

Peter England Fashions & Retail Ltd approves Scheme of Arrangement for demerger of Pantaloons Format business

9 September 2012

Mumbai: The Board of Directors of Peter England Fashions & Retail Limited [“PEFRL”], a wholly owned subsidiary of Aditya Birla Nuvo Limited [“ABNL”], at its meeting held today, approved the Scheme of Arrangement for the demerger of “Pantaloons Format” business into PEFRL. This is further to the in-principle approval given by the Board of Directors of ABNL on 30th April 2012.

The Board of Directors of PEFRL also approved the share entitlement ratio in relation to the demerger. Accordingly, upon the effectiveness of the Scheme of Arrangement and under its terms, the equity shareholders of Pantaloon Retail (India) Ltd (PRIL) will receive 1 (one) fully paid up equity share of Rs. 10 each in PEFRL for 5 (Five) fully paid up equity share(s) (including DVR equity shares) of Rs. 2 each held in PRIL.

The transaction will be executed as indicated:

- PRIL, through a court scheme of arrangement, will transfer all undertakings, business, activities and operations pertaining to the ‘Pantaloons Format’ business to PEFRL. A debt of Rs. 1,600 crore will also be transferred to PEFRL.
- The appointed date of the transfer is 1st July 2012.
- PEFRL will issue equity shares to the shareholders of PRIL as per the Board approved share entitlement ratio.
- Post-demerger, the holding of ABNL through its subsidiary PEFRL, will be 50.09 per cent.
- As part of the scheme, ABNL and / or its affiliates intend making a voluntary open offer to other shareholders of PEFRL.

The transaction is expected to be completed within six months, subject to the requisite statutory and regulatory approvals, including those from the stock exchanges under the listing agreement, shareholders, creditors, competition commission of India and the Hon’ble High Court of Judicature at Bombay.

The share entitlement ratio has been arrived at based on the recommendations of Deloitte Touche Tohmatsu India Pvt. Ltd. and Grant Thornton India LLP. Amarchand & Mangaldas & Suresh A. Shroff & Co. is the legal advisor to the transaction.

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