>st</sup> August 2011 from the auditors of our Company M/s Kanu Doshi Associates, Chartered Accountants confirming tax benefits and tax shelter as mentioned in the DRHP
  11. Consent letter dated 1<sup>st</sup> August 2011 from statutory auditors, M/s Kanu Doshi Associates, Chartered Accountants.
  12. Copy of the Board Resolution dated 1<sup>st</sup> July 2011 regarding appointment of Ms. Pratibha Rane as our Company secretary and compliance officer.
  13. Copies of Undertakings from Birla Research & Lifesciences 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 12<sup>th</sup> September 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 their letter dated [●]
  17. Due Diligence Certificate dated 12<sup>th</sup> September 2011 to SEBI from Arihant Capital Markets Limited
  18. SEBI Final observation letter [●]dated [●]
  19. IPO Grading Report dated [●] by [●]
  20. Letter dated 16<sup>th</sup> August 2011 from Karnataka Bank Limited granting no objection for the proposed public issue.

Any of the contracts or documents mentioned in this DRHP 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

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, SEBI (ICDR) Regulations, 2009 and the guidelines issued by the Government of India as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules or guidelines issued there under, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

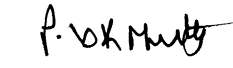
SIGNED BY ALL THE DIRECTORS OF BIRLA RESEARCH & LIFESCIENCES LIMITED



**Yashovardhan Birla**  
Chairman



**Venkateswarlu Nelabhotla**  
Managing Director



**PVR Murthy**  
Director



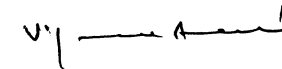
**Pratibha Rane**  
Company Secretary & Compliance Officer



**Dr. EG Rajan**  
Director



**Dr. Jayaprakash Narayan**  
Director



**Vijay Agarwal**  
Director

Place: Mumbai

Dated: 12<sup>th</sup> September 2011

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