ADITYA BIRLA
FASHION & RETAIL

August 14, 2016

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.
Fax # 022 - 2272 3121

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051.
Fax # 022 - 2659 8237/38
2659 8120

Sub: Ninth Annual General Meeting *("9th AGM")* of Aditya Birla Fashion and Retail Limited *(formerly known as Pantaloons Fashion & Retail Limited) ("the Company")*

Ref: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *("SEBI Listing Regulations")*
[Scrip Code: BSE – 535755; NSE – ABFRL]

Dear Sir/ Madam,

In terms of the SEBI Listing Regulations, please find enclosed herewith copy of the following:

a. Notice of the 9th AGM of the Company to be held on Wednesday, September 7, 2016 at 3.00 p.m. at Ravindra Natya Mandir, PL Deshpande Maharashtra Kala Academy, Near Siddivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400025, Maharashtra.
b. Newspaper Advertisement published after the dispatch of the Notice and Annual Report of 9th AGM of the Company, published in Business Standard and Navshakti on August 14, 2016 as per Regulation 47(3) of the SEBI Listing Regulations.
c. Annual Report of the Company for the Financial Year 2015-16.

This is for your information and record.

Thanking you,

Yours faithfully,
For Aditya Birla Fashion and Retail Limited

ADITYA BIRLA FASHION AND RETAIL LIMITED MUMBAI

Geetika Anand
Asst. Vice President & Company Secretary

Encl: a/a

ADITYA BIRLA FASHION AND RETAIL LIMITED

(formerly known as Pantaloons Fashion & Retail Limited)

Registered Office: 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A. K. Road, Marol Village, Andheri (East), Mumbai- 400 059, Maharashtra
CIN: L18101MH2007PLC233901; **Web:** www.abfrl.com; **Email:** secretarial.abfrl@adityabirla.com;
Tel: +91 - 8652905000; **Fax**: +91 - 8652905400

NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of Aditya Birla Fashion and Retail Limited will be held on Wednesday, September 7, 2016, at 3:00 p.m. at Ravindra Natya Mandir, PL Deshpande Maharashtra Kala Academy, Near Siddivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400025, Maharashtra, to transact, with or without modification(s), as may be permissible, the following businesses:

ORDINARY BUSINESS

Item no. 1 - Adoption of Audited Financial Statements:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2016 and the Report(s) of the Directors and Auditors thereon.

Item no. 2 - Appointment of Director:

To appoint a Director in place of Mr. Sushil Agarwal [holding Director Identification Number 00060017], who retires from office by rotation and being eligible, offers himself for re-appointment.

Item no. 3 - Re-appointment of Statutory Auditors and fixing their remuneration:

To appoint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of fourteenth Annual General Meeting of the Company and to fix their remuneration and for the purpose, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 and other applicable statutes and laws, if any (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee of the Board of Directors (hereinafter referred to as "Board") and the Board, M/s. S R B C & Co. LLP, Chartered Accountants [ICAI Firm Registration Number 324982E/ E300003], the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of five years i.e. from the conclusion of this Ninth Annual General Meeting until the conclusion of the Fourteenth Annual General Meeting of the Company, at such remuneration as the Board of Directors (which term shall be deemed to include Audit Committee thereof) may fix in this behalf."

SPECIAL BUSINESS

Item No. 4 - Fees to be paid by Members of the Company for service of documents through a particular mode of service:

To consider and if thought fit, to pass the following resolution, with or without modification(s), as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 ("the Act") read with relevant Rules made thereunder and all other applicable provisions of the Act and the Rules, if any (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company, be and is hereby accorded to charge, from any member, the fee in advance, equivalent to the estimated actual expenses of delivery of any document(s), pursuant to any specific request made by such member for delivery of any document(s) of the Company to him/ her, through any particular mode of service of document(s) as mentioned in Section 20 of the Act, provided, such request alongwith the requisite fee has been duly received by the Company, atleast one week in advance of the dispatch of such document(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

Item No. 5 - Issuance of Non-Convertible Debentures for an amount of upto ₹ 1,250 crore, on private placement basis

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013 ("the Act") read with the rules made thereunder ("Rules"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and all other applicable provisions of the Act, Rules, Regulations, Listing Regulations and such other applicable laws, rules, regulations, guidelines ("other applicable laws") (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the Memorandum and Articles of Association of the Company and such other approvals, consents, sanctions and permissions, as may be necessary from time to time, consent of the members of the Company be and is hereby accorded to issue and/ or offer and/ or invite subscription for and/ or allot Non-Convertible Debentures of the Company of upto ₹ 1,250 crore, through Private Placement, in one or more tranches, during a period of 12 (twelve) months from the conclusion of the Ninth Annual General Meeting, to such person or persons (who may or may not be the debenture holders of the Company) as the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any duly constituted Committee(s) thereof or such other person(s) authorised by the Board) may at its sole discretion decide, at such terms and conditions as may be determined and considered proper and most beneficial to the Company, under the Act and/ or Rules and/ or Regulations and/ or Listing Regulations and/ or other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such act(s), deed(s), matter(s) and thing(s) as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and for matters connected therewith or incidental thereto and to sign and execute any deed(s)/ document(s)/ undertaking(s)/ agreement(s)/ paper(s)/ writing, as may be required in this regard and to delegate all or any of these powers to any of the Director(s) and/ or Key Managerial Personnel(s) and/ or officer(s) of the Company."

Item No. 6 - Increase in overall borrowing limits of the Company

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution:**

"**RESOLVED THAT** in supersession of the special resolution passed by the Members of the Company at the Seventh Annual General Meeting of the Company held on August 27, 2014 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("Act") read with rules made thereunder and pursuant to all other applicable provisions of the Act, applicable rule(s), regulation(s), guideline(s), circular(s) etc. issued by the Reserve Bank of India and/ or any other appropriate authority, if any, and other applicable statutes and laws, if any (including any statutory modification or re-enactment thereof, for the time being in force), consent of Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any duly constituted Committee(s) thereof or such other person(s) authorised by the Board) for borrowing from time to time, any sum or sums of money at its discretion, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital and free reserves (i.e. reserves not set apart for any specific purpose) of the Company at such time, subject to such aggregate borrowings not exceeding the amount which is

₹ 3,500 Crore (Rupees Three Thousand Five Hundred Crore only) over and above the aggregate of the paid-up share capital and free reserves (i.e. reserves not set apart for any specific purpose) of the Company at any relevant time and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized and empowered to to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution, to execute all such documents, instruments and writings as may be required."

Item No. 7 - Creation of Charge/ Mortgage on assets of the Company

To consider and if thought fit, to pass the following resolution, with or without modification(s), as **Special Resolution:**

"**RESOLVED THAT** pursuant to Section 180(1)(a) of the Companies Act, 2013 ("the Act") read with relevant Rules made thereunder and all other applicable provisions of the Act and the Rules, if any and any other applicable laws (including any statutory modification or re-enactment thereof, for the time being in force), and provisions of the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any duly constituted Committee(s) thereof or such other person(s) authorised by the Board) for creation of charge/ mortgage/ pledge/ hypothecation/ security in addition to existing charge/ mortgage/ pledge/ hypothecation/ security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/ or immovable properties, tangible or intangible assets of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed/ to be availed by the Company by way of loan(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/ partly convertible debentures and/ or Non-Convertible Debentures with or without detachable or non-detachable warrants and/ or secured premium notes and/ or floating rate notes/ bonds or other debt instruments), issued/ to be issued by the Company including deferred sales tax loans availed/ to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on pre-payment, remuneration of the Agent(s)/ Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company or any other document, entered into/ to be entered into between the Company and the Lender(s)/ Agent(s)/ Trustee(s)/ State Government(s)/ Agency(ies) representing various state government and/ or other agencies etc. in respect of the said loans/ borrowings/ debentures/ securities/ deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s)/ Agent(s)/ Trustee(s)/ State Government(s)/ Agency(ies), etc.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior/ pari passu/ subservient with/ to the mortgages and/ or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents/ deeds/ writings/ papers/ agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid."

Item No. 8 - Revision in limits of remuneration of Mr. Pranab Barua, Managing Director of the Company

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 2(51), 196, 197, 203 read with the Schedule V of the Companies Act, 2013 ("the Act"), Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act, (including the rules, notifications, circulars, etc. issued thereunder or under the Companies Act, 1956) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any (including any statutory modifications or re-enactments thereof, in force at the relevant time) and approvals of the Nomination and Remuneration Committee of the Board ("NRC") and Board of Directors vide their resolutions dated April 30, 2016 and May 25, 2016 respectively and subject to the approval of the Central Government and such other approvals as may be required, consent of the Members of the Company, be and is hereby accorded to the revision in the limits of remuneration payable to Mr. Pranab Barua, Managing Director of the Company, alongwith other associated terms and conditions of his appointment, which will be applicable during his present tenure as the Managing Director of the Company i.e. upto October 24, 2018, more particularly as follows:

A. Remuneration:

a) Basic Salary: ₹ 9,98,446/- (Rupees Nine Lakh Ninety Eight Thousand Four Hundred and Forty Six) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 20,00,000/- (Rupees Twenty Lakh) per month.

b) Special Allowance: ₹ 12,70,113/- (Rupees Twelve Lakh Seventy Thousand One Hundred and Thirteen) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 33,00,000/- (Rupees Thirty Three Lakh) per month. This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment.

c) Variable Pay: Performance Bonus linked to the achievement of targets, as may be decided by the Board from time to time, subject however to a maximum of ₹ 5,00,00,000/- (Rupees Five Crore) per annum.

d) Long-term Incentive Compensation/ Employee Stock Option as per the plan applicable to the Senior Executives of the Company/ Aditya Birla Group including that of any parent/ subsidiary company as may be decided by the Board.

e) Note: The limits specified above are the maximum limits.

B. Perquisites:

a) Housing: Free furnished accommodation or HRA in lieu of company provided accommodation.

b) Reimbursement of expenses: At actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per company policy.

c) Car: Two cars for use of Company's Business as per Company Car policy.

d) Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per company policy.

e) Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.

f) Club fees: Fees of One Corporate Club in India (including admission and annual membership fee).

g) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company: As per policy of the company.

h) Leave and encashment of leave: As per the policy of the Company.

i) Personal accident Insurance Premium: As per the policy of the Company.

j) Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme: As per policy of the Company.

k) Gratuity and/ or contribution to the Gratuity Fund of Company: As per the policy of the Company.

l) Other Allowances/ benefits, perquisites: Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and/ or which may become applicable in the future and/ or any other allowance, perquisites as the Board from time to time decide.

m) Any other one time/ periodic allowances/ benefits as may be decided by the Board as per the policies of the company.

C. Annual remuneration review is effective July 1 each year, as per the policy of the Company.

D. Subject as aforesaid, Mr. Barua shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

E. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Mr. Barua will be considered as continuous service with the Company from the date of his joining the Aditya Birla Group.

F. The aggregate of the remuneration and perquisites as aforesaid in any Financial Year shall not exceed the limit from time to time under the applicable provisions of the Act or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

G. When in any Financial Year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Barua in accordance with the applicable provisions of the Act and subject to such approvals as may be required.

H. NRC will review and recommend the remuneration payable to the Managing Director during the tenure of his appointment, from time to time.

I. So long as Mr. Pranab Barua functions as the Managing Director of the Company, he shall not be subject to retirement by rotation and shall not be paid any sitting fees for attending the meetings of the Board and/ or any Committee thereof.

J. Though considering the provisions of Section 188 of the Act, Mr. Barua would not be holding any office or place of profit by his being mere a director of the Company's Subsidiary(ies)/ Joint Venture(s), approval be and is hereby also granted by way of the abundant caution for him to accept the sitting fees/ commission paid/ payable to other directors for attending meetings of Board of Directors / Committee(s) of subsidiary(ies)/ Joint Venture(s) of the Company(ies) promoted by the Aditya Birla Group."

K. In the event of loss or inadequacy of profits in any year, the remuneration including the perquisites as aforesaid will be paid to Mr. Pranab Barua in accordance with the applicable provisions of Schedule V of the Companies Act, 2013.

By Order of the Board

Sd/-
Geetika Anand
Asst. Vice President and Company Secretary

Place : Bengaluru
Date : May 25, 2016

Details of Mr. Sushil Agarwal, Director seeking re-appointment as set out in Item No. 2 of this Notice, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings are as follows:

Name of Director	Mr. Sushil Agarwal
Date of Birth/ Age	June 13, 1963/ 53 years
Date of First Appointment	August 6, 2009
Director Identification Number	00060017
Qualification	M. Com, C.A.
Brief Profile including expertise in specific Functional Area	Mr. Sushil Agarwal is a qualified Chartered Accountant and holds a Master's degree in Commerce. He has over 25 years of experience in financial and broad array of commercial matters. He has been with the Aditya Birla Group since the beginning of his career in 1989. He is presently the Group Chief Financial Officer for Aditya Birla Group, Whole Time Director & Chief Financial Officer of Grasim Industries Ltd. and also a Director on the Board of several companies. In recognition of his contribution to the Aditya Birla Group, he was honored with the Chairman's "Exceptional Contributor Award" in the year 2000 and "Outstanding Leadership Award" in 2014. In 2013, he was named among India's best CFOs by Business Today in the category "Enhancing Competitiveness through M&A". He was recognized for excellence by 'CFO 100' under the category 'Winning Edge in Strategy' in 2011, 'Winning Edge in M&A' in 2014 and 'Winning Edge in Corporate Finance' in 2015 and 2016.
No. of Board Meetings attended during Financial Year 2015-16	Mr. Agarwal attended all the 6 Board meettings conducted during the year.
List of other Indian Public Limited Companies in which Directorships held (1)	1) Aditya Birla Insurance Brokers Limited; 2) Aditya Birla Health Insurance Company Limited; 3) Grasim Industries Limited
Chairperson/ Member of Committees(s) of Board of Directors of the Company (2)	
Member: 1) Audit Committee; 2) Stakeholders Relationship Committee.	
Chairperson/ Member of the Committee(s) of Board of Directors of other Companies in which he is a Member/ Chairperson (2)	
Shareholders/ Investors Grievance Committee/ Share Transfer Committee	Member: Grasim Industries Limited
Shareholding in the Company	1,19,829 Equity Shares

None of the Directors are related inter-se.

Note(s):

(1) Excludes directorships in the Company, Foreign Companies, Private Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and Companies formed under Section 8 of the Companies Act, 2013.

(2) As per the provisions of Regulation 26 of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement, only two committees viz. Audit Committee and Shareholders/ Investors Grievance Committee are considered;

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice:

Item No. 4 - Fees to be paid by Members of the Company for service of documents through a particular mode of service:

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by Post/ Registered post/ Speed post/ Courier/ delivering at his office address/ such electronic or other mode as may be prescribed.

It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

The proposed resolution is for the purpose of seeking approval of members of the Company for determination of such fees. The Board recommends the resolution set forth in Item No. 4 for approval of the Members.

None of the Director(s) and/ or Key Managerial Personnel of the Company and/ or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Ordinary Resolution, except to the extent of their equity holding in the Company, if any.

Item No. 5 - Issuance of Non-Convertible Debentures for an amount of upto ₹ 1,250 crore, on private placement basis

In order to avail the greater financial flexibility and considering increased fund requirements, post effectiveness of the Composite Scheme of arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective Shareholders and Creditors ("Composite Scheme"), Board of Directors (hereinafter referred as "Board" and which term shall include any Committee(s) of the Board), at its meeting held on May 25, 2016 approved issuance of NCDs of an amount of upto ₹ 1,250 Crore (Rupees One Thousand Two Hundred and Fifty Crore only), subject to Members' approval.

As per the provisions of Sections 42 and 71 of the Companies Act, 2013 read with Rules made thereunder ("the Act"), a company issuing and/ or offering and/or making an invitation to subscribe to and/or allot Non-Convertible Debentures ("NCDs") on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Accordingly, the Board proposes the Resolution for your consideration and recommends the passing of the Special Resolution set out at Item No. 5.

The Resolution set out at Item No. 5 enables the Board to offer or invite subscription for NCDs, on private placement basis, in one or more tranches, from time to time on such terms and conditions, including the issue price of the NCDs, upto an amount not exceeding ₹ 1,250 Crore (Rupees One Thousand Two Hundred and Fifty Crore only). The NCDs will be issued in accordance with the applicable provisions of the Act, relevant rules made thereunder and other applicable laws. The approval of the Members shall remain in force for a period of 12 months from the date of the Ninth Annual General Meeting of the Company i.e. upto September 6, 2017.

None of the Director(s) and/ or Key Managerial Personnel of the Company and/ or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed Special Resolution, except to the extent of their equity holding in the Company, if any.

Item Nos. 6 & 7 - Approval for the increase in overall Borrowing Limits of the Company and Creation of Charge/ Mortgage on assets of the Company

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, Members of the Company had, vide their Special Resolution passed at the Seventh Annual General Meeting of the Company held on August 27, 2014, authorized the Board of Directors of the Company to borrow from time to time, any sum(s) of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 2,000 Crore (Rupees Two Thousand Crore only).

Keeping in view your Company's business requirements, growth plans and increased fund requirements, post effectiveness of the Composite Scheme, it is proposed to increase the overall borrowing limits of the Company under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act").

Further, the borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors from time to time, in consultation with the lender(s).

Your consent is required under the provisions of Sections 180(1)(c) and 180(1)(a) of the Act, to increase the borrowing limits and to mortgage and/ or create a charge on any of the moveable and/ or immovable properties and/ or the whole or any part of the undertaking(s) of your Company to secure its borrowings. The resolutions as set out in item nos. 6 and 7 of this Notice are accordingly recommended for your approval.

None of the Director(s) and/ or Key Managerial Personnel of the Company and/ or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed Special Resolutions, except to the extent of their equity holding in the Company, if any.

Item No. 8 - Revision in limits of remuneration of Mr. Pranab Barua, Managing Director of the Company

Pursuant to the effectiveness of the Composite Scheme, Madura Fashion, the branded apparel retailing division of ABNL and Madura Lifestyle, a luxury branded apparel retailing division of MGLRCL, forms part of the Company w.e.f. April 1, 2015 (i.e. the Appointed Date as per the Composite Scheme) and collectively form a division of the Company viz. Madura Fashion & Lifestyle division ("MFL").

Mr. Pranab Barua- Managing Director of the Company, was an employee of MFL. Accordingly, by virtue of the effectiveness of the Composite Scheme, Mr. Barua, became an employee of the Company w.e.f. April 1, 2015. Further, in accordance with the Executive Remuneration Philosophy of the Company and by virtue of the approval of the Board of Directors and Nomination and Remuneration Committee thereof, Mr. Barua's remuneration as the Managing Director of the Company was revised simply to the extent of inclusion of the remuneration paid on behalf of MFL to Mr. Barua before effectiveness of the Composite Scheme.

Disclosures requried in terms of Schedule V of the Companies Act, 2013 ("the Act") and Clause 1.2.5 of the Secretarial Standards on General Meetings are as follows:

Details of Mr. Pranab Barua	
Date of Birth and Age	September 21, 1957 - 63 Years
Date of First appointment on the Board	January 23, 2009[(1)]
Qualification	Graduate in English Honors
Profile/ Background including experience	Mr. Pranab Barua is a Graduate in English Honours from St. Stephens College, New Delhi and has attended many advanced management programmes in India and abroad. He has over 40 years of experience across multiple industries. Before joining the Aditya Birla Group, he was working with a private equity group and their portfolio company. Prior to that he was the Chairperson and Managing Director of Reckitt Benckiser and he has also served as the Regional Director of Reckitt Benckiser for South Asia, Foods Director of Hindustan Unilever Limited and Sales and Marketing Director of Brooke Bond India Limited.

Note:

(1) Mr. Pranab Barua was appointed as the Non-executive Director of the Company w.e.f. January 23, 2009 and by virtue of the resolution passed at the meeting of the Board of Directors of the Company held on October 25, 2013, he was re-designated as the Managing Director of the Company. Approval of the Members of the Company was availed at their Seventh Annual General Meeting held on August 27, 2014.

Recognition or awards	Mr. Barua was honoured with the "Leader of Leaders Award" in the year 2011 from Chairman of Aditya Birla Group.
Job profile and his suitability	Mr. Pranab Barua has been associated with Aditya Birla Group for more than 8 years and has extensive on-the-job experience in various corporate matters. He looks after one of the Core Business Verticals of the Group i.e. Apparel and Retail.
Past Remuneration drawn from the Company [(2)]	(Amount in ₹ Lakh)

Particulars of Remuneration	Amount
Gross salary	
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	454.72
b. Value of perquisites u/s 17(2) Income-tax Act, 1961	3.11
c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
Stock Options[(3)]	-
Others, please specify	
Company's Contribution to Provident Fund	15.14
Food coupon	0.13
Total	**473.10[(4)]**

Remuneration proposed	As enumerated in the Special Resolution set out at Item No. 8 of this Notice.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of Mr. Barua, his responsibilities, the industry benchmarks, the remuneration proposed to be paid from the Company commensurates with the remuneration packages paid to similar senior level appointee(s) in other companies in the industry.
Pecuniary relationship, directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Barua does not have any pecuniary relationship directly or indirectly with the Company or any Managerial personnel of the Company.
Shareholding in the Company	NIL
Relationship with other Directors and KMP of the Company	Mr. Barua is not related to any other Directors or Key Managerial Personnel of the Company
No. of Board Meetings attended during the year	Out of 6 Board Meetings conducted during the year, Mr. Barua attended 5 Meetings of the Company
Chairman/Member of Committee(s) of Board of Directors of the Company	Member of: 1. Corporate Social Responsibility Committee 2. Risk Management Committee

Note(s):

(2) Mr. Barua also holds office of Managing Director and draws remuneration in Aditya Birla Retail Limited ("ABRL"). Necessary approval pursuant to Section 203 of the Act has been obtained from Board of Directors.

(3) Mr. Pranab Barua has been granted 4,78,045 Stock Options of the Company. Out of the total Stock Options granted, 1,19,511 Stock Options were vested unto him on October 25, 2015. However none of the Stock Options vested were exercised by him during the year. Also, 1,09,091 and 88,384 Restricted Stock Units of the Company ("RSUs") were granted to Mr. Barua on October 25, 2013 and May 11, 2016, respectively. Such RSUs will vest unto him on October 25, 2016 and May 11, 2019 respectively, subject to the fulfilment of performance criteria.

(4) The remuneration paid to Mr. Pranab Barua during the year consists of and includes remuneration paid by both, Madura Fashion & Lifestyle division (which became one of the divisions of the Company upon effectiveness of the Composite Scheme w.e.f. April 1, 2015 i.e. the Appointed Date) as well as the Pantaloons division of the Company. The same includes an amount of ₹123.27 Lakh paid towards performance linked incentive for achievement of targets for the year 2014 - 15.

Directorships in other companies, if any[5]	Aditya Birla Retail Limited (Managing Director)
Details of Membership(s) or Chairmanship(s) in committees of other companies[6]	Member of Audit Committee - Aditya Birla Retail Limited
Information of the Company	
Nature of industry	Branded Apparel and Accessories
Date of commencement of commercial production	May 14, 2007
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
Financial performance based on given indicators[7]	(Amount in ₹ Crore)

Particulars	FY 2015-16	FY 2014-15
Total Income	6,072.00	1,853.51
Total Expenses	6,176.14	2,081.65
Profit/ (loss) before Taxes	(104.14)	(228.14)
Less: Tax Expenses	-	-
Profit/ (loss) after Taxes	(104.14)	(228.14)

Foreign investments or collaborations, if any	The Company, being in the apparel industry, keeps on engaging itself with numerous foreign brands, in its ordinary course of business.
Reasons of loss or inadequate profits	The Company was in the process of consolidation in the year under review which led to one-time merger expenses and inter-divisional profit elimination. Further, the depreciation cost was higher during the year as the Company had reassessed the useful life of leasehold improvements and immovable fixtures w.r.t. its "Pantaloons" business, from the period of lease to six years, as the same better reflects the expected usage of such assets.
Steps taken or proposed to be taken for improvement	The Company's Strategy is to: 1. Drive growth through expansion in new markets even while increasing penetration in existing markets. 2. Focus on cost management and improving productivity across the value chain. 3. Address emerging opportunities in Online business through implementation of an omni channel and clear digitization strategy. 4. Continue to fill white spaces in portfolio with appropriate organic and inorganic actions.

Note(s):

(5) Excludes directorships in the Company, Foreign Companies, Private Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and Companies formed under Section 8 of the Act.

(6) As per the provisions of Regulation 26 of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement, only two committees viz. Audit Committee and Stakeholders/ Investors Grievance Committee are considered.

(7) The figures as on March 31, 2016, include figures of the Madura Fashion & Lifestyle division alongwith the figures of the Pantaloons division, whereas the figures as on March 31, 2015 represent figures only w.r.t. Pantaloons division and therefore both are not comparable.

Expected increase in productivity and profits in measurable terms.	The Company's diverse portfolio and its continued investment in design, product and innovation is expected to help deliver a superior and compelling consumer proposition in terms of choice and offerings at a great value. The deep distribution reach and penetration combined with the strength of its brands will help in increasing the consumer base even while creating a large revenue base. Continued focus on productivity, efficiency and cost reduction will help increase the profitability of the business. The proposed implementation of pay commission and increased inflow of FDI into the country will help improve the consumer sentiment and consumption of discretionary products like Apparel creating greater possibilities for growth. With all the internal and external factors the Company is targeting to improve growth and hence the profitability and profits of the business in the coming years.

Special Resolution set out at Item No. 8 of this Notice, seeks approval of the Members of the Company to approve the revision in the limits of the remuneration payable to Mr. Barua.

Mr. Pranab Barua, Managing Director of the Company, is concerned and/ or interested in the resolution concerning this matter, to the extent of revision in his remuneration.

Except Mr. Barua and his relatives, none of the Director(s) and/ or Key Managerial Personnel of the Company and/ or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed Special Resolution, except to the extent of their equity holding in the Company, if any.

By Order of the Board

Sd/-
Geetika Anand
Asst. Vice President and Company Secretary

Place : Bengaluru
Date : May 25, 2016

NOTES FOR MEMBERS' ATTENTION

1. **STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

   The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), which sets out details relating to Special Business to be transacted at the meeting forms part of this Notice.

2. **APPOINTMENT OF PROXY**

   A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "AGM" OR THE "MEETING") IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS SENT HEREWITH.

   A PERSON CAN ACT AS PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, EITHER IN PERSON OR THROUGH POST, DULY COMPLETED AND SIGNED NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE MEETING.

   PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, CORPORATE MEMBERS, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE CERTIFIED COPY OF THE RESOLUTION/ AUTHORITY, AS APPLICABLE.

   AN INSTRUMENT FOR APPOINTMENT OF PROXY IS VALID ONLY IF IT IS DULY FILLED, PROPERLY STAMPED AND SIGNED. INCOMPLETE, BLANK, UNDATED PROXY OR PROXY FORM WHICH DOES NOT STATE THE NAME OF THE PROXY, WILL NOT BE CONSIDERED VALID. IF THE COMPANY RECEIVES MULTIPLE PROXIES FOR THE SAME HOLDINGS OF A MEMBER, THE PROXY WHICH IS DATED LAST WILL BE CONSIDERED AS VALID. IF SUCH MULTIPLE PROXIES ARE NOT DATED OR THEY BEAR THE SAME DATE WITHOUT SPECIFIC MENTION OF TIME, ALL SUCH PROXIES SHALL BE CONSIDERED AS INVALID. PROXY WILL BE VALID UNTIL WRITTEN NOTICE OF REVOCATION HAS BEEN RECEIVED BY THE COMPANY BEFORE THE COMMENCEMENT OF THE AGM.

   THE PROXY-HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE MEETING.

   DURING THE PERIOD BEGINNING 24 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE AGM AND ENDING WITH CONCLUSION OF THE AGM, A MEMBER CAN INSPECT THE PROXIES SUBMITTED AT ANY TIME DURING BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAN THREE DAYS OF NOTICE IN WRITING IS GIVEN TO THE COMPANY.

3. **AUTHORISED REPRESENTATIVE**

   Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their specimen signature(s) authorising their representative(s) to attend and vote on their behalf at the AGM, to the Company's Registrar and Transfer Agent.

4. **DIRECTORS APPOINTMENT(S)**

   In accordance with the Articles of Association of the Company, all Directors (except Mr. Pranab Barua, who has been appointed as the Managing Director for a term of five years effective from October 25, 2013 and Independent Directors) retire every year and, if eligible, offer themselves for re-appointment at the Meeting. As per the provisions of the Act, Independent Directors are appointed for a term upto five consecutive years and are not liable to retire by rotation. The relevant details of the Director seeking re-appointment under Item no. 2 of this Notice are provided as part of this notice.

5. **RESUME OF DIRECTORS AS PER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI Listing Regulations")**

   Brief resume of Director(s) who is/ are proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, number

of listed entities in which they hold directorships and memberships of Committees of the Board and shareholding of Non-executive Directors, as stipulated under Regulation 36 of the SEBI Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report. The same also forms part of this Notice.

6. ELECTRONIC COPY OF ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Section 101 and Section 136 of the Act, read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s).

Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Company i.e. www.abfrl.com and also forming part of this Notice, to Link Intime India Pvt. Ltd., Registrar and Transfer Agent of the Company or to the Company.

Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

Members may also note that the Notice of the Ninth Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website for downloading. The physical copies of all the documents mentioned/ referred to in this Notice will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form free of cost, upon making a request for the same. For any communication, the members may also send requests to the Company's investor email id i.e. secretarial.abfrl@adityabirla.com

7. SUBMISSION OF MEMBERS PERMANENT ACCOUNT NUMBER [PAN]

The Securities and Exchange Board of India ("SEBI") has mandated submission of PAN by every participant in the Securities Market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

8. INSPECTION OF REGISTERS AND DOCUMENTS

The Register of Directors and Key Managerial Personnels and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act, will be available for inspection by the Members at the AGM.

Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Act, shall remain open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 10.00 a.m. and 12.00 noon upto the date of the AGM.

9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

10. Members are requested to please read the "Company's Recommendations to the Shareholders/ Investors" information provided in the "Shareholders' Information" Section of the Annual Report 2015-16.

11. Members/ proxies should bring their Attendance Slip/ Proxy Form sent herewith, duly filled in, for attending the AGM.

12. VOTING

a. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Wednesday, August 31, 2016 i.e. the cut-off date, shall be entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the AGM (i.e. remote e-voting).

b. The remote e-voting period will commence at Sunday, September 4, 2016 at 9.00 a.m. and will end on Tuesday, September 6, 2016 at 5.00 p.m. During this period, members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 31, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member,

the member shall not be allowed to change it subsequently. In addition, the facility for voting through electronic voting system shall also be made available at the AGM. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

c. The Company has appointed Mr. Dilip Bharadiya, Proprietor of M/s. Dilip Bharadiya & Co., Practicing Company Secretaries, to act as the Scrutinizer and to scrutinize the entire e-voting process in a fair and transparent manner.

d. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

The Company has entered into an arrangement with NSDL for facilitating remote E-voting for AGM.

a) E-Voting to commence On Sunday, September 4, 2016 at 09.00 a.m.

b) E-Voting to end On Tuesday, September 6, 2016 at 05.00 p.m.

c) URL https://www.evoting.nsdl.com/

The instructions for remote E-voting are as under:

A) In case of Members receiving an e-mail from NSDL:

1. Open the attached PDF file "ABFRL Remote E-Voting.pdf" attached to the email, using your Client ID *(in case you are holding shares in demat mode)* or Folio No. *(in case you are holding shares in physical mode)* as password. The PDF file contains your User ID and Password for remote E-voting. Please note that the password is an "initial password".
2. Launch an internet browser by typing the URL https://www.evoting.nsdl.com/
3. Click on "Shareholder - Login".
4. Put "User ID" and "Password" as noted in initial password in step (1) above and Click Login. If you are already registered with NSDL for E-voting then you can use your existing User ID and Password. If you forgot your Password, you can reset your Password by using "Forgot User Details/Password" option available on https://www.evoting.nsdl.com/.
5. Password change menu shall appear. Change the Password with a new Password of your choice with minimum 8 digits/ characters or combination thereof. Please take a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
6. Home page of "E-voting" will open. Click on E-voting - Active Voting Cycles.
7. Select Electronic Voting Event Number (EVEN) of Aditya Birla Fashion and Retail Limited.
8. Now you are ready for remote E-voting as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Upon Confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have confirmed the resolution, you will not be allowed to modify your vote.
12. Institutional members [i.e., other than Individuals, Hindu Undivided Family (HUF), Non-resident Indian (NRI), etc.] are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through an e-mail to scrutinizer.abfrl@adityabirla.com with a copy marked to evoting@nsdl.co.in

B) In case of Members receiving physical copy of the AGM Notice and Attendance Slip:

1. Initial Password is as provided, as follows, at the bottom of the Attendance Slip.

Electronic Voting Event Number (EVEN)	User ID	Password/ Pin

2. Please follow all steps from Sr. No. 1 to Sr. No. 12 mentioned above, to cast vote.

Other information:

1. In case of any queries, you may refer to the "Frequently Asked Questions" ("FAQs") for Members and "remote E-voting user manual" for members available at the "Downloads" sections of https://www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990 or Board line No. of NSDL: +91 022 2499 4600/ 4738.
2. If you are already registered with NSDL for remote E-voting then you can use your existing User ID and Password/ PIN for casting your vote.
3. You can also update your mobile number and E-mail id in the user profile details of the folio which may be used for sending future communication(s).

4. The Members who have cast their vote by remote E-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The remote E-voting period commences on Sunday, September 4, 2016 at 09.00 a.m. and ends on Tuesday, September 6, 2016 at 05.00 p.m. The remote E-voting module shall be disabled by NSDL for voting thereafter.
6. The voting rights of members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date i.e. Wednesday, August 31, 2016.
7. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holds shares as of the cut-off date may obtain the login ID and Password by sending a request at evoting@nsdl.co.in or secretarial.abfrl@adityabirla.com

   However, if you are already registered with NSDL for remote e-voting, then you can use your existing User ID and Password for casting your vote. If you have forgotten your Password, you can reset your Password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-22-990 or Board line No. i.e. +91 022 2499 4600/ 4738.
8. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners as on the cut-off date only shall be entitled to avail the facility of remote E-voting and voting at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
9. Every Client ID No./ Folio No. will have one vote, irrespective of number of joint holders. However, in case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the AGM.
10. A Member can opt for only one mode of voting i.e. either through remote E-voting or by voting at the AGM. If a Member casts vote by more than one mode of voting including remote E-voting, then voting done through remote E-voting shall prevail and other shall be treated as invalid. Members who have voted by remote E-voting have the right to attend the Meeting and accordingly their presence shall be, counted for the purpose of Quorum.
11. Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access E-voting website of NSDL through their website viz. www.icicidirect.com for the purpose of casting your votes electronically by using your existing User ID and Password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through ICICI direct website, you can also access the E-voting system of NSDL by using your existing User ID and Password for the E-voting system of NSDL.

General Instructions:

1. Mr. Dilip Bharadiya, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
2. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow E-voting at the AGM with the assistance of scrutinizer and representatives of NSDL for all those Members who are present at the AGM but have not cast their votes by availing the remote E-voting facility.
3. The Scrutinizer shall after the conclusion of E-voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote E-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
4. The results declared along with the Scrutinizer's Report shall be declared through following means of communication:
   a. displayed on the Notice Board of the company at its Registered Office
   b. shall be put on the website of the Company i.e. www.abfrl.com
   c. shall be put on the website of NSDL
   d. shall be communicated to BSE Limited and National Stock Exchange of India Limited.
5. The results shall also be available for inspection at the Registered Office of the Company.

By Order of the Board

Sd/-

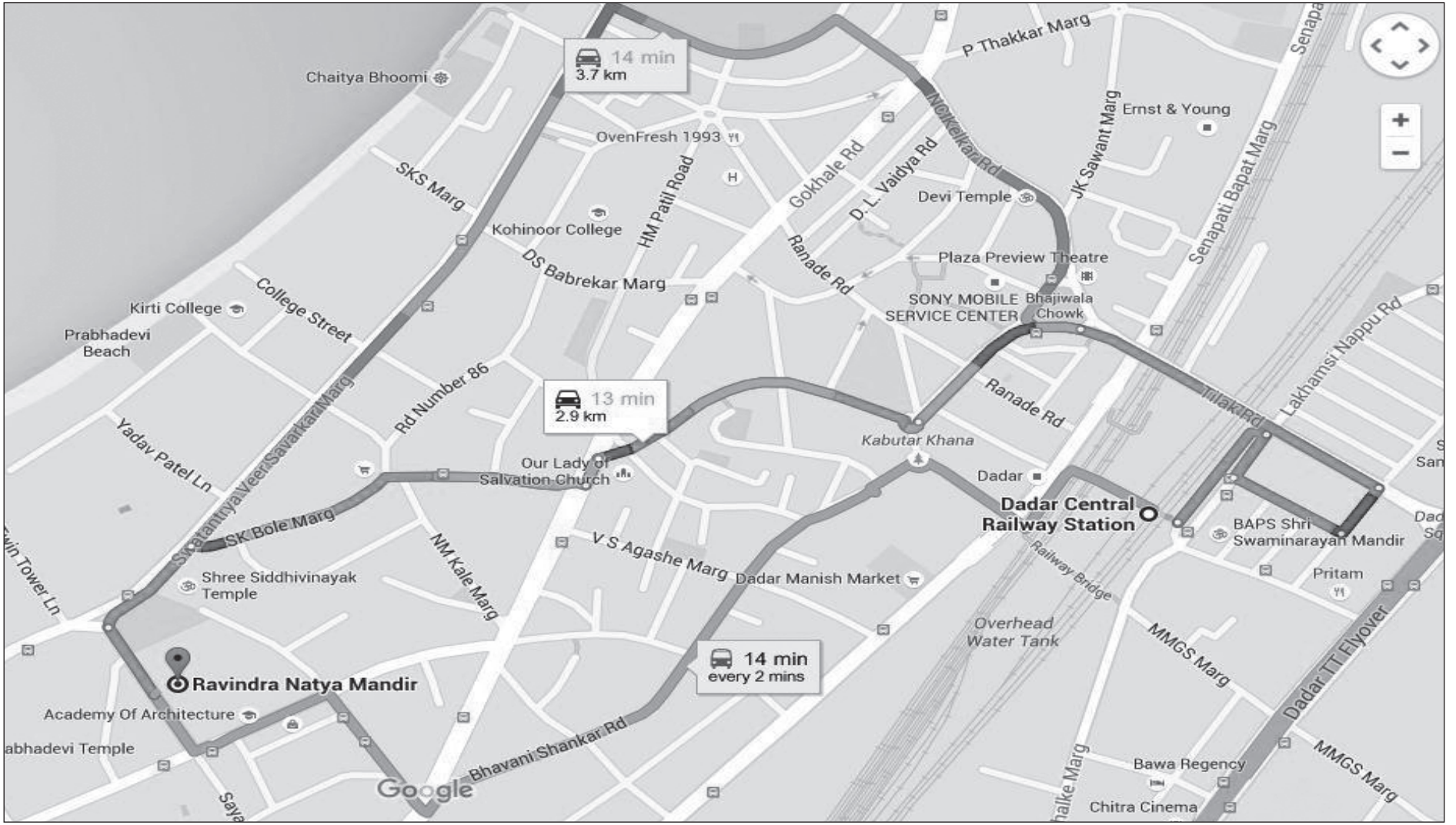
Geetika Anand

Asst. Vice President and Company Secretary

Place : Bengaluru

Date : May 25, 2016

ROUTE MAP - VENUE - 9TH ANNUAL GENERAL MEETING



ADITYA BIRLA FASHION AND RETAIL LIMITED

(formerly known as Pantaloons Fashion & Retail Limited)

Registered Office: 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A. K. Road, Marol Village, Andheri (East), Mumbai- 400 059, Maharashtra
CIN: L18101MH2007PLC233901; **Web:** www.abfrl.com; **Email:** secretarial.abfrl@adityabirla.com;
Tel: +91 - 8652905000; **Fax**: +91 - 8652905400

PROXY FORM

[As per Form MGT - 11 & pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s)	:	.....
Registered address	:	.....
		.....
E - mail Id	:	.....
Folio No. / Client ID*	:	.....
DP ID*	:	.....

**applicable in case of shares held in electronic form*

I/ We, being the member(s) of ……..……. shares of the above named Company, hereby appoint:

1. Name: .....
   Address: .....
   .....
   E – mail ID:..... Signature: ....., or failing him;
2. Name: .....
   Address: .....
   .....
   E – mail ID:..... Signature: ....., or failing him;
3. Name: .....
   Address: .....
   .....
   E – mail ID:..... Signature: .....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Ninth Annual General Meeting of the Company, to be held on the Wednesday, September 7, 2016 at 3.00 p.m. at Ravindra Natya Mandir, PL Deshpande, Maharashtra Kala Academy, Near Siddivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400025, Maharashtra, and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution(s)	Type of resolution(s)	Assent	Dissent
1.	Adoption of Audited Financial Statements	Ordinary		
2.	Appointment of Director	Ordinary		
3.	Re-appointment of Statutory Auditors and fixing their remuneration	Ordinary		
4.	Fees to be paid by Members of the Company for service of documents through a particular mode of service	Ordinary		
5.	Issuance of Non-Convertible Debentures for an amount of upto ₹ 1,250 crore, on private placement basis	Special		
6.	Increase in overall Borrowing Limits of the Company	Special		
7.	Creation of Charge/ Mortgage on assets of the Company	Special		
8.	Revision in limits of remuneration of Mr. Pranab Barua, Managing Director of the Company	Special		

Signed this …….. day of ……., 2016

Signature of Shareholder ……

Signature of Proxy holder(s) ……

Affix Re. 1 Revenue Stamp

Note: (1) This form of proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
(2) Those members who have multiple folios with different jointholders may use copies of this Attendance slip/ proxy form.

TEAR HERE

THIS PAGE HAS BEEN INTENTIONALLY KEPT BLANK

ADITYA BIRLA FASHION AND RETAIL LIMITED

(formerly known as Pantaloons Fashion & Retail Limited)

Registered Office: 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A. K. Road, Marol Village, Andheri (East), Mumbai- 400 059, Maharashtra
CIN: L18101MH2007PLC233901; **Web:** www.abfrl.com; **Email:** secretarial.abfrl@adityabirla.com;
Tel: +91 - 8652905000; **Fax**: +91 - 8652905400

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

The Ministry of Corporate Affairs and the Securities and Exchange Board of India have commenced Green Initiative by allowing paperless compliances by Companies. The Companies can send Annual Reports and General Notices in electronic mode to Shareholders who have registered their E-mail addresses for the purpose.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This is a golden opportunity for every Shareholder of Aditya Birla Fashion and Retail Limited to contribute to the Corporate Social Responsibility in itiative of the Company.

We therefore invite all our Shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.You can also download the enclosed registration form from our website www.abfrl.com

Let's be part of this 'Green Initiative' !

Please note that as a Member of the Company you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Geetika Anand
Asst. Vice President & Company Secretary

TEAR HERE

E - COMMUNICATION REGISTRATION FORM

Folio No. / DP ID and Client ID: .....

Name of 1st Registered Holder : .....

Name of Joint Holder(s): .....

.....

Registered Address : .....

.....

.....

E-mail ID (to be registered): .....

I/ We Shareholder(s) of Aditya Birla Fashion and Retail Limited agree to receive communication from the Company in electronic mode.

Please register my above E-mail address in your records for sending communication through E-mail.

Date: ..... Signature: .....

Note: Shareholder(s) are requested to provide the E-mail ID very carefully, as all the communication from the Company shall be sent to the E-mail ID provided through this form. The Shareholders are also requested to keep the Company informed as and when there is any change in the registered E-mail address.

THIS PAGE HAS BEEN INTENTIONALLY KEPT BLANK

ADITYA BIRLA

FASHION & RETAIL

Aditya Birla Fashion and Retail Limited
(formerly known as Pantaloons Fashion & Retail Limited)
Registered Office: 701-704, 7th Floor, Skyline Icon Business Park, 86-92 Off A. K. Road, Marol Village, Andheri (East), Mumbai - 400 059, Maharashtra, India.
CIN: L18101MH2007PLC233901; **Website:** www.abfrl.com ; **Email:** secretarial.abfrl@adityabirla.com
Tel: +91 86529 5000; **Fax:** +91 86529 5400

ATTENDANCE SLIP FOR 9th ANNUAL GENERAL MEETING ON SEPTEMBER 7, 2016 AT 3.00 P.M

(to be handed over at the registration counter)

Name:

Address:

Folio No./ DPID and Client ID:

No. of Equity Shares:

I certify that I am a registered shareholder/ proxy/ representative for the registered shareholder of the Company. I hereby record my presence at the 9th ANNUAL GENERAL MEETING ("AGM") of the Company at Ravindra Natya Mandir, PL Deshpande Maharashtra Kala Academy, Near Siddivinayak Temple, Sayani Road, Prabhadevi, Mumbai - – 400025, Maharashtra.

_____	_____	_____
First/ Sole holder/ Proxy	Second holder/ Proxy	Third holder/ Proxy

.....

Dear Member,

Subject: Voting through electronic means (E-voting)

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, the Company is pleased to offer E-voting facility to members so as to cast vote electronically on all resolutions set forth in the Notice convening the Annual General Meeting to be held on Wednesday, September 7, 2016 at Ravindra Natya Mandir, PL Deshpande Maharashtra Kala Academy, Near Siddivinayak Temple, Sayani Road, Prabhadevi, Mumbai, Maharashtra - 400025.

The Company has engaged National Securities Depository Limited (NSDL) to provide the E-voting facility. The E-voting facility is available at the link *https://www.evoting.nsdl.com/*

.....

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password / PIN
104477		

The E-voting facility will be available Commencing from Sunday, September 4, 2016 at 09.00 a.m. to Tuesday, September 6, 2016 at 05.00 p.m.

The cut-off date for the purpose of E-voting is Wednesday, August 31, 2016. During the E-voting period, all members of the Company holding shares in any form i.e. physical or dematerialised may cast their vote electronically. Members desiring to exercise remote E-voting option may refer to the detailed procedure on electronic voting provided in the Notice of the AGM.

This communication is an integral part of the Notice dated May 25, 2016, for convening the Ninth Annual General Meeting of the Company.

ADITYA BIRLA
FASHION & RETAIL

ADITYA BIRLA FASHION AND RETAIL LIMITED

(Formerly known as Pantaloons Fashion & Retail Limited)

[CIN : L18101MH2007PLC233901]

Regd. Office: 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off. Andheri-Kurla Road, Marol Village, Andheri (East), Mumbai - 400059, Maharashtra, India.

Tel: +91-86529 05000, **Fax:** +91-86529 05400 **Email :** secretarial.abfrl@adityabirla.com

NOTICE

Notice is hereby given that the 9th Annual General Meeting (the "Meeting") of Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited) ("the Company") is scheduled to be held on Wednesday, September 7, 2016, at 3:00 p.m. at Ravindra Natya Mandir, PL Deshpande Maharashtra Kala Academy, Near Siddivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025, Maharashtra.

Members are further informed that the Notice of the Meeting setting out the Resolutions proposed to be transacted thereat together with the Audited financial statements and the Report(s)of the Directors and Auditors thereon for the Financial Year 2015-16 has been sent electronically via emails to the Members of the Company who have registered their email addresses with the Company/ Depositories and also via physical mode to all other Members to their registered addresses vide permitted mode(s) of dispatch. The Company has completed the dispatch of Annual Report on August 13, 2016. Members may also note that the Notice of the Meeting and the Annual Report for Financial Year 2015-16 are also available on the Company's website i.e. www.abfrl.com. The physical copies of all the documents mentioned/ referred to in the Notice of the Meeting will also be available at the Company's Registered Office for inspection during normal business hours on working days.

Further, Notice is hereby given that pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company is pleased to provide to its Members, the facility to cast their votes electronically through E-voting platform provided by National Securities Depository Limited ("NSDL") from a place other than the venue of the Meeting ("Remote E-voting").

The Remote E-voting facility shall commence on Sunday, September 4, 2016 at 9.00 a.m. and end on Tuesday, September 6, 2016 at 5.00 p.m. (both days inclusive). The Remote E-voting facility shall be disabled by NSDL for voting thereafter.

A person whose name appears in the Register of Members/ Beneficial owners as on the cut-off date i.e. Wednesday, August 31, 2016 only, shall be entitled to avail facility of the Remote E-voting as well as voting at the Meeting. Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 31, 2016 may obtain User ID and Password by sending a request at evoting@nsdl.co.in or secretarial.abfrl@adityabirla.com. However, if the Member is already registered with NSDL for Remote E-voting, then he/ she can use his/ her existing User ID and Password for casting the vote through Remote E-voting. A person who is not a Member as on the cut-off date should treat the Notice of the Meeting for information purposes only. This newspaper Communication and the Notice of the Meeting are available on website of the Company i.e. at www.abfrl.com and also on the website of NSDL i.e. at https://www.evoting.nsdl.com/

The Members who would cast their vote by Remote E-voting may attend the Meeting but shall not be entitled to cast their vote again at the venue of the Meeting. The facility for voting through tablet based E-voting system provided by NSDL shall be made available at the venue of the Meeting and Members attending the Meeting who have not cast their vote by Remote E-voting shall be able to vote at the Meeting through tablet based E-voting system.

The Company has appointed Mr. Dilip Bharadiya, Practicing Company Secretary, to act as the Scrutinizer and to scrutinize the entire E-voting process in a fair and transparent manner.

In case of any query/ grievance with respect to Remote E-voting or E-voting at the Meeting, Members may refer to the "Frequently Asked Questions" ("FAQs") for Members and "Remote E-voting user manual" for Members available at the "Downloads" sections of https://www.evoting.nsdl.com or contact Mr. Amit Vishal, Senior Manager, NSDL, Trade World, "A" Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone no. 022-2499 4360 or toll free no. 1800222990 or at e-mail ID AmitV@nsdl.co.in.

By Order of the Board of Directors
For **Aditya Birla Fashion and Retail Limited**

sd/-
Geetika Anand
Asst. Vice President & Company Secretary

Date : August 13, 2016
Place : Mumbai

www.abfrl.com

ADITYA BIRLA
FASHION & RETAIL

आदित्य बिर्ला फॅशन अँड रिटेल लिमिटेड

(पूर्वी पॅन्टालून्स फॅशन ॲण्ड रिटेल लिमिटेड म्हणून ज्ञात)
[CIN : L18101MH2007PLC233901]

रजिस्टर्ड ऑफिस : ७०१-७०४, ७वा मजला, स्कायलाईन आयकॉन बिझनेस पार्क, ८६-९२, ऑफ अंधेरी-कुर्ला रोड, मरोळ व्हिलेज, अंधेरी (पूर्व), मुंबई - ४०००५९, महाराष्ट्र, भारत.

फोन : +९१-८६५२९ ०५०००, **फॅक्स :** +९१-८६५२९ ०५४०० **ई-मेल :** secretarial.abfrl@adityabirla.com

सूचना

याद्वारे सर्वांना सूचना देण्यात येत आहे की, आदित्य बिर्ला फॅशन अँड रिटेल लिमिटेड (पूर्वीची पँटालून्स फॅशन्स अँड रिटेल लिमिटेड) (''कंपनी'')ची ९वी वार्षिक सर्वसाधारण (''सभा''), बुधवार, ७ सप्टेंबर, २०१६ रोजी, स्वींद्र नाट्य मंदिर, पु. ल. देशपांडे महाराष्ट्र कला अकादमी, सिद्धिविनायक मंदिराजवळ, सयानी रोड, प्रभादेवी, मुंबई-४०००२५ येथे दुपारी ३.०० वाजता आयोजित केली आहे.

त्यासंबंधी सभासदांना कळविण्यात येत आहे की, सभेत आयोजित कामकाज विषद करणारी सभेची सूचना, २०१५-१६ या आर्थिक वर्षासाठीची वार्षिक वित्तीय विवरणे , त्यावरील संचालक व लेखापरिक्षकाच्या अहवालासह, ज्या सदस्यांनी कंपनी/ डिपॉझिटरी पार्टीसिपन्ट यांच्याकडे आपले ईमेल आयडी नोंदविले आहेत, त्यांना ईमेल द्वारे आणि ज्यांनी आपले ईमेल आयडी नोंदविलेले नाहीत, त्यांना त्यांच्या नोंदविलेल्या पत्त्यावर, सुयोग्य माध्यमाद्वारे पाठविण्यात आली आहे. कंपनीने वार्षिक अहवाल पाठविण्याचे काम १३ ऑगस्ट, २०१६ रोजी पूर्ण केले आहे. सभासदांनी नोंद घ्यावी की, सदर २०१५-१६ च्या आर्थिक वर्षासाठीचा अहवाल आणि सभेची सूचना कंपनीच्या www.abfrl.com या वेबसाईटवर उपलब्ध आहे. या सूचनेमध्ये उल्लेख केलेले सर्व दस्तावेज कंपनीच्या नोंदणीकृत कार्यालयात आठवड्यातील कोणत्याही दिवशी कार्यालयीन कामाकाजाच्या वेळेत उपलब्ध असतील.

यापुढे असेही सूचित करण्यात येत आहे की कंपनी कायदा, २०१३ ('कायदा') चे कलम १०८, कंपनीज् (मॅनेजमेंट ॲण्ड ॲडमिनिस्ट्रेशन) रूल्स, २०१४ च्या दुरुस्ती करण्यात आलेल्या रूल २०, आणि सेबी (लिस्टिंग ऑब्लिगेशन आणि डिस्क्लोजर रिक्वायरमेंट) २०१५ चे अधिनियम ४४ यामधील तरतुदींनुसार, सभेच्या ठिकाणापेक्षा वेगळ्या ठिकाणाहून सभासदांना आपले मतदान करता यावे यासाठी कंपनी आपल्या सभासदांना नॅशनल सिक्युरिटिज् डिपॉझिटरी लिमिटेड ('एनएसडीएल') यांच्याकडून पुरविण्यात येणाऱ्या ई-व्होटिंग प्लेटफॉर्मद्वारे इलेक्ट्रॉनिक पद्धतीने मतदान करण्याची सुविधा पुरवित आहे.

रिमोट ई-व्होटिंगची सुविधा रविवार, ४ सप्टेंबर, २०१६ रोजी सकाळी ९.०० वाजता सुरू होईल आणि मंगळवार, ६ सप्टेंबर, २०१६ रोजी सायंकाळी ५.०० वाजता (दोन्ही दिवस समाविष्ट) बंद होईल. त्यानंतर रिमोट ई-मतदानाची सुविधा एनएसडीएल द्वारे अकार्यान्वित करण्यात येईल.

बुधवार, दिनांक ३१ ऑगस्ट, २०१६ रोजी म्हणजेच कट-ऑफ तारखेच्या दिवशी किंवा त्यापूर्वी ज्यांची नावे कंपनीच्या मेंबर्स / लाभार्थी मालक यांच्या रजिस्टरमध्ये नोंदविलेली असतील, फक्त त्याच व्यक्ती सभेमध्ये रिमोट ई-व्होटिंग किंवा प्रत्यक्ष मतदान करू शकतील. जे सदस्य या सभेची सूचना पाठविल्यानंतर परंतु ३१ ऑगस्ट, २०१६ रोजी पूर्वी कंपनीचे सभासद बनले असतील, व भागधारक असतील, ते evoting@nsdl.co.in किंवा secretarial.abfrl@adityabirla.com वर विनंती पाठवून यूजर आयडी आणि पासवर्ड मिळवू शकतात. परंतु जर त्यांनी रिमोट ई-व्होटिंगसाठी आपले नाव एनएसडीएल वर पूर्वीच नोंदविलेले असेल ते त्यांचा सध्याचा यूजर आयडी आणि पासवर्ड वापरून रिमोट ई-व्होटिंग चा लाभ घेऊ शकतात. ज्या व्यक्ती कट-ऑफ दिनांकाला कंपनीचे सदस्य नसतील, त्यांनी ही सूचना फक्त माहितीसाठी असल्याचे गृहित धरावे. वृत्तपत्रात प्रसिध्द झालेली सूचना आणि सभेची सूचना कंपनीच्या www.abfrl.com या वेबसाईटवर तसेच एनएसडीएलच्या https://www.evoting.nsdl.com या वेबसाईटवर उपलब्ध आहेत.

रिमोट ई-व्होटिंग करणारे सदस्य सभेला हजर राहू शकतील मात्र त्यांना सभेमध्ये पुन्हा मतदान करता येणार नाही.सभास्थानी एनएसडीएल द्वारे टॅबलेट आधारित ई-व्होटिंगची सुविधा पुरविण्यात येईल आणि सभेला हजर असलेल्या ज्या सभासदांनी रिमोट ई-व्होटिंग केले नसेल ते सभासद सभेच्या ठिकाणी टॅबलेट आधारित ई-व्होटिंग यंत्रणेद्वार ई-मतदान करू शकतील.

ई-व्होटिंगची नि:पक्षपाती आणि पारदर्शक पध्दतीने छाननी करण्यासाठी कंपनीने श्री.दिलीप भराडिया, कंपनी सेक्रेटरी यांची स्क्रुटिनायझर म्हणून नियुक्ती केली आहे.

सभासदांना रिमोट ई-व्होटिंग किंवा सभेच्या ठिकाणी होणारे ई-व्होटिंग यांच्या संदर्भात कोणतीही शंका/तक्रार असल्यास त्यांनी एनएसडीएलच्या ई-व्होटिंग वेबसाईट https://www.evoting.nsdl.com वरील डाऊनलोड सेक्शनखाली उपलब्ध असणारे भागधारकांसाठी वारंवार विचारले जाणारे प्रश्न आणि भागधारकांसाठी ई-व्होटिंग युजर मॅन्युअल यांचा आधार घ्यावा किंवा श्री. अमित विशाल, सिनीयर मॅनेजर, एनएसडीएल, ट्रेड वर्ल्ड, 'ए' विंग, ४ था व ५ वा मजला, कमला मिल्स कंपाऊंड, सेनापती बापट मार्ग, लोअर परेल, मुंबई - ४०० ०१३ यांच्याशी दूरध्वनी क्र.०२२-२४९९ ४३६० किंवा विनामूल्य क्र. १८००-२२२-९९० किंवा ई-मेल आयडी AmitV@nsdl.co.in यांच्याशी संपर्क साधावा.

संचालक मंडळाच्या आदेशावरून,
आदित्य बिर्ला फॅशन अँड रिटेल लिमिटेड करिता,

सही/-
गीतिका आनंद
सहायक उपाध्यक्ष आणि कंपनी सचिव

स्थळ : मुंबई
तारीख : १३ ऑगस्ट, २०१६

ANNUAL REPORT
2015-16

ADITYA BIRLA FASHION AND RETAIL LIMITED

BIG ON GROWTH

BASED ON STRONG FUNDAMENTALS

Mr. Aditya Vikram Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

Global Economy

The global scenario continues to be trapped in a low growth trajectory, despite the steep drop in crude oil and commodity prices. Furthermore, a barrage of monetary stimulus has driven down interest rates close to zero in many of the advanced economies. With the monetary stimulus option by and large exhausted, governments are more likely to turn to fiscal and structural measures to revive growth.

The IMF projects global growth to inch up from 3.1% in 2015, to 3.2% in 2016 and increasing to 3.5% in 2017. Growth in the advanced economies is projected at 1.9% in 2016, with US growth pegged at 2.4%, Europe at 1.5% and Japan at 0.5%. Growth in the emerging markets in 2016, overall, is projected at 4.1%, much of it coming from China, India and the ASEAN region. Growth in Latin America is expected to be only 0.5%, on account of a 3.8% decline in growth in Brazil. No sustained upside is seen in oil and commodity prices in 2016.

The path ahead for the global economy remains challenging, with greater uncertainties thrown in. Concerns persist about the slowdown in China and its ability to shift smoothly from export-led to domestic-led growth. Fiscal pressures will accentuate in the oil producing countries, including the rich Middle-East countries. Financial markets remain nervous and exchange rate volatility has been pronounced. This is reinforced by the impending reversal of the interest rate cycle in the US.

Indian Economy

Against the backdrop of a muted global economy, India's economy is an

outperformer. For FY 2016-17, GDP growth is projected at 7.5%. This would make it the fastest growing among the large economies. This is particularly creditable in the context of two successive unfavourable monsoons and a decline in exports. Recent data indicate a 5.7% year-on-year growth in eight of the key core sector industries, against 2.3% growth registered last year.

Inflationary pressures have been contained. The rise in the consumer price index averaged 4.9% in FY 2015-16, down from 5.9% in the previous year. The wholesale price index declined 2.5% on an averaged basis, compared to a rise of 2% in the previous year. In FY 2015-16, merchandise exports and imports each fell over 15% over FY 2014-15. The trade deficit in FY 2015-16 was USD 118.5 billion, a decline of 14% over the previous year. The current account deficit narrowed sharply from USD 26.1 billion to USD 22 billion, representing 1.4% of GDP. India's foreign exchange reserves, as at March-end 2016 were USD 360.2 billion. The government is also committed to meeting the current year's fiscal target of 3.5% of GDP. Overall, the economic fundamentals are sound.

"Against the backdrop of a muted global economy, India's economy is an outperformer ....The government is also committed to meeting the current year's fiscal target of 3.5% of GDP. Overall, the economic fundamentals are sound."

There have also been positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalising the tax structure and administration, and opening up more areas for foreign investment through the automatic route. The government is substantially stepping up infrastructure spending.

Having said that, some issues come to the fore. For instance, capital investment will take time to revive, given stretched corporate balance sheets, low capacity utilisation, (at only 72.5% in the organised industrial sector) and competition from imports. Slow global output and trade growth will continue to impact exports. There is also the overhang of non-performing assets in the banking sector. Much more also needs to be done to "monsoon-proof" the Indian economy.

Your Company

I am glad to inform that the Corporate restructuring initiated in May 2015 is now complete.

With this restructuring, ABFRL combines India's leading Power-Brands with India's largest value fashion Retailer to create a Fashion Powerhouse. With over 2100 stores spanning across 5.5 million square feet, ABFRL reaches out to over 13 million discerning customers.

"With this restructuring, ABFRL combines India's leading Power-Brands with India's largest value fashion Retailer to create a Fashion Powerhouse. With over 2100 stores spanning across

5.5 million square feet, ABFRL reaches out to over 13 million discerning customers."

The year under review was a muted one for the apparel industry with most players recording low growths. Consumer spending was subdued which did impact the apparel sector.

Despite this challenging economic scenario, ABFRL recorded a revenue of ₹ 6060 Crore with an EBITDA of ₹ 409 Crore, making it one of the best performing companies in the Apparel sector.

As part of its planned strategy to play in the emerging fast growing segments of the market, ABFRL acquired the online and offline rights of young women fast fashion brand 'Forever 21'. With this acquisition, ABFRL has created a strong play in one of the fastest growing segments in the Indian Apparel market.

Our People: Our Pride

Our employees have unflinchingly rallied around us. And for this, I would say a big "thank you" to all of them.

Outlook

Going forward, we see a steady rise in income levels coupled with favourable demographics and greater penetration of organised retail. This bodes well for the branded apparel business, which in my view is poised for strong growth in the coming years.

ABFRL is well positioned to exploit this growth with its strong brands, distribution reach and product offerings across various categories and price points for varying consumer needs.

"ABFRL acquired the online and offline rights of young women fast fashion brand 'Forever 21'. With this acquisition, ABFRL has created a strong play in one of the fastest growing segments in the Indian Apparel market."

The Aditya Birla Group: In perspective

At the Group level, we have done well both in terms of revenue and earnings. As a matter of fact, the EBIDTA attained has been the highest ever.

Having worked extensively on the people front for over a decade, I am happy to state that our leadership processes are now mature. At the management level we have built quality bench strength.

The Chairman's Series launched last year for senior leaders in the areas of business strategy, finance and personal leadership saw 150 of our senior most leaders recourse to these learning interventions.

To create a leadership pipeline to the Business Head roles within the next couple of years, we have created the Aditya Birla Fellows programme. The managers who have won this recognition are put in charge of critical Group- wide projects under my personal oversight. Up until now, we have named 14 managers who have tremendous potential to rise to the stature of Business Heads, going forward.

A slew of other initiatives have been set afoot to grow leaders from within. To do so, we have announced a hiring freeze at the middle and senior management levels for the next 3 years. It paves the way for accelerated talent growth.

In this context, I am happy to state that our accelerated leadership programme Cutting Edge, which prepares high potential leaders for P&L positions across our Group is gaining traction. It was launched last year. Up until now, 20 of the 35 graduates of this programme have already moved roles to take on higher responsibilities.

Furthermore, the 250+ youngsters who joined us over 6 years ago as Group Management Trainees, in our Leadership Associate Programmes (Lead) and Leadership Programme for Experienced youngsters (Leap), are shaping well. In the last 2 years nearly a 100 from this lot have moved across functions and businesses. Additionally, we have 25 mid-career participants who have joined us in the Group Manufacturing Leadership Programme. They too are making significant contributions in our manufacturing business units.

The first batch of 14 participants in "Spring Board", (a programme designed specially for high calibre women) graduated commendably to higher roles. The second batch of 39 women leaders is making good progress on their way to greater responsibilities. As of now, we have nearly 5,000 women-14% in the managerial cadre.

In the last 3 years, we have had more than 1,100 inter-business and over 1,000 intra-business transfers of employees across levels.

At Gyanodaya, the Aditya Birla Global Centre for Leadership Learning over 2,000 managers enrolled for learning programmes. With a mix of academics and live case studies, these programmes enable our people to keep abreast of the developments in their area and stay contemporary.

Side by side, the Gyanodaya Virtual Campus hosts more than 500 e-learning modules in multiple languages. During the year, over 25,000 employees chose to access these programmes.

The Aditya Birla Group Leadership Programme aimed at securing young talent from the top tier Business Schools of India has become aspirational.

I am happy to record that our Group's brand attractiveness has taken a quantum leap across 35 top B-Schools in India. Our Group features among the formidable Top-5 in the A C Nielsen – CRI Campus Recruitment India Index 2015.

In sum

All these moves are a testament to our commitment to accord a World of Opportunity for our people and they are leveraging it. Our people are fully aware of what business needs to succeed. They are committed to contribute their best to our values based, performance driven, meritocratic culture. We are future ready.

Your's sincerely,

KUMAR MANGALAM BIRLA
Chairman, Aditya Birla Group

"Our people are fully aware of what business needs to succeed. They are committed to contribute their best to our values based, performance driven, meritocratic culture. We are future ready."

THE LARGEST FASHION RETAIL NETWORK IN INDIA

375+
cities & towns

7000+
points of sale

5.5 million
square feet of retail space

2
customers styled every second

India's Largest Pure-Play Fashion & Lifestyle Company

ADITYA BIRLA
FASHION & RETAIL

Spanning 7000 outlets and home to the country's five biggest fashion labels, Aditya Birla Fashion and Retail Limited is India's largest branded apparel player.

For the discerning Indian shopper, we cover the fashion spectrum, from luxury to fast fashion, with the leading brands of Madura F&L and Pantaloons.

We draw on award-winning in-house design and product development capabilities, with nine state-of-the-art manufacturing facilities backed by a seamless global supply chain.

Madura is India's no. 1 menswear player, with 2025 retail stores and 7000+ additional points of sale, covering a retail footprint of 2.9 million square feet.

For the global fashionista, we have The Collective, a super-premium retail chain for iconic global brands, and Planet Fashion, a multi-brand retail chain with 300 stores and a strong network across metros and smaller towns alike.

Pantaloons, our value fashion division, is India's no. 1 womenswear and value fashion retailer. Its 163 stores span 78 cities, with 2.6 million square feet of retail space. Its unique design-to-retail approach has created a rich portfolio of western and ethnic brands. With a loyalty programme of 5 million members, Pantaloons is one of India's favourite shopping destinations.

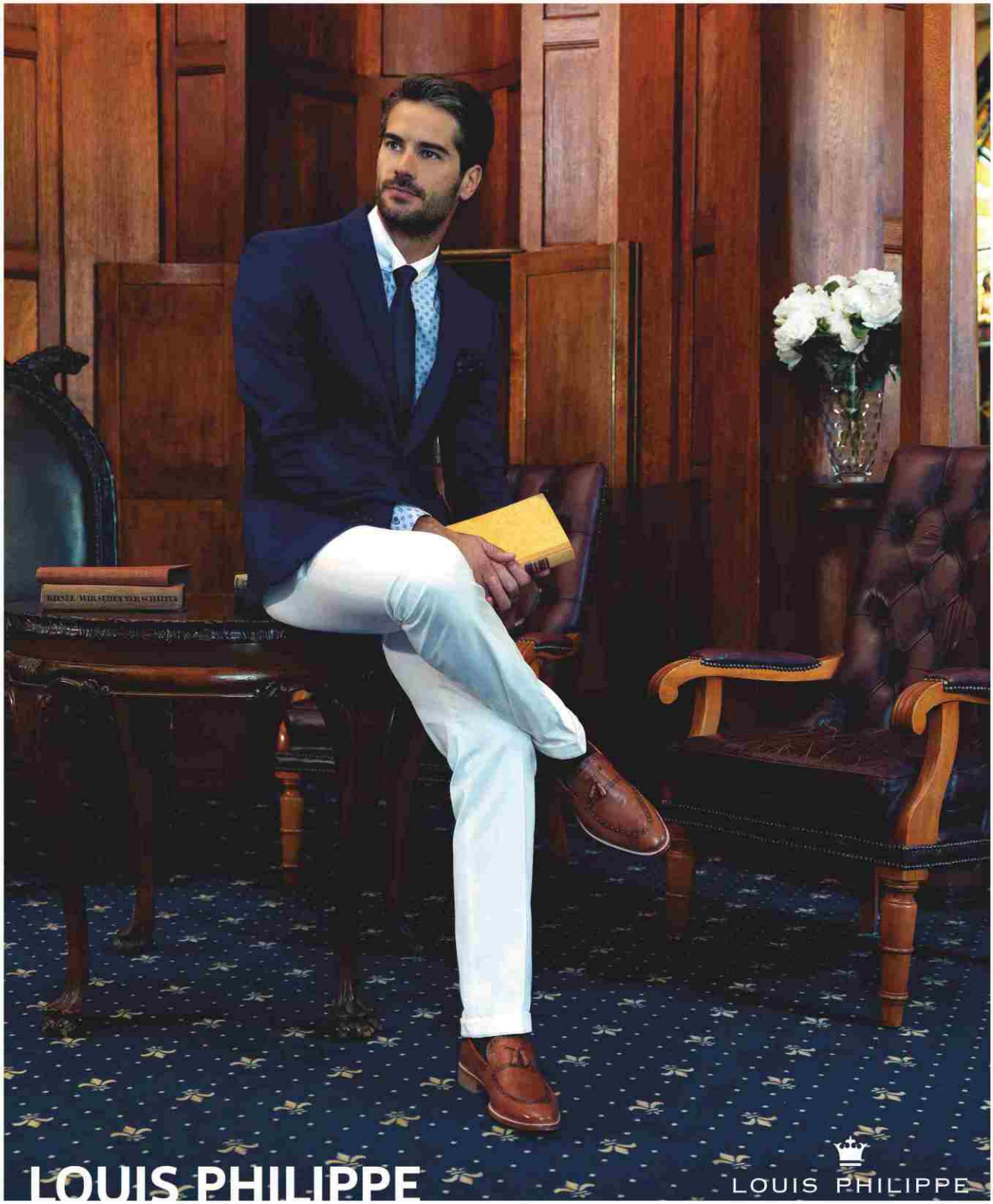
We continue to introduce leading global brands in India. In May 2016, we launched the premium British designer Simon Carter in India. In July 2016, we acquired the local rights of the California-based, global fast-fashion chain Forever 21.

With trendy designs, superlative customer service and an acclaimed store ambience, we are dedicated to bringing the best of fashion to India.

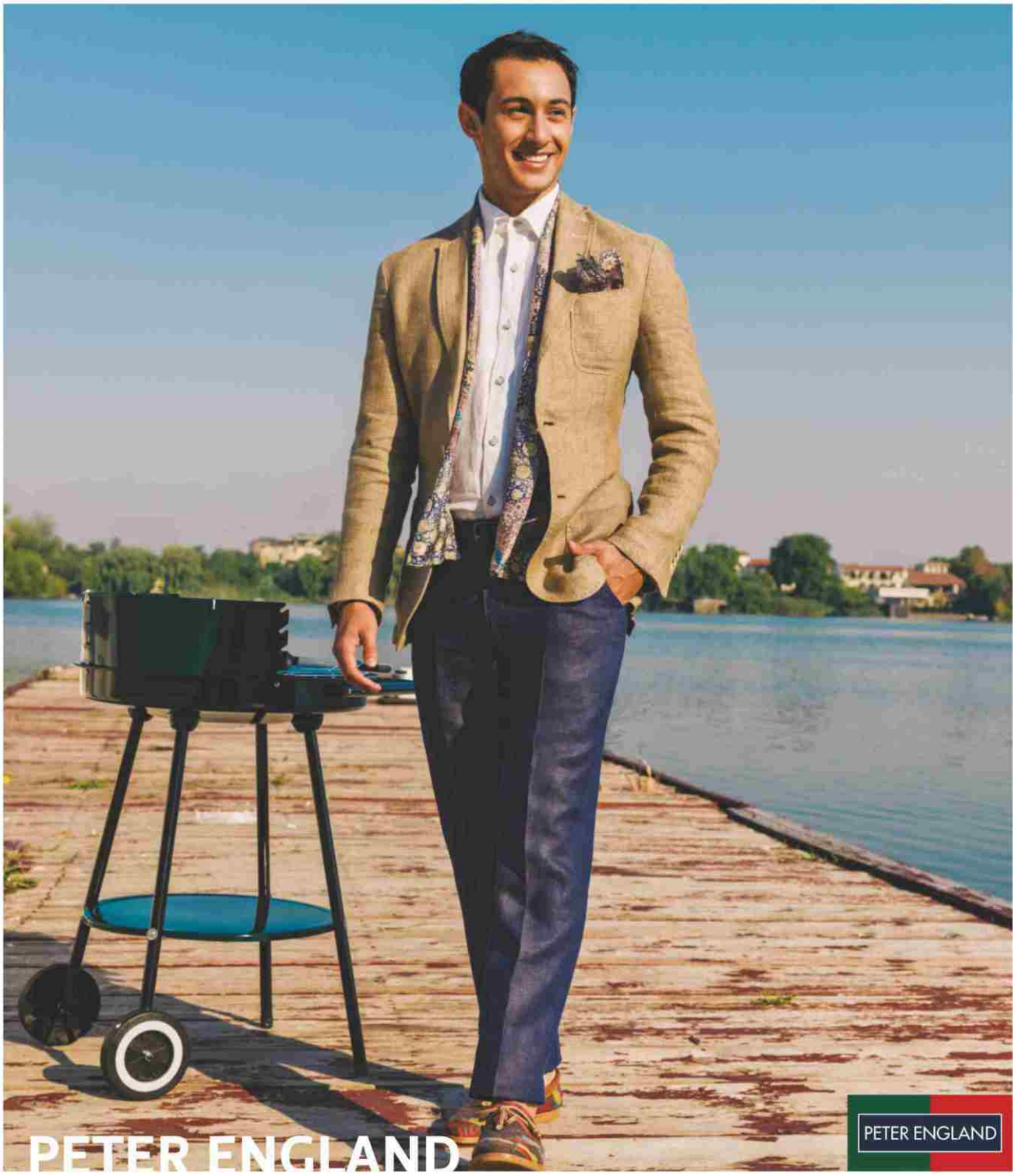
5000 STYLES
200+ BRANDS

OUR BRANDS

MADURA F&L



Known for turning a passion for excellence into fine menswear for over 25 years, Louis Philippe's 'Embellished Crest' is regarded as a symbol of exquisite craftsmanship and sophistication. The collection includes both classic fits and contemporary designs, covering formals, semi-formals, custom-made clothing and accessories; with product ranges including suits, shirts, trousers, T-shirts, timewear, footwear and accessories.



Peter England is India's largest, most loved and trusted men's apparel brand, offering unmatched value to a young and dynamic India. The brand offers contemporary work formals for young professionals. Its range includes shirts, trousers, suits, blazers and accessories for every occasion, and it also has an eclectic casual line of washed cotton shirts, denims, cargoes, jackets, sweaters and accessories. The brand mirrors the youth and encourages them to "Be Everything You Love".

VAN HEUSEN

VanHeusen
POWER DRESSING

Van Heusen is the definitive work wear brand for men and women, offering fashion-forward Power Dressing for professionals. From inventing the world's first collar to multiple innovations over the years, Van Heusen has been at the cutting-edge of fashion and innovation. The collection includes formal wear, fashion formals, party wear, casual wear, ceremonial wear and customisable clothing under 'My Fit'; with a product range that spans shirts to suits for men, and dresses to blazers for women.

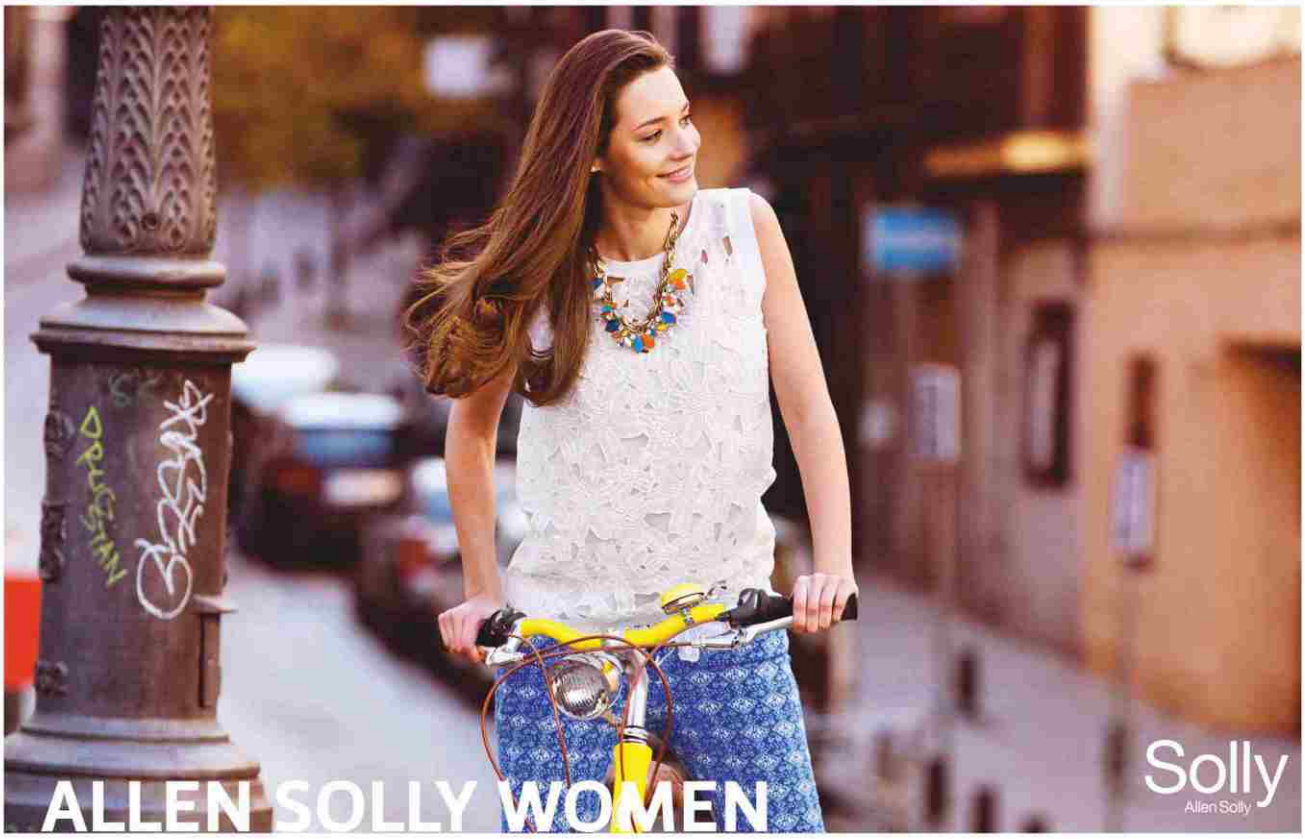
Planet Fashion caters to the brand-conscious customer who seeks a choice of leading brands under one roof, in a superior shopping environment. A menswear multi-brand retail format, Planet Fashion houses all MF&L brands, including Louis Philippe, Van Heusen, Peter England and Allen Solly. It has the largest apparel retail network in its segment in India, with 250+ exclusive stores across metros and emerging Tier II and III towns.

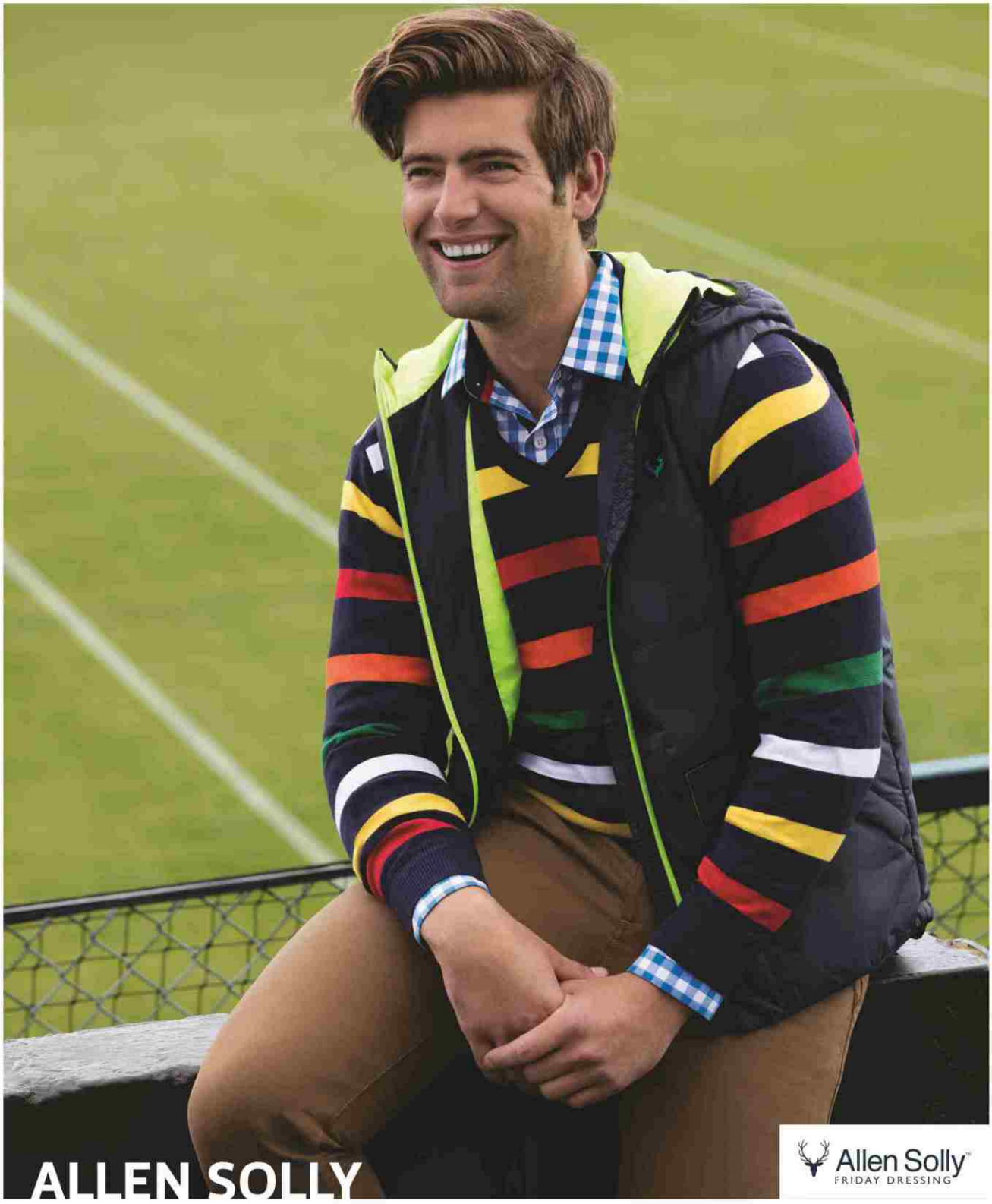
MADURA F&L

PEOPLE is India's first fast-fashion youth brand, bringing the latest international fashion trends to India's youth. With stylish cuts, prints and designs, its range of casual shirts, T-shirts, tops, kurtas, jeans and accessories brings alive runway trends at delightful prices.

MADURA F&L

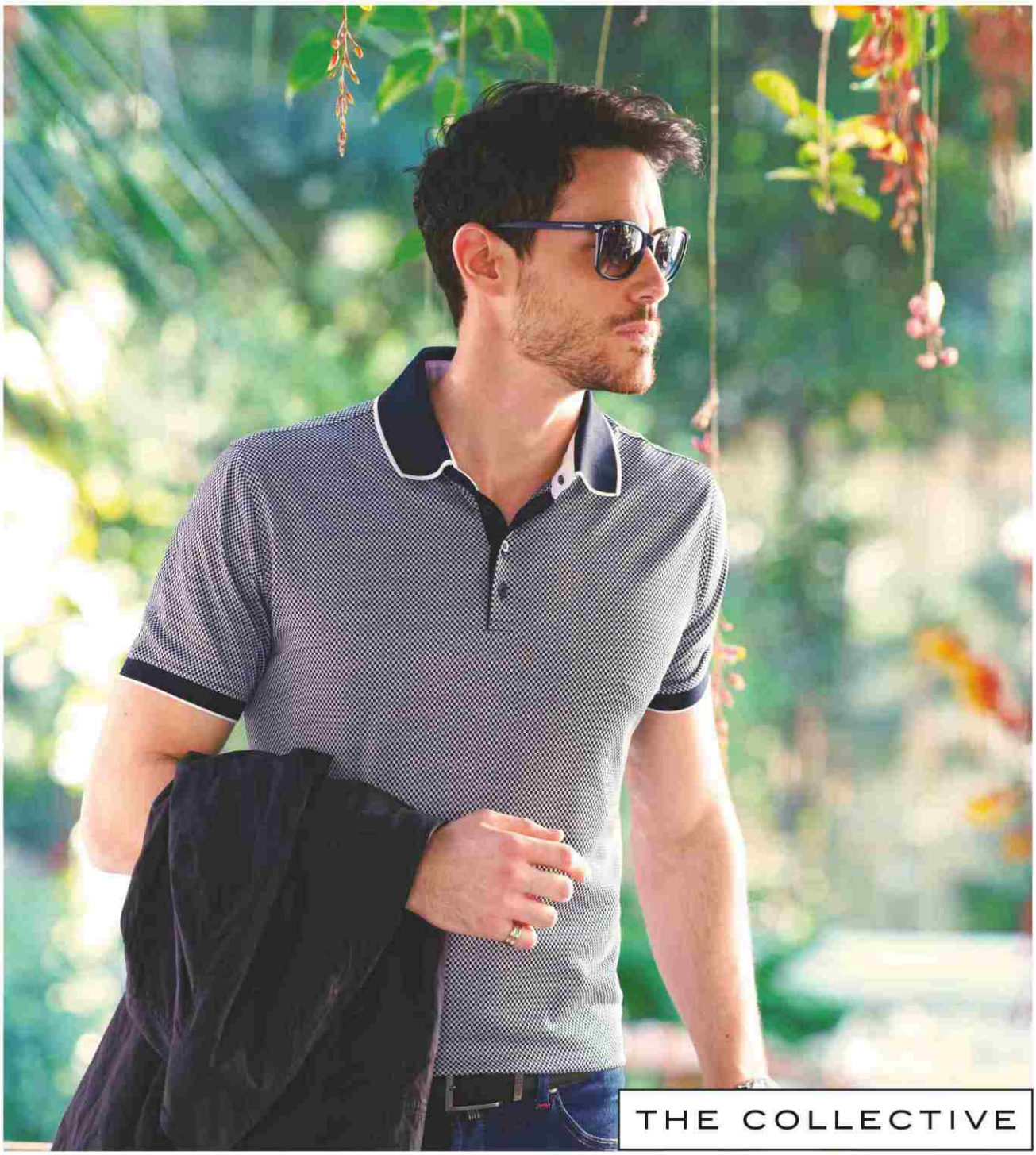
VAN HEUSEN
WOMEN
VanHeusen
POWER DRESSING


ALLEN SOLLY WOMEN
Solly
Allen Solly



ALLEN SOLLY

The brand that established the concept of Friday Dressing in India, Allen Solly is the leader in smart casuals for men, women and kids. The menswear collection spans shirts, T-shirts, chinos, trousers, jeans and jackets, while the womenswear line includes dresses, tops, tunics, trousers, skirts, shirts, shorts, suits and blazers; all in a range of colours, innovative fabrics and stylised silhouettes.



THE COLLECTIVE

The Collective is India's first and largest multi-brand luxury retail concept. Its exclusive apparel and accessory selection includes the finest global brands, from Armani Jeans to Alexander McQueen. The apparel range spans formal, casual and active wear, while the accessory collection includes fashion watches, cufflinks, bags, shoes, ties, belts, leather products, fragrances, jewellery and sunglasses.

Hackett is a British luxury menswear retailer, specialising in formal menswear. ABFRL has the distribution rights for Hackett in India.

Simon Carter is a British menswear brand known for its quirky and eclectic designs in apparel and accessories. ABFRL has signed a partnership deal with Simon Carter to launch the brand in India.

FOREVER 21

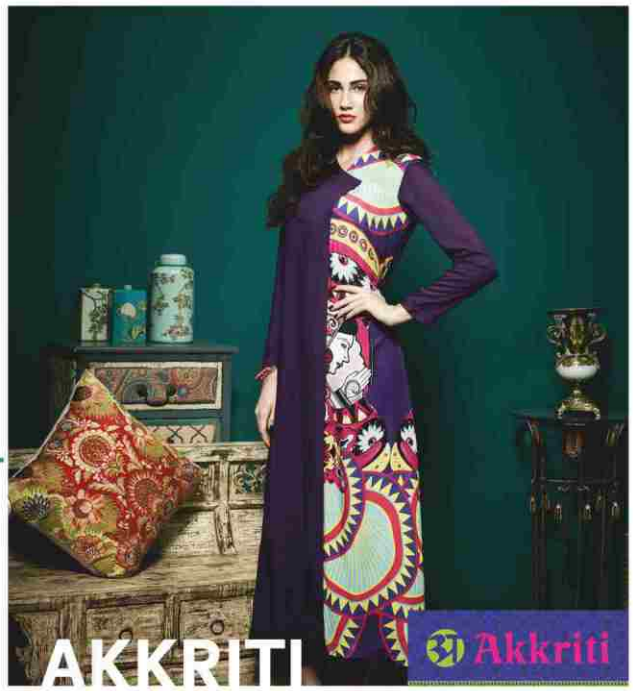
Forever 21 is a major global fast-fashion retailer, operating in the ₹800-7000 range. In July 2016, ABFRL acquired Forever 21's exclusive offline and online rights in India.

Izabel London offers day glamour and easy evening western wear for women. With silhouettes and designs that are effortlessly elegant, sophisticated and feminine, Izabel London is an ideal choice for a casual or evening event.

Annabelle is a versatile, 9-to-9 western fashion line for women. Imbuing formal wear with a touch of femininity and panache, Annabelle spells understated elegance in contemporary and classic styles.

Fun and flirty, Candie's New York combines bold colours and patterns with delicate details. A generous dash of colour and shimmer makes Candie's New York every fashionista's pick.

Honey offers a range of peppy casual wear for women. Vivid and vibrant, yet eclectic and feminine, Honey spells stylish day wear.



AKKRITI

Akkriti is an Indo-Western wear brand for women, stylishly blending western silhouettes and designs to give a contemporary twist to ethnic wear.

RANG MANCH

rang manch

Rangmanch offers mix-n-match Indian wear for the modern woman. Vibrant and contemporary, every ensemble embodies style with an Indian vibe, exuding charm and simplicity.

TRISHAA

Trishaa offers elegant ethnic sets for women. From everyday wear to special occasions, Trishaa promises a collection that is tasteful, stately and feminine.

SF Jeans offers rockstar-inspired denims for men and women. Edgy, bold and stylish, SF underlines cool, with an attitude.

pantaloons

Byford is a British country-inspired sports lifestyle brand for men. Sophisticated and impeccably stylish, Byford makes classics look fashionable.

Bare Denim is a jeanswear brand for men and women, offering unlimited choices in denim essentials and everyday fashion.

ALTO MODA

With clean cuts, trendy designs and fashionable silhouettes, Alto Moda takes plus-size fashion to the next level with its range of western and ethnic wear for men and women.

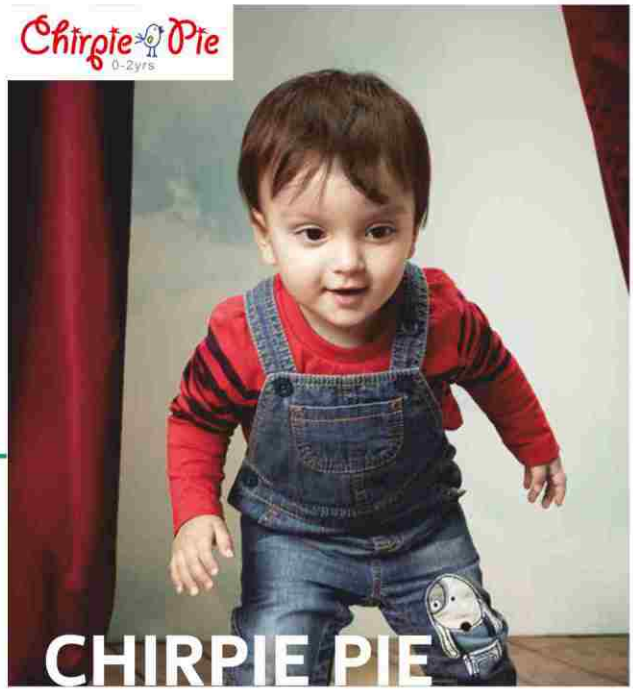
RICHARD PARKER

Richard Parker is a smart formal-wear brand with a neoteric approach to everyday work wear. The collection offers work wear essentials and stylish fashion formals for a variety of occasions.

AJILE

Ajile is an active-wear range for men and women. Casual, athletic and distinctively vibrant, the Ajile collection spells active like no other.

pantaloons



Chirpie Pie is an infant wear range with soft, light fabrics, happy pastels and ensembles with vibrant graphics.

Chalk is fun and eclectic casual wear. It has a delightful collection of vibrant coloured T-shirts, shirts and shorts for children aged 2-7.

Smart, trendy and vibrant, Poppers is the perfect choice for today's stylish juniors.

THE ALLEN SOLLY LEGACY

1744

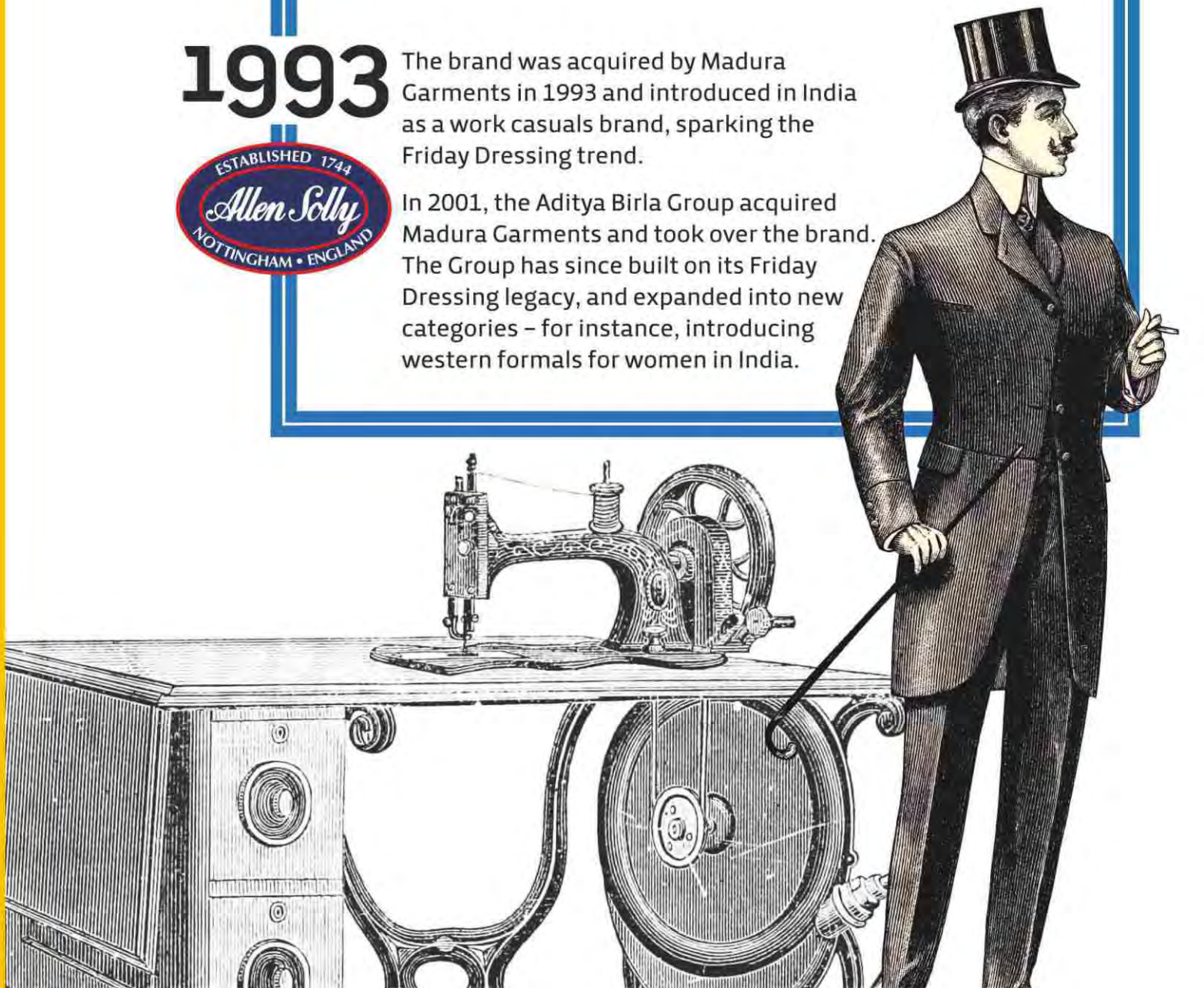
Allen Solly was created in 1774 by William Hollins & Co. Ltd, spinners & hosiers, in Nottingham, England, as a maker of fine menswear.

The original coat of arms consisted of the Allen Solly monogram, flanked by a ram and a stag. While the ram was representative of the English wool industry, the stag was the symbol of the city of Nottingham.

1993

The brand was acquired by Madura Garments in 1993 and introduced in India as a work casuals brand, sparking the Friday Dressing trend.

In 2001, the Aditya Birla Group acquired Madura Garments and took over the brand. The Group has since built on its Friday Dressing legacy, and expanded into new categories – for instance, introducing western formals for women in India.



2012

Over the past two decades, Allen Solly has consolidated its position as India's leading work casuals brand.

In 2012, Allen Solly got a new brand identity. The new logo, depicting a simplified stag with pronounced antlers, paid homage to the brand's origins in Nottingham.

Dalziel & Pow of London were brought in to redesign the 200 exclusive brand stores. The new store design draws on Allen Solly's British roots, with white brick walls and stag motifs, to create an exciting retail experience.

SUSTAINABILITY

ReEarth
for our tomorrow

ReEarth urges stakeholders to contribute towards the planet by reducing the environmental footprint of our operations. We are a founding member of the Sustainable Apparel Coalition (SAC).

CARBON FOOTPRINTING
ABFRL is committed to significantly reducing its carbon footprint and will disclose it through the CDP mechanism

GREEN BUILDINGS
By 2017, ABFRL aims to achieve Green Building certifications for three facilities

WATER FOOTPRINTING
By 2017, ABFRL will ensure compliance with the WASH Pledge and attain water-neutral status for facilities under its direct control

ENERGY EFFICIENCY
By 2017, ABFRL aims to reduce substantially its purchase of grid electricity. ABFRL is also exploring the feasibility of using renewable energy in some parts of its operations

INITIATIVES

SUSTAINABLE PACKAGING
ABFRL aims to reduce, reuse and recycle packaging, thereby substantially reducing the environmental footprint caused by the packaging material it uses

SUSTAINABLE PRODUCTS
ABFRL has adopted the Higg Index and is committed towards improving its Higg scores in the near future

SAFETY
ABFRL is working to ensure that there are no fatal accidents at work at any Apparel & Retail location

WASTE MANAGEMENT
By 2020, ABFRL aims to reduce its landfill waste significantly

CSR

By 2017, ABFRL commits to providing sustainable livelihood for 360 people, impacting 18,308 children through education initiatives and 1,03,260 individuals through healthcare. ABFRL will also create 100,000+ hours of employee volunteering

BOARD OF DIRECTORS

Managing Director
Mr. Pranab Barua

Independent Directors
Ms. Sukanya Kripalu
Mr. Bharat Patel
Mr. Arun Thiagarajan

Non-Executive Director
Mr. Sushil Agarwal

KEY MANAGERIAL PERSONNEL

Business Head, Madura Fashion & Lifestyle
Mr. Ashish Dikshit*

Chief Executive Officer, Pantaloons
Mr. Shital Mehta

Chief Financial Officer
Mr. S. Visvanathan

Company Secretary & Compliance Officer
Ms. Geetika Anand

OTHER KEY EXECUTIVES

Chief Human Resource Officer
Mr. Chandrashekhar Chavan

Chief Information Officer
Mr. N. P. Singh

Chief Sustainability Officer
Dr. Naresh Tyagi

OTHER INFORMATION

Statutory Auditors
M/s. S R B C & CO LLP
Chartered Accountants
[ICAI Firm Registration No.: 324982E/E300003]

Secretarial Auditor
M/s. Dilip Bharadiya & Associates
[Practicing Company Secretaries]

Branch Auditors
M/s. Deloitte Haskins & Sells
[ICAI Firm Registration No.: 008072S]

Registrar and Share Transfer Agents
Link InTime India Private Limited

Corporate Identification Number (CIN)
L18101MH2007PLC233901

Registered Office and Contact Details
701-704, 7th Floor, Skyline Icon Business Park,
86-92, Off A. K. Road, Marol Village,
Andheri (East), Mumbai - 400059.
Tel.: +91 - 8652905000; Fax: +91 - 8652905400
Email: secretarial.abfrl@adityabirla.com

Website
www.abfrl.com

[*Appointed as one of the Key Managerial Personnel w.e.f. January 9, 2016]

CONTENTS

Directors' Report (includes Management Discussion and Analysis) 1
Corporate Governance Report 53
Shareholders' Information 77
Sustainability and Business Responsibility Report 88
Independent Auditors' Report 104
Financial Statements 112

DIRECTORS' REPORT

Dear Members,

Your Company's Directors, hereby present the Ninth Annual Report of the Company together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016 ("year under review/ FY 16").

COMPOSITE SCHEME OF ARRANGEMENT

Creation of India's Largest Pure Play Fashion and Lifestyle Company with a strong bouquet of leading fashion brands and retail formats

During the year under review, the apparel retail businesses of the Aditya Birla Group, housed under separate entities viz. the Company, Aditya Birla Nuvo Limited ("ABNL") and Madura Garments Lifestyle Retail Company Limited ("MGLRCL"), were consolidated under the Company, vide the Composite Scheme of Arrangement amongst the Company, ABNL, MGLRCL and their respective shareholders and creditors, under Sections 391 to 394 of the Companies Act, 1956 ("Composite Scheme").

Composite Scheme was undertaken with a view to enable the business activities to be carried out with greater focus and specialisation for sustained growth and also to benefit from the potential synergies of combining with the similar and related businesses, thereby resulting in enhancement of shareholder value. This consolidation is also expected to unlock value and accrue potential synergy benefits for the business arising *inter alia* on account of operational efficiency in matters such as sourcing, infrastructure and information technology.

Composite Scheme was approved by the Board of Directors ("Board") of the Company, ABNL and MGLRCL, at their respective meetings held on May 3, 2015 and later was made and declared effective on January 9, 2016 ("Effective Date"), after considering the status of all conditions to the effectiveness of the Composite Scheme as set out therein and receipt of necessary statutory and regulatory approvals, including approvals from the:

a) Equity Shareholders and Unsecured Creditors of the Company, vide a Special Resolution passed at the Court Convened Meeting held on September 7, 2015 and

b) Hon'ble High Court of Judicature at Gujarat and Bombay, by virtue of their respective orders dated October 23, 2015 and December 5, 2015.

Pursuant to the Composite Scheme becoming effective, Madura Fashion - the branded apparel retailing division of ABNL and Madura Lifestyle - the luxury branded apparel retailing division of MGLRCL, were demerged from ABNL and MGLRCL respectively to the Company, to collectively form a division of the Company viz. Madura Fashion & Lifestyle ("Madura Fashion & Lifestyle Division") w.e.f. April 1, 2015 (i.e. the Appointed Date as per the Composite Scheme). Pantaloons Format business forms another separate division of the Company ("Pantaloons Division").

Change of Name

To reflect the enhanced scope of the operations post consolidation vide the Composite Scheme, name of the Company was changed from "Pantaloons Fashion & Retail Limited" to "Aditya Birla Fashion and Retail Limited" ("ABFRL"). A fresh Certificate of Incorporation pursuant to the change of name of the Company was issued by the Registrar of Companies, Mumbai on January 12, 2016.

Changes in Share Capital

During the year under review, pursuant to the Composite Scheme, the Authorised Share Capital of the Company was increased from ₹ 1,60,15,00,000/- (Rupees One Hundred Sixty Crore Fifteen Lakh only) to ₹ 10,10,15,00,000/- (Rupees One Thousand Ten Crore Fifteen Lakh only).

Also, upon the Composite Scheme becoming effective and after determining the respective entitlements of the shareholders of ABNL and MGLRCL as on January 21, 2016 (i.e. the Record Date fixed by ABNL and MGLRCL in terms of the Composite Scheme), High Power Committee of the Board, vide its Circular Resolution passed on January 27, 2016, allotted 67,60,37,600 (Sixty Seven Crore Sixty Lakh Thirty Seven Thousand Six Hundred) Equity Shares of ₹ 10/- (Rupees Ten only) each (ranking *pari passu* with the then existing Equity Shares of the Company) to the eligible shareholders of ABNL and MGLRCL, whose names were recorded in their respective Register of Members as on the Record Date ("merger allotment"), in the following swap ratio recommended by the independent valuers:-

a) in consideration of the demerger of Madura Fashion from ABNL into the Company - 26 (Twenty Six) Equity Shares of ₹ 10/- (Rupees Ten only) each credited as fully paid-up for every 5 (Five) Equity Shares of ₹ 10/- (Rupees Ten only) each fully paid up held by each member in ABNL.

b) in consideration of the demerger of Madura Lifestyle from MGLRCL into the Company -
   - 7 (Seven) Equity Shares of ₹ 10/- (Rupees Ten only) each credited as fully paid-up for every 500 (Five) Equity Shares of ₹ 10/- (Rupees Ten only) each fully paid up held by each member in MGLRCL;
   - 1 (One) Equity Share of ₹ 10/- (Rupees Ten only) each credited as fully paid-up for all 1,00,00,000 (One Crore) Preference Shares of face value ₹ 10/- (Rupees Ten only) each fully paid up held by a Preference Shareholder of MGLRCL.

Consequent to the allotment, the paid-up Equity Share Capital of the Company increased from ₹ 92,80,51,260/- (Rupees Ninty Two Crore Eighty Lakh Fifty One Thousand Two Hundred Sixty only) (9,28,05,126 Fully Paid-up Equity Shares of ₹ 10/- each) to ₹ 7,68,84,27,260/- (Rupees Seven Hundred Sixty Eight Crore Eighty Four Lakh Twenty Seven Thousand Two Hundred Sixty only) (76,88,42,726 Fully Paid-up Equity Shares of ₹ 10/- each).

Allotment of 37,82,178 Equity Shares, representing 0.49% of the total paid-up capital, to NRI Shareholders of ABNL holding shares on Repatriation basis ("NRE Shareholders") is kept pending. Details w.r.t. the same are provided hereinbelow separately.

Equity Shares allotted pursuant to the Composite Scheme, were listed and permitted for trading on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") w.e.f. February 4, 2016.

Settlement of Fractional Entitlements

The fractional entitlements arising out of allotment of Equity Shares issued pursuant to the Composite Scheme were consolidated and sold in the Open Market in terms of the Clause 19 of the Composite Scheme. The fractional entitlements were duly paid to the respective shareholders in the month of April, 2016 through demand drafts and other prescribed electronic modes of payments along with necessary intimations of such payments to each of such Equity Shareholders.

Allotment to NRI Shareholders of ABNL holding shares on Repatriation basis

In terms of applicable FEMA Regulations and extant FDI Policy of the Government of India ("FDI Policy"), Company was required to obtain an approval from the Foreign Investor Promotion Board ("FIPB") for allotment of Equity Shares to NRE Shareholders pursuant to the Composite Scheme.

Accordingly, the Company had made an application to the FIPB for seeking its approval w.r.t. the allotment of its Equity Shares to such NRE Shareholders. However, the Department of Industrial Policy and Promotion - Government of India conveyed that in view of the provisions of the extant FDI Policy, application of the Company cannot be acceded to. Hence, the allotment of 37,82,178 Equity Shares, representing 0.49% of the total paid-up capital, to such NRE Shareholders has been kept pending.

In order to settle such lawful entitlements of such NRE Shareholders, the Company evaluated various options. It has been advised that as per the prevailing law(s), a non-resident shareholder is permitted to hold both NRE and NRO accounts in India and the Company can credit their entitlements to such NRO account. Accordingly, the Company has sent out a detailed communication to the registered addresses of all such NRE Shareholders *inter alia* stating that such NRE shareholders may provide details of their respective NRO accounts vide a duly filled in Consent Form and opt for allotment of Equity Shares of the Company in their NRO accounts. In absence of such consent, share allotment to such NRE Shareholders of ABNL shall continue to be pending till the time there is a favorable change in the applicable laws.

The aforesaid communication alongwith the necessary Consent Form is available on the website of the Company i.e. www.abfrl.com.

Cessation from being a subsidiary of Indigold Trade and Services Limited and Aditya Birla Nuvo Limited

As mentioned above, on January 27, 2016, the Company allotted Equity Shares of the Company to all the eligible shareholders of ABNL and MGLRCL pursuant to the Composite Scheme. Consequently, shareholding percentage of Indigold Trade and Services Limited was reduced from 72.62% to 8.77% and the Company ceased to be a subsidiary of Indigold Trade and Services Limited – a wholly owned subsidiary of ABNL ("ITSL") and also ceased to be a step-down subsidiary of ABNL w.e.f. January 27, 2016.

Change in promoters of the Company

As mentioned above, upon effectiveness of the Composite Scheme, Equity Shares of the Company were allotted to the eligible shareholders of ABNL and MGLRCL including the promoters of ABNL and MGLRCL. Accordingly, the promoters of ABNL and MGLRCL became promoters of the Company w.e.f. the date of allotment i.e. January 27, 2016.

Further, ABNL IT & ITES Limited and ITSL ceased to be the promoters of the Company w.e.f. March 31, 2016, consequent to their amalgamation with ABNL ("ABNL amalgamation").

ACQUISITION OF FOREVER 21, INDIA BUSINESS*

With a view to create a strong foothold in the women's wear business in the western wear segment, the Board approved the proposal to acquire the exclusive online and offline rights of the global brand - Forever 21, for the Indian market and its existing store network in India from the current franchise of Forever 21 i.e. Diana Retail Private Limited ("Diana Retail") ("said Acquisition"). Further, a Committee of the Board, constituted specifically for the matters relating to the said Acquisition, vide its circular resolution passed on July 1, 2016 approved the finalized terms of the transaction and authorized officers of the Company for signing of binding transaction documents.

On July 5, 2016, the Company executed a Business Transfer Agreement with Diana Retail and DLF Brands Limited (the promoter of Diana Retail), for the acquisition of the business undertaking of Diana Retail relating to the business of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the Forever 21 brand and also through E-Commerce channels ("Forever 21 Undertaking") on a going concern basis, by means of a "slump sale" (as defined in Section 2 (42C) of the Income Tax Act, 1961), for a lump sum consideration. Company also executed a Franchise Agreement with Forever 21, Inc., in terms of which the Company has acquired the exclusive franchise rights for the brand "Forever 21" for the Indian market.

Note:

* *Material change and commitment affecting the financial position of your Company between end of the financial year and the date of this report.*

Pursuant to the said acquisition and upon completion of the transactions/ conditions precedents mentioned in the Business Transfer Agreement, the Forever 21 Undertaking will form part of Madura Fashion & Lifestyle division of the Company w.e.f. July 1, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

To avoid repetition of information, the Management Discussion and Analysis, on performance of the Company, is presented below.

Overview

The Financial Year 2015-16 was another year of mixed trends across the globe as economic, political, trade and financial factors interacted in a dynamically changing environment. Global growth has been projected at 3.2% in 2016 and 3.5% in 2017.

Indian economy remained a bright spot, buoyed by the reform oriented policy initiatives and increasing FDI investment in the country. India became the fastest growing economy (as per World Bank estimates, growth for FY 16 is estimated at 7.5%), surpassing China in terms of GDP growth.

However, the year also saw challenges with subdued exports on account of lower global demand, fluctuating Rupee against the US Dollar, weak rural economy due to poor monsoons and drought and the resultant tepid demand conditions in the economy. Index of Industrial Production ("IIP") also witnessed lukewarm growth over the period, owing to lower capacity utilization in the manufacturing sector along with decline in domestic demand and consumption.

On the consumption side, while consumer confidence has not resulted in higher spends, indicating that consumers have been cautious about spending. Several consumer facing industries witnessed single digit growth rate in FY16 unlike much higher growth recorded in previous years. The announcement of the Seventh Pay Commission is a positive development as it enhances the discretionary spending power.

GST is expected to come into force during the course of coming year. This legislation is likely to simplify the distribution structure and reduce the operational complexities of overall supply chain. The financial impact of the legislation will depend on the rate applicable for apparel and textiles.

Industry Structure and Developments

The apparel industry has evolved rapidly over the past few years. Some of the major shifts are as follows:

- Women and Youth have emerged as two important new demographic segments driving demand for younger, casual and more fashionable products. Women's wear business has been gaining prominence and demand for casual wear was seen to be growing faster than the industry.
- Rapid growth of digital ecosystem with improvement in telecom infrastructure, penetration of smart phones and rapid growth of social media is changing the way consumers interact with fashion category and shop for their clothes. E-Commerce is evolving as a significant channel with consumer shift being aided by deep investments in marketing and discounting by E-Commerce players.
- Entry of international brands has created greater choice for consumers at the higher end of the market.

- At lower price points, value fashion retailers have been rapidly expanding their retail footprint, offering good quality, fashionable products at affordable prices to the fast growing middle class which is upgrading from unbranded products.

While the underlying drivers of growth are strong, the overall consumption remained muted during most of the year. At such times, demand for discretionary products comes under pressure as consumers shift their spending to more basic products. In this challenging environment, the industry registered one of its slowest growths in FY16. Your Company's performance needs to be viewed in the context of the aforesaid economic and market environment.

Consolidation

As mentioned above, the Composite Scheme became effective on January 9, 2016 thereby creating India's largest pure play branded apparels Company.

- The combined entity has the largest retail network in fashion space in the Country.
- The portfolio of the Company is well positioned for growth with the combined strengths of Madura Fashion & Lifestyle in mens wear and Pantaloons strength in women's wear.

5 LARGEST BRANDS OF INDIA

OUR FY16 REVENUES ARE

INR 6,060 cr

NO. 1 PURE-PLAY FASHION LIFESTYLE COMPANY

5.5 mn sq ft

LARGEST BRAND FOOTPRINT IN INDIA

WE OPERATE IN OVER

375 CITIES & TOWNS

STYLING

2 CONSUMERS

EVERY SECOND

7,000+

POINTS OF SALE

2,100+

EXCLUSIVE BRAND OUTLETS

Business Overview

In this challenging environment, the Company focused on improving the customer experience and providing greater choice to the consumers across all its formats and channels. The base of loyal customers for the Company continued to grow with more repeat business being generated by these loyal customers. Today, the Company has over 13 million loyal customers who are the ambassadors of Company's products.

Company's major brands - Louis Philippe, Van Heusen, Allen Solly and Peter England, continue to be leading brands in their respective segments. These brands continued to successfully expand their franchise by building new brand extensions to cover more wearing occasions and product categories spanning formals, casual, denim and accessories.

In the Value Fashion segment, Pantaloons has expanded its network at an aggressive pace and has added several new in-house brands across various categories. During the year, it launched a stand-alone format targeted towards kids - 'Pantaloons Kids' and is ready to launch 'Pantaloons Woman' to accelerate its distribution expansion.

Business Strategy

Company's vision is to offer Indian consumers' needs in fashion, style and value across wearing occasions in Apparel and Accessories, through strong brands and high-quality consumer experience with the ultimate purpose of delivering superior value to all stakeholders.

In pursuance of its vision and in line with the rapid development in the industry and consumer landscape, your Company has identified the following areas for strategic response and growth:

Expand the portfolio through strategic entry in faster growing segments

Your Company continuously identifies the emerging segments in the market and seeks to enhance its play in these segments through sub-brand extensions, new product launches and organic and inorganic actions. In the last few years, the Company has expanded its play in casual wear segment through brand extensions, while acquisition of Pantaloons has given the Company a strong play in the fast growing value fashion segment. The Company will continue to explore further growth opportunities in womens wear, casual and super-premium segments of the market. In line with this strategy, the Company in July, 2016 has acquired the offline and online rights of Forever 21 – a leading fast fashion brand targeted towards young women.

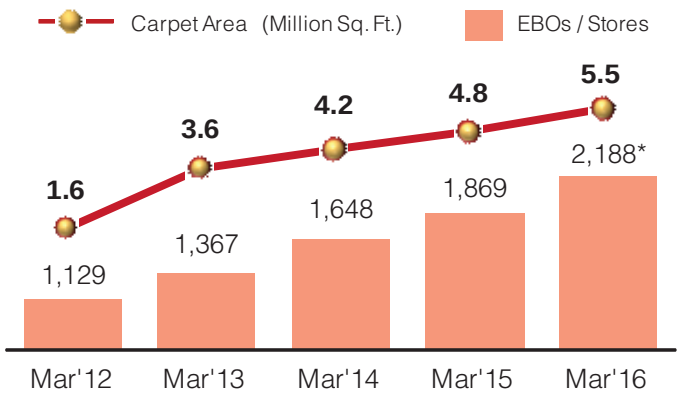
Drive digital transformation across key consumer touch points

Your Company has embarked on an aggressive digital transformation to meet the evolving need of digital consumer of tomorrow. To enable this, the company has created a multi-pronged strategy of enhancing investment in own E-Commerce business, launch of omni-channel initiative and building deeper partnership with E-Commerce players. In the next 18-24 months, all the retail stores of the Company will offer a rich, seamless and integrated online – offline experience to all its consumers.

Continue to expand retail distribution

Your Company has been growing rapidly through its multi-channel distribution strategy. To further deepen the penetration, the Company has identified markets in Tier II/ III cities for further retail expansion. This expansion will provide the Company an early mover advantage and position it strongly to meet the growing demand for high-quality ready-made branded apparel in emerging markets across India.

Brand Stores Network



* Includes 148 value stores of Madura division which are not included in the count upto Mar'15

Deepen consumer centricity

Over the past few years, your Company has created a strong culture of consumer-centricity in all aspects of its operations. The consumer-centricity framework is based on continuous consumer research, real-time consumer feedback from retail outlets and strong loyalty program. Towards this, the Company has embraced the Net Promoter Score (NPS) framework to assess customer satisfaction through a Company-wide program - 'Mission Happiness'. This program will progressively cover the entire retail network and is well integrated across all functions of the business.

Your Company has set-up an in-house 'Epic Centre' through which it continuously listens to consumer views and feedback in the digital space. These inputs are helping the company to develop a single view of the consumer and enhance its ability to dynamically cater to the growing as well as changing consumer demand.

Invest in cutting-edge design and merchandising capability

Your Company has constantly built its brands through incorporation of latest designs and trends in its products as well as launching innovative products. To ensure the sustained pipeline of new products, the Company has invested in a Knowledge Management Centre to centrally collate latest developments in fashion, fabrics, fits and styling so that its design and product teams have continuous access to world class products and technologies. The Company also ensures that its designers are updated with latest fashion through structured exposure to global trends.

Financial Performance

During the year under review, by virtue of the Composite Scheme, Madura Fashion & Lifestyle division was demerged into the Company w.e.f. April 1, 2015, in addition to the Pantaloons division of the Company, as explained in detail hereinabove. Accordingly, the financial figures as on March 31, 2016 i.e. for the year under review, include figures of the Madura Fashion & Lifestyle division, whereas the figures as on March 31, 2015 represent figures only w.r.t. Pantaloons division. Therefore, the figures for the year under review same are not comparable with the figures as on March 31, 2015 for the financial year 2014-15 ("the previous year").

Profit and Loss Account

(Amount in ₹ Crore)

Particulars	As on March 31, 2016#	As on March 31, 2015#
Revenue	6,060	1,851
EBITDA*	409	75
Finance Cost	175	120
EBDT	234	(45)
Depreciation	338	183
Earnings Before Tax	(104)	(228)
Provision for Taxation	-	-
Net Profit/(Loss)*	(104)	(228)

Notes:

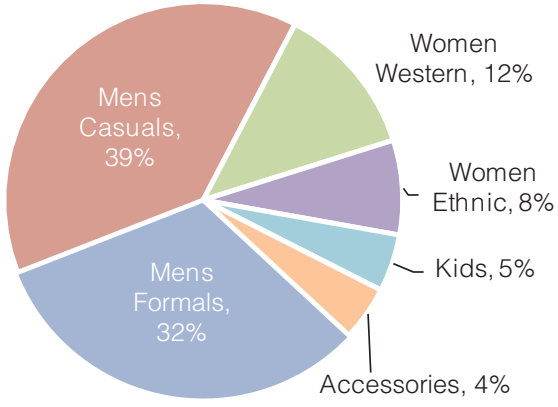
* *Includes other income of ₹12 Crore (Previous year: ₹ 3 Crore)*

\# *The figures as on March 31, 2016, include figures of the Madura Fashion & Lifestyle division alongwith the figures of the Pantaloons division, whereas the figures as on March 31, 2015 represent figures only w.r.t. Pantaloons division and therefore both are not comparable.*

Revenue

Your Company reported revenue of ₹ 6,060 Crore during the year under review, recording a growth of 227.4% over previous year, mainly attributable to inclusion of figures of Madura Fashion & Lifestyle division, as mentioned above.

ABFRL Revenue Mix (FY 16)



Segment: Madura Fashion & Lifestyle

It reported revenue of ₹ 3,996 Crore. During the year, it added 142 stores (net of closures). Its retail channel, which comprises of 1,877 Exclusive Brand Outlets ("EBOs") and 148 value stores spanning 2.6 million square feet, accounts for 44% of Madura's revenue and reaches out to 8.5 million loyalty customers base. Besides these EBOs, Madura is reaching customers through 7,000+ additional points of sales including Multi Brand Outlets ("MBOs") and Department Stores.

Segment: Pantaloons

It reported revenue of ₹ 2,164 Crore recording growth of 17% over previous year. During the year, it added 29 stores (net of closures) taking the total number of stores to 163 including 1 Pantaloons Kids store and 27 Factory Outlets spanning 2.9 million sq ft. It reaches out to 5 million loyalty customer base. Pantaloons has a diversified customer base with Men, Women, Kids and Non-Apparels and has increased its share of exclusive brands from 52% to 62%.

Operating Profit

Combined EBITDA of both the Divisions excluding other income is ₹ 397 Crore as compared to previous year EBITDA of ₹ 73 Crore representing only the Pantaloons division.

Depreciation

The depreciation cost was higher during the year as the Company had reassessed the useful life of leasehold improvements and immovable fixtures w.r.t. its "Pantaloons" business, from the period of lease to six years, as the same better reflects the expected usage of such assets.

Balance Sheet

(Amount in ₹ Crore)

Particulars	As on March 31, 2016#	As on March 31, 2015#
Net Fixed Assets (Including Capital Advances and CWIP)	566	422
Goodwill*	1,795	1,168
Net Working Capital	463	99
Capital Employed	2,824	1,689
Net Worth	944	346
Debt^	1,880	1,343

Notes:

 # The figures as on March 31, 2016, include figures of the Madura Fashion & Lifestyle division alongwith the figures of the Pantaloons division whereas the figures as on March 31, 2015 represent figures only w.r.t. Pantaloons division and therefore, both are not comparable.

** Arising on account of transfer of Pantaloons format business (during Financial Year 2012-13) and Madura Fashion & Lifestyle businesses (during Financial Year 2015-16) to the Company.*

^ Includes interest accrued but not due on borrowings. Previous year numbers have been regrouped accordingly.

As on March 31, 2016, Goodwill (after testing for impairment in accordance with the Accounting Standard - 28 issued by the Institute of Chartered Accountants of India) stands at ₹ 1,795 Crore.

Net Working Capital as on March 31, 2016, includes Inventory of ₹ 1,388 Crore, Trade Receivables of ₹ 391 Crore, Cash and Bank Balance of ₹ 20 Crore and Trade Payables of ₹ 1,437 Crore.

Dividend

In view of the loss for the year under review, no amount is proposed to be transferred to the reserve(s) and your Directors have not recommended payment of any dividend for the year under review.

Borrowings

During the year under review, there is a reduction in the average borrowing cost from ~10.17% in previous year to ~9.3%. Your Company explored various options for bringing down the cost of borrowings and also for procuring funds which included availing of short-term instruments like commercial paper, working capital borrowing and long term loans which was aided by the reduction in the overall interest rates in the economy.

Further, during the year, at the Eighth Annual General Meeting of the Company, approval of the Members was obtained by way of a Special Resolution, to raise funds by issuance of Non-Convertible Debentures for an amount of upto ₹ 1,000 Crore, on private placement basis, within the overall borrowing limits of the Company as approved by the Members from time to time ("issuance of NCDs"), in order to continue to avail greater financial flexibility and optimal financing structure.

SWOT Analysis

Strengths

With its portfolio of established brands and large format fashion retail presence, your Company has a leading position in the Indian apparel market and caters to consumers across all segments, from Luxury to Value, straddling men, women and kids in the formal and casual space.

Your Company has developed strong product portfolio amongst its brands based on high quality, constant innovation, strong internal design setup, large and deep distribution network and an agile and robust supply chain system. The company produces large share of its high value garments at its state-of-art manufacturing facilities to ensure highest standards of product quality.

Your Company attracts the best talent in the apparel industry and has strong systems of nurturing the talent backed by robust people development processes, mentoring and employee engagement programs.

Weaknesses

While the Company has a strong presence and brands in mens wear segment, it has a relatively lower presence in western womens wear, casual wear, denims and kids-wear segments. As part of its strategy, your Company is keenly focusing to quickly build capabilities in these segments.

Opportunities

Rising incomes, favourable demographics, increasing disposition towards fashion, greater access and awareness about brands is creating a large shift towards branded fashion across the Country. While consumers in larger cities have had access to brands and organized retailers, the overall market continues to remain under-penetrated. This offers growth opportunities in Tier II/ III cities. Your Company has taken strategic calls to expand in these areas in response to these growing opportunities.

The emerging E-Commerce channel opens up opportunities for the Branded Apparel business to reach out to a large base of consumers.

Company is also looking to tap the opportunity in the super-premium segment as more affluent consumers seek international brands and global experiences.

Threats and Risks

Retail space in India is limited to key markets and a few successful malls, leading to a scarcity of good retail spaces.

The share of online business is growing rapidly and traditional channels of distribution will be under pressure.

Company faces constant threat on its talent pool from competition and increasingly from the new international players and E-Commerce companies in the industry.

Outlook

Propelled by steady rise in income levels, favourable demographics and greater penetration of organised retail, the branded apparel business is poised for strong growth in the coming years.

The Company is well positioned to exploit this growth with its strong brands, distribution reach and product offerings across various categories and price points for varying consumer needs.

Risk Management and Internal Controls

Effective governance and risk management form the bedrock of a company's sustained performance and revolve around rigorous implementation of standardized policies and processes and development of strong internal control systems.

Board has constituted a Risk Management Committee ("RMC"), to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks. RMC has a defined role and overall responsibility for monitoring and reviewing the Risk Management Plan and associated practices of the Company. Details of the composition of the RMC have been disclosed separately as part of the Corporate Governance Report.

Company also has an Internal Risk Management Committee ("internal committee") to support and assist the RMC in identifying, evaluating and mitigating operational, strategic and external risks. This internal committee is headed by the Chief Financial Officer of the Company who is also the Chief Risk Officer of the Company and it is supported by individual Risk Officers covering legal, supply chain, manufacturing, human resources, finance, business development, IT, sales and marketing functions. This internal committee assists the RMC in defining the framework for risk management and compliance and undertakes assessment of risks, adopts the risk mitigation plans and regularly monitors them in a structured, controlled environment. It also reviews developments in the socio-economic environment and identifies internal threats and opportunities, updates the framework and refines processes and systems for mitigation.

Further, Company has set up internal controls and policies related to financial reporting of transactions and efficient business operations in compliance with relevant laws and regulations. Internal reporting systems are in place for effective measurement of various business parameters related to revenue, expenses and reporting, in line with the provisions of the Companies Act. Internal Audit Reports are tabled and reviewed by the Audit Committee and corrective measures are taken up promptly to improve the systems and processes.

Details w.r.t. the Risk Management Policy adopted by the Board have been disclosed separately hereinbelow.

Human Resources

Company's Employee Value Proposition ("EVP") aims to deliver unique opportunities to its employees in terms of rich and diverse learning, career development, recognition and quality of life.

Through structured capability building programs, key talent is identified, developed and assessed on functional as well as behavioural competencies before being deployed for specific roles. Aditya Birla Centre for Retail Excellence ("ABCRE"), one of its kind capability building function in the Retail industry, develops state of art content and training capability amongst its employees through leveraging multiple learning spaces. Company has built a strong in-store training capability by developing internal trainers across its stores/ functions, wherein learning is facilitated by focusing on "Learning by doing". Company uses the Aditya Birla Group state-of-the-art Learning and Knowledge centre - Gyanodaya for capability building and training of its managerial staff.

Company has aggressive but performance anchored reward program both at stores as well as corporate offices. There are multiple recognition platforms well entrenched in the Company across Stores, Zonal Offices and Head Office. Participative Management is encouraged through promoting and recognizing "Continuous Improvements" across the Company.

The total number of employees on rolls of the Company as on March 31, 2016 was ~18,876.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sections 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirm that:-

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER DISCLOSURES UNDER THE COMPANIES ACT, 2013 READ WITH THE RULES MADE THEREUNDER ("ACT") AND OTHER APPLICABLE LAWS, REGULATIONS ETC.

Details of Directors and Key Managerial Personnel who were appointed or have resigned during the year

A. Directors

Members of the Company, at the Eighth Annual General Meeting of the Company held on August 28, 2015, approved the appointment of Ms. Sukanya Kripalu (holding Directors Identification Number 06994202) and Mr. Arun Thiagarajan (holding Directors Identification Number 00292757) as Independent Directors, for a period of period of 5 (five) consecutive years w.e.f. October 13, 2014 and May 11, 2015, respectively.

During the year under review, none of the Directors of the Company resigned from their respective Directorships in the Company.

B. Key Managerial Personnel ("KMP")

Pursuant to the effectiveness of the Composite Scheme and resultant demerger of Madura Fashion & Lifestyle division into the Company, Mr. Ashish Dikshit- Business Head, Madura Fashion & Lifestyle, was appointed as one of the KMP of the Company w.e.f. January 9, 2016. Also, Mr. Shital Mehta, was re-designated as Chief Executive Officer- Pantaloons and continues to be one of the KMP of the Company.

During the year under review, none of the KMP of the Company resigned from their respective positions in the Company.

The aforesaid appointments were based on the recommendation of the Nomination and Remuneration Committee of the Board ("NRC").

Further, in accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sushil Agarwal, Non-executive Director of the Company, retires by rotation at the ensuing Ninth Annual General Meeting and being eligible, offers himself for re-appointment. Business of his re-appointment is one of the agendas of the ensuing Ninth Annual General Meeting of the Company.

Further, the list of the present Directors and KMP forms part of this Annual Report under the section Corporate Information.

Company's policy on appointment of Directors and KMP and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Act

Board has, on the recommendation of the NRC, adopted a Policy, which *inter alia* enumerates the Company's policy on appointment of Directors and KMP.

Further the Board has also on the recommendation of the NRC, adopted a policy entailing Executive Remuneration Philosophy, which covers the Directors, KMP and employees included in Senior Management of the Company.

Both the aforesaid policies are annexed as **Annexure I** and **Annexure II** to this report.

Familiarization Programme

Company has framed a Familiarisation Programme for Independent Directors of the Company, which aims to provide an insight into the Company to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, its business in depth and contribute significantly to the Company.

On appointment, a formal letter of appointment is given to the Independent Director being appointed, which *inter alia* explains the role, function, duties and responsibilities expected of him/ her as an Independent Director of the Company. By way of an introduction to the Company, the new Director is presented with an Induction Kit, essentially a set of documents of the Company which may enable him/ her to have an adequate idea of the Aditya Birla Group and the Company, such as Snapshot of the Company along with its major activities in last three years, Corporate presentations along with other documents that can give him/ her broad idea of the Management of the Company, various Codes of Conduct and Policies applicable to the Company, etc. The Director is also explained, in detail, the compliances required from him/ her under the applicable laws. Also, once appointed, the Directors are periodically updated on the new projects, activities or processes of the Company, industry scenario, changes in regulatory framework and the impact thereof on the working of the Company. Details of said Familiarization Programme(s) are also available on the website of the Company i.e. www.abfrl.com.

During the year under review, the Company conducted Familiarization Programmes for Independent Directors of the Company on June 19, 2015 and April 27, 2016, to familiarize them with the Pantaloons division and Madura Fashion & Lifestyle division of the Company, respectively. A detailed presentation

thereby providing overview of the Pantaloons and Madura Fashion & Lifestyle divisions was made to the Independent Directors at the said meetings and the same was followed by the visits to the stores of respective divisions.

Number of Meetings of the Board

During the year under review, the Board met six times, on following occasions:

Sr. No.	Date of Meeting	Place
1.	May 3, 2015	Mumbai
2.	May 13, 2015	Mumbai
3.	August 10, 2015	Mumbai
4.	November 2, 2015	Mumbai
5.	January 9, 2016	Mumbai
6.	February 12, 2016	Bengaluru

Details of meetings of the Board and its Committees alongwith the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report.

The intervening gap between the meetings was as prescribed under the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has to evaluate its own performance and that of its committees and individual directors ("Evaluation").

To enable such evaluation, an evaluation framework has been adopted by all the companies of the Aditya Birla Group, which is devised with a view to provide a more structured approach for the evaluation and which lays down overall guidelines and processes to be adopted for the evaluation of performance. NRC and the Board have, vide their respective Resolutions dated May 8, 2015 and May 13, 2015, approved the Evaluation Framework.

The evaluation framework for assessing the performance of Directors of your Company comprises of their contribution at the meeting(s), strategic perspective or inputs regarding the growth and performance of your Company, among others. Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Directors have carried out the annual performance evaluation of the Board, Independent Directors, Non-executive Directors, Executive Directors and the Committees of the Board. Performance evaluation criteria for Independent Directors is provided in the Corporate Governance Report. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Individual Directors, the Board as a whole and its Committees with the Company.

Statement on declaration of Independence

All the Independent Directors of the Company have given their respective declarations that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

Composition of the Committees of the Board of Directors

Name of the Committee	Composition of Committee
Audit Committee	- Mr. Arun Thiagarajan, Independent Director *(Chairperson)* - Mr. Bharat Patel, Independent Director - Ms. Sukanya Kripalu, Independent Director - Mr. Sushil Agarwal, Non-executive Director - Permanent Invitee - Mr. Pranab Barua, Managing Director
Stakeholders Relationship Committee	- Mr. Bharat Patel, Independent Director *(Chairperson)* - Ms. Sukanya Kripalu, Independent Director - Mr. Sushil Agarwal, Non-executive Director
Nomination Remuneration Committee	- Mr. Bharat Patel, Independent Director *(Chairperson)* - Ms. Sukanya Kripalu, Independent Director - Mr. Arun Thiagarajan, Independent Director - Mr. Sushil Agarwal, Non-executive Director
CSR Committee	- Mr. Bharat Patel, Independent Director - Mr. Sushil Agarwal, Non-executive Director - Mr. Pranab Barua, Managing Director - Permanent Invitee - Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Aditya Birla Group
Risk Management Committee	- Mr. Bharat Patel, Independent Director *(Chairperson)* - Mr. Arun Thiagarajan, Independent Director - Mr. Sushil Agarwal, Non-executive Director

Corporate Governance

Company is committed to follow the best practices of Corporate Governance, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same, from time to time.

Company has duly complied with the Corporate Governance requirements as set out under Chapter IV of the SEBI Listing Regulations, from time to time and the Statutory Auditors of the Company viz. M/s. S R B C & CO LLP, Chartered Accountants (ICAI Registration No. 324982E/E30003), have vide their certificate dated May 25, 2016, confirmed that the Company is and has been compliant with the conditions stipulated in the Chapter IV of the SEBI Listing Regulations. The said certificate is annexed as **Annexure III** to this report.

Further, a separate report on Corporate Governance forms part of this Annual Report.

Extract of Annual Return

As required under the provisions of Sections 92(3) and 134(3)(a) of the Act and Companies (Management and Administration) Rules, 2014, an Extract of the Annual Return in Form MGT-9 is annexed as **Annexure IV** to this report.

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made - (i) by the auditor in his report and (ii) by the company secretary in practice in his secretarial audit report;

Statutory Auditor

M/s. S R B C & CO LLP, Chartered Accountants (ICAI Registration No. 324982E/E30003), were appointed as Statutory Auditors of the Company at the Eighth Annual General Meeting of the Company held on

August 28, 2015 and they hold office till the conclusion of the ensuing Ninth Annual General Meeting and are eligible for re-appointment.

Report given by the Statutory Auditors, on the financial statements of the Company, is disclosed as part of the Financial Statements of the Company for the year under review.

There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report for the year under review and therefore, does not call for any further comments. The Notes to the Financial Statements are self-explanatory and do not call for any further comments.

Secretarial Auditor

M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditor of the Company, to conduct Secretarial Audit for the year under review, pursuant to the provisions of Section 204 of the Act.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review and therefore, does not call for any further comments. The Secretarial Audit Report is annexed as **Annexure V** to this report.

Branch Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Bengaluru (ICAI Firm Registration No. 008072S), were appointed as Branch Auditors of the Madura Fashion & Lifestyle division of the Company, by the Board at its meeting held on January 9, 2016, to hold office till the conclusion of the ensuing Ninth Annual General Meeting of the Company.

The Branch Audit Report w.r.t. the Madura Fashion & Lifestyle division, for the year under review, does not contain any qualification, reservation or adverse remark.

Particulars of loans, guarantees or investments under Section 186 of the Act

Particulars of the loans, guarantees and investments as required under Section 186 of the Act have been disclosed in Note 4 of the Financial Statements of the Company for the year under review.

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in the prescribed form

All contract(s)/ arrangement(s)/ transaction(s) entered into by the Company with its related parties, during the year under review, were

- in *"ordinary course of business"* of the Company,
- on *"an arm's length basis"* and
- not *"material"*,

as per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations.

Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are "not at arm's length basis" and also which are "material and at arm's length basis", is not provided as an annexure of the Directors' Report.

However, all Related Party Transactions entered into during the year under review and as on March 31, 2016 were approved by the Audit Committee of the Board and Board, from time to time and the same are disclosed in Note 31 of the Financial Statements of the Company for the year under review, as per the applicable provisions of the Act and the SEBI Listing Regulations.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, Board has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. www.abfrl.com.

Details relating to deposits

During the year under review, the Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2016, there were no deposits which were unpaid or unclaimed and due for repayment.

Names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year

During the year, no Company became/ ceased to be a Subsidiary/ Associate/ Joint Venture of your Company.

As at the end of the year under review i.e. on March 31, 2016 and also as on the date of this report, the Company does not have any subsidiary and/ or Associate Company and the Company is also not a part of any Joint Venture(s).

As already mentioned above, during the year under review, the Company ceased to be a subsidiary of ITSL and also a step-down subsidiary of ABNL.

Details w.r.t. development and implementation of a Risk Management Policy

Considering the susceptibility of the Company to inherent business risks, Board of the Company, on recommendation of RMC, has adopted a Risk Management Policy, to

- develop and implement Risk Management procedure/ plan including identification therein of elements of risk, if any, which may threaten the existence of the Company;
- enable the Company to proactively manage the uncertainty, changes in the internal and external environment to limit negative impacts; and
- capitalize on opportunities along with minimization of identifiable risks,
- in compliance with the provisions of the Act and Regulation 4(2)(f)(ii)(7) and Regulation 17(9)(b) of the SEBI Listing Regulations which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

More details on risks and threats have been disclosed above, as part of the Management Discussion and Analysis.

Further, in view of the ever increasing size and complexity of the business operations, the Company is exposed to the various risks emanating from fraud(s). Accordingly, the Board has, on recommendation of the Audit Committee, adopted an Anti-Fraud Policy and a Whistle Blower Policy, to put in place, a system for detecting and/ or preventing and/ or deterring and/ or controlling the occurrence of fraud(s).

Details of establishment of Vigil Mechanism

Board has, on recommendation of its Audit Committee, adopted a Policy thereby enumerating the Vigil/ Whistle Blower Mechanism, for Directors and employees of the Company, to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct and to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to

the Chairperson of the Audit Committee is provided to them. The Vigil Mechanism is also available on the website of the Company i.e. www.abfrl.com.

Details about the policy developed and implemented by the Company on Corporate Social Responsibility ("CSR") and the CSR initiatives taken during the year

Board has constituted a CSR Committee, in terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Details of the composition of the CSR Committee are disclosed above and have also been disclosed separately as part of the Corporate Governance Report.

Further, the Board has, with a vision "to actively contribute to the social and economic development of the communities and build a better, sustainable way of life for weaker sections of society", adopted a CSR Policy and the same is available on the website of the Company i.e. www.abfrl.com.

CSR Policy of the Company, enumerates the Vision of the Aditya Birla Group and the Company, as a responsible corporate citizen and mentions the process to be implemented w.r.t. identification of projects and philosophy of the Company, alongwith key endeavors and goals viz.

- In Education - to spark the desire for learning and knowledge;
- In Health care - to render quality health care facilities to people living in the villages and elsewhere through our Hospitals;
- In Sustainable Livelihood - to provide livelihood in a locally appropriate and environmentally sustainable manner;
- In Infrastructure Development - to set up essential services that form the foundation of sustainable development and
- to bring about Social Change, we advocate and support.

In line with the same, the CSR activities of the Company are mainly focused towards,

- Girl Child Education and Skilling;
- Health and Sanitation.

In view of the losses for the year under review and also considering absence of profits during the three immediately preceding financial years, the Company was not required to spend any amount towards the CSR activities, as per the applicable provisions of Section 135 of the Act. However, during the year under review, by virtue of the Composite Scheme, Madura Fashion & Lifestyle division, became part of the Company and accordingly, a report on CSR Activities of the Company, more particularly covering the CSR activities of the Madura Fashion & Lifestyle division of the Company, during the year under review, is annexed as **Annexure VI** to this Report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Company consciously makes all efforts to conserve energy across all its operations. Information on conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is given in **Annexure VII** to this Report.

Sustainability and Business Responsibility Report

Company's sustainability initiatives are aligned with the Aditya Birla Group's sustainability vision, which mainly comprises of Responsible Stewardship, Stakeholder Engagement and Future-proofing.

Accordingly, under the aegis of the Aditya Birla Group's sustainability vision, the Company is strengthening its 'ReEarth' program, to design a roadmap which will align with the group level sustainability policies and international frameworks.

Through this mission, we hope to create a future ready organization, which can pre-empt imminent challenges, address the needs of all stakeholders and continue to be a preferred partner for its consumers, thereby securing a common future for tomorrow.

In accordance with our sustainability vision and in terms of Regulation 34(2)(f) of the SEBI Listing Regulations, a Sustainability and Business Responsibility Report forms a part of this Annual Report.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future, other than the order(s) by the Hon'ble High Courts of Judicature at Bombay and Gujarat w.r.t. Composite Scheme, as enumerated hereinabove.

Employee Stock Option Scheme and Share Based Employee Benefits

Grant of share based benefits to employees is a mechanism to align the interest of employees with those of the Company, to provide them with an opportunity to share the growth of the Company and also to foster the long-term commitment.

The SEBI (Share Based Employee Benefits) Regulations, 2014 ("Regulations"), govern the grant of share based benefits to the employees of the Company, such as Employee Stock Options ("Stock Options"), Restricted Stock Units ("RSUs"), Stock Appreciation Rights ("SARs") etc.

NRC *inter alia* administers, implements and monitors the Schemes and plans thereby governing the grant of Share Based Employee Benefits to the employees of the Company and accordingly, administration and implementation of the "Employee Stock Option Scheme - 2013" ("Scheme") and "Stock Appreciation Rights Plan - 2013" ("Plan"), now comes under the scope of NRC.

During the year under review, no Stock Options and/or RSUs and/ or SARs were granted pursuant to the provisions of the Scheme and/ or plan. Pursuant to the provisions of the Scheme and Plan, 1,95,116 Stock Options and 66,152 SARs, respectively, vested in the eligible grantees. No RSUs were vested in the grantees pursuant to the provisions of the Scheme. Further, the Stakeholders Relationship Committee of the Board, allotted 11,597 (Eleven Thousand Five Hundred Ninety Seven) Equity Shares of ₹ 10/- (Rupees Ten only) each credited as fully paid-up, upon exercise of Stock Options by the eligible grantees.

Before effectiveness of the Composite Scheme, ABNL had, under its Employee Stock Option Scheme ("ABNL ESOS"), granted RSUs to some of the employees of Madura Fashion & Lifestyle division, by virtue of them then being employees of ABNL. However, pursuant to the effectiveness of the Composite Scheme, such employees became employees of the Company w.e.f. January 9, 2016, by when the RSUs granted by ABNL had not vested in them as per the vesting terms of the ABNL ESOS. Accordingly, for the benefit of all such employees, NRC, vide its Circular Resolution passed on May 11, 2016, granted 2,79,544 RSUs to such eligible employees.

In terms of the provisions of the regulations, the details of the Stock Options and/ or RSUs and/ or SARs already granted under the abovementioned Scheme and/ or plan are available on the website of the Company i.e. www.abfrl.com. Further, the same have been disclosed as part of the Financial Statements of the Company for the year under review.

A certificate from the Statutory Auditor confirming that the Scheme has been implemented in accordance with the Guidelines and the Regulations will be placed at the ensuing Ninth Annual General Meeting for inspection by the Members.

Particulars of Employees as per Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure VIII** to this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of the Annual Report. However, in line with the provisions of the first proviso to Section 136(1) of the Act, the reports and accounts as set out therein, are being sent to all Members of the Company, excluding the aforesaid information about the employees and the same will be made available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be made available to any such member on request. Such details are also available on the website of the Company i.e. www.abfrl.com.

Disclosures as per the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

Company is committed towards providing a work environment that is professional and mature, free from animosity and one that reinforces our value of integrity that includes respect for the individual and in pursuance to the same. Accordingly, Company has a Policy on Prevention of Sexual Harassment at Workplace, which is applicable to all employees of the Company, as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and 26 complaints were received, out of which all 26 complaints have been investigated and resolved after taking an appropriate action and none of the complaints remain pending as of March 31, 2016.

AWARDS AND RECOGNITIONS

Your Company has been proud recipient of the following Awards and Recognitions during the year under review:

Madura Fashion & Lifestyle division

- Recognised as
  - 'The Top Apparel Innovator 2016' for its Product Management Lifecycle Solution by US-based "Apparel" Magazine.
  - One of the 'Best Corporate Brands 2016' at the Economic Times Best Corporate Brands Summit.
  - 'Most Trusted Premium Formal Wear' brand at the 13th Franchisee Awards 2015.
- Awarded with
  - 'Golden Star - Six Sigma Award' for Service Quality Excellence by The World Quality Congress.

- 'Gold' for 4 projects in the Six Sigma and Kaizen category by The Curriculum Concept of Quality Circle, Bengaluru.

- Other Awards and accolades

Name of the Brand	Award/ Recognition	By/ At
Louis Philippe	Comfort Vote Quality Label	German Testing and Research Centre, Hohenstein Institute
Van Heusen	The Most Admired Retailer of the Year for 'Store Design' award	Images Retail Awards 2015
	'Best Loyalty Program' award	Single/ Speciality format at the 9th Loyalty Summit by AIMIA
	'Best Use of Customer Experience Technology' award	Customer Experience Summit
	- Best Customer Loyalty Program - Best Retail Marketing Campaign Offline - Best Innovative Retail Concept	Asia Retail Congress
	'Best Loyalty Program' award in the single brand retail sector category	8th Loyalty Summit by AIMIA
	'Most Trusted Premium Formal Wear' brand award	Brand Equity survey of The Economic Times
	'Social Media Campaign of the Year' award	Social Media Awards
Allen Solly	Social Media award for 'The Best use of Twitter'	Global Youth Marketing Forum
Peter England	Retail Excellence Award for 'Best Technology Initiative/ Implementation' and 'Customer Loyalty Program'	Asia Retail Congress 2015
	'CII 5S Excellence Award' in the 3rd place under Large Scale Service Industry category	CII 5S Excellence Award
Trendin.com	'Gold' for the 'Best E-Commerce Website'	Internet and Mobile Association of India (IAMAI)

Pantaloons division

- Recognised as 'India's Most Trusted Apparel Retail Brand' for the 3rd consecutive year in the Brand Equity survey of The Economic Times.
- 'Greencard' Loyalty program of Pantaloons was awarded with 3 trophies at the 9th Loyalty Awards 2016 by AIMIA in the following categories:
  - 'Best Direct Marketing Campaign of the Year'.
  - 'Best use of Customer Experience Technology Award of the Year'.
  - 'Best use of Customer and Data Analytics in Loyalty Program'.
- 'Greencard' Loyalty program of Pantaloons was awarded the 'Best Direct Marketing Campaign of the Year' at the 8th Loyalty Awards 2015 by AIMIA.

SAFETY

Company's goal is 'no fatal accidents at work at any of our locations'. In order to ensure this, Company has several mechanisms in place to assess, manage and provide safety. An Operational Health and Safety ("OHS") policy has been rolled out in line with the Aditya Birla Group policy. OHS design development and implementation has been carried out in all operations under direct control. Company has instilled an Environment, Health & Safety ("EHS") committee which conducts monthly meetings to track performance. Regular safety audits are conducted, including third party assessments. The system of '5S' has been well implemented in warehouses and the same is being worked on in the factories and offices.

During the year, there were zero lost time injuries or fatalities in operations under control of the Company.

OTHER DISCLOSURES

- Your Company has not issued any shares with differential voting rights.
- There was no revision in the financial statements for the financial year/ during the year.
- Your Company did not issue any sweat equity shares.

ACKNOWLEDGEMENT

We place on record our sincere appreciation for the continued support which the Company has received from its customers, vendors, suppliers, business associates, bankers, financial institutions, investors, Central and State Governments, promoters, group companies and above all, employees of the Company.

For and on behalf of the Board of Directors

Pranab Barua
Managing Director

Bharat Patel
Independent Director

Place : Bengaluru
Date : May 25, 2016

Disclaimers:

1. Considering prominence of the matters pertaining to "Allotment to NRI Shareholders of ABNL holding shares on Repatriation basis" and "Acquisition of Forever 21, India Business", Management of the Company has incorporated and reported their latest status in the Directors' Report, for better understanding.
2. Certain statements in the "Management's Discussion and Analysis" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and regulations, including but not limited to those relating to general business plans and strategy of the Company, its future outlook and growth prospects, future developments in its businesses, its competitive and regulatory environment and management's current views and assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, competitors actions, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. Company assumes no responsibility to publicly amend, modify or revise any statement, on basis of any subsequent development, information or events, or otherwise. The "Management's Discussion and Analysis" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's securities. The financial figures have been rounded off to the nearest Rupee One Crore.

ANNEXURE I

NOMINATION POLICY[1]

1. PURPOSE

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation.

Nomination and Remuneration Committee ("the Committee" or "NRC") is constituted by the Board of Directors ("Board") of Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited) ("Company") in its meeting held on July 31, 2014, pursuant to the provisions of Section 178 of the Companies Act, 2013 and applicable rules made thereunder ("Act") and Clause 49 of the erstwhile Equity Listing Agreement ("Listing Agreement"). The constitution, composition and role of the Committee is also in line with the provisions Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This policy is enacted mainly to deal with the following matters, falling within the scope of the Committee:

a. To institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel and/or in senior management and recommend to the Board of Directors their appointment and removal from time to time;

b. To devise a policy on Board Diversity;

c. To review and implement the succession and development plans for Managing Director, Executive Directors and Senior Managers[2];

d. To formulate the criteria for determining qualifications, positive attributes and independence of directors;

e. To establish evaluation criteria of Board, its Committees and each Director.

2. BOARD OF DIRECTORS

i) Identification, Nomination & Board Diversity

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

In designing the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the Corporate Governance Report annually.

ii) Evaluation Process

The Committee shall annually evaluate the performance of the Board as per the approved Evaluation Framework and conduct an assessment of the performance of each of the Directors

(1) Amended vide a resolution of the Board of Directors of the Company passed at its meeting held on January 9, 2016, for reflecting,

- *change of name of the Company pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited, Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors, under Sections 391 to 394 of the Companies Act, 1956 and*
- *change in applicable provisions, pursuant to repeal of Equity Listing Agreement and enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

(2) "Senior Managers" means members of the Company's core management team as determined from time to time by the Committee, excluding Board of Directors, and comprising at least all members of management one level below the executive directors, including the functional heads.

individually against the criteria and Evaluation Framework as determined and approved by the Board/ Committee.

The performance evaluation of Independent Directors shall be done by the entire Board of Directors, on the basis of recommendations of the Committee (excluding the director being evaluated).

iii) Training and Development

The Company shall periodically organise sessions under the familiarisation programme for the Directors including Independent Directors to apprise them with the business operations of the Company and also let them know their roles, rights and responsibilities in the Company to enable them to make effective contribution and discharge their functions as a Board Member.

The Committee shall approve training policies, including new director orientation and continuing education requirements or expectations, for Non-executive and Independent Director.

iv) Succession Planning

The Committee shall review and implement succession and development plans.

v) Criteria for determining qualifications, positive attributes and independence of directors

The Committee shall follow the principles enshrined in the Act and the Listing Regulations while fixing the criteria for determining the qualifications, positive attributes and independence of Directors, at all times.

3. KEY MANAGERIAL PERSONNEL ("KMP") AND OTHER SENIOR MANAGERS[2]

i) Identification & Nomination

The Committee shall identify the persons who may be appointed as KMP and other Senior Managers, taking into consideration qualifications, experience, positive attributes, skills and competencies and such other factors as it deems appropriate.

The Committee shall recommend to the Board the appointment and removal of KMP and other Senior Managers persons of the Company.

ii) Training & Development

The Committee shall be responsible to maintain a framework for talent/ competency development strategy for KMP and other Senior Managers of the Company.

iii) Evaluation Process

The Committee shall review and approve the evaluation of performance of KMP and Senior Managers of the Company.

iv) Terminations and Severances

The Committee shall also review terminations/ replacements/ severance of employments of KMP and other Senior Managers.

v) Succession Planning

The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for KMP and other Senior Managers as may be required, from time to time.

4. REVIEW AND AMENDMENTS

i) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

ii) The Committee shall re-assess and review the adequacy of this charter annually and propose and recommend changes to the Board for approval as and when necessary.

iii) This Policy may be amended or substituted by the Board as and when required specifically where there are any statutory amendments necessitating the change in the policy.

ANNEXURE II

Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited) ("the Company"), an Aditya Birla Group Company adopts/ shall adopt this Executive Remuneration Philosophy/ Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

ADITYA BIRLA GROUP: EXECUTIVE REMUNERATION PHILOSOPHY/ POLICY[1]

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/ Policy supports the design of programs that align executive rewards - including incentive programs, retirement benefit programs, promotion and advancement opportunities - with the long-term success of our stakeholders.

Our business and organisational model

Our Group is a conglomerate and organised in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

I. Objectives of the Executive Remuneration Program

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

II. Executives

Our Executive Remuneration Philosophy/ Policy applies to the following:

1. Directors of the Company.
2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
3. Senior Management.

III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

IV. Executive Pay Positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognise the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

(1) Amended vide a resolution of the Board of Directors of the Company passed at its meeting held on January 9, 2016, for reflecting:

- *change of name of the Company pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited, Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956 and*
- *change in applicable provisions, pursuant to repeal of Equity Listing Agreement and enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

V. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits.

Annual Incentive Plan:

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business.

Long-Term Incentive:

Our Long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long term incentive vehicle, to motivate and retain our executives.

VI. Performance Goal Setting

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

VII. Executive Benefits and Perquisites

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

Other Remuneration Elements

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control ("CIC") agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

Risk and Compliance

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

Claw back Clause

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act, 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/ her as per restatement of financial statements, pertaining to the relevant performance year.

Implementation

The Group and Business Centre of Expertise teams will assist the Nomination and Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/ Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

ANNEXURE III

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Aditya Birla Fashion and Retail Limited
701-704, 7th Floor,
Skyline Icon Business Park,
86-92, Off A.K.Road,
Marol Village,
Andheri (East), Mumbai - 400059

We have examined the compliance of conditions of corporate governance by Aditya Birla Fashion and Retail Limited (formerly Pantaloons Fashion & Retail Limited), for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Per Vijay Maniar
Partner
Membership No.: 36738

Place: Bengaluru
Date: May 25, 2016

ANNEXURE IV

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[As per Form No. MGT - 9 and pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN**	:	L18101MH2007PLC233901
ii.	**Registration Date**	:	April 19, 2007
iii.	**Name of the Company**	:	Aditya Birla Fashion and Retail Limited *(formerly known as Pantaloons Fashion & Retail Limited)*
iv.	**Category & Sub-Category of the Company**	:	Company Limited by shares and Indian Non-Government Company
v.	**Address of the Registered office and contact details**	:	701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A. K. Road, Marol Village, Andheri East, Mumbai - 400059, Maharashtra, India. Tel.: +91 8652905000; Fax: +91 8652905400
vi.	**Whether listed company**	:	Yes
vii.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	:	Link InTime India Private Limited Pannalal Silk Mills Compound, C-13, L.B.S. Marg, Sadan Wadia, Bhandup (West), Mumbai - 400 078. Tel: (022) 25963838; Fax: (022) 25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
Branded Fashion Apparels and Accessories	1410	64.41
Retail sale of clothing, footwear and leather articles in specialized stores	4771	35.59

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN	Holding/ subsidiary/ associate	% of shares held	Applicable section
NIL					

Upon effectiveness of the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors, under Sections 391 to 394 of the Companies Act, 1956 ("Composite Scheme") and consequential allotment of Equity Shares to the eligible Shareholders of ABNL and MGLRCL, the Company ceased to be a subsidiary of Indigold Trade and Services Limited - a wholly owned subsidiary of ABNL ("ITSL") and also ceased to be a step-down subsidiary of ABNL.

IV. SHAREHOLDING PATTERN *(Equity Share Capital breakup as percentage of total Equity):*

During the year under review, the Shareholding Pattern of the Company changed majorly by virtue of the allotment of 67,60,37,600 (Sixty Seven Crore Sixty Lakh Thirty Seven Thousand Six Hundred) Equity Shares of ₹ 10/- each of the Company, pursuant to the Composite Scheme ("merger allotment"), more particularly to the extent of:-

i) promoters of ABNL and MGLRCL becoming the promoters of the Company and

ii) all the eligible shareholders of ABNL and MGLRCL becoming the Equity Shareholders of the Company, thereby leading to

(a) change in the top ten shareholders of the Company (other than promoters);

(b) change in percentage (%) shareholding of the shareholders of the Company, holding shares before the merger allotment (excluding the change relatable to the trading activity(ies) undertaken by them, if any).

Such changes have been reflected in the tables below.

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year#				No. of Shares held at the end of the year#				% Change during the year#
	Demat	Physical	Total	% of total Shares $	Demat	Physical	Total	% of total Shares $	
A. Promoters									
1) Indian									
a) Individual/ HUF	-	-	-	-	7,08,254	-	7,08,254	0.09	0.09
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6,73,90,782	-	6,73,90,782	72.62	45,37,94,948	26,60,915	45,64,55,863	59.37	(13.25)
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	**6,73,90,782**	**-**	**6,73,90,782**	**72.62**	**45,45,03,202**	**26,60,915**	**45,71,64,117**	**59.46**	**(13.16)**
2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**6,73,90,782**	**-**	**6,73,90,782**	**72.62**	**45,45,03,202**	**26,60,915**	**45,71,64,117**	**59.46**	**(13.16)**

i) Category-wise Shareholding (continued):

Category of Shareholders	No. of Shares held at the beginning of the year#				No. of Shares held at the end of the year#				% Change during the year#
	Demat	Physical	Total	% of total Shares $	Demat	Physical	Total	% of total Shares $	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	2,05,093	-	2,05,093	0.22	74,684,105	48,557	7,47,32,662	9.72	9.50
b) Banks / FI	5,53,507	-	5,53,507	0.60	5,43,569	45,409	5,88,978	0.08	0.52
c) Central Government	-	-	-	-	5	-	5	0.00	0.00
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	3,84,14,112	29,567	3,84,43,679	5.00	5.00
g) FIIs*	5,76,060	-	5,76,060	0.62	9,17,49,546	19,209	9,17,68,755	11.94	11.32
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
i. Foreign Banks	-	-	-	-	12,816	23,201	36,017	0.00	0.00
ii. UTI	-	-	-	-	0	86,944	86,944	0.02	0.02
Sub-total (B)(1)	**13,34,660**	**-**	**13,34,660**	**1.44**	**20,54,04,153**	**2,52,887**	**20,56,57,040**	**26.75**	**25.31**
2) Non-Institutions									
a) Bodies Corp.									
i. Indian	2,13,38,520	693	2,13,39,213	23.00	3,05,93,018	3,38,731	3,09,31,749	4.02	(18.98)
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹1 Lakh	14,59,940	2,24,099	16,84,039	1.81	43,397,023	95,93,807	5,29,90,830	6.89	5.08
ii. Individual shareholders holding nominal share capital in excess of ₹1 Lakh	8,97,181	20,252	9,17,433	0.99	1,79,51,499	6,58,846	1,86,10,345	2.42	1.43
c) Others:									
i. Non Resident Indians (Repat)	18,668	440	19,108	0.02	3,47,289	440	3,47,729	0.05	0.03
ii. Non Resident Indians (Non Repat)	4,900	-	4,900	0.01	14,79,533	87,605	15,67,138	0.20	0.19
iii. Foreign Nationals	20	-	20	0.00	20	-	20	0.00	0.00
iv. Clearing Member	1,03,134	-	1,03,134	0.11	8,36,182	-	8,36,182	0.11	0.00
v. Directors/ Relatives of Directors	100	-	100	-	1,19,829	-	1,19,829	0.02	0.02
vi. Trusts	140	-	140	-	1,92,620	15,364	2,07,984	0.03	0.03
vii. Office Bearers	-	-	-	-	-	1,261	1,261	0.00	0.00
viii. HUF	-	-	-	-	4,08,502	-	4,08,502	0.05	0.05
Sub-total(B)(2)	**2,38,22,603**	**2,45,484**	**2,40,68,087**	**25.94**	**9,53,25,515**	**1,06,96,054**	**10,60,21,569**	**13.78**	**(12.16)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2,51,57,263**	**2,45,484**	**2,54,02,747**	**27.38**	**30,07,29,668**	**1,09,48,941**	**31,16,78,609**	**40.53**	**13.15**
C. Shares held by Custodian for GDRs and ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**9,25,48,045**	**2,45,484**	**9,27,93,529**	**100.00**	**75,52,32,870**	**1,36,09,856**	**76,88,42,726**	**100.00**	**-**

Notes:

 # Beginning of the Year -> As on April 1, 2015; End of the year -> As on March 31, 2016 and During the year -> From April 1, 2015 upto March 31, 2016.

$ The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

** Means and includes "Foreign Portfolio Investors".*

ii) Shareholding of Promoters:

As mentioned above, upon effectiveness of the Composite Scheme and by virtue of the merger allotment, Equity Shares of the Company were allotted to the eligible shareholders of ABNL and MGLRCL including the promoters of ABNL and MGLRCL. Accordingly, the promoters of ABNL and MGLRCL became promoters of the Company, from the date of allotment i.e. *January 27, 2016*. Details of such promoters and their shareholdings form part of the table below.

Further, ABNL IT & ITES Limited and ITSL ceased to be the promoters of the Company *w.e.f. March 31, 2016*, consequent to their amalgamation with ABNL ("ABNL amalgamation"). Since ABNL IT & ITES Limited was not a promoter of the Company at the beginning of the year i.e. as on April 1, 2015 or at the end of the year i.e. as on March 31, 2016, the details of its shareholding in the Company do not form part of the table below. However, details of its shareholding are provided separately in the table w.r.t. Change in Promoters' Shareholding, hereinafter.

Sr. No.	Promoter's Name	Shareholding at the beginning of the year#			Shareholding at the end of the year#			% Change in Share-holding during the year
		No. of Shares	% of total Shares of the Company$	% of Shares Pledged/ Encumbered to total Shares	No. of Shares	% of total Shares of the Company$	% of Shares Pledged/ Encumbered to total Shares	
1.	Mr. Kumar Mangalam Birla	-	-	-	23,966	0.00	-	0.00
2.	Ms. Rajashree Birla	-	-	-	6,63,696	0.09	-	0.09
3.	Ms. Neerja Birla	-	-	-	10,270	0.00	-	0.00
4.	Ms. Vasavadatta Bajaj	-	-	-	9,542	0.00	-	0.00
5.	Aditya Vikram Kumar Mangalam Birla HUF	-	-	-	780	0.00	-	0.00
6.	Indigold Trade and Services Limited	6,73,90,782	72.62	-	-	-	-	(72.62)
7.	IGH Holdings Private Limited	-	-	-	8,50,30,930	11.06	-	11.06
8.	TGS Investment & Trade Private Limited	-	-	-	7,02,35,027	9.14	-	9.14
9.	Aditya Birla Nuvo Limited	-	-	-	6,99,82,370	9.10	-	9.10
10.	Umang Commercial Company Private Limited	-	-	-	6,49,72,778	8.45	-	8.45
11.	Trapti Trading and Investments Private Limited	-	-	-	4,90,04,462	6.37	-	6.37
12.	Hindalco Industries Limited	-	-	-	4,49,82,142	5.85	-	5.85
13.	Turquoise Investment and Finance Private Limited	-	-	-	3,34,93,678	4.36	-	4.36
14.	Birla Group Holdings Private Limited	-	-	-	1,87,73,560	2.44	-	2.44
15.	Grasim Industries Ltd.	-	-	-	1,73,98,243	2.26	-	2.26
16.	Pilani Investment and Industries Corporation Ltd.	-	-	-	9,72,909	0.13	-	0.13
17.	ECE Industries Ltd.	-	-	-	6,19,647	0.08	-	0.08
18.	Manav Investment and Trading Co. Ltd.	-	-	-	5,96,310	0.08	-	0.08
19.	Birla Consultants Limited	-	-	-	1,49,006	0.02	-	0.02
20.	Birla Industrial Finance (India) Limited	-	-	-	1,44,508	0.02	-	0.02
21.	ABNL Investment Limited	-	-	-	69,327	0.01	-	0.01
22.	Birla Industrial Investments (India) Limited	-	-	-	30,966	0.00	-	0.00
	Total	**6,73,90,782**	**72.62**	**-**	**45,71,64,117**	**59.46**	**-**	**(13.16)**

Notes:

 # Beginning of the Year -> As on April 1, 2015; End of the year -> As on March 31, 2016 and During the year -> From April 1, 2015 upto March 31, 2016.

$ The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

iii) Change in Promoters' Shareholding:

Details of changes in the shareholdings of the Promoters of the Company, more particularly including the changes by virtue of the merger allotment upon effectiveness of the Composite Scheme and also pursuant to the ABNL amalgamation (as mentioned in detail hereinabove in Point No. IV. ii), form part of the table below:-

Sr. No.	Particulars	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
1.	**Mr. Kumar Mangalam Birla**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	23,966	0.00	Merger Allotment	23,966	0.00
	At the end of the year#	23,966	0.00	-	23,966	0.00
2.	**Ms. Rajashree Birla**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	6,63,696	0.09	Merger Allotment	6,63,696	0.09
	At the end of the year#	6,63,696	0.09	-	6,63,696	0.09
3.	**Ms. Neerja Birla**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	10,270	0.00	Merger Allotment	10,270	0.00
	At the end of the year#	10,270	0.00	-	10,270	0.00
4.	**Ms. Vasavadatta Bajaj**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	9,542	0.00	Merger Allotment	9,542	0.00
	At the end of the year#	9,542	0.00	-	9,542	0.00
5.	**Aditya Vikram Kumar Mangalam Birla HUF**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	780	0.00	Merger Allotment	780	0.00
	At the end of the year#	780	0.00	-	780	0.00

iii) Change in Promoters' Shareholding (continued):

Sr. No.	Particulars	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
6.	**Indigold Trade and Services Limited**					
	At the beginning of the year#	6,73,90,782	72.62	-	6,73,90,782	72.62
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - March 31, 2016	(6,73,90,782)	(8.76)	ABNL Amalgamation	-	-
	At the end of the year#	-	-	-	-	-
7.	**IGH Holdings Private Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	8,50,30,930	11.06	Merger Allotment	8,50,30,930	11.06
	At the end of the year#	8,50,30,930	11.06	-	8,50,30,930	11.06
8.	**TGS Investment & Trade Private Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	7,02,35,027	9.14	Merger Allotment	7,02,35,027	9.14
	At the end of the year#	7,02,35,027	9.14	-	7,02,35,027	9.14
9.	**Aditya Birla Nuvo Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#:					
	- January 27, 2016	13,83,745	0.18	Merger Allotment	13,83,745	0.18
	- March 31, 2016	6,85,98,625	8.92	ABNL Amalgamation	6,99,82,370	9.10
	At the end of the year#	6,99,82,370	9.10	-	6,99,82,370	9.10
10.	**Umang Commercial Company Private Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	6,49,72,778	8.45	Merger Allotment	6,49,72,778	8.45
	At the end of the year#	6,49,72,778	8.45	-	6,49,72,778	8.45
11.	**Trapti Trading and Investments Private Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	4,90,04,462	6.37	Merger Allotment	4,90,04,462	6.37
	At the end of the year#	4,90,04,462	6.37	-	4,90,04,462	6.37

iii) Change in Promoters' Shareholding (continued):

Sr. No.	Particulars	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
12.	**Hindalco Industries Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	4,49,82,142	5.85	Merger Allotment	4,49,82,142	5.85
	At the end of the year#	4,49,82,142	5.85	-	4,49,82,142	5.85
13.	**Turquoise Investment and Finance Private Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	3,34,93,678	4.36	Merger Allotment	3,34,93,678	4.36
	At the end of the year#	3,34,93,678	4.36	-	3,34,93,678	4.36
14.	**Birla Group Holdings Private Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	1,87,73,560	2.44	Merger Allotment	1,87,73,560	2.44
	At the end of the year#	1,87,73,560	2.44	-	1,87,73,560	2.44
15.	**Grasim Industries Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	1,73,98,243	2.26	Merger Allotment	1,73,98,243	2.26
	At the end of the year#	1,73,98,243	2.26	-	1,73,98,243	2.26
16.	**Pilani Investment and Industries Corporation Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	9,72,909	0.13	Merger Allotment	9,72,909	0.13
	At the end of the year#	9,72,909	0.13	-	9,72,909	0.13
17.	**ECE Industries Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	6,19,647	0.08	Merger Allotment	6,19,647	0.08
	At the end of the year#	6,19,647	0.08	-	6,19,647	0.08
18.	**Manav Investment and Trading Co. Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#: - January 27, 2016	5,96,310	0.08	Merger Allotment	5,96,310	0.08
	At the end of the year#	5,96,310	0.08	-	5,96,310	0.08

iii) Change in Promoters' Shareholding (continued):

Sr. No.	Particulars	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
19.	**Birla Consultants Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#:					
	- January 27, 2016	1,49,006	0.02	Merger Allotment	1,49,006	0.02
	At the end of the year#	1,49,006	0.02	-	1,49,006	0.02
20.	**Birla Industrial Finance (India) Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#:					
	- January 27, 2016	1,44,508	0.02	Merger Allotment	1,44,508	0.02
	At the end of the year#	1,44,508	0.02	-	1,44,508	0.02
21.	**ABNL Investment Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#:					
	- January 27, 2016	69,327	0.01	Merger Allotment	69,327	0.01
	At the end of the year#	69,327	0.01	-	69,327	0.01
22.	**Birla Industrial Investments (India) Limited**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#:					
	- January 27, 2016	30,966	0.00	Merger Allotment	30,966	0.00
	At the end of the year#	30,966	0.00	-	30,966	0.00
23.	**ABNL IT & ITES Limited***					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year#:					
	- January 27, 2016	12,07,843	0.15	Merger Allotment	12,07,843	0.15
	- March 31, 2016	(12,07,843)	(0.15)	ABNL Amalgamation	-	-
	At the end of the year#	-	-	-	-	-

Notes:

 # Beginning of the Year -> As on April 1, 2015; End of the year -> As on March 31, 2016 and During the year -> From April 1, 2015 upto March 31, 2016.

$ The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

** Since ABNL IT & ITES Limited was not a promoter of the Company at the beginning of the year i.e. as on April 1, 2015 or at the end of the year i.e. as on March 31, 2016, the details of its shareholding in the Company do not form part of the table w.r.t. Shareholding of Promoters hereinabove. However, since it became and ceased to be a promoter of the Company during the year, details of its shareholding are provided separately in this table.*

iv) Shareholding Pattern of top ten Shareholders (other than directors, promoters and holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
1.	**Future Corporate Resources Limited***					
	At the beginning of the year#	1,29,86,985	14.00	-	1,29,86,985	14.00
	Date wise Increase/ Decrease during the year#:					
	- July 3, 2015	(59,00,000)	(6.36)	Transfer	70,86,985	7.64
	- July 17, 2015	(70,000)	(0.08)	Transfer	70,16,985	7.56
	- July 24, 2015	(51,508)	(0.06)	Transfer	69,65,477	7.51
	- July 31, 2015	(3,00,000)	(0.32)	Transfer	66,65,477	7.18
	- August 7, 2015	(6,999)	(0.01)	Transfer	66,58,478	7.18
	- August 14, 2015	(4,00,000)	(0.43)	Transfer	62,58,478	6.74
	- August 21, 2015	(1,82,650)	(0.20)	Transfer	60,75,828	6.55
	- September 25, 2015	(7,03,089)	(0.76)	Transfer	53,72,739	5.79
	- October 9, 2015	(10,45,000)	(1.13)	Transfer	43,27,739	4.66
	- November 27, 2015	(3,88,422)	(0.42)	Transfer	39,39,317	4.25
	- December 4, 2015	(12,266)	(0.01)	Transfer	39,27,051	4.23
	At the End of the year#	39,27,051	0.51	-	39,27,051	0.51
2.	**PIL Industries Limited***					
	At the beginning of the year#	28,70,242	3.09	-	28,70,242	3.09
	Date wise Increase/ Decrease during the year#:					
	- July 3, 2015	(22,00,000)	(2.37)	Transfer	6,70,242	0.72
	- July 17, 2015	(2,30,000)	(0.24)	Transfer	4,40,242	0.47
	At the End of the year#	4,40,242	0.06	-	4,40,242	0.06
3.	**Bennett, Coleman & Company Limited***					
	At the beginning of the year#	25,11,315	2.71	-	25,11,315	2.71
	Date wise Increase/ Decrease during the year#:					
	- July 24, 2015	(1,23,685)	(0.13)	Transfer	23,87,630	2.57
	- January 8, 2016	(32,086)	(0.03)	Transfer	23,55,544	2.54
	At the End of the year#	23,55,544	0.31	-	23,55,544	0.31
4.	**Life Insurance Corporation of India*@**					
	At the beginning of the year#	5,53,427	0.60	-	5,53,427	0.60
	Date wise Increase/ Decrease during the year#:					
	- July 17, 2015	(1,15,000)	(0.12)	Transfer	4,38,427	0.47
	- July 24, 2015	(1,52,379)	(0.16)	Transfer	2,86,048	0.31
	- July 31, 2015	(65,778)	(0.07)	Transfer	2,20,270	0.24
	- August 7, 2015	(37,732)	(0.04)	Transfer	1,82,538	0.20
	- August 14, 2015	(17,799)	(0.02)	Transfer	1,64,739	0.18
	- September 30, 2015	(41,941)	(0.05)	Transfer	1, 22,798	0.13
	- October 9, 2015	(47,438)	(0.05)	Transfer	75,360	0.08
	- October 16, 2015	(17,589)	(0.02)	Transfer	57,771	0.06
	- January 27, 2016	3,15,39,476	4.10	Merger Allotment	3,15,97,247	4.11
	At the End of the year#	3,15,97,247	4.11	-	3,15,97,247	4.11
5.	**India Opportunities Growth Fund Ltd - Pinewood Strategy@**					
	At the beginning of the year#	5,08,619	0.55	-	5,08,619	0.55
	Date wise Increase/ Decrease during the year#:					
	- May 8, 2015	(29,370)	(0.03)	Transfer	4,79,249	0.52
	- May 22, 2015	(1,74,511)	(0.19)	Transfer	3,04,738	0.33

iv) Shareholding Pattern of top ten Shareholders (continued):

Sr. No.	For each of the Top 10 Shareholders	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
	- May 29, 2015	(56,144)	(0.06)	Transfer	2,48,594	0.27
	- June 12, 2015	(51,201)	(0.06)	Transfer	1,97,393	0.21
	- June 19, 2015	(52,318)	(0.05)	Transfer	1,45,075	0.16
	- June 26, 2015	(52,285)	(0.06)	Transfer	92,790	0.10
	- June 30, 2015	(46,349)	(0.05)	Transfer	46,441	0.05
	- July 3, 2015	(46,441)	(0.05)	Transfer	0	0.00
	- January 27, 2016	1,20,68,518	1.57	Merger Allotment	1,20,68,518	1.57
	At the End of the year#	1,20,68,518	1.57	-	1,20,68,518	1.57
6.	**Vardhaman Publishers Limited***					
	At the beginning of the year#	4,60,000	0.50	-	4,60,000	0.50
	Date wise Increase/ Decrease during the year#:					
	- July 24, 2015	(23,000)	(0.02)	Transfer	4,37,000	0.47
	At the End of the year#	4,37,000	0.06	-	4,37,000	0.06
7.	**Dharmayug Investments Limited***					
	At the beginning of the year#	3,60,000	0.39	-	3,60,000	0.39
	Date wise Increase/ Decrease during the year#:					
	- July 24, 2015	(14,473)	(0.02)	Transfer	3,45,527	0.37
	- July 31, 2015	(3,527)	(0.00)	Transfer	3,42,000	0.37
	At the End of the year#	3,42,000	0.04	-	3,42,000	0.04
8.	**Loyal Apparels Private Limited***					
	At the beginning of the year#	2,91,230	0.31	-	2,91,230	0.31
	Date wise Increase/ Decrease during the year#:					
	- May 15, 2015	478	0.00	Transfer	2,91,708	0.31
	- May 22, 2015	(58,686)	(0.06)	Transfer	2,33,022	0.25
	- May 29, 2015	(537)	(0.00)	Transfer	2,32,485	0.25
	- June 19, 2015	3,490	0.00	Transfer	2,35,975	0.25
	- July 3, 2015	(44,387)	(0.05)	Transfer	1,91,588	0.21
	- July 10, 2015	(5,965)	(0.01)	Transfer	1,85,623	0.20
	- July 17, 2015	(1,83,804)	(0.20)	Transfer	1,819	0.00
	At the End of the year#	1,819	0.00	-	1,819	0.00
9.	**Gargi Developers Private Limited***					
	At the beginning of the year#	2,60,000	0.28	-	2,60,000	0.28
	Date wise Increase/ Decrease during the year#:					
	- July 31, 2015	3,00,000	0.32	Transfer	5,60,000	0.60
	At the End of the year#	5,60,000	0.07	-	5,60,000	0.07
10.	**Ryka Commercial Ventures Private Limited***					
	At the beginning of the year#	2,07,343	0.22	-	2,07,343	0.22
	Date wise Increase/ Decrease during the year#:					
	- July 17, 2015	(2,07,343)	(0.22)	Transfer	(2,07,343)	(0.22)
	At the date of separation#	-	-	-	-	-
11.	**Reliance Capital Trustee Co. Ltd. A/c Reliance Equity Opportunities Fund@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/Decrease during the year#:					
	- January 27, 2016	1,43,38,016	1.86	Merger Allotment	1,43,38,016	1.86
	- February 5, 2016	(41,569)	(0.01)	Transfer	1,42,96,447	1.86

iv) Shareholding Pattern of top ten Shareholders (continued):

Sr. No.	For each of the Top 10 Shareholders	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
	- February 12, 2016	1,04,50,000	1.36	Transfer	2,47,46,447	3.22
	- February 19, 2016	29,73,671	0.39	Transfer	2,77,20,118	3.61
	- February 26, 2016	1	0.00	Transfer	2,77,20,119	3.61
	- March 4, 2016	6,52,879	0.08	Transfer	2,83,72,998	3.69
	- March 11, 2016	(2,77,420)	(0.04)	Transfer	2,80,95,578	3.65
	At the End of the year#	2,80,95,578	3.65	-	2,80,95,578	3.65
12.	**Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:					
	- July 10, 2015	78,79,902	8.49	Transfer	78,79,902	8.49
	- July 17, 2015	21,182	0.02	Transfer	79,01,084	8.51
	- July 24, 2015	286	0.00	Transfer	79,01,370	8.52
	- September 11, 2015	40,346	0.04	Transfer	79,41,716	8.56
	- September 18, 2015	17,525	0.02	Transfer	79,59,241	8.58
	- October 9, 2015	9,36,422	1.01	Transfer	88,95,663	9.59
	- November 27, 2015	2,00,000	0.22	Transfer	90,95,663	9.80
	- January 27, 2016	67,96,400	0.88	Merger Allotment	1,58,92,063	2.07
	- February 12, 2016	29,73,130	0.39	Transfer	1,88,65,193	2.45
	- February 19, 2016	7,14,578	0.09	Transfer	1,95,79,771	2.55
	- February 26, 2016	43,066	0.01	Transfer	1,96,22,837	2.55
	- March 4, 2016	7,06,338	0.09	Transfer	2,03,29,175	2.64
	- March 11, 2016	89,141	0.02	Transfer	2,04,18,316	2.66
	- March 18, 2016	1,29,120	0.02	Transfer	2,05,47,436	2.67
	- March 25, 2016	1,28,500	0.02	Transfer	2,06,75,936	2.69
	- March 31, 2016	8,85,812	0.12	Transfer	2,15,61,748	2.80
	At the End of the year#	2,15,61,748	2.80	-	2,15,61,748	2.80
13.	**Franklin Templeton Investment Funds@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:					
	- January 27, 2016	77,71,488	1.01	Merger Allotment	77,71,488	1.01
	- February 19, 2016	4,60,560	0.06	Transfer	82,32,048	1.07
	- February 26, 2016	12,56,300	0.16	Transfer	94,88,348	1.23
	- March 4, 2016	32,32,500	0.42	Transfer	1,27,20,848	1.65
	- March 11, 2016	2,97,400	0.04	Transfer	1,30,18,248	1.69
	- March 18, 2016	1,52,400	0.02	Transfer	1,31,70,648	1.71
	At the End of the year#	1,31,70,648	1.71	-	1,31,70,648	1.71
14.	**Tata Balanced Fund@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:					
	- December 31, 2015	41,900	0.05	Transfer	41,900	0.05
	- January 1, 2016	20,000	0.02	Transfer	61,900	0.07
	- January 8, 2016	38,100	0.04	Transfer	1,00,000	0.11
	- January 27, 2016	68,51,416	0.89	Merger Allotment	69,51,416	0.90
	- February 5, 2016	12,000	0.00	Transfer	69,63,416	0.91

iv) Shareholding Pattern of top ten Shareholders (continued):

Sr. No.	For each of the Top 10 Shareholders	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
	- February 12, 2016	10,94,400	0.14	Transfer	80,57,816	1.05
	- February 19, 2016	6,24,200	0.08	Transfer	86,82,016	1.13
	- February 26, 2016	4,35,800	0.06	Transfer	91,17,816	1.19
	- March 25, 2016	2,70,000	0.04	Transfer	93,87,816	1.22
	- March 31, 2016	50,000	0.01	Transfer	94,37,816	1.23
	At the End of the year#	94,37,816	1.23	-	94,37,816	1.23
15.	**HSBC Global Investment Funds A/c HSBC GIF Mauritius Limited@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:					
	- January 27, 2016	91,90,573	1.20	Merger Allotment	91,90,573	1.20
	At the End of the year#	91,90,573	1.20	-	91,90,573	1.20
16.	**General Insurance Corporation of India@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:					
	- January 27, 2016	40,13,282	0.52	Merger Allotment	40,13,282	0.52
	At the End of the year#	40,13,282	0.52	-	40,13,282	0.52
17.	**Dimensional Emerging Markets Value Fund@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:					
	- January 27, 2016	48,24,913	0.63	Merger Allotment	48,24,913	0.63
	At the End of the year#	48,24,913	0.63	-	48,24,913	0.63
18.	**Kuwait Investment Authority Fund@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:					
	- July 24, 2015	1,70,497	0.18	Transfer	170,497	0.18
	- August 14, 2015	3,96,203	0.43	Transfer	5,66,700	0.61
	- December 18, 2015	22,800	0.02	Transfer	5,89,500	0.63
	- January 22, 2016	99,444	0.01	Merger Allotment	6,88,944	0.08
	- January 27, 2016	17,76,101	0.23	Transfer	24,65,045	0.32
	- January 29, 2016	1,856	0.00	Transfer	24,66,901	0.32
	- February 12, 2016	9,79,100	0.13	Transfer	34,44,001	0.45
	- February 19, 2016	2,15,950	0.03	Transfer	36,61,951	0.48
	- February 26, 2016	1,25,400	0.02	Transfer	37,87,351	0.49
	- March 4, 2016	3,23,513	0.04	Transfer	41,10,864	0.53
	- March 11, 2016	(3,48,391)	(0.05)	Transfer	37,62,473	0.49
	- March 18, 2016	(27,575)	(0.00)	Transfer	37,34,898	0.49
	- March 25, 2016	5,87,074	0.08	Transfer	43,21,972	0.56
	At the End of the year#	43,21,972	0.56	-	43,21,972	0.56

Notes:

 # Beginning of the Year -> As on April 1, 2015; End of the year -> As on March 31, 2016 and During the year -> From April 1, 2015 upto March 31, 2016.

$ The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

** Part of top ten shareholders as on April 1, 2015.*

@ Part of top ten shareholders as on March 31, 2016.

v) Shareholding of Directors and Key Managerial Personnel ("KMP"):

Sr. No.	Particulars of each of the Directors and KMP	Shareholding		Reason(s) for change in Shareholding	Cumulative Shareholding during the year#	
		No. of Shares	% of total Shares of the Company$		No. of Shares	% of total Shares of the Company$
1.	**Mr. Bharat Patel (Director)**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:	-	-	-	-	-
	At the End of the year#	-	-	-	-	-
2.	**Ms. Sukanya Kripalu (Director)**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:	-	-	-	-	-
	At the End of the year#	-	-	-	-	-
3.	**Mr. Arun Thiagarajan (Director)**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:	-	-	-	-	-
	At the End of the year#	-	-	-	-	-
4.	**Mr. Sushil Agarwal (Director)***					
	At the beginning of the year#	100	0.00	-	100	0.00
	Date wise Increase/ Decrease during the year#: - January 27, 2016	1,19,729	0.02	Merger Allotment	1,19,829	0.02
	At the End of the year#	1,19,829	0.02	-	1,19,829	0.02
5.	**Mr. Pranab Barua (Managing Director)**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#:	-	-	-	-	-
	At the End of the year#	-	-	-	-	-
6.	**Mr. Ashish Dikshit (Business Head - Madura Fashion & Lifestyle)@**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#: - January 27, 2016	79,565	0.09	Merger Allotment	79,565	0.09
	At the End of the year#	79,565	0.09	-	79,565	0.09
7.	**Mr. Shital Mehta (Chief Executive Officer - Pantaloons)**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#: - January 27, 2016	51,672	0.06	Merger Allotment	51,672	0.06
	At the End of the year#	51,672	0.06	-	51,672	0.06
8.	**Mr. S. Visvanathan (Chief Financial Officer)**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#: - January 27, 2016	17,524	0.02	Merger Allotment	17,524	0.02
	At the End of the year#	17,524	0.02	-	17,524	0.02
9.	**Ms. Geetika Anand (Company Secretary)**					
	At the beginning of the year#	-	-	-	-	-
	Date wise Increase/ Decrease during the year#: - January 21, 2016	1,859	0.00	Exercise of Stock Option	1,859	0.00
	At the End of the year#	1,859	0.00	-	1,859	0.00

Notes:

\# *Beginning of the Year –> As on April 1, 2015; End of the year –> As on March 31, 2016 and During the year -> From April 1, 2015 upto March 31, 2016.*

$ *The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.*

* *The details of Shareholding of Mr. Sushil Agarwal mentioned hereinabove include the shareholding of Sushil Agarwal HUF.*

@ *Mr. Ashish Dikshit – Business Head, Madura Fashion & Lifestyle was appointed as one of the Key Managerial Personnel of the Company w.e.f. January 9, 2016.*

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

(Amount in ₹ Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. as on April 1, 2015				
i. Principal Amount	81,984.34	98,251.49	-	1,80,235.83
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	697.59	2,599.53	-	3,297.12
Total (i+ii+iii)	**82,681.93**	**1,00,851.02**	**-**	**1,83,532.95**
Change in Indebtedness during the financial year				
Addition	11,033.41	3,502.14	-	14,535.55
Reduction	(2,521.00)	(7,500.00)	-	(10,021.00)
Net Change	**8,512.41**	**(3,997.86)**	**-**	**4,514.55**
Indebtedness at the end of the financial year i.e. as on March 31, 2016				
i. Principal Amount	88,572.11	96,359.00	-	1,84,931.11
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2,622.23	494.16	-	3,116.39
Total (i+ii+iii)	**91,194.34**	**96,853.16**	**-**	**1,88,047.50**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Mr. Pranab Barua:

(Amount in ₹ Lakh)

Sr. No.	Particulars	Total
1	Gross salary	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	454.72
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	3.11
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Options*	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	a. Company's Contribution to Provident Fund	15.14
	b. Food coupon	0.13
	Total (A)	**473.10@**
	Ceiling as per the Act	Not Applicable#

** Mr. Pranab Barua has been granted 4,78,045 Stock Options of the Company. Out of the total Stock Options granted, 1,19,511 Stock Options were vested unto him on October 25, 2015. However none of the Stock Options vested were exercised by him during the year. Also, 1,09,091 and 88,384 Restricted Stock Units of the Company ("RSUs") were granted to Mr. Barua on October 25, 2013 and May 11, 2016, respectively. Such RSUs will vest unto him on October 25, 2016 and May 11, 2019 respectively, subject to the fulfilment of performance criteria.*

@ The remuneration paid to Mr. Pranab Barua during the year is strictly not comparable with remuneration paid to him for the previous year, as the amount of remuneration paid to him for the current year consists of and includes remuneration paid by both, Madura Fashion & Lifestyle division (which became one of the divisions of the Company upon effectiveness of the Composite Scheme w.e.f. April 1, 2015 i.e. the Appointed Date) as well as the Pantaloons division of the Company.

Nomination and Remuneration Committee vide its Circular Resolution dated April 30, 2016 and the Board vide a resolution passed at its meeting held on May 25, 2016, have approved revision in limits of remuneration of Mr. Barua, subject to approval of the Shareholders of the Company. Accordingly, a resolution seeking approval of the shareholders for the aforesaid revision forms part of the notice of the ensuing Ninth Annual General Meeting of the Company to be held on September 7, 2016.

Mr. Barua also serves as the Managing Director of Aditya Birla Retail Limited, a fellow Company in the Aditya Birla Group and receives remuneration for the same, which is not included in the remuneration disclosed above.

B. Remuneration to other Directors:

(Amount in ₹ Lakh)

Sr. No.	Particulars	Name of the Directors				Total
		Mr. Sushil Agarwal	Mr. Bharat Patel	Ms. Sukanya Kripalu	Mr. Arun Thiagarajan	
1.	**Independent Directors**					
	Fee for attending board / committee meetings	-	5.00	4.35	2.45	11.80
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Sub-Total (1)	**-**	**5.00**	**4.35**	**2.45**	**11.80**
2.	**Other Non-Executive Directors**					
	Fee for attending board / committee meetings	4.45	-	-	-	4.45
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Sub-Total (2)	**4.45**	**-**	**-**	**-**	**4.45**
3.	**Total (B)=(1+2)**	**4.45**	**5.00**	**4.35**	**2.45**	**16.25**
4.	**Total Managerial Remuneration(A+B) (i.e. total remuneration of all Directors including that of Managing Director of the Company)**	**-**	**-**	**-**	**-**	**489.35**
5.	**Overall Ceiling as per the Act**	The Non-executive Directors are paid remuneration only by way of Sitting Fees. The sitting fees paid during the year were in compliance with Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 and all other applicable provisions of laws.				

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

(Amount in ₹ Lakh)

Sr. No.	Particulars	Key Managerial Personnel				Total
		Mr. Ashish Dikshit (Business Head-Madura Fashion & Lifestyle)	Mr. Shital Mehta (Chief Executive Officer - Pantaloons)	Mr. S. Visvanathan (Chief Financial Officer)	Ms. Geetika Anand (Company Secretary)	
1	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	38.59	168.03	116.27	29.67	352.56
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	2.32	6.63	4.05	3.05	16.06
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	Refer Note 1	Refer Note 2	-	1.90 (Refer Note 3)	1.90
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD (continued):

(Amount in ₹ Lakh)

Sr. No.	Particulars	Key Managerial Personnel				Total
		Mr. Ashish Dikshit (Business Head-Madura Fashion & Lifestyle)	Mr. Shital Mehta (Chief Executive Officer - Pantaloons)	Mr. S. Visvanathan (Chief Financial Officer)	Ms. Geetika Anand (Company Secretary)	
5	Others, please Specify:					
	(a) Company's Contribution to Provident Fund	2.12	5.73	3.72	1.26	12.84
	(b) Company's Contribution to Superannuation Fund	1.74	1.00	4.65	-	7.40
	(c) Company's Contribution to Gratuity	-	2.30	-	0.50	2.80
	(d) Food coupon	0.02	0.13	0.26	-	0.42
	(e) Car Valuation	-	4.14	-	-	4.14
	(f) Leave Travel Allowance	-	-	-	-	-
	(g) House deposit valuation	-	-	-	0.15	0.15
	Total	**44.80**	**187.96**	**128.96**	**36.54**	**398.26**

Notes:

1. *Mr. Ashish Dikshit was appointed as one of the Key Managerial Personnel of the Company w.e.f. January 9, 2016. Accordingly, the details mentioned in the above table are relatable to the period from date of his appointment i.e. January 9, 2016 upto March 31, 2016.*
2. *Mr. Shital Mehta has been granted 88,527 Stock Options and 37,897 Restricted Stock Units of the Company. Out of the total Stock Options granted 22,132 Stock Options were vested unto him on October 25, 2015. However, none of the Stock Options vested were exercised by him during the year. None of the Restricted Stock Units granted have vested unto him.*
3. *Ms. Geetika Anand has been granted 7,435 Stock Options and 3,182 Restricted Stock Units of the Company. Out of the total Stock Options granted 1,859 Stock Options were vested unto her on October 25, 2015. All of the said 1,859 Stock Options were exercised by her at an exercise price of ₹102.10/- each (totally amounting to ₹1.90 Lakh as mentioned in the above table) and accordingly, 1,859 Equity Shares of the Company ₹10/- each (ranking pari passu with the then existing Equity Shares of the Company), were allotted to her on January 21, 2016. None of the Restricted Stock Units granted have vested unto her, during the year.*

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NIL				
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

ANNEXURE V

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[As per Form No. MR-3 and pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ADITYA BIRLA FASHION AND RETAIL LIMITED
(Formerly Pantaloons Fashion & Retail Limited)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla Fashion and Retail Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Aditya Birla Fashion and Retail Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I,** for the financial year ended on March 31, 2016, according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; to the extent applicable,

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

      (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

      (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

      (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

      (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

2. We have relied on the representations made by the Company and its Officers and report of the Internal Auditors for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure II.**

3. We have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), from time to time and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the financial year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review, the Company has:

i. vide a resolution passed at the meeting of the Board of Directors held on May 3, 2015, considered and approved a Composite Scheme of Arrangement between the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors, under Sections 391 to 394 of the Companies Act, 1956 ("Composite Scheme").

ii. vide a Special Resolution passed by the Members of the Company, in the Eigth Annual General Meeting held on August 28, 2015, approved the Issuance of Non-Convertible Debentures for an amount of upto ₹ 1000 crore on private placement basis.

iii. vide a resolution passed at the meeting of the Board of Directors held on January 9, 2016, considered the Order of the Hon'ble High Courts for effectiveness of the Composite Scheme. Further, the Name of the company has been successfully changed to Aditya Birla Fashion and Retail Limited and the Company altered its Memorandum & Articles of Association as approved in the aforesaid Composite Scheme.

iv. vide a circular resolution passed by the High Power Committee of the Board on January 27, 2016, approved the allotment of Equity Shares pursuant to the Composite Scheme. However, the allotment of shares to the ABNL shareholders having NRE account has been kept pending until receipt of applicable regulatory approvals.

DILIP BHARADIYA
Proprietor
DILIP BHARADIYA & ASSOCIATES
FCS No.: 7956., C P No.: 6740

Place : Mumbai
Date : May 25, 2016

Annexure I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2015.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee and CSR Committee alongwith Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
   - Register of Directors' & KMP
   - Register of Directors' Shareholding
   - Register of Employee Stock Options
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Renewed and Duplicate Share Certificate
   - Register of Charge
   - Register of Related Party Transaction
   - Register of Members
6. Agenda papers submitted to all the Directors/ Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. Intimations received from directors under the Prohibition of Insider Trading Code.
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations/ documents/ reports/ returns filed with the Stock Exchanges pursuant to the provisions of the Listing Agreements entered into by the Company with the Stock Exchange(s), from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year under report.

Annexure II

List of applicable laws to the Company

Registered & Corporate office:

701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A. K. Road,
Marol Village, Andheri East, Mumbai – 400059, Maharashtra.

List of applicable laws to the Company:

1. Acts prescribed related to Retail activities
2. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
3. Local Municipal Corporation Act & Bye Laws (city-wise)
4. Shops and Establishment Act & Rule (State wise)
5. Legal Metrology Act, 2009 & Rule 2011
6. Acts prescribed under prevention and control of pollution;
7. Acts prescribed under Environmental protection;
8. Acts as prescribed under Direct Tax and Indirect Tax
9. Land Revenue laws of respective States;
10. Labour Welfare Act of respective States;
11. Local laws as applicable to various stores as per the respective Municipal Authority.

ANNEXURE VI

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be taken and a reference to the web link to the CSR Policy and projects or programs	:	To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index. Our projects focus on - education, healthcare, sustainable livelihood, infrastructure development and social reform, epitomizing a holistic approach to inclusive growth. The Company's CSR Policy can be accessed on www.abfrl.com.
2.	Composition of the CSR Committee	:	Mr. Bharat Patel, Member Mr. Sushil Agarwal, Member Mr. Pranab Barua, Member Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Permanent Invitee.
3.	Average net profit of the Company for the Last three Financial Years	:	Average Loss of ₹ 16,159 Lakh during the three immediately preceding financial years.
4.	Prescribed CSR Expenditure (2% of the amount as mentioned in point 3 above)	:	As per the provisions of Section 135 of the Companies Act, 2013, a company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy. As the Company has incurred losses during the three immediately preceding financial years, the Company is/ was not required to spend towards the CSR activity during the year under review. However, during the year under review, pursuant to the Composite Scheme becoming effective on January 9, 2016, Madura Fashion & Lifestyle division was demerged into the Company w.e.f. April 1, 2015 (i.e. the Appointed Date as per the Composite Scheme) and forms a division of the Company. Accordingly, details of the CSR Expenditure incurred by Madura Fashion & Lifestyle division of the Company, during the Financial Year 2015-16, are enumerated as below.
5.	Details of CSR expenditure during the year	:	
	- Total amount to be spent for the financial year		
	- Amount unspent, if any		
	- Manner in which amount spent during the Financial Year 2015-16		
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount on CSR.	:	

(continued from previous page)

(Amount in ₹ Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Projects or Activity identified**	**Sector in which project is covered**	**Projects or Programs: 1) Local Area or Others 2) Specify the State and District where the Project undertaken**	**Amount Outlay (Budget) Project or Program wise**	**Amount spent on Project or Programs Subheads: (1) Direct expenditure on project or programs (2) Overheads**	**Cumulative expenditure up to reporting period**	**Amount spent: Direct or through implementation agency**
1	1. School Education Project	Education	Karnataka (Bangalore Urban / Rural District and Ramnagar) and Tamil Nadu (Krishnagiri district)	55.35	61.20	150.60	MFL Jankalyan Trust
	2. Education Support Project			119.00	79.89		
	3. School Infrastructure			32.50	9.51		
2	1. Preventive Health Care	Health Care and Sanitation		2.00	0.93	25.69	
	2. Curative Health Care			6.60	6.19		
	3. Health Infrastructure			20.00	18.57		
3	1. Skill development & alternate livelihood	Sustainable Livelihood		137.20	20.76	21.96	
	2. Natural resource conservation programs & Non-conventional Energy			1.50	1.20		
4	3. Support to development organisations	Social Causes and others		1.50	-	5.56	
	4. Others			6.00	5.56		
Total				**381.65**	**203.81**	**203.81**	

7.	Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company	:	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Mr. Pranab Barua
Managing Director
(DIN: 00230152)

Mr. Bharat Patel
Chairperson of the Meeting of CSR Committee held on March 21, 2016
(DIN: 00060998)

Place : Bengaluru
Date : May 25, 2016

ANNEXURE VII

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

i. Steps taken or impact on conservation of energy:

In line with the Company's declared commitment towards conservation of natural resources, both divisions of the Company have continued with their efforts to improve energy usage efficiencies and conservation through improved operational and maintenance practices. Steps taken by the Company in that direction are as follows:

- Installation of LED lights at 3 stores and 6 factories of Madura Fashion & Lifestyle division and also in 10 stores of Pantaloons division has resulted in a savings of 8.92 Lakh units of electricity per annum.
- Installation of control device for Ductable Air Conditioners (AC) at 100 stores of Madura Fashion & Lifestyle division and at 11 stores of Pantaloons division to optimize the compressor operations has resulted in a savings of 15.26 Lakh units of electricity per annum.
- Variable Frequency Drives implemented for vacuum pumps in factories of Madura Fashion & Lifestyle division has resulted in a savings of 0.46 Lakh units of electricity per annum.
- Power savers were installed at 3 stores of Pantaloons division that resulted in achievement of an annual saving of 0.75 Lakh units.
- Operational efficiency improvement measures such of Pantaloons division has resulted in a saving of 64 Lakh unit of electricity per annum

In total, as result of the initiatives mentioned above, the Company saved ~89 Lakh units of electricity in the reporting period.

ii. The steps taken by the Company for utilizing alternate sources of energy:

Renewable biomass residue based briquettes were used in the boilers for steam generation installed in factories of Madura Fashion & Lifestyle division.

iii. The Capital Investment on energy conservation equipments:

- Madura Fashion & Lifestyle division has invested around ₹ 84.51 Lakh on energy conservation equipment, out of which ₹ 9.13 Lakh was for LED lights and ₹ 75.38 Lakh for control device for Ductable Air Conditioners (AC).
- Pantaloons division has invested around ₹ 143.32 Lakh on energy conservation equipment, out of which ₹ 106 Lakh was for high efficient lamps, ₹ 5.4 Lakh for power savers and ₹ 31.92 Lakh control device for Ductable Air Conditioners (AC).

B. TECHNOLOGY ABSORPTION:

There has been no import of technology in Financial Year 2015-16.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on foreign exchange earnings and outgo is disclosed in Notes to Financial Statements as Note Nos. 25, 26 and 28.

ANNEXURE VIII

INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE CHAPTER XIII OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

During the year under review, upon effectiveness of the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors, under Sections 391 to 394 of the Companies Act, 1956 ("Composite Scheme") w.e.f. January 9, 2016, Madura Fashion & Lifestyle division was demerged into the Company w.e.f. April 1, 2015 (i.e. the Appointed Date as per the Composite Scheme) and forms a separate division of the Company. The employees of the Madura Fashion & Lifestyle division also became employees of the Company.

Accordingly, the figures as enumerated in this annexure for the year under review include figures of the Madura Fashion & Lifestyle division and are therefore not comparable with the figures for the previous year i.e. as on March 31, 2015.

(i) Percentage increase in the median remuneration of employees in the Financial Year 2015-16:

The Median remuneration of employees of the Company as at the end of the year under review i.e. on March 31, 2016, was ₹ 1,41,996/- *(Previous Year: ₹ 1,21,378/-)* and the same increased by ~16.99%.

(ii) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and

(iii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary for Financial Year 2015-16:

Sr. No.	Name and Designation	Remuneration for Financial Year 2015-16 (₹ In Lakh)	Percentage Increase in Remuneration in the Financial Year 2015-16 (%)	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Pranab Barua[1] Managing Director	473.10	162.84	333.18
2	Mr. Bharat Patel[2] Independent Director	5.00	35.14	3.52
3	Ms. Sukanya Kripalu[2][3] Independent Director	4.35	89.13	3.06
4	Mr. Arun Thiagarajan[2][4] Independent Director	2.45	-	1.73
5	Mr. Sushil Agarwal[2] Non-executive Director	4.45	45.90	3.13
6	Mr. Ashish Dikshit[5] Business Head - Madura Fashion & Lifestyle	44.80	-	-
7	Mr. Shital Mehta Chief Executive Officer - Pantaloons	187.96	34.96	-
8	Mr. S. Visvanathan[1] Chief Financial Officer	128.96	-	-
9	Ms. Geetika Anand Company Secretary	36.54	70.49	-

Notes:

(1) The remuneration paid to Mr. Pranab Barua and Mr. S. Visvanathan during the year is strictly not comparable with remuneration paid to them for the previous year, as the amount of remuneration paid to them for the current year consists of and includes remuneration paid by both, Madura Fashion & Lifestyle division (which became one of the divisions of the Company upon effectiveness of the Composite Scheme w.e.f. April 1, 2015 i.e. the Appointed Date) as well as the Pantaloons division of the Company.

(2) The remuneration paid to Directors (other than the Managing Director) comprises of the Sitting Fees paid for attending the meetings of the Board and/ or its Committees and the same paid w.r.t. the year under review and the previous year is strictly not comparable as the amount of Sitting Fees was increased w.e.f. November 4, 2014 and hence, the same was applicable only for a part of the previous year.

(3) Ms. Sukanya Kripalu was appointed as an Independent Director w.e.f. October 13, 2014 and hence, the remuneration paid to her during previous year i.e. Financial Year 2014-15 was only for a period from October 13, 2014 upto March 31, 2015. Accordingly, the remuneration paid to Ms. Kripalu for the full Financial Year 2015-16 is strictly not comparable with the remuneration paid to her during Financial Year 2014-15.

(4) The details of increase in the remuneration of Mr. Thiagarajan are not provided since he was appointed w.e.f. May 11, 2015.

(5) The details of increase in the remuneration of Mr. Dikshit are not provided since he was appointed as one of the Key Managerial Personnel of the Company w.e.f. January 9, 2016, upon effectiveness of the Composite Scheme. Accordingly, the details relatable to the period from date of his appointment i.e. January 9, 2016 upto March 31, 2016, are mentioned herein.

(iv) Number of Permanent employees of the Company:

As on March 31, 2016, there are ~18,876 permanent employees of the Company.

(v) Explanation on the relationship between the average increase in remuneration and Company performance:

EBITDA of the Company, as at the end of the year under review i.e. at March 31, 2016, increased by ~441.55%, whereas the average remuneration of the employees of the Company increased by ~14.39%. The increase in average remuneration of the employees of the Company was in line with the Human Resource Philosophy and performance of the Company and was in line with the market trends of the country.

(vi) Comparison of the remuneration of the Key Managerial Personnel ("KMP") against the performance of the Company:

EBITDA of the Company, as at the end of the year under review i.e. at March 31, 2016, increased by ₹ 33,328 Lakh (~441.55%) (i.e. from ₹ 7,548 Lakh during previous year to ₹ 40,876 Lakh during the year under review).

The total remuneration of KMP of the Company (including Managing Director) increased by ~155.76% (i.e. from ₹ 340.70 Lakh during previous year to ₹ 871.36 Lakh during the year under review). However, the increase in total remuneration of KMP during the year under review is not comparable with the total remuneration of KMP during previous year, for the reasons as enumerated in notes to point nos. (ii) and (iii) hereinabove.

(vii) Variations in Market Capitalisation of the Company and Price earnings ratio as at March 31, 2015 and March 31, 2016 and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at March 31, 2015 and March 31, 2016:

Particulars	As on March 31, 2015		As on March 31, 2016	
	BSE	NSE	BSE	NSE
Market Capitalisation *(in ₹ Lakh)*	1,05,321	1,06,713	11,04,827	11,23,664
Price Earnings Ratio	(4.62)	(4.68)	(106.44)	(108.26)
Earnings per Share	(24.59)	(24.59)	(1.35)	(1.35)

Company had made application for seeking exemption from Securities Exchange Board of India ("SEBI") under the SEBI Circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009.

Company received the Listing approval on July 15, 2013 and accordingly, trading of the Equity Shares of the Company on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") commenced on July 17, 2013.

Also, 67,60,37,600 (Sixty Seven Crore Sixty Lakh Thirty Seven Thousand Six Hundred) Equity Shares of ₹ 10/- each (ranking *pari passu* with the then existing Equity Shares of the Company) allotted upon the Composite Scheme becoming effective, after determining the respective entitlements of the shareholders of ABNL and MGLRCL as on January 21, 2016 (i.e. the Record Date fixed by ABNL and MGLRCL in terms of the Composite Scheme), were listed and permitted for trading on BSE and NSE w.e.f. February 4, 2016.

The paid up Equity Share Capital of the Company admitted for trading and the free float of Equity Shares, was different on abovementioned dates and hence, the market prices on such dates are not comparable. However, the details of the closing prices as on the abovementioned dates of listing and as on March 31, 2016, alongwith the details of changes therein in percentage terms, are provided hereinbelow for reference:

(Amount in ₹)

Particulars	BSE	NSE
Market price per share as on July 17, 2013	158.35	166.00
Market price per share as on February 4, 2016	178.20	176.55
Market price per share as on March 31, 2016	143.70	146.15
Change in Market Price as on March 31, 2016 since listing of Equity Shares of Company on July 17, 2013 (%)	-9.25%	-11.96%
Change in Market Price as on March 31, 2016 since listing of Equity Shares of Company on February 4, 2016 (%)	-19.36%	-17.22%

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration and Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

The total remuneration of KMP of the Company (including Managing Director) increased by ~155.76% (i.e. from ₹ 340.70 Lakh during previous year to ₹ 871.36 Lakh during the year under review) and the average remuneration of the employees of the Company (other than KMP) increased by ~14.39%. However, both the percentages are not comparable, for the same reasons enumerated in notes to point nos. (ii) and (iii) hereinabove.

(ix) Key parameters for any variable component of remuneration availed by the directors:

Remuneration paid to the Non-executive Directors (including Independent Directors) of the Company, comprises of the Sitting Fees for attending the meetings of the Board and/ or its Committees only. Variable component of remuneration paid to Mr. Pranab Barua, Managing Director of the Company, during the year under review, is in line with the parameters as enumerated under the Executive Remuneration Philosophy of the Company.

(x) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

During the year under review, none of the employees of the Company received remuneration in excess of the highest paid director of the Company.

(xi) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid to:

a. Directors, KMP and members of Senior Management is as per Executive Remuneration Philosophy of the Company and

b. other employees of the Company is as per the Human Resource Philosophy of the Company.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is all about maintaining a set of systems and practices so as to ensure that the business and affairs of the organisation are conducted in a fair and transparent manner that promote sustainable business model, the shareholders' value is enhanced and a valuable relationship of trust is built between the Company and its stakeholders.

Aditya Birla Fashion and Retail Limited ("the Company"/ "ABFRL"), a part of the Aditya Birla Group - one of the pioneers in the field of Corporate Governance, is committed to adopt and adhere to the best governance practices, at all times. We believe that a sound governance system, based on relationship of trust between the Company and the Stakeholders, is essential to create enduring value for all our stakeholders and at ABFRL, we are committed to meet the aspirations of all our stakeholders.

Company's philosophy on Corporate Governance is based on the following principles:

- **TRANSPARENCY** in all decision making processes relating to the Company;
- Maintaining high levels of **DISCLOSURES**;
- High standards of **ETHICS**;
- **REGULAR REVIEW** of processes and management systems for improvement and
- Ensure **ADEQUATE CONTROL SYSTEM** to enable the Board to efficiently conduct the business and discharge its responsibilities to shareholders.

The Company, at all times, will strive to uphold, develop and strengthen the above Corporate Governance principles and also to adopt the best Corporate Governance systems and processes.

A Report enumerating the current Corporate Governance systems and processes at the Company, prepared more particularly in accordance with the provisions of Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Clause 49 of erstwhile Equity Listing Agreement entered into with the Stock Exchanges ("Listing Agreement"), is as follows:

1. BOARD OF DIRECTORS

The Board of Directors of the Company ("Board") is at the core of our Corporate Governance system and it oversees how the Management serves and protects the long-term interest of all our stakeholders. The Board is entrusted with the crucial responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board operates within the framework of well-defined responsibility matrix, which enables it to discharge its fiduciary duties of safeguarding the interest of all the stakeholders.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

A. Composition and category of Directors including the number of Board or Committees of other companies in which Director is a member or chairperson

The Board has an optimum combination of such number of Executive, Non-executive, Independent Non-executive Directors and a Woman Director as required under the relevant provisions of Companies Act, 2013 ("the Act"), Regulation 17 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement.

As on the date of this Report, the Board consists of total five Directors comprising three Independent Non-executive Directors, one Non-executive Director and one Executive Director. The Composition of the Board is an ideal blend of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership and direction to the businesses of the Company.

None of the Directors on the Board holds directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/ she is a director. Necessary disclosures regarding Board/ Committee positions in other public companies as on March 31, 2016, have been made by the Directors. None of the Directors are related to each other.

Independent Directors are Non-executive Directors as defined under Regulation 16 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act, Regulation 16 of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement.

Details of the Directors forming part of the Board as on date, alongwith their brief profiles and the number of Board and/ or Committees of other companies in which the Director is a member or chairperson are provided hereinbelow:-

Name of the Director	Date of Appointment	Brief Profile	Board Positions[1]		Committee Positions[2]	
			As Member	As Chair-person	As Member	As Chair-person
Independent Non–executive Directors						
Mr. Bharat Patel[3] *[DIN: 00060998]*	April 19, 2013	Mr. Bharat Patel holds a Master's Degree in Arts (Economics) from the University of Notre Dame, USA and a Master's degree in Business Administration (Marketing) from the University of Michigan, USA. He has over 40 years of varied experience in the fields of marketing, sales, exports and manufacturing. He was the former Chairman of Procter & Gamble Hygiene and Health Care Limited. Apart from being on Executive Committees of various Indian and Global advertising and marketing related industry associations, he is on the Board of various companies.	3	–	2	–
Ms. Sukanya Kripalu[3] *[DIN: 06994202]*	October 13, 2014	Ms. Sukanya Kripalu is a graduate of St. Xavier's College and an alumna of the Indian Institute of Management, Kolkata. With specialization in the fields of marketing, strategy, advertising and market research, her experience includes working with leading corporates like Nestle India Limited, Cadbury India Limited and Kellogg's India. She was earlier the CEO of Quadra Advisory and is presently associated with Sukanya Consulting.	4	–	–	–
Mr. Arun Thiagarajan[3] *[DIN: 00292757]*	May 11, 2015	Mr. Arun Thiagarajan holds a Master's degree in Engineering (Electrical) from Royal Institute of Technology, Stockholm. He also holds a degree in Business Administration and Information Systems from Uppsala University, Sweden. He has also attended the Advanced Management Program of the Harvard Business School. He has previously served as the Part- time Chairman of ING Vysya Bank Limited, Managing Director of Asea Brown Boveri Limited, Vice-Chairman of Wipro Limited and as President of Hewlett-Packard India Private Limited. Presently, he is on the Board of the various companies.	4	–	3	2

Name of the Director	Date of Appointment	Brief Profile	Board Positions[1]		Committee Positions[2]	
			As Member	As Chair-person	As Member	As Chair-person
Non-executive Director						
Mr. Sushil Agarwal[(4)] *[DIN: 00060017]*	August 6, 2009	Mr. Sushil Agarwal is a qualified Chartered Accountant and holds a Master's degree in Commerce. He has over 25 years of experience in financial and broad array of commercial matters. He has been with the Aditya Birla Group since the beginning of his career in 1989. He is presently the Group Chief Financial Officer for Aditya Birla Group, Whole Time Director & Chief Financial Officer of Grasim Industries Ltd. and also a Director on the Board of several companies. In recognition of his contribution to the Aditya Birla Group, he was honored with the Chairman's "Exceptional Contributor Award" in the year 2000 and "Outstanding Leadership Award" in 2014. In 2013, he was named among India's best CFOs by Business Today in the category "Enhancing Competitiveness through M&A". He was recognized for excellence by 'CFO 100' under the category 'Winning Edge in Strategy' in 2011, 'Winning Edge in M&A' in 2014 and 'Winning Edge in Corporate Finance' in 2015 and 2016.	3	–	1	–
Executive Director (Managing Director)						
Mr. Pranab Barua *[DIN: 00230152]*	January 23, 2009 [Appointed as Managing Director w.e.f. October 23, 2013]	Mr. Pranab Barua is a Graduate in English Honours from St. Stephens College, New Delhi and has attended many advanced management programmes in India and abroad. He has over 40 years of experience across multiple industries. Before joining the Aditya Birla Group, he was working with a private equity group and their portfolio company. Prior to that he was the Chairperson and Managing Director of Reckitt Benckiser and he has also served as the Regional Director of Reckitt Benckiser for South Asia, Foods Director of Hindustan Unilever Limited and Sales and Marketing Director of Brooke Bond India Limited.	1	–	1	–

Notes:

(1) As per the provisions of Regulation 26 of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement, total numbers of Directorships (Board Positions) exclude directorships in the Company, Foreign Companies, Private Limited Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and under Section 8 of the Act.

(2) As per the provisions of Regulation 26 of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement, the details of Committee positions of the Audit Committee and Stakeholders Relationship Committee alone, in other Indian Public Companies (Listed and Unlisted), are provided.

(3) Mr. Bharat Patel, Mr. Arun Thiagarajan and Ms. Sukanya Kripalu are considered to be "Independent Non-executive Directors", as per the provisions of Regulation 16 of SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement and hence they are "not liable to be retire by rotation". Therefore, Mr. Sushil Agarwal, Non-executive Director of the Company will retire by rotation in the ensuing Ninth Annual General Meeting of the Company.

(4) As on March 31, 2016, Mr. Sushil Agarwal holds 1,19,829 Equity Shares of the Company, including the shareholding of Sushil Agarwal HUF.

B. Board Induction, Training and Familiarisation

Company has conducted Familiarisation Programmes for Independent Directors of the Company, which aims to provide an insight into the Company to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, its business in depth and contribute significantly to the Company.

The details of said Familiarization Programme(s) are also available on the website of the Company i.e. www.abfrl.com.

C. Details of Board Meetings and Annual General Meeting held during the year, alongwith their attendance at each meeting

Details of all Board Meetings of the Company, held during the year, including attendance of each Director at all such Board Meetings alongwith details of attendance of each Director at the last Annual General Meeting ("AGM") of the Company are as mentioned below:

Name of the Director	Meetings of Board of Directors of the Company						Last AGM
	May 3, 2015	May 13, 2015	August 10, 2015	November 2, 2015	January 9, 2016	February 12, 2016	August 28, 2015
Mr. Bharat Patel	Yes	Yes	Yes	Yes	No	Yes	Yes
Ms. Sukanya Kripalu	Yes	No	Yes	Yes	Yes	Yes	Yes
Mr. Arun Thiagarajan(1)	–	Yes	Yes	Yes(2)	No	No	Yes
Mr. Sushil Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pranab Barua	No	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

(1) Appointed w.e.f. May 11, 2015.

(2) Attended by means of Video Conferencing.

Video-conferencing facilities are used to facilitate Directors travelling abroad or present at other locations, to participate in the meetings. The same is conducted in compliance of all the applicable laws.

D. Separate Meeting of Independent Directors'

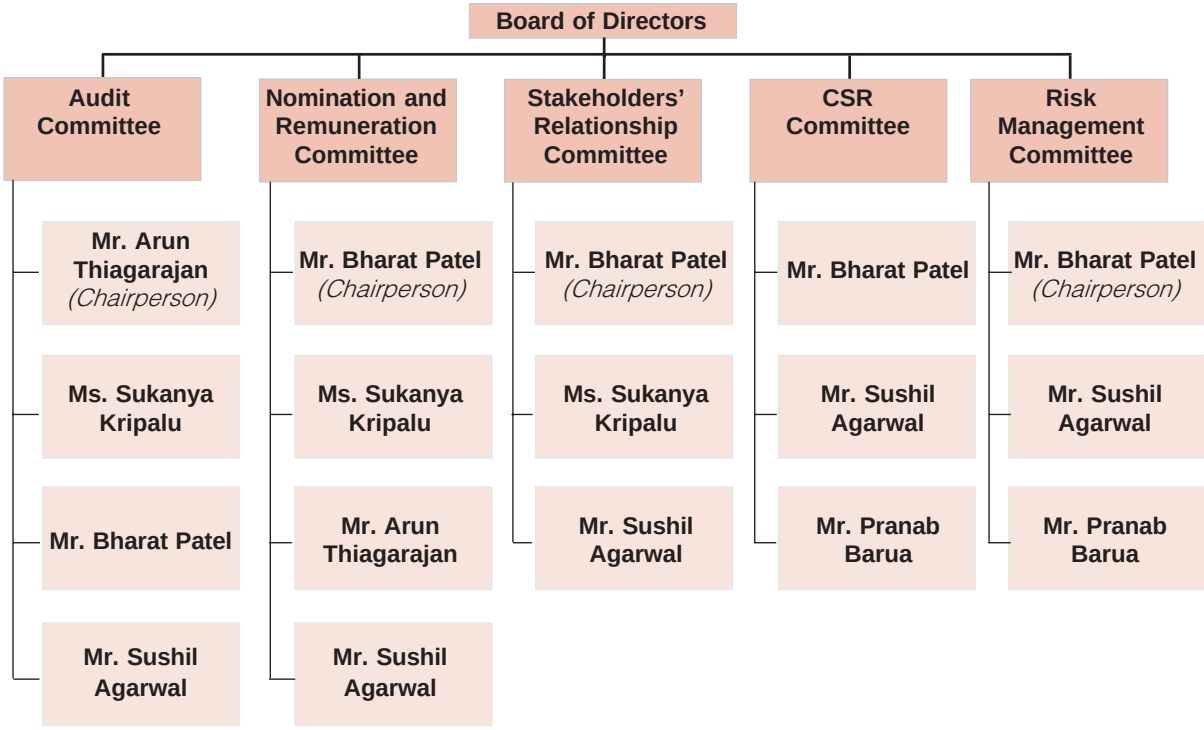
The Independent Directors met twice during the year on June 19, 2015 and on March 21, 2016, without the presence of Executive Directors or Management representatives *inter alia* to discuss the performance of other Directors and the Board as a whole and the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the meeting.

2. COMMITTEES OF THE BOARD

The Committees of the Board play a crucial role in the governance structure of the Company. These Committees have been constituted to deal with specific areas/ activities and the terms of reference of these committees are approved by the Board and are in line with the requirements of the Act, the SEBI Listing Regulations and erstwhile Listing Agreement. The Committees are formed under the formal approval of the Board to carry out clearly defined roles. The Board supervises the execution of its responsibilities by the Committees. Minutes of the meetings of all Committees are placed before the Board for noting.

Currently, the Board has the following Committees, duly constituted:



Ms. Geetika Anand, Company Secretary of the Company, acts as the Secretary of all Committees of the Board constituted under the Act.

A. Audit Committee

The Company has a qualified and independent Audit Committee and its composition is in line with the applicable provisions of Section 177 of the Act, Regulation 18 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement.

(i) Composition of the Audit Committee:

The Audit Committee comprises of 4 Non-executive Directors as its members, with requisite financial, legal and management expertise, out of which 3 are Independent Non-executive Directors.

Composition of the Audit Committee is as follows:

Name of the Member	Position	Category
Mr. Arun Thiagarajan(1)	Chairperson	Independent, Non-executive Director
Mr. Bharat Patel	Member	Independent, Non-executive Director
Ms. Sukanya Kripalu	Member	Independent, Non-executive Director
Mr. Sushil Agarwal	Member	Non-executive Director
Mr. Pranab Barua	Permanent Invitee	Executive Director (Managing Director)

Note:

(1) Appointed as a member of the Committee w.e.f. May 11, 2015 and was designated as the Chairperson of the Committee in place of Mr. Bharat Patel w.e.f. November 3, 2015.

(ii) Brief Description of Terms of Reference:

The scope and function(s) of the Audit Committee are in accordance with the provisions of Section 177 of the Act, the provisions of Regulation 18 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement. Audit Committee is mainly entrusted with

supervising and monitoring the Company's internal controls and financial reporting process amongst the other terms of reference, which are broadly as follows:

- to recommend appointment, remuneration and terms of appointment of Auditors;
- to review and monitor the Auditors' independence and performance and effectiveness of audit process;
- to examine financial statements and the Auditors' Report thereon;
- to consider and approve transactions with related parties;
- to scrutinise inter-corporate loans and investments;
- to review valuation of undertakings or assets of the Company, wherever it is necessary;
- to evaluate internal financial controls and risk management systems;
- to monitor the end use of funds raised through public offers and related matters;
- to oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- to review, with the management, the quarterly and/ or annual financial statements before submission to the Board for approval, with particular reference to:
    i. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (5) of Section 134 of the Act;
    ii. changes, if any, in accounting policies and practices along with reasons for the same;
    iii. major accounting entries involving estimates based on the exercise of judgment by the management;
    iv. significant adjustments made in the financial statements arising out of audit findings;
    v. compliance with listing and other legal requirements relating to financial statements;
    vi. disclosure of any related party transactions and
    vii. qualifications in the draft Audit Report.
- to review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
- to review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- to review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- to discuss with the internal auditors any significant findings and follow up thereon;
- to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
- to look into the working and implementation of the "Anti-fraud Policy" of the Company;

- to discuss with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debentureholders, members (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the vigil/ whistle blower mechanism;
- to approve the appointment of the Chief Financial Officer (i.e., the Whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background, etc. of the candidate and
- to review:
  - i. management discussion and analysis of financial condition and results of operations;
  - ii. statement of significant related party transactions;
  - iii. management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - iv. internal audit reports relating to internal control weaknesses;
  - v. appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - vi. disclosure of accounting treatment, including change, if any;
  - vii. details of instances of significant fraud;
  - viii. internal controls and risk assessment and minimisation procedures;
- to carry out any other function as is mentioned in the terms of reference of the Audit Committee or contained in SEBI Listing Regulations and erstwhile Listing Agreement as and when amended from time to time.

(iii) Meetings and Attendance during the year:

As required under Regulation 18 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement, during the year, the Audit Committee met six times, to deliberate on various matters and the gap between any such two meetings was not more than 120 days. The required quorum was present in all such meetings. Attendance of the members at the meetings held is as follows:

Date of Meeting	Mr. Arun Thiagarajan[1] *Chairperson*	Mr. Bharat Patel *Member*	Ms. Sukanya Kripalu *Member*	Mr. Sushil Agarwal *Member*
May 3, 2015	–	Yes	Yes	Yes
May 13, 2015	Yes	Yes	No	Yes
August 10, 2015	Yes	Yes	Yes	Yes
November 2, 2015	No	Yes	Yes	Yes
February 12, 2016	No	Yes	No	Yes
March 21, 2016	Yes	Yes	Yes	No

Note:

(1) Designated as the Chairperson in place of Mr. Bharat Patel w.e.f. November 3, 2015.

Chief Executive Officer, Chief Financial Officer, Statutory Auditors, Internal Auditor, Company Secretary and such other officers of the Company, attend the meetings of the Committee, for providing such information as may be necessary alongwith representative(s) of the Statutory Auditor(s) and Internal Auditor(s), if required by the Audit Committee.

Mr. Bharat Patel, Chairperson of the Committee as on the date of last Annual General Meeting ("AGM") of the Company held on August 28, 2015, was present at the said AGM.

B. Nomination and Remuneration Committee

Nomination and Remuneration Committee ("NRC") was constituted at the meeting of Board held on July 31, 2014 pursuant to of Section 178 of the Act and Clause 49 of erstwhile Listing Agreement. The composition of NRC is in line with the applicable provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The Committee is mainly entrusted with the responsibility of formulating Criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, KMP and other employees.

(i) Composition of the NRC:

The NRC comprises of 4 Non-executive Directors as its members, out of which 3 are Independent Non-executive Directors.

Detailed composition of the NRC is as follows:

Name of Member	Position	Category
Mr. Bharat Patel(1)	Chairperson	Independent, Non-executive Director
Ms. Sukanya Kripalu	Member	Independent, Non-executive Director
Mr. Arun Thiagarajan(2)	Member	Independent, Non-executive Director
Mr. Sushil Agarwal	Member	Non-executive Director

Notes:

(1) Designated as the Chairperson w.e.f. November 2, 2015.

(2) Appointed as a Member w.e.f. January 9, 2016.

(ii) Brief Description of terms of reference:

The scope and functions of the NRC are in accordance with the provisions of Section 178 of the Act, Regulation 19 of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement.

The scope and functions of NRC is as follows:

- to take all appropriate/ necessary steps, decisions required in connection with managerial remuneration;
- to delegate all or any of the power hereby conferred to it;
- to settle any question, matter or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered necessary by the aforesaid committee to be in the best Interest of the Company;
- to supervise and monitor the process of issuance/ grant/ vesting/ cancellation of Stock Options and such other share based benefits as may be decided to be granted to the employees of the Company/ Holding Company/ Subsidiary Company, from time to time, as per the provisions of the applicable laws, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- to perform such other acts, deeds, things and powers as may be delegated to the Committee by the Board from time to time and
- to do for and on behalf of the Board all acts, deeds and things which may be necessary for effective implementation of the foregoing resolutions.

(iii) Meetings and attendance during the year:

NRC met twice to deliberate on various matters. Attendance of the members at the meetings held during the year is as follows:

Date of Meeting	Mr. Bharat Patel[1] *Chairperson*	Ms. Sukanya Kripalu *Member*	Mr. Arun Thiagarajan[2] *Member*	Mr. Sushil Agarwal *Member*
February 12, 2016	Yes	No	No	Yes
March 21, 2016	Yes	Yes	Yes	No

Notes:

(1) Appointed as the Chairperson w.e.f. November 2, 2015.

(2) Appointed to be a member w.e.f. January 9, 2016.

(iv) Nomination Policy and Policy entailing Executive Remuneration Philosophy:

In terms of Section 178 of the Act and Clause 49 of erstwhile Listing Agreement (now Regulation 19 of the SEBI Listing Regulations), Board of the Company had, on the recommendation of the NRC, adopted a Nomination Policy, which *inter alia* enumerates the Company's policy on appointment of Directors and Key Managerial Personnel ("KMP"). Further, the Board of the Company has, also on the recommendation of NRC, adopted a policy entailing Executive Remuneration Philosophy, which covers remuneration philosophy covering the Directors, KMP and employees included in Senior Management of the Company.

Both the aforesaid policies are annexed as **Annexure I** and **Annexure II** to the Directors' Report.

(v) Performance evaluation criteria for Independent Directors:

The Directors other than Independent Directors of the Company evaluate the performance of Independent Directors of the Company on following criteria as to how an Independent Director:

- invests time in understanding the company and its unique requirements;
- brings in external knowledge and perspective to the table for discussions at the meetings;
- expresses his/ her views on the issues discussed at the Board and
- keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level.

(vi) Details of remuneration to all the Directors:

The Company has a system where all the Directors and employees included in the Senior Management of the Company are required to disclose all pecuniary relationship(s) or transaction(s) with the Company. No transactions have been made with the Non-executive Directors *vis-à-vis* the Company.

The Non-executive Directors are paid remuneration by way of Sitting Fees as per the provisions of Articles of Association of the Company and the Act and payment of remuneration to Executive Directors (i.e. Managing Director, in case of the Company) is approved by the Board and Shareholders of the Company at the Annual General Meeting as per the applicable provisions of the Act read with Rules made thereunder.

During the year under review, the details of sitting fees/ remuneration paid to the Directors are as follows:

(Amount in ₹ Lakh)

Name of Director	Salary, Allowance, Perquisites and Other Benefits Performance linked Income/ Bonus paid/ Commission payable	Sitting Fees paid(1)
Mr. Bharat Patel	N.A.	5.00
Ms. Sukanya Kripalu	N.A.	4.35
Mr. Arun Thiagarajan	N.A.	2.45
Mr. Sushil Agarwal	N.A	4.45
Mr. Pranab Barua	473.10(2)	N.A.

Notes:

(1) Gross amount (without deducting TDS)

(2) The remuneration paid to Mr. Pranab Barua during the year consists of and includes remuneration paid by both, Madura Fashion & Lifestyle division (which became one of the divisions of the Company upon effectiveness of the Composite Scheme w.e.f. April 1, 2015 i.e. the Appointed Date) as well as the Pantaloons division of the Company. The same includes an amount of ₹ 123.27 Lakh paid towards performance linked incentive for achievement of targets for the year 2014 - 15.

The Company has a policy of not advancing any loans to its Directors, except to Executive Directors, in the normal course of employment. The appointment of Executive Directors is subject to termination by three months' notice in writing by either side. No severance fees are paid to Directors of the Company.

The Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspirations with the organisational purpose.

No employee stock options are granted to any Non-executive Directors of the Company.

Details of the Stock Options ("Options") and Restricted Stock Units ("RSUs") granted to the Managing Director i.e. Mr. Pranab Barua, as on March 31, 2016, are as follows:

Particulars	No. of Options/ RSUs granted	Grant Date	Vesting(1)	Exercise Period
Options	4,78,045(2)	October 25, 2013	Not earlier than 1 year and not more than 5 years from the date of grant, at the rate of 25% of the Options getting vested each year.	5 years from the date of vesting
RSUs - Tranche I	1,09,091	October 25, 2013	RSUs Granted shall Vest at the end of 3 years from the Grant Date.	

Notes:

(1) Subject to the fulfilment of performance criteria.

(2) 1,19,511 Stock Options were vested unto him on October 25, 2015. However, none of the Stock Options vested were exercised by him during the year.

Further, before the effectiveness of Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL") and Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors under Sections 391-394 and other relevant provisions of the Companies Act, 1956 ("Composite

Scheme"), ABNL had, under its Employee Stock Option Scheme ("ABNL ESOS"), granted RSUs to some of the employees of Madura Fashion & Lifestyle division, by virtue of them then being employees of ABNL. However, pursuant to the effectiveness of the Composite Scheme, such employees became employees of the Company w.e.f. January 9, 2016, by when the RSUs granted by ABNL had not vested in them as per the vesting terms of the ABNL ESOS. Accordingly, for the benefit of all such employees, NRC, vide its Circular Resolution passed on May 11, 2016, granted 2,79,544 RSUs to such eligible employees, under Tranche III, out of which 88,384 RSUs were granted to Mr. Barua.

(vii) Employee Stock Options Scheme-2013 ("Scheme")

In accordance with the then applicable provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"), NRC of the Board (then known as ESOP Compensation Committee), at its meeting held on October 25, 2013, had granted 8,30,382 Stock Options ("Options") and 2,59,849 Restricted Stock Units ("RSUs"), to the eligible employees of the Company, under Tranche I.

Thereafter, NRC of the Board (then known as ESOP Compensation Committee) vide its Circular Resolution passed on June 10, 2014, had further granted 11,686 Options and 5000 RSUs, to the eligible employees of the Company, under Tranche II.

Further, as enumerated hereinabove, NRC, vide its Circular Resolution passed on May 11, 2016, granted 2,79,544 RSUs to eligible employees of the Company, under Tranche III.

Each Option and RSU is convertible into one equity share of the Company, upon exercise. The exercise price of the Options and RSUs, was determined in accordance with the SEBI Guidelines which were applicable at the time of grant.

C. Stakeholders' Relationship Committee

The Board at its meeting held on April 19, 2013, constituted a committee viz. "Investor Relations & Finance Committee", mainly for looking into various issues relating to Shareholder grievance(s) and their respective shareholdings.

Pursuant to the provisions Section 178 of the Act and Clause 49 of erstwhile Listing Agreement, the Company was required to constitute a "Stakeholders' Relationship Committee" for considering and resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, if any. Accordingly, the Board at its meeting held on May 5, 2014, re-named the "Investor Relations & Finance Committee" as "Stakeholders' Relationship Committee" ("SRC").

(i) Composition of the SRC:

The SRC comprises of 3 Non-executive Directors as its members, out of which 2 are Independent Non-executive Directors. This Composition of NRC is in line with Regulation 20 of the SEBI Listing Regulations.

Detailed composition of the SRC is as follows:

Name of Member	Position	Category
Mr. Bharat Patel	Chairperson	Independent, Non-executive Director
Ms. Sukanya Kripalu	Member	Independent, Non-executive Director
Mr. Sushil Agarwal	Member	Non-executive Director

(ii) Meetings and attendance during the year:

SRC met once during the year to deliberate on various matters. Attendance of the members at the meeting held during the year is as follows:

Date of Meeting	Mr. Bharat Patel *Chairperson*	Mr. Sushil Agarwal *Member*	Ms. Sukanya Kripalu *Member*
March 21, 2016	Yes	No	Yes

Ms. Geetika Anand, Company Secretary, being the Compliance Officer of the Company, is responsible for redressal of Shareholder Grievances.

(iii) Brief Description of Terms of Reference:

The scope and functions of the SRC are in accordance with the provisions of Section 178 of the Act, Regulation 20 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement.

The scope and functions of the SRC is as follows:

- to consider and resolve redressal of shareholders and investors of the Company in respect of matters relating to transfer and transmission of shares, Non-receipt of Dividend/ Annual Report, delays in transfer of shares and Dematerialisation/ re-materialisation of shares etc.;
- to evaluate the performance of the Registrar and Transfer Agent of the Company;
- to review and approve the allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- to allot securities of the Company from time to time;
- to issue duplicate certificates and new certificates on split/ consolidation/ renewal, etc.;
- to provide guidance and recommendations for providing Shareholder friendly services and
- to carry out any other function as may be required as per the provisions of the Act, applicable SEBI Regulations and Listing Agreement(s), as amended from time to time.

(iv) Number of shareholders' complaints received during the year:

During the year, the Company received, total of 30 Shareholder complaints. All these complaints were redressed and there is no complaint pending as on March 31, 2016. Summary of Shareholder complaints received and resolved during the year under review is as follows:

Sr. No.	Nature of Complaints	Received	Resolved
1	Non-Receipt of Share Certificate - Transfers	14	14
2	Non-Receipt of Dividend/ Interest/ Redemption Warrant	5	5
3	Non Receipt of stickers for change in the name of the Company	1	1
4	Non-Receipt of Annual Report	5	5
5	Non-Receipt of Exchange Certificates	1	1
6	Others	4	4
Total		**30**	**30**

All the complaints received during the year were resolved to the satisfaction of the respective Shareholders.

D. Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Act, the Board in its meeting held on October 25, 2013, has constituted a separate Committee named "Corporate Social Responsibility ("CSR") Committee" for monitoring and implementation of the CSR projects/ programmes/ activities of the Company and also for approving the annual CSR Budget, implementation of CSR projects and other such related activities.

(i) Composition of CSR Committee:

The CSR Committee comprises of 2 Non-executive Directors, out of which 1 is Independent Non-executive Director and 1 Executive Director, as its members.

Detailed composition of the committee is as follows:

Name of Member	Position	Category
Mr. Bharat Patel	Member	Independent, Non-executive Director
Mr. Sushil Agarwal	Member	Non-executive Director
Mr. Pranab Barua	Member	Executive Director (Managing Director)
Dr. Pragnya Ram	Permanent Invitee	Group Executive President, Corporate Communication & CSR, Aditya Birla Group

(ii) Meetings and attendance during the year:

CSR Committee met once during the year to deliberate on various matters. Attendance of the members at the meeting held during the year is as follows:

Date of Meeting	Mr. Bharat Patel *Member*	Mr. Sushil Agarwal *Member*	Mr. Pranab Barua *Member*
March 21, 2016	Yes	No	Yes

(iii) Brief Description of terms of reference:

The scope and functions of the CSR Committee are in accordance with the provisions of Section 135 of the Act and *inter alia* includes following:

- to review and finalise the annual CSR Budget of the Company (including any specific project driven budgets) for undertaking the CSR activities for and on behalf of the Company and thereafter to recommend the said CSR Budget to the Board for its approval and to implement the same post approval of the Board;
- to authorise any officer(s) and / or other person(s) for and on behalf of the Company to form collaborative partnerships with the Government, the District or local authorities or agencies, the village panchayats, the NGOs and other like-minded stakeholders so as to enable the Company to widen its CSR reach and also to leverage upon their collective expertise, wisdom and experience which such partnerships shall bring to the table and to take all further actions and steps and to do all acts, deeds and things, which may be required to be done and performed from time to time in above connections;
- to periodically review the Business Responsibility (BR) activities and the Business Responsibility Report (BRR) of the Company and to take all further actions and steps and to do all acts, deeds and things, which may be required to be done and performed from time to time in connection therewith and
- to perform such other acts, deeds, things and powers as may be delegated to the Committee by the Board from time to time.

E. Risk Management Committee

The Board at its meeting held on November 4, 2014, constituted a Risk Management Committee ("RMC"), pursuant to the provisions of Clause 49 of erstwhile Listing Agreement, to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks and for monitoring and reviewing of the risk management plan of the Company and to look after such other functions as may be delegated to it by the Board, from time to time.

(i) Composition of the RMC:

The RMC comprises of 2 Non-executive Directors, out of which 1 is Independent Non-executive Director and 1 Executive Director, as its members. This Composition of RMC is in line with Regulation 21 of the SEBI Listing Regulations.

Detailed composition of the RMC is as follows:

Name of Member	Position	Category
Mr. Bharat Patel	Chairperson	Independent, Non-executive Director
Mr. Sushil Agarwal	Member	Non-executive Director
Mr. Pranab Barua	Member	Executive Director (Managing Director)

(ii) Meetings and attendance during the year:

RMC met once during the year to deliberate on various matters. Attendance of the members at the meeting held during the year is as follows:

Date of Meeting	Mr. Bharat Patel *Chairperson*	Mr. Sushil Agarwal *Member*	Mr. Pranab Barua *Member*
March 21, 2016	Yes	No	Yes

The Committee evaluates significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning andtesting) and also ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

F. Other Functional Committees

Apart from the above statutory Committees, the Board has constituted the following Functional Committees, more particularly to assist the Board in discharging its function w.r.t. specific projects:

(i) High Power Committee:

The Board at its meeting held on May 3, 2015, constituted a High Power Committee to exercise all powers and discharge all functions which the Board is authorised with regard to the matters related to the Composite Scheme.The Committee will be dissolved once all the activities pertaining to Composite Scheme are duly completed.

(ii) DRPL Acquisition Committee:

The Board at its meeting held on May 25, 2016, constituted a DRPL Acquisition Committee to assist the Board with activities related to the acquisition of Forever 21 Undertaking of Diana Retail Private Limited.The Committee will be dissolved once all the activities pertaining to aforesaid acquisition are duly completed.

3. GENERAL BODY MEETINGS

A. Annual General Meetings ("AGM") and Extra-ordinary General Meeting(s) ("EOGM"):

Details of the AGM(s) and EOGM(s) of the Company held in last 3 years along with details of Special Resolutions, as more particularly set out in the respective notices of such AGMs/ EOGMs, as passed by the Shareholders are as follows:

Financial Year	AGM/ EOGM	Location	Date	Time	Particulars of Special Resolution(s) passed
2012-13	EOGM	Aditya Birla Centre, A-Wing, S.K. Ahire Marg, Worli, Mumbai - 400030.	April 8, 2013	11.00 a.m.	(i) Adoption of new set of MOA and AOA; [under Sections 17, 18 and 31 of the Companies Act, 1956]. (ii) Appointment of Manager.[under Sections 198, 269, 309 and 310 read with Sch. XIII of the Companies Act, 1956].
2012-13	6th AGM	Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400028.	August 23, 2013	3.00 p.m.	(i) Introduction of the "Pantaloons Employee Stock Option Scheme-2013" for the eligible Employees of the Company [under Section 81(1A) of the Companies Act, 1956]. (ii) Introduction of the "Pantaloons Employee Stock Option Scheme 2013" for the eligible Employees of the holding and/or subsidiary companies of the Company [under Section 81(1A) of the Companies Act, 1956].
2013-14	7th AGM	F.P.H.'s Garware Sabhagriha, F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai - 400034.	August 27, 2014	3.00 p.m.	(i) Appointment of Mr. Pranab Barua as the Managing Director [under Sections 196, 197, 203 of the Act and Schedule V of the Act]. (ii) Increase in Authorised Share Capital of the Company and consequent alteration of Memorandum of Association ("MOA") to such extent [under Sections 13 and 61 of the Act]. (iii) Further Issue of Securities [under Section 62(1)(c) of the Act and as per the provisions of the regulations of Securities and Exchange Board of India]. (iv) Approval of Borrowing Limits of the Company [under Section 180(1)(c) of the Act, and as per the provisions of the regulations of Securities and Exchange Board of India]. (v) Adoption of new Articles of Association of the Company containing regulations in conformity with the Act; [under Section 14 of the Act read with Companies (Incorporation) Rules, 2014 and as per the provisions of the regulations of Securities and Exchange Board of India].
2014-15	8th AGM	Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028.	August 28, 2016	11.00 a.m.	(i) Appointment of Ms. Sukanya Kripalu as an Independent Director. (ii) Appointment of Mr. Arun Thiagarajan as an Independent Director. (iii) Issuance of NCDs for an amount of upto ₹1000 crore, on Private Placement basis. (iv) Approval for transactions with Madura Fashion & Lifestyle, a division of Aditya Birla Nuvo Limited (ultimate Holding Company).

B. Details of Postal Ballot(s) conducted during the Financial Year 2015-16:

During the year, no special resolution was passed by way of Postal Ballot. However, the approval of the Public Shareholders of the Company was sought on the said Composite Scheme through postal ballot including voting by electronic means, pursuant to Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Act and the rules, circulars and notifications thereunder (including any statutory modification or re-enactment thereof), Clause 35B of the erstwhile Listing Agreement and circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("SEBI Circulars"). As per the said SEBI Circulars, the resolution passed by means of Postal Ballot was to be declared as approved, provided the votes cast by the public shareholders in favor of the Composite Scheme were more than the number of votes cast by the public shareholders against it. The Company successfully completed the process of obtaining approval of its public shareholders including voting by electronic means in accordance with the SEBI Circulars.

I) Details of Voting Pattern:

The details of results of the postal ballot and E-voting as per the details furnished by the Scrutiniser are as follows:

Promoter/ Public	No. of Shares held	No. of votes polled	% of votes polled on outstanding Shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	(1)	(2)	(3) [(2)/(1)*100]	(4)	(5)	(6) [(4)/(2)]*100	(7) [(5)/(2)*100]
Promoter and Promoter Group	Promoter and Promoter Group having 67,39,082 equity shares of the Company were not been considered in voting process.						
Public Institutional Holders	98,76,535	93,74,068	94.91	93,74,068	0	100.00	0.00
Public Others	1,55,26,212	78,13,139	50.32	78,11,671	803	99.98	0.01
Total	**2,54,02,747**	**1,71,87,207**	**67.66**	**1,71,85,379**	**803**	**99.99**	**0.00**

II) Person who conducted the Postal Ballot exercise:

The Company had appointed Mr. Dilip Bharadiya, Practicing Company Secretary, to act as the Scrutiniser ("Scrutiniser") and to receive and scrutinize the completed Ballot Forms received from the Members and also to scrutinize the E-voting process in a fair and transparent manner.

In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules made thereunder including any modification thereof from time to time and Clause 35B of erstwhile Listing Agreement, the Company offered E-voting facility as an alternate to all the members of the Company. For this purpose, the Company had entered into an agreement with National Securities Depositories Limited ("NSDL") for facilitating the E-voting to enable the Members to cast their votes electronically instead of dispatching postal ballot form.

III) Details of Special Resolution proposed to be conducted through Postal Ballot:

Any Special Resolutions, as may be required to be passed through Postal Ballot, will be conducted as per the provisions of Act (as may be amended/ re-enacted from time to time) and as per the provisions of other applicable law(s), from time to time.

IV) Procedure for Postal Ballot:

In compliance with Regulation 44 of the SEBI Listing Regulations, Clause 35B of the erstwhile Listing Agreement and Sections 108, 110 and other applicable provisions of the Act read with the Rules framed thereunder, the Company provided E-voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of NSDL for the purpose of providing E-voting facility to all its members, during the year under review. The members had the option to vote either by Postal Ballot or E-voting.

The Company dispatched the Postal Ballot notices and forms along with postage prepaid business reply envelope to its members, whose names appeared on the register of Members/ list of beneficiaries as on Record Date. The postal ballot notice was sent to members in electronic form to the e-mail addresses registered with Depository Participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting Rights were reckoned on the paid-up value of the Shares registered in the names of the Members as on the Record Date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the Scrutiniser on or before the closing of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of E-voting.

The Scrutiniser submitted his report to the Chairperson, duly authorised by the Board for the purpose, after the completion of the scrutiny and the consolidated results of the voting by postal ballot were then announced by the Chairperson/ Authorised Officer. The results were also displayed on the notice board at the Registered Office of the Company and also on the website of the Company i.e. www.abfrl.com, besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agent. The date of declaration of the result by the Company was deemed to be the date of passing the resolution.

C. Court Convened Meetings ("CCM") and Poll conducted at such CCMs during the Financial Year 2015-16:

Board of the Company, at its meeting held on May 3, 2015, approved the Composite Scheme, subject to the sanction by the Hon'ble High Court of Judicature at Bombay and the Hon'ble High Court of Gujarat at Ahmedabad and subject to the approvals *inter alia* by (i) the requisite majority of shareholders and creditors (if any) of the respective companies; (ii) the Securities and Exchange Board of India and (iii) any other governmental/ regulatory authority (if required).

In the matter of said Composite Scheme, the Hon'ble High Court of Judicature at Bombay vide an order made on Friday, the July 31, 2015 ("said order"), had directed that a meeting of the Equity Shareholders and Unsecured Creditors of the Company to be convened and held at Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400028 on Monday, September 7, 2015 at 11.00 a.m. and 12.30 p.m., respectively ("said meetings"). Further, the convening and holding on the Meetings of Preference Shareholders and Secured Creditors of the Company were dispensed with by the Hon'ble High Court of Judicature at Bombay.

Details of the said meetings are as follows:

Type of Meeting	Date	Time	Location	Particulars of Special Resolution
CCM of Equity Shareholders	September 7, 2015	11.00 a.m.	Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai-400028	Approval for the Composite Scheme
CCM of Unsecured Creditors		12.30 p.m.		

As required under Rule 77 of the Companies Court Rules, 1959, approval of the Shareholders and Unsecured Creditors of the Company on the Composite Scheme was sought by way of Poll conducted in accordance with provisions of Section 109 of the Act read with Rules made thereunder.

Details of Poll conducted at the CCM of Equity Shareholders and Unsecured Creditors, pursuant to the said order:

The Poll was conducted in accordance with provisions of Section 109 of the Act read with Rules made thereunder. Mr. Dilip Bharadiya, Practicing Company Secretary and Mrs. Asha Lata Maheshwari, a shareholder of the Company were appointed as Scrutinizers to scrutinize the poll conducted at the CCM of Equity Shareholders.

Results of Poll conducted at the CCM of Equity Shareholders							
Promoter/ Public	No. of Shares held	No. of votes polled	% of votes polled on outstanding Shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	(1)	(2)	(3) [(2)/(1)*100]	(4)	(5)	(6) [(4)/(2)*100]	(7) [(5)/(2)*100]
Promoter and Promoter Group	6,73,90,782	6,73,90,782	100.00	6,73,90,782	0	100.00	0.00
Public Institutional Holders	98,76,535	79,01,370	80.00	79,01,370	0	100.00	0.00
Public Others	1,55,26,212	77,09,913	49.66	77,09,913	0	100.00	0.00
Total	**9,27,93,529**	**8,30,02,065**	**89.45**	**8,30,02,065**	**0**	**100.00**	**0.00**

Further, Mr. Dilip Bharadiya, Practicing Company Secretary and Mr. Sandeep Jain, Authorised representative of M/s. Mahalaxmi Inc., an Unsecured Creditor of the Company, were appointed as Scrutinizers to scrutinize the poll conducted at the CCM of Unsecured Creditors.

Results of Poll conducted at the CCM of Unsecured Creditors							
Category	Total amount outstanding (in ₹)	Total amount represented by Unsecured Creditors voting (in ₹)	% of votes polled on outstanding amount	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	(1)	(2)	(3) [(2)/(1)*100]	(4)	(5)	(6) [(4)/(2)*100]	(7) [(5)/(2)*100]
Unsecured Creditors	7,54,14,57,491	94,68,54,217	12.56	94,68,54,217	0	100.00	0.00
Total	**7,54,14,57,491**	**94,68,54,217**	**12.56**	**94,68,54,217**	**0**	**100.00**	**0.00**

Aforesaid Results of the Poll conducted at the CCM of Equity Shareholders and Unsecured Creditors were:

(i) submitted with the Stock Exchanges in compliance with the provisions of Clause 35 A of the erstwhile Listing Agreements entered with the Stock Exchanges;

(ii) submitted to the Hon'ble High Court of Judicature at Bombay as per its directions and

(iii) displayed on the Company's website and and also on the notice board at the Registered Office of the Company in compliance of the Secretarial Standards for General Meeting.

4. MEANS OF COMMUNICATION

For easy reference of the Shareholders, the quarterly results/ annual results, along with the Limited Review/ Audit Report thereon, are made available on the website of the Company i.e. www.abfrl.com. The quarterly/ annual results are generally published in The Business Standard and Navshakti Newspaper *(a regional daily newspaper published from Mumbai),* within the stipulated timelines. Aforesaid results are also filed with the concerned Stock Exchanges simultaneously so as to enable them to display the results on their notice board/ website.

Official news/ press releases of the Company are uploaded on the website of the Company from time to time and also submitted with the Stock Exchanges simultaneously.

The Schedule(s) of Institutional Investors/ Analysts Meetings and the presentation made to the institutional investors or to the analysts, are uploaded on the website of the Company i.e. www.abfrl.com.

5. GENERAL SHAREHOLDER INFORMATION

The Company has provided the details of 'general shareholder information' under the separate section on "Shareholders' Information" which forms a part of this Annual Report.

6. DISCLOSURES

i. Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large

All the Related Party Transactions ("RPTs") entered into by the Company, during the Financial Year 2015-16, were at arm's length and in the ordinary course of business of the Company. All such transactions had prior approval of the Audit Committee and the Board of the Company.

Before the Composite Scheme was made effective on January 9, 2016, ABNL and in turn, Madura Fashion & Lifestyle i.e. ABNL's division were Related Parties of the Company as per the Act. The transaction(s) which were proposed to be entered into by and between the Company and Madura Fashion & Lifestyle division/ ABNL during the Financial Year 2015-16 were in the ordinary course of business of the Company and were at arm's length. However, pursuant to the provisions of Clause 49(VII) of erstwhile Equity Listing Agreement, these Related Party Transactions with Madura Fashion & Lifestyle division/ ABNL qualified as material transactions and hence required approval of the Members by way of Special Resolution.

Accordingly, the Shareholders of the Company at their Eighth Annual General Meeting held on August 28, 2015 approved the same by way of Special Resolution, wherein ITSL i.e. the erstwhile Holding Company and wholly owned subsidiary of ABNL, abstained from voting. The particulars of these material Related Party Transactions along with all other Related Party Transactions are listed out in Note No. 31 of the Balance Sheet forming part of this Annual Report.

However, there were no material significant Related Party Transactions that had/ may have potential conflict with the interests of the Company at large.

ii. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company has, complied with all applicable provisions of the erstwhile Listing Agreement(s) entered with BSE Limited and National Stock Exchange of India Limited (collectively referred

as "Stock Exchanges") and the provisions of SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI. Consequently, no penalties or strictures are imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the Capital markets during the last three years.

iii. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has framed a Vigil/ Whistle Blower Mechanism which provides direct access to the Management and the Audit Committee of the Company to all stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and it is affirmed that no personnel have been denied access to the Audit Committee.

Also, the Company has adopted "Policy for Prevention of Sexual Harassment at Workplace" and "Anti-fraud Policy" which specifically guarantee the right to "blow a whistle".

Without prejudice to and in addition to the same, the Company has established a policy for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics.

iv. Other Policies, Programmes and Codes of the Company

a. Corporate Social Responsibility Policy:

Pursuant to Section 135 of the Act, the Company has adopted Corporate Social Responsibility policy having following scope:

(i) Planning Project or programmes which a Company plans to undertake falling within the preview of Schedule VII of the Act;

(ii) Monitoring process of such Project or programmes;

(iii) Policy shall specify surplus arising out of CSR Projects which are not part of the business profit of the Company.

b. Risk Management Policy:

As per the provisions of Regulation 17 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement, the Company has framed Risk Management Policy for risk assessment and for risk minimization. Since the Company is in retail industry, the Company is prone to inherent business risks and the risk management policy enables the Company to proactively manage uncertainty, changes in the internal and external environment to limit negative impacts and capitalize on opportunities along with minimization of identifiable risks. The policy covers inherent business risks and appropriate measures to be taken by the Company.

c. Policy on Related Party Transactions:

As per the provisions of Regulation 23 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement, the Company has a Policy on Related Party Transactions to regulate transactions of the Company with its related parties (as defined and identified under the Act, SEBI Listing Regulations and the erstwhile Listing Agreement), to ensure high standards of Corporate Governance while dealing with related parties and also to ensure optimum compliance with various applicable laws prescribed for Related Party Transactions. The policy is also available on the website of the Company i.e. www.abfrl.com.

d. Familiarisation Programme for Independent Directors:

As per the provisions of Regulation 25 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement, the Company has Familiarisation Programme for Independent Directors in place. This Programme aims to provide insights into the Company to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, its business in depth and contribute significantly to the Company.

e. Forex Policy:

The Company has adopted Forex Policy *(also called as Forex Risk Management Manual)* to protect cash flows and shareholder value by reducing the adverse effect of currency rate fluctuations on the Company's profitability, business plans and sustainability of operations.

f. Code of Conduct for Trading in Listed or Proposed to be Listed Securities of Aditya Birla Fashion and Retail Limited:

This document explains the Code to be observed by all the Connected Persons of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time ("the SEBI PIT Regulation"). This code is effective w.e.f. May 14, 2015 and the previous Code of Conduct was replaced by this revised Code of Conduct.

The objective of this Code is to communicate to all the Connected Persons the Code related to trading in listed or proposed to be listed securities of the Company. It is intended to serve as a guideline to all concerned, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

g. Code of Conduct for Board Members and Senior Management of Aditya Birla Fashion and Retail Limited:

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of Clause 49 of erstwhile Listing Agreement (now Regulation 17 of the SEBI Listing Regulations).

The code incorporates the duties of independent directors as laid down in the Act and also helps the Board Members and Senior Managers to observe the highest standards of ethical conduct and integrity and to work to the best of their ability and judgment.

h. Policy on Preservation of Documents:

Pursuant to the provisions of Regulation 9 of the SEBI Listing Regulations, your Company has adopted this policy for preservation of documents, w.e.f. December 1, 2015.

This Policy contains guidelines for identifying Documents (as define under the SEBI Listing Regulations) that need to be maintained, the period of preservation of such Documents and its destruction/ disposal. This Policy aims to provide efficient and systematic control on the periodicity and destruction of business related Documents.

i. Policy for Determining of Material Subsidiary Companies:

Pursuant to the provisions of Regulation 16 of the SEBI Listing Regulations, your Company has adopted this policy for determining material subsidiary(ies) of the Company w.e.f. December 1, 2015. The policy is also available on the website of the Company i.e. www.abfrl.com.

j. Policy for Determination of Materiality of Information or Event:

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted this policy for determination of materiality of information or event for facilitating prompt disclosure of material price sensitive information to the stock exchange(s) in compliance with the provisions of the SEBI Listing Regulations, w.e.f. December 1, 2015.

This Policy shall act as a guidance for determining materiality of such price sensitive information, so as to ensure prompt disclosure of material price sensitive information/ event to the stock exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and to avoid creation of false market in the securities of the Company.

k. Policy for Archival of Documents:

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted this policy for the archival of documents of the Company (the "Policy"), to comply with the provisions of the SEBI Listing Regulations, w.e.f. December 1, 2015.

The policy provides that beyond the Mandatory Hosting Period (i.e. 5 years from the date of each disclosure on the website of the Company), the Disclosed Information shall be archived for such other additional period as may be required considering the requirement of various statutes, law, regulations etc. and other legal andadministrative aspects.

l. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI):

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), to adhere to each of the Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as set out in Schedule A to the SEBI PIT Regulations.

v. Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company has provided the details of 'Commodity Price Risk or Foreign Exchange Risk and hedging activities' under the separate section on "Shareholders' Information" as a part of this Annual Report.

vi. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Board periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. During the Year, the Company has complied with all mandatory requirements of SEBI Listing Regulations and erstwhile Listing Agreement, as and when applicable. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

1. Shareholders' rights: The quarterly results along with the press release, if any, are uploaded on the website of the Company i.e. www.abfrl.com.

   The soft copy of the quarterly results is also sent to the shareholders who have registered their e-mail addresses.
2. Audit Report: The Company has submitted audited standalone financial results for the financial year under review along with the audit report and prescribed Form A i.e. for audit report with unmodified opinion.
3. Separate posts of MD and CEO: Mr. Pranab Barua is appointed as a Managing Director of the Company and Mr. Shital Mehta and Mr. Ashish Dikshit as Chief Executive Officer of Pantaloons division and Business Head of Madura Fashion & Lifestyle division of the Company, respectively.
4. Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

vii. Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the financial statements.

viii. Risk Management

Risk evaluation and management is done on a continuous basis by the management. Risk Management Committee is duly constituted and is in compliance with the SEBI Listing Regulations and erstwhile Listing Agreement and other applicable laws. The Company has also developed comprehensive risk management policy and pursuant to the same, the Audit Committee assesses and reviews the Business Risks, on periodical basis, with a view to minimize the same and the Board is informed about the status of the same, from time to time. The Committee reviews the risk management process and implementation of risk mitigation plans. This process is improved year after year.

ix. Proceeds from Public Issues, Right Issues, Preferential Issues, etc.

The Company has not raised any proceeds from public issue, rights issue, preferential issues, etc., and there are no unutilised issue proceeds during the year under review.

x. Management

The Management Discussion and Analysis is prepared in accordance with the requirements laid out in Clause 49 of erstwhile Listing Agreement and Regulation 34 read with Section B of Schedule V of the SEBI Listing Regulations and forms part of the Directors' Report.

No material transaction has been entered into by the Company with the Promoters, Directors or the Management or relatives, etc., that may have a potential conflict with interests of the Company.

xi. Shareholders

According to the Articles of Association, one-third of the Directors retire by rotation and if eligible, seek re-appointment at the Annual General Meeting of shareholders. Accordingly, Mr. Sushil Agarwal will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring Director i.e. Mr. Sushil Agarwal. The detailed profile of Mr. Sushil Agarwal is provided in the Notice convening the Ninth Annual General Meeting.

xii. Outstanding GDRs/ ADRs

The Company has not issued any ADR or GDR or warrants or any convertible instruments, which has likely impact on Equity Share Capital instruments.

xiii. Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Dilip Bharadiya & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company for Financial Year 2015-16. The Secretarial Audit Report for the Financial Year 2015-16 is annexed as **Annexure V** to the Directors' Report.

7. SUBSIDIARY COMPANIES

The Company does not have any subsidiary as on March 31, 2016 and as on date.

8. CEO/ CFO CERTIFICATION

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Pranab Barua, Managing Director and Mr. S. Visvanathan, Chief Financial Officer have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2016 and accordingly have provided a certificate, which is enclosed separately at the end of this Report.

Also, certificates duly signed by Mr. Ashish Dikshit, Business Head - Madura Fashion & Lifestyle, Mr. Shital Mehta, Chief Executive Officer - Pantaloons, alongwith Finance Heads of the respective divisions of the Company, were also obtained for the respective divisions of the Company.

9. REPORT ON CORPORATE GOVERNANCE

As required by Regulation 27 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement, the Company has been duly submitting the quarterly compliance report to the Stock Exchange(s) on quarterly basis.

The copy of the said report(s) are available on the website of the Company i.e. www.abfrl.com and also on BSE (Scrip Code: 535755) and NSE (Scrip Code: ABFRL) website.

The Compliance Certificate received from the Statutory Auditors i.e. M/s. S R B C & CO LLP, Chartered Accountants regarding compliance of conditions of Corporate Governance is annexed as **Annexure III** to the Directors' Report.

Further, the Company has complied with the Corporate Government requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and the same has been disclosed in this Report forming part of the Annual Report.

CEO - CFO CERTIFICATION

To the Board of Directors

Aditya Birla Fashion and Retail Limited

1) We have reviewed the Audited Financial Results of Aditya Birla Fashion and Retail Limited ("the Company") for the year ended March 31, 2016 and to the best of our knowledge and belief:

   I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

   II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2016 which are fraudulent, illegal or violative of the Code of Conduct of the Company.

3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.

4) We have indicated to the Auditors and the Audit Committee:

   I. Significant changes in the Company's internal control over financial reporting during the year ended March 31, 2016;

   II. Significant changes in accounting policies during the year ended March 31, 2016 and

   III. Instances of significant fraud of which we have become aware and involvement therein if any of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place : Bengaluru
Date : May 25, 2016

Pranab Barua
Managing Director

S. Visvanathan
Chief Financial Officer

DECLARATION

As provided under the provisions of Schedule V of the SEBI Listing Regulations and Clause 49 of the erstwhile Listing Agreement entered with the Stock Exchange(s), from time to time, I hereby declare that all the Board of Directors and Senior Management personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended March 31, 2016.

Place : Bengaluru
Date : May 25, 2016

Pranab Barua
Managing Director

SHAREHOLDERS' INFORMATION

In terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), more particularly Point No. 9 of Part C of Schedule V thereof, General Information of the Company for reference of the Shareholders, is provided as under:

(i) Corporate Identification Number (CIN):

L18101MH2007PLC233901

(ii) Registered Office:

701-704, 7th Floor, Skyline Icon Business Park,
86- 92, Off A. K. Road, Marol Village,
Andheri (East), Mumbai - 400059, Maharashtra.

Phone : +91 8652905000
Fax : +91 8652905400
Website : www.abfrl.com
Email : secretarial.abfrl@adityabirla.com

(iii) Ninth Annual General Meeting:

Date : September 7, 2016

Time : 3:00 p.m.

Venue : Ravindra Natya Mandir,
PL Deshpande Maharashtra Kala Academy,
Near Siddhivinayak Temple, Sayani Road,
Prabhadevi, Mumbai - 400025, Maharashtra.

(iv) Financial Year:

Your Company follows "April to March" as the Financial Year. The Financial Year of the Company is April 01, 2016 to March 31, 2017.

Tentative months of financial reporting(s) during the Financial Year 2016-17

The tentative months of meeting of Board of Directors for the consideration of quarterly/ half yearly/ annual financial results for the Financial Year ending on March 31, 2017 are as follows:

a.	For the quarter ending June 30, 2016[1]	:	End of July/ August, 2016
b.	For the half-year ending September 30, 2016[1]	:	End of October/ November, 2016
c.	For the quarter ending December 31, 2016	:	End of January/ February, 2017
d.	For the quarter ending March 31, 2017	:	End of April/ May, 2017

Note:

(1) The Financial Results for quarter ending on June 30, 2016 and September 30, 2016 may be submitted by the Company by September 14, 2016 and December 14, 2016, respectively, in line with the Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 issued by SEBI for Implementation of Ind-AS by Listed Entities during the first year of its mandatory applicability.

Further, the tentative month for the Tenth Annual General Meeting of the Company for the year ended March 31, 2017 shall be August/ September, 2017.

(v) Dividend Payment Date:

Not Applicable

(vi) Details of Stock Exchanges where Securities of the Company are listed:

Stock Exchange(s)	Stock Code				
	Equity Shares	Non-Convertible Debentures[1] ("NCDs")			
		Issued in May, 2013		Issued in May, 2016	
		1st Series[2]	2nd Series	1st Series	2nd Series
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	535755	949193	949235	953898	94050
National Stock Exchange of India Limited ("NSE") Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	ABFRL	—			

Notes:
(1) NCDs are listed on the Wholesale Debt Market (WDM) segment of BSE.
(2) Have been redeemed on May 6, 2016 in line with the provisions of the Information Memorandum and terms of the Issue.

Details of the Debenture Trustees to the NCDs are as follows:

Axis Trustee Services Limited

Axis House, Ground Floor, Wadia International Centre,
Pandurang Budhkar Marg, Worli, Mumbai - 400025.
Phone : +91 22 2425 5215/ 5216
Fax : +91 22 2425 4200
Email : debenturetrustee@axistrustee.com

(vii) Payment of Annual Listing/ Custody/ Issue Fees:

Annual Listing Fees for the Financial Year 2016-17 have been paid to both the Stock Exchanges. Annual Custody/ Issue Fees have been paid to National Securities Depository Limited ("NSDL") and Central Depository (India) Services Limited ("CDSL") for the Financial Year 2016-17.

(viii) Market Price Data:

(Amount in ₹)

Month - Year	BSE			NSE		
	High	Low	Close	High	Low	Close
April - 2015	124.70	107.20	113.90	124.50	107.25	114.65
May - 2015	209.90	132.50	180.40	210.00	129.05	182.00
June - 2015	191.50	160.00	179.20	200.00	159.05	179.40
July - 2015	245.00	165.00	223.30	245.00	175.00	223.80
August - 2015	237.80	168.00	193.40	237.40	175.65	192.90
September - 2015	241.40	178.00	218.50	241.00	176.55	218.95
October - 2015	235.00	212.20	215.20	235.00	211.10	215.30
November - 2015	229.00	196.60	217.80	229.00	195.95	218.20
December - 2015	236.00	204.10	230.80	237.00	204.00	231.30
January - 2016	263.00	195.20	222.00	263.45	195.00	222.30
February - 2016	226.90	126.60	128.40	228.00	126.30	128.15
March - 2016	171.20	129.70	143.70	171.00	128.45	146.15

Source: BSE and NSE websites

(ix) Stock Performance:

Month - Year	ABFRL	NSE	BSE	ABFRL	NSE	BSE
	NSE Closing Price (Amount in ₹)	CNX Nifty (Amount in ₹)	SENSEX (Amount in ₹)	Indexed	Indexed	Indexed
April - 2015	114.65	8,181.50	27,011.31	100.00	100.00	100.00
May - 2015	182.00	8,433.65	27,828.44	158.74	103.08	103.03
June - 2015	179.40	8,368.50	27,780.83	156.48	102.29	102.85
July - 2015	223.80	8,532.85	28,114.56	195.20	104.29	104.08
August - 2015	192.90	7,971.30	26,283.09	168.25	97.43	97.30
September - 2015	218.95	7,948.90	26,154.83	190.97	97.16	96.83
October - 2015	215.30	8,065.80	26,656.83	187.79	98.59	98.69
November - 2015	218.20	7,935.25	26,145.67	190.32	96.99	96.80
December - 2015	231.30	7,946.35	26,117.54	201.74	97.13	96.69
January - 2016	222.30	7,563.55	24,870.69	193.89	92.45	92.08
February - 2016	128.15	6,987.05	23,002.00	111.77	85.40	85.16
March - 2016	146.15	7,738.40	25,341.86	127.47	94.58	93.82

Source: BSE and NSE websites

(x) Registrar and Transfer Agents ("RTA"):

Link InTime India Pvt. Ltd.
Pannalal Silk Mills Compound,
C-13, Lal Bhadur Shastri Road, Sadan Wadia,
Bhandup (West), Mumbai – 400078, Maharashtra, India.
Tel. : (022) 2594 6970
Fax : (022) 2594 6969

Share Transfer System

Share transfers are processed and duly endorsed share certificate(s) are returned within 15 days from the date of receipt, provided that the supporting documents are complete in all respects.

Link InTime India Pvt. Ltd., RTA of the Company, has been authorized to approve transfers upto 5,000 shares covered under one transfer deed. Further, transfer(s) above 5,000 shares covered under one transfer deed are considered and approved by the Stakeholders' Relationship Committee of the Board. Details of share transfers during the Financial Year 2015-16 are as under:

Transfer Period (in Days)	**No. of transfers/ transmission/ name deletion**	**No. of Equity Shares**	**%**	**Cumulative %**
1-5	3	644	3.43	**3.43**
6-10	45	8,138	43.40	**46.83**
11-15	30	9,250	49.34	**96.17**
16-18	1	717	3.83	**100.00**
Total	**79**	**18,749**	**100.00**	**-**

(xi) Details pertaining to Unclaimed Shares Demat Suspense Account of the Company:

As on March 31, 2016, total no. of 9,42,932 Equity Demat Shares of ₹ 10/- each, belonging to 5,588 Shareholders, are lying in the Unclaimed Shares Demat Suspense Account ("said Account") of the Company. The details of such Unclaimed Equity Shares of the Company lying in the said Account of the Company as on March 31, 2016 are as follows:

Particulars	**No. of Shares**	**No. of Shareholders**
At the beginning of the Year	20,252(1)	185
Shares transferred to the Unclaimed Shares Demat Suspense Account during the Year	9,22,680(2)	5403
At the end of the Year	9,42,932	5,588

Notes:

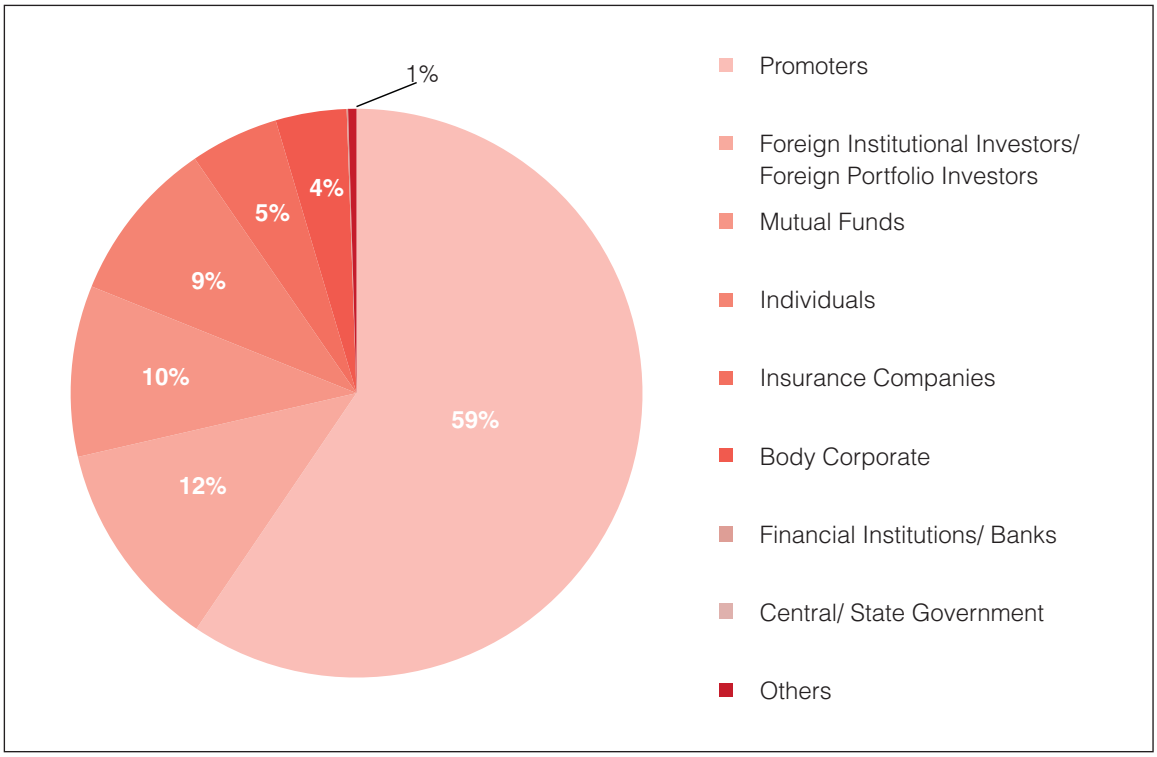
(1) At the beginning of the Year, 20,252 Equity Shares, belonging to 185 Shareholders, were lying in Unclaimed Shares Demat Suspense Account of the Company which were issued and allotted to the Shareholders of Future Retail Limited ("FRL"), pursuant to the Scheme of Arrangement between FRL, the Company and their respective shareholders and creditors and Indigold Trade and Services Limited ("ITSL") (as the shareholder of the Company).

(2) During the year, pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956 ("Composite Scheme"), the Company alloted shares to all eligible shareholders of ABNL and MGLRCL. 9,22,680 Equity Shares of the Company i.e. the share entitlements of those 5,403 shareholders of ABNL whose Equity shares were already kept in "Aditya Birla Nuvo Limited- Unclaimed Share Suspense Account" of ABNL, were transferred to the Unclaimed Shares Demat Suspense Account of the Company in view of the provisions of Regulation 39 of the SEBI Listing Regulations.

None of the shareholders have approached the Company for transfer of their shares from the Unclaimed Shares Demat Suspense Account. As the Equity Shares lying in the said Account are resulting out of allotments made pursuant to the merger activities of the Company, the shares shall be released as and when they are released by Transferor Companies i.e. FRL and ABNL. Such shareholders may also approach the Company/ RTA of the Company, with their correct particulars and proof of their identity for crediting requisite shares from the said Account to their individual Demat Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares, claims the shares.

(xii) Category-wise Shareholding pattern of the Company as on March 31, 2016:

Category	No. of Shareholders	No. of Shares	%
Promoters	21	45,71,64,117	59.46
Foreign Institutional Investors/ Foreign Portfolio Investors	152	9,17,68,755	11.94
Mutual Funds	131	7,47,32,662	9.72
Individuals	1,56,442	7,16,01,175	9.31
Insurance Companies	12	3,84,43,679	5.00
Body Corporate	1,728	3,09,31,749	4.02
Financial Institutions/ Banks	58	5,88,978	0.08
Central/ State Government	1	5	0.00
Others	2,446	36,11,606	0.47
Total	**1,60,991**	**76,88,42,726**	**100.00**



(xiii) Distribution of shareholding as on March 31, 2016:

Range of No. of Equity Shares Held	Number of Shareholders	% of Shareholders (falling under this range)	Total Number of Shares held (by Shareholders falling under this range)	Total % of Shareholding
1 - 500	1,31,482	81.66	1,30,12,687	1.69
501 to 1000	15,003	9.32	1,01,70,713	1.32
1001 to 2000	7,600	4.72	1,05,40,310	1.37
2001 to 3000	2,608	1.62	64,24,718	0.84
3001 to 4000	1,130	0.70	39,13,729	0.51
4001 to 5000	684	0.42	30,71,542	0.40
5001 to 10000	1,396	0.87	93,49,370	1.22
10001 and above	1,088	0.68	71,23,59,657	92.65
Total	**1,60,991**	**100.00**	**76,88,42,726**	**100.00**

(xiv) Dematerialization of shares and liquidity:

The Equity Shares of the Company were admitted for trading on BSE and NSE w.e.f. July 17, 2013 and are traded in Dematerialised form. These shares of the Company are admitted for trading under both the Depository Systems in India i.e. NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the Depository System is *INE647O01011*.

The distribution of number of Equity Shareholders in dematerialised and physical mode as on March 31, 2016 is as detailed hereinbelow:-

Particulars	No. of Shareholders	% of Number of Shareholders
Total No. of Shareholders	1,60,991	100.00
Physical	45,374	28.18
Dematerialised Mode	1,15,617	71.82
NSDL	**87,530**	**75.71(1)**
CDSL	**28,087**	**24.29(1)**

Note:

(1) Calculated as a percentage of total no. of shareholders holding shares in demat mode.

The distribution of number of Equity Shares of the Company in dematerialized and physical mode as on March 31, 2016 is as detailed herein below:-

Particulars	No. of Shares	% of Number of Shareholders
Total No. of Shares	76,88,42,726	100.00
Physical	1,36,09,856	1.77
Dematerialised Mode	75,52,32,870	98.22
NSDL	**71,45,59,437**	**94.61(1)**
CDSL	**4,06,73,433**	**5.39(1)**

Note:

(1) Calculated as a percentage of total no. of shares in demat mode.

(xv) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, pending for conversion as on March 31, 2016.

(xvi) Plants of the Company with their locations:

1. Madura Clothing (Crafted Clothing)

   No. 527, Marasur Village, Anekal Taluk ,Bengaluru -562106

2. Madura Clothing (Fashion Craft)

   No. 324, Marasur Village, Anekal Taluk, Bengaluru -562106

3. Madura Clothing (Europa Garments)

   Survey No. 62/2A, 62/2B, Parappana Agrahara, Off Hosur Road, Begur Hobli, Naganathapura, Bengaluru - 560100

4. Madura Clothing (Classical Menswear)

   No. 288/2, Dodda Begur, Bommanahalli, Bengaluru - 560068

5. Madura Clothing (English Apparels)

   No. 52/2, Bilvaradahalli, Jigani Hobli, Anekal Taluk, Bengaluru - 560083

6. Madura Clothing (Haritha Apparels)

   Survey No. 42/2, 43, Basavanapura, Mayaganahalli, Kasaba Hobli, Ramanagara Taluk and District - 562159

7. Madura Clothing (Alpha Garments)

   No. 10/1, Byatarayanapura Jakkur Layout, Bellary Main Road, Bengaluru - 64

8. Madura Clothing (Little England Apparels)

   Survey No.#569/1,569/2B,570,606,853/1 Kurbarapalli village Doddaubanur post, Denkanikotte taluk, Thally - 635118

9. Bilteek Fashion

   Plot No. A-4, A-5, A-6, Apparel Park Industrial Area, Sy.No. 29 and 31, Arehalliguddadahalli, Kasaba Hobli, Doddaballapur Taluk, Bengaluru - 561203

Further, the Company also has multiple stores spread across India which belong to Pantaloons and Madura Fashion & Lifestyle divisions of the Company. You may please refer to the citywise list of Stores of the Company plotted on the Map of India, provided as the Back Inner Cover Page of this Annual Report.

(xvii) Commodity Price risk/ Foreign Exchange risk and Hedging Activities of the Company:

The Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per the Forex Policy as adopted by the Company. The Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all.

(xviii) Address for correspondence:

Registered Office
Aditya Birla Fashion and Retail Limited
701-704, 7th Floor, Skyline Icon Business Park,
86- 92, Off A. K. Road, Marol Village,
Andheri (East), Mumbai - 400059, Maharashtra.
Tel: +91 8652905000; Fax: +91 8652905400
Website: www.abfrl.com

Registrar and Transfer Agents ("RTA")
Link InTime India Pvt. Ltd.
Pannalal Silk Mills Compound,C-13,
Lal Bhadur Shastri Road, Sadan Wadia,
Bhandup (West), Mumbai - 400078.
Tel: (022) 25963838; Fax: (022) 25946969

(xix) Reconciliation of Share Capital Audit and Secretarial Audit:

Pursuant to Section 204 of the Companies Act, 2013 and Rules made thereunder ("the Act"), the Board appointed M/s Dilip Bharadiya & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company covering all the Laws, Rules and Regulations applicable to the Company including all the applicable provisions of the Act, Depositories Act, 1996, erstwhile Listing Agreement(s) entered with the Stock Exchanges, SEBI Listing Regulations and all other Regulations and Guidelines of the SEBI, as applicable to the Company from time to time. M/s Dilip Bharadiya & Associates have conducted a secretarial audit and presented a Secretarial Audit Report which is annexed as **Annexure V** to the Directors' Report.

As stipulated under the provisions of SEBI (Depositories and Participants) Regulations, 1996, a Report on Reconciliation of Share Capital Audit for the Company i.e. for reconciling the total admitted capital with NSDL and CDSL and the total issued and listed capital, is obtained from M/s Dilip Bharadiya & Associates, Practicing Company Secretaries, on quarterly basis and the same is submitted to Stock Exchange(s), NSDL and CDSL and also placed before the Board.

(xx) Investor Service and Grievance Handling Mechanism:

All investor service related matters are being handled by Link InTime India Pvt. Ltd., RTA of the Company, which has multiple number of Investor Service Centers across the country enabling them to discharge the investor service functions effectively, efficiently and expeditiously. Considering it to be one of the most important functions of the Company, the Company has established an effective mechanism which is handled by the RTA and the Compliance Officer of the Company for the purpose of investor service and grievance handling.

Details of complaints received during the Financial Year 2015-16 and status thereof as at the end of Financial Year i.e. as on March 31, 2016, are as follows:

Sr. No.	Nature of complaints	Financial Year 2015-16		
		Received	Resolved	Pending
1	Relating to Transfer/ Transmission of Shares, Issue of Duplicate Shares	15	15	0
2	Non-receipt of Dividend/ Interest/ Redemption Warrant	5	5	0
3	Non-receipt of Annual Report	5	5	0
4	Non-receipt of name change stickers	1	1	0
5	Others, if any	4	4	0
	Total	**30**	**30**	**0**

(xxi) Company's Recommendations to the Shareholders/ Investors:

a. Open Demat Account and Dematerialize your shares

Investors should convert their physical holdings of securities into dematerialized form. Holding securities in dematerialized form helps investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in dematerialized form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

b. Consolidate Multiple Folios

Investors should consolidate their shareholding held in multiple folios. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

c. Register National Electronic Clearing Service ("NECS") Mandate and furnish correct bank account particulars with Company/ Depository Participant ("DP")

Investors holding the shares in physical form should provide NECS mandate to the Company and investors holding the shares in dematerialized form should ensure that correct and updated particulars of their bank account are available with the Depository Participant ("DP"). This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solution ("CBS") to the Company in case of shares held in physical form and to the DP in case of shares held in dematerialized form.

d. Submit Nomination Form

Investors should register their nominations in case of physical shares with the Company and in case of dematerialized shares with their DP. Nomination would help the nominees to get the shares transmitted in their favors without any hassles. Investors must ensure that nomination made is in the prescribed Form and must be witnessed by two witnesses in order to be effective. The Form may be downloaded from the website of the Company i.e. www.abfrl.com, under the section "Investor Relations".

e. Register for E-voting

Shareholders of the Company express their assent or dissent for the resolutions requiring their approval by way of voting. Since physical presence of shareholders is not possible at every general meeting, a member may exercise his/ her right to vote at any General Meeting by electronic means and Company may pass any resolution through electronic voting system along with voting at physical General Meeting. E-voting is one of the measures to achieve the Green Initiative. Further, E-voting along with Physical voting at the venue of the General Meetings has been mandated by law for every listed company or every company having not less than one thousand shareholders. Hence, in order to enable us to provide us the facility of e-voting, shareholders are requested to register themselves for E-voting by following the instructions provided in the Notice of the Ninth Annual General Meeting of the Company.

f. Deal with Registered Intermediaries

Investors should transact through a registered intermediary who is subject to regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, investors may take up the matter with SEBI/ Stock Exchanges.

g. Obtain documents relating to purchase and sale of securities

A valid Contract Note/ Confirmation Memo should be obtained from the broker/ sub-broker, within 24 hours of execution of purchase or sale of securities and it should be ensured that the Contract Note/ Confirmation Memo contains order number, order time, trade number, trade time, security descriptions, bought and sold quantity, price, brokerage, service tax and securities transaction tax. In case the investors have any doubt about the details contained in the contract note, they can avail the facility provided by BSE/ NSE to verify the trades on BSE/ NSE websites. It is recommended that this facility be availed in respect of a few trades on random basis, even if there is no doubt as to the authenticity of the trade/ transaction.

h. Monitor holdings regularly

Demat account should not be kept dormant for long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the investor is likely to be away for a long period of time and where the securities are held in electronic form, the investor can make a request to the DP to keep the account frozen so that there can be no debit to the account till the instruction for freezing the account is countermanded by the investor.

i. Transfer securities before Book Closure/ Record Date

The corporate benefits on the securities lying in the clearing account of the brokers cannot be made available to the shareholders directly by the Company. In case an investor has bought any securities, he must ensure that the securities are transferred to his demat account before the Book Closure/ Record Date.

j. Opt for Corporate Benefits in Electronic Form

In case of non-cash corporate benefits like split of shares/ bonus shares, the holders of shares in physical form must opt to get the shares in electronic form by providing the details of demat account to the RTA.

k. Register for SMS alert facility

Investors should register their mobile numbers with DPs for SMS alert facility. NSDL and CDSL proactively inform the investors of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call-up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.

l. Register e-mail address

Pursuant to Section 101 and Section 136 of the Act, read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Shareholders who have registered their e-mail address either with the Company or with the Depository Participant(s). Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically by submitting a duly filled in E-Communication Registration Form, available on the website of the Company i.e. www.abfrl.com, to Link Intime India Pvt. Ltd. or to the Company on their investor email id i.e. secretarial.abfrl@adityabirla.com.

m. Exercise caution

There is likelihood of fraudulent transfers in case of folios with no movement or where the shareholder has either expired or is not residing at the address registered with the Company. Company/ DP should be updated on any change of address or contact details. Similarly, information of death of shareholder should also be communicated.

n. Mode of Postage

Share certificates and high value dividend/ interest warrants/ cheques/ demand drafts should not be sent by ordinary post. It is recommended that investors should send such instruments by registered post or courier.

o. Intimate mobile number

Intimate your mobile number and changes therein if any to Link InTime India Pvt. Ltd., if shares are held in physical mode or to your DP if the holding is in electronic mode, to receive communications on corporate actions and other information of the Company.

(xxii) Cost of acquisition of Equity Shares of the Company pursuant to the Composite Scheme:

A letter *inter alia* containing the details of apportionment of Cost of Acquisition of Shares pursuant to the Composite Scheme is uploaded on the website of ABNL i.e. www.adityabirlanuvo.com, under "Announcement" in the Investors Section.

Further, the Shareholders may also send a specific request to the Company, by an email to secretrial.abfrl@adityabirla.com and/ or send a request letter to the Company at its Registered office or to the RTA of the Company.

(xxiii) Feedback:

Shareholders are requested to give us their valuable suggestions for improvement of our Investor Services to us/ our RTA, by writing us at the address provided hereinabove.

SUSTAINABILITY AND BUSINESS RESPONSIBILITY REPORT

Sustainability at the Aditya Birla Group:

At the Aditya Birla Group ("ABG"), we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations by 2017.

To achieve this vision, we are innovating from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the world we hope to see emerge in 2030 and 2050. It is in our own interests, to contribute to mitigate our impact in every way we can and also prepare for further mitigation and potential adaption to planetary changes as we go forward.

We began our quest with a question, "If everyone and every business followed the law as written today, is the planet sustainable?" We quickly concluded that around the year 2050, when the Earth's population reaches an estimated 9 billion, climate change, water scarcity, stress plus pollution and an overload of waste, if left unchecked, would set the planet on a possibly irreversible course to un-sustainability. It is therefore intuitive that laws be tightened over time and imperative that the Aditya Birla Group remain ahead of the curve.

Our first step has been to set up a sustainability programme in our current operations, under the heading "Responsible Stewardship". By doing so, we try to move from merely following local laws to aligning ourselves voluntarily with the international standards set by the global bodies of the International Finance Corporation ("IFC"), the Organisation for Economic Cooperation and Development ("OECD"), the International Standards Organisation ("ISO"), Occupational Health and Safety Advisory Services ("OHSAS"), the Global Reporting Initiative ("GRI") and others. We are working hard to develop and improve our management systems and their performance by making sure that they conform to the Aditya Birla Group's Sustainability Framework of Policies, Technical Standards and Guidance Notes by giving our employees the chance to train, learn, understand and apply improvement techniques to reach higher standards of performance. So far, we have had much success with respect to reductions in energy use, water use and improvements in safety performance. We are working towards achieving the World Business Council for Sustainable Development's Water, Sanitation and Hygiene pledge ("WASH") to ensure that we provide safe drinking water, sanitation and hygiene in all our operations. Each of these achievements helps reduce and mitigate our impact on the planet and are hence imperative to building a platform for the future.

However, if we are to create sustainable business models and systems, "Responsible Stewardship" by itself is not enough and we need other components to help us with a greater transformation. We need to understand how many laws will need to change in order to support a sustainable world. Our performance will need to be improved further to meet these laws, possibly by redesigning our business models. We call this "Future Proofing" our businesses. This has two components; the first, we call "Strategic Stakeholder Engagement" which involves scanning the time horizon for disruptions by discussing the global megatrends with experts in the fields of climate, water, human rights, supply chain management, biodiversity transparency and reporting, in order to understand what constraints might be placed on our businesses by 2030 and 2050. By doing so, we are able to build our capability to understand which external changes might heavily influence our value chains and business models in the future and what might be expected of our products and brands. For example, the world will need businesses that are able to mitigate and adapt to climate change, with robust and sustainable supply chains that are also impervious to all external forces that will inevitably begin to affect us in the future. The second part of our "Future Proofing" programme is to test our current business models and strategies against various scenarios designed to simulate what the world will potentially look like in 2030 and 2050. To achieve these results, sustainable businesses will take time, particularly when we consider some of our complex supply chains. By pushing to be the leader today, we are giving ourselves the best possibility of achieving long term success.

It is interesting to note that nowhere are sustainable strategies more important than in the land masses of India, China and South East Asia, because over half the population of the planet lives there. Land mass and natural resources are already feeling the strain, with often cited pollution, biodiversity loss, growing levels of water stress and the need to manage the growth of electricity production decoupled from a country's carbon footprint. This makes sustainable development not just a business "nice to do"

but has also become a central business imperative because, "Businesses cannot survive on a planet that fails".

Business Sustainability Initiatives:

We have built in 'Sustainable Business' into our Balanced Scorecard ("BSC"), which used at an organisational level to assess business performance. Nine sustainability missions have been set up across the Company in order to comprehensively address ABG's policies. These include Water, Waste No More, Energy, Green Building, Carbon Footprinting, Community Social Responsibility ("CSR"), Sustainable Products, Packaging, Health and Safety. We are assessing our footprint for water, waste, energy and Green house Gas ("GHG") emissions in order to develop a precise mitigation and reduction plan and further customise the strategy to incorporate innovative solutions. Through these measures, we have developed clear annual targets for energy conservation, waste reduction, sustainable product development and GHG emission reduction till 2020. While most environmental sustainability initiatives have been recently developed, we are ensuring they are closely monitored and assessed, such that their impact can be tracked over time.

Given below are details of the sustainability initiatives under some of the Missions:

1. Safety:

   Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retails Limited) ("ABFRL") safety goal is 'no fatal accidents at work at any of our locations'. In order to ensure this, the company has several mechanisms in place to assess, manage and provide safety. An Operational Health and Safety and Health ("OHS") policy has been rolled out in line with the ABG group policy. OHS design development and implementation has been carried out in all operations under direct control. We have instilled an Environment, Health and Safety ("EHS") committee which conducts monthly meetings to track performance. Regular safety audits are conducted, including third party assessments. The system of '5S' has been well implemented in warehouses and the same is being worked on in the factories and offices.

   In FY 2015-16, there were zero lost time injuries or fatalities in operations under our control.

2. Energy:

   ABFRL is cognizant of the preparedness it requires to meet potential future requirements which could be obligated by the government to meet India's Intended Nationally Determined Contributions ("INDC")'s for the 2016 United Nations Framework Convention on Climate Change ("UNFCCC"). This has propelled us to develop a robust energy conservation and green building plan.

   We aim to reduce purchase of grid electricity by 30% through demand/ waste reduction and renewable energy by FY17. In FY16, we achieved 1.0% savings in energy through LED installation and High Conventional Lighting installation, 4.30% savings through technical interventions such as sensors for air conditioning, lux sensor and power saver installation and 8.11% saving through operational efficiency measures.We have planned to further improve our efficiency and widen its renewable energy portfolio next year.

   By 2018, ABFRL is targeting the U.S. Green Building Council's 'Leadership in Energy and Environmental Design' ("LEED") green building certification for 7 facilities. Certification for 3 factories has been planned in FY 17.

   Progress on Energy Initiatives in FY 2015-16.

Initiatives	Progress
LED Lighting	• LED implementation for 13 retail stores completed
Technical Interventions	• Power saver initiatives (4 stores)
Operational Efficiency/ Remote Energy Management System (REMS)	• Selected 8 stores for pilot implementation of REMS
On or Off-Site Renewable Energy (RE)	• RE feasibility and roadmap completed • Facilities for RE implementation identified • Solar third party, roof top solar and wind GCP is currently being evaluated

3. Water:

ABFRL is conducting a baseline assessment to understand the amount of water required for the business and accordingly plan to reduce, reuse and recycle water, thereby lowering source dependency and the effect of water stress on running business operations smoothly. Post this, a rigorous short, medium and long term action plan will be developed to achieve water neutrality/ positivity by 2025. We are working on implementing the following at our own factories:

- Installing water meters to monitor and measure water consumption.
- Rainwater harvesting, including storm water collection.
- Refurbishing or installing Sewage Treatment Plants ("STP").

4. Waste:

ABFRL is aiming to achieve zero landfill for bio degradable waste by 2017. In order to achieve this, we have carried out a baseline inventory. We are in process of putting a rigorous waste measurement system in place to track, monitor and manage the waste. We are also evaluating options to reduce/ reuse store waste. We are considering installation of composting units at pilot sites in order to assess viability and possibility of scaling-up. Techno-commercial assessments of vendors are being carried out for source based segregation and processing of waste. Composting units are being installed at factories to process all food waste on site, thus reducing waste to landfill.

We ensure adherence to the disposal of e-waste as per government norms. In line with ABG's procedure for e-waste, e-waste of the zonal offices and headquarters are disposed through registered vendors.

5. Mitigating GHG emissions:

ABFRL aims to reduce carbon emissions (Scope 1 and Scope 2) by 10% by 2017. Further, we aim to disclose our Carbon Footprint on the Carbon Disclosure Project. We are working towards reducing our specific energy consumption, significantly reducing the level of emissions through lowering use of non-renewable fossil fuels and increasing use of renewable sources of energy generation.

Business Responsibility Report:

Under the aegis of the Aditya Birla Group's sustainability vision, ABFRL is strengthening its 'ReEarth' program, to design a roadmap which will align with the group level sustainability policies and international frameworks. Through this mission, we hope create a future ready organization, which can preempt imminent challenges, address the needs of all stakeholders and continue to be a preferred partner for its consumers, thereby securing a common future for tomorrow.

In accordance with our sustainability vision, we present our first Business Responsibility Report ("BRR") in line with the National Voluntary Guidelines ("NVGs") on Social, Environmental and Economic Responsibilities of Business as released by the Ministry of Corporate Affairs in July 2011. This report is prepared as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular bearing Ref. No. CIR/CFD/CMD/10/2015 dated November 4, 2015 issued by Securities and Exchange Board of India ("SEBI") and showcases the sustainability efforts taken by the Company during Financial Year 2015-16.

The Company will also be coming out with a Sustainability Report for FY 2016-17 in line with the Global Reporting Initiative ("GRI") guidelines and the ABG Group Sustainability Reporting Guidelines.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	:	L18101MH2007PLC233901
2.	Name of the Company	:	Aditya Birla Fashion and Retail Limited *(formerly known as Pantaloons Fashion & Retail Limited)*
3.	Registered Address	:	701-704, 7th Floor, Skyline Icon Business Park 86-92, Off A. K. Road, Marol Village, Andheri East Mumbai - 400059, Maharashtra.
4.	Website	:	www.abfrl.com
5.	Email	:	secretarial.abfrl@adityabirla.com
6.	Financial Year reported	:	2015-2016
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Apparel & Retail
8.	List three key products that the Company manufactures/provides (as in balance sheet)	:	Apparel & Accessories – Menswear, Womenswear & Kidswear
9.	Total number of locations where business activity is undertaken by the Company	:	375+ cities & towns
10.	Markets served by the Company : State, National, International	:	India, Middle East

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹ 7,69,34,77,260/-
2. Total turnover (INR) : ₹ 6,07,200 Lakh
3. Total profit after taxes (INR) : ₹ (10,414) Lakh
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (INR) : ₹ 203.81 Lakh
5. List of activities in which expenditure in 4 above has been incurred:
   - Education: 18,515 beneficiaries benefited through various initiatives covering - Uniform distribution, Notebooks, Computers and other education aids support, special coaching classes for rural girls, Support to continuing education for rural dropout girls.
   - Healthcare: 1,14,261 beneficiaries benefited through - 11 eye camps, Pulse polio program, Cancer awareness and screening camps for rural women, 350 toilets built under the Nirmal Ghar Swacchata Abhiyan scheme.
   - Sustainable Livelihoods: 670 youth coached at skills training centre.

Section C: Other Details

1. Does the Company have any subsidiary company/ companies?

   No
2. Do the subsidiary Company/ Companies participate in the BR initiatives of the parent Company?

   Not Applicable
3. Do any other entity/ entities that the Company does business with participate in the BR initiatives of the Company?

   Not Applicable

Section D: BR Information

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/ policies

DIN Number : 00230152

Name : Mr. Pranab Barua

Designation : Managing Director

b) Details of the BR head:

Sr. No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Dr. Naresh Tyagi
3	Designation	Chief Sustainability Officer
4	Telephone Number	080-67271000
5	Email	naresh.tyagi@madura.adityabirla.com

2. Principle-wise (as per NVGs) BR Policy/ policies (Reply in Y/ N):

a) Details of compliance (Reply in Y/ N)

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	N	Y	Y	Y	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	N	Y	Y	Y	Y	N	Y	N
3	Does the policy conform to any national/ international standards? If yes, specify?	Y	N	Y	Y	Y	Y	N	Y	N
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	N	Y	Y	Y	Y	N	Y	N
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	N	Y	Y	Y	Y	N	Y	N

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	www.abfrl.com	NA	www.abfrl.com	www.abfrl.com	N	N	NA	www.abfrl.com	NA
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	Y	Y	The policy has been communicated to relevant internal stakeholders, but not external stakeholders	The ABG Policies on Environment, Health & Water Stewardship have been communicated to relevant internal stakeholders, but not external stakeholders	N	Y	N
8	Does the Company have in-house structureto implement the policy/ policies.	Y	N	Y	Y	Y	Y	N	Y	N
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	N	Y	Y	Y	N	N	Y	N
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	–	–	–	–	–	–	–	–	–
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principles	–	–	–	–	–	–	–	–	–
3	The company does not have financial or manpower resources available for the task	–	–	–	–	–	–	–	–	–

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	It is planned to be done within next six month	–	–	–	–	–	–	–	–	–
5	It is planned to be done within next one year	–	–	–	–	–	–	–	–	–
6	Any other reasons (please specify)	–	The policy is a work in progress, which is taking into consideration a life cycle approach.	–	–	The Company strictly adheres to all labour laws and statutory requirements with respect to prevention of forced and child labour and other aspects of human rights as per the law of the land.	–	While ABFRL currently does not have a stated policy on Policy Advocacy, As part of the ABG Group, we actively undertake need based advocacy on issues pertaining to the industry through our membership of relevant industry bodies.	–	–

3. Governance related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Annually

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first BRR being published by ABFRL.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

In order to ensure transparent communication and ethical conduct at all levels of ABFRL's value chain, the Company adheres to three policies, which form the cornerstone of its operations, and ensure business is executed in a responsible manner. All policies are communicated to ABFRL's employees upon joining, and are displayed on the website of the Company i.e. www.abfrl.com.

- 'Anti-Fraud Policy' - Frauds can be detected, prevented and deterred in the day to day business of the Company.
- 'Whistle Blowers Policy' - Adopted at the ABG level, this policy is a provision for disclosures or demonstration of evidence of an unethical activity or any conduct that may constitute breach of the Group's/ Group Company's Code of Conduct or Group Values.
- Company Code of Conduct - Signed by the Board Members and Senior Management of the Company, it requires them to observe the highest standards of ethical conduct and integrity and work to the best of their ability and judgement.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   Yes, the above described policies extend to the Shareholders, Consultants, Vendors, Suppliers, Service Providers, Contractors, Lenders, Borrowers, Outside Agencies and other parties having a business relationship with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   The Whistle Blower Policy ensures adherence to the Company's Value Framework and Code of Conduct. This covers Value violations, Violation of the Code of Conduct and Fraud. Some typical categories of cases that get reported include, Pilferage, Manipulation in Gift Voucher Redemption, Misuse of Employee Discount Card/ Payback card, inappropriate behavior, Misrepresentation of information, Conflict of interest and other types of Fraud. The designated Value committee members conduct the investigation as defined in the Whistle Blower Policy.

   All 121 cases reported in FY 15-16 have been successfully investigated and resolved.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

ABFRL aims to source products which are socially and environmentally responsible in an ethical and transparent manner. We consider product and supply chain sustainability to be two essential pillars in this regard. While the former pertains to initiatives such as sustainably sourced raw and finished materials and innovative designs to lower the product footprint, the latter pertains to efficient processes, optimised supply chains and suppliers with high environmental and social standards.

As a member of the Sustainable Apparel Coalition ("SAC"), ABFRL has carried out the Higgs Index self-assessment of brands, factories (inhouse), product, and further, will extend it to suppliers, in order to measure our environmental, social and labor impacts throughout the value chain and identify areas for improvement. This has aided us in peer analysis to understand current standing, quantifying sustainability impacts on products, driving business value through reducing risk and uncovering efficiency and creating a common means to communicate sustainability to stakeholders.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

   ABFRL has conducted a Life Cycle Assessment ("LCA") for a cotton shirt and a denim trouser in order to assess the environmental impacts associated with all the stages of a product's life from cradle to grave (i.e. from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance and disposal or recycling).

   ABFRL's largest product footprint pertains to apparels. In order to ensure safe, risk free and resource efficient products, the Company carries out the following measures:

   - It is ensured no hazardous chemical dyes (such as Azo dyes and Phthalates) are utilised in clothing products
   - All buttons are lead, cadmium and nickel free, which also ensure these are 'child friendly'.
   - Special product designing is carried out for children's clothing, to ensure safety, such as 'zip free' products and shoulder buttons instead of front buttons.

   Further, ABFRL has developed products with significant environmental and resource optimisations. These include the following:

   - Zero Detergent Shirts: 41.96% reduction in energy, 41.28% reduction in water consumption and 41.05% reduction in emissions produced.
   - Advanced Denims: ABFRL has adopted an efficient manufacturing process imbibing the advancement in sustainable textile technology to produce denim jeans consuming less energy and less water in the yarn dyeing phase. This has achieved 92% water savings, 30% less energy, 87% less cotton waste, no waste water and dyeing with eco-friendlier sulfur dyes.
   - Use of Eco-resins which produces a stronger fiber, flexible bonding, white retention, non- Iron performance and durable wear. It has resulted in 60% reduction in energy, 60% reduction in waste-water generated and 70% reduction in emissions produced.

- ABFRL is exploring 'Herbal Dyeing' for certain products, where only 100% bio degradable herbs, plants, minerals, fruits, and vegetables are used to dye and print fabrics. While possessing a low environmental impact, these also provide benefits to consumers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

   a. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Details have been answered in the question above.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes, the Company has various measures in place to ensure sourcing is carried out in a sustainable, efficient and environmental friendly manner to the extent possible. Further, we recognise our responsibility as a business to guide and mentor our vendors such that they enhance the sustainability of their operations.

   ABFRL has developed a Vendor Code of Conduct ("CoC"), which covers compliance on regulation, conduct on environmental and social aspects, and it is a part of vendor engagement. We are working with our supply chain partners to aid in the adoption of the CoC over time, and ultimately aim to establish compliance by all vendors. Further, ABFRL has also initiated a Laundry Audit System for orientation of the suppliers to Sustainable Practices on water, energy and GHG emissions, through this, we are ensuring 100% compliance of CoC by our vendors.

   ABFRL is developing product attribute and the 'Brand Sustainability Guidelines ("BSG"), to create a baseline, and based on this we will have more targets on sustainable sourcing. For example, we are exploring options for sourcing certified cotton. This would ensure the cotton used in our products has been grown and processed in an environmentally and socially responsible manner.

   Our current sustainability sourcing procedures are outlined below:

   - ABFRL requires its kid's garments vendors to be signatories to a health and safety policy and deployment is under process to ensure compliance to the policy.
   - For vendors of all other apparels, the Company majorly works with medium and small sized suppliers, who find it challenging to maintain consistent standards. Therefore, we are carrying out a joint development and improvement process to prepare them for the Company's future vendor sustainability policy.
   - The Company provides our vendors an on-boarding kit, which includes requirements such as health and safety measures and prohibition of child labour. Regular audits and vendor checks are conducted to ensure these requirements are adequately adhered to.
   - ABFRL's own testing lab carries out a fabric performance test ("FPT") and garment performance test ("GPT") on 100% of all products. These tests are conducted prior to production for all vendors.
   - ABFRL provides a score for each season to all garment suppliers, on several parameters. Environmental and Social concerns are included in the 'Service' parameter.
   - In order to optimise transportation and ensure efficiency, warehouses have been strategically established close to regions where ABFRL's stores are located.

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

There are two major channels through which all our raw materials are sourced, one being fabric, and the other conversion. All fabric is sourced from reputed manufacturers, to ensure high quality standards are maintained.

Conversion materials are sourced from medium and small sized suppliers, thus providing an impetus to this market segment.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? If yes, what is the percentage of recycling of products and waste (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Under ABFRL's 'Mission Packaging', we are committed to reducing waste generation such that 100% primary, secondary and tertiary of packaging shall have zero pollution potential and be recycled, reused or bio-degradable by FY 2017.

In FY 2015-16, the company made several strides in this direction. The two key focus areas of the packaging mission along with the linked initiatives are:

I. Packaging material consumption reduction:

- Trims reduction
- Weight optimisation
- Industry benchmarking
- Pilot for reverse logistics and increased use of recycled materials

II. Achieving non-pollutant potential in the packaging material (95% of packaging is Non-pollutant):

- Material substitution
- Standardisation

A few of such initiatives have been described in further detail below:

I. Reduction of approximately 130 tonnes of packaging through the elimination of a packaging component in the casual shirt category.

II. All trousers from factory to warehouses are transported using reusable plastic crates.

III. A team of professionals is dedicatedly working towards identifying feasible alternate options for tertiary plastic bags.

ABFRL's initiatives in waste management and reduction have been outlined in the section 'Business Sustainability Initiatives'.

Principle 3: Business should promote the wellbeing of all employees

ABFRL strives to ensure that it provides a safe, productive and positive environment for its employees, thus enabling them to maintain a healthy work life balance and hone and develop their skills.

For example, ABFRL's 'Policy on Sexual Harassment' ("PoSH") has been adopted on a Company-wide level to ensure a work environment that is professional and mature, free from animosity and one that reinforces the company's value of integrity, that includes respect for the individual. PoSH is applicable to all employees of ABFRL, as well as 'third parties' or client and vendors of the Company. The policy adheres to the 'Vishakha' guidelines, which entails the chairperson to be a woman and the complaints committee to include majority women members. Guidelines for communication and redressal are clearly outlined and this policy is visible through the Company intranet, communicated via email and posters have been placed across all offices and stores. Further, the Human Resources ("HR") department of the Company carries out awareness sessions and ensures each new employee undergoes a training module on the same. Cases reported under this policy include any form of unwelcome sexually motivated behavior

(whether directly or by implication). Investigations are conducted by the designated POSH Committee members as per prescribed timelines. All 26 cases reported in FY 2015-16 have been successfully investigated and resolved.

We recognise the importance of work life balance and a healthy workforce. We provide an Annual Health Check-up for Headquarter Employees. These are managed by a 3rd party vendor and focussed on physicals, Blood Sugar, ECG, Echocardiogram. A detailed health report is provided to all participants and a voluntary follow-up is carried out post six months. We covered approximately 180+ employees in 2015-16 and are aiming to cover 500+ employees by July 2017 end. Additionally, we have various wellness initiatives at our manufacturing locations, such as eye camp and checks for anaemia and blood pressure, in order to mitigate general health risks.

Post this, we carry out an analysis of the Company Health Index (CHI), which is a consolidated report of all participants in the Health check-up drive. This helps us finalize on areas that need attention, and help us finalize initiatives under each focus areas. Examples include:

1. Stress Management:
   i. Yoga Sessions
   ii. 'Santulan': ABG's Employee Online Counselling Service
2. Diabetes: A 4 weeks Healthy Eating Habit Drive
3. Cardiovascular: Cardiac Screening Camp by Narayan Hrudayalaya
4. BMI:
   i. Stepathlon Event: 12 to 15 teams, 5 employees per team, 100 days virtual race.
   ii. MFL Olympics – An Outdoor & Indoor Sports events
   iii. Gym Memberships provided
   iv. Promotion of physical activity such as use of staircases

Beyond these we also run creative campaigns and events that encourage our employees to live a healthier life. Examples are:

1. We have a strict no smoking/ tobacco policy within our premises.
2. Vitamin H: Online Portal run by ABG group that keeps employees informed/ educated about health tips, awareness campaigns.
3. Awarded a silver level and a gold level for are our own manufacturing facility, at the Arogya Healthy Workplace Award (run by an external agency).

In order to enhance employee skills and heighten productivity, ABFRL has a comprehensive training framework. A need based analysis is carried out to align training goals to business objectives, and this is finalised with top management as well as functional heads. Based on the analysis, a formative training calendar for the financial year is chalked out.

The Company is investing resources in strategically developing initiatives to enhance their employee's skills and experiences. Examples are provided below:

- Invested in developing and improving the knowledge of its employees by exposing them to global brands and their best practices. This has resulted in a motivated and inspired senior-mid level management team.
- A unique initiative is the creation of the Aditya Birla Centre for Retail Excellence ("ABCRE") for training and development of retail staff.

- In order to integrate growth and developmental opportunities for identified talent the Company has set up talent management councils at three distinct organisation levels.
- ABFRL has defined talent management processes covering various levels. Many of the processes are driven by leadership through talent councils.
- For training of retail staff, ABCRE has been created. Specific training content has been developed for store managers.
- ABFRL has taken up number of initiatives to improve on-ground employee engagement such as Olympics, Retail Premier League and Retail Got Talent.
- ABFRL has a structured communication framework and multiple forums for top-down, bottom-up and horizontal communication.

These sustained efforts of the management has borne favourable results. Succession readiness has gone up for employee level 'Job Band 7' (JB 7) and above during FY 2015-16, due to hiring of lead leap and mapping of external and group successors. Further, the number of Kaizens have been continuously going up. Also, the effectiveness of formal class room training being measured has shown improvement over the last two years.

1. Please indicate total number of employees (As of March 31, 2016):

   18,876

2. Please indicate total number of employees hired on temporary/contractual/casual basis (break-up to be provided):

   Temporary – 2,492

   Contractual – 11,086

   Casual basis – 0

3. Please indicate the number of permanent women employees:

   9,637

4. Please indicate the number of permanent employees with disabilities.

   92

5. Do you have an employee association that is recognized by the Management?

   Yes, in our factories.

6. If so, what percentage of permanent employees who are members of this recognized employee association?

   1.09%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

Sr. No.	Category	Number of complaints filed during the last Financial Year i.e. 2015-16	No of complaints pending as on the end of the Financial Year March 31,2016
1	Child labour, forced labour, involuntary labour	Nil	Nil
2	Sexual Harassment	26	Nil
3	Discriminatory Employment	Nil	Nil

8. What Percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

Sr. No.	Category	Skill-Up Gradation	Safety
1	Permanent Employees	14.30%	52.95%
2	Permanent Woman Employees	12.58%	80.68%
3	Casual/ Temporary/ Contractual Employees	42.48%	20.24%
4	Employees with Disabilities	2.17%	81.52%

Principle 4: Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

   Yes, ABFRL has identified and mappedits internal and external stakeholders. These include shareholders, investors, employees, consumers, vendors and the community.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

   Yes, as part of ABG as well as Aditya Birla Retail Groups ("ABRG") community initiatives, the Company has identified its disadvantaged, vulnerable and marginalized stakeholders.

3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders:

   This has been undertaken as part of ABFRL's CSR initiatives. The details of these initiatives have been outlined in 'Principle 8'.

Principle 5: Business should respect and promote human rights

ABFRL respects human rights and believes all humans must be treated with dignity and respect. In order to ensure this, it aims to protect human rights not only within its premises but across its supply chains.

ABFRL's 'PoSH' Policy has been adopted on a Company-wide level to ensure the respect and dignity of all its employees is maintained. PoSH is applicable not only to its employees, but also 'third parties' or client and vendors of the Company.

We have signed the World Business Council for Sustainable Development's ("WBCSD") 'Water, Sanitation and Hygiene - WASH pledge', to implement access to safe water, sanitation and hygiene at the workplace at an appropriate level of standard for all employees in all premises under direct control within the next three years.

ABFRL prohibits child labour at all its vendor sites. The Company ensures this is not violated through audit checks of its vendors. Going forward, the implementation of the CoC will lead to further strengthening of human rights protection across the value chain.

1. Does the Company's policy on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

   It is extended to vendors, suppliers and NGOs.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

   The Company has received 30 human rights related shareholders complaints during the Financial Year ended on March 31, 2016 and has resolved 100% of the same.

Principle 6: Business should respect, protect, and make effort to restore the environment

The Company's sustainability vision states *'We are committed to give back more than what we can take from the ecosystem'.* In line with this vision, ABFRL is consistently enhancing its environmental initiatives. ABFRL closely monitor its operations to ensure adherence to environmental compliances, permissible limits and valid licenses are maintained.

1. Does the policy pertaining to this Principle cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

   ABG has released a group-wide Environmental Policy which is applicable to ABFRL. ABFRL is currently undertaking a gap analysis to determine the need for strengthening current missions and therefore ensure complete adherence to the policy. This includes the Company as well as its suppliers and contractors.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/ N. If yes, please give hyperlink for webpage etc.

   The Company has set targets for energy efficiency and reduction as well as implementing green building certifications. Details of these initiatives have been provided in Business Sustainability Initiatives. Further, details of the Company's efforts to lower environmental impacts in the value chain are provided in the answers to 'Principle 2'.

3. Does the Company identify and assess potential environmental risks? Y/ N

   Yes. ABFRL has created a risk management framework covering both Business/ Financial Risks (managed by the management committee) as well as Operational Risks (managed by the risk steering committee). This framework also captures environmental, social and human risks. Risks are classified based on severity as well as probability of occurrence. They are reviewed on a quarterly basis and an action and mitigation plan is developed accordingly.

4. Does the Company have any project related to Clean Development Mechanism ("CDM")? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

   While there are initiatives for fossil fuel reduction are under process, the opportunity to explore this under CDM has not been carried out.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? If yes, please give hyperlink for web pages etc.

   ABFRL has dedicated Energy, Carbon Footprinting and Green Building Missions to holistically address such initiatives. Details of these have been provided in the section titled 'Business Sustainability Initiatives'.

6. Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

   Yes, the Emissions/ Wastes Generated are reported to KSPCB within the stipulated statutory timelines. For one warehouse, due to additional buildings, the waste generation had increased, for which an amendment application has been submitted to the department and consent is awaited.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending as of end of financial year.

   No Show cause/ Legal notices received from KSPCB during the previous financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If Yes, name only those major ones that your business deals with.

   Yes, Retailer Association of India ("RAI"), Bangalore Chamber of Industry and Commerce ("BCIC"), Clothing Manufacturing Association of India ("CMAI").

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others):

   No.

Principle 8: Business should support inclusive growth and equitable development

The Company has adopted the Corporate Social Responsibility ("CSR") Policy of the ABG, and our Company's CSR Head reports to the Group Executive President (Communications & CSR) at the Centre. In line with ABG's vision, ABFRL aims to actively contribute to the social and economic development of the communities in which it operates.

CSR initiatives are driven through a Board of Trustees, which consist of the senior most management. The framework, agenda and funding are directed by the Board in line with ABG's direction. The scope has increased over the years, transiting from areas around the factories to broader aspects now covering girl child education and sanitation, and skill development of youth.

The initiatives we have undertaken are outlined below:

- Education: Through partners Swami Vivekananda Youth Movement ("SVYM"), Pratham, Rock-Fund and S V Education Trust 36 Villages were impacted, with 18,515 beneficiaries. Activities include:
  - Uniform and notebook distribution in Government and KGBV schools.
  - Gyanarjan program providing special coaching classes to over 500 school students.
  - Educational support to 700 girls through SVYM and 5600 children through Pratham.
- Healthcare: Through our partners Narayana Netralaya, Cancer Care India, Panchyaths and Local NGOs, we have reached out to 64 villages with 114,261 beneficiaries. Activites included:
  - 11 health camps were conducted.
  - Pulse polio program was conducted
  - Cancer awareness and screening camps conducted. One camp commenced. School health/ eye/ dental camps to start from July. Many more activities on Health and Sanitation to be ascertained after Need Assessment is carried out.
- Sustainable Livelihoods: through our Mission Sankalp partner organizations, we also trained youth on Retail skills. The total no of youth that were provided training was 670.

1. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ Govt. structure/ any other organisation?

   The initiatives are executed through a combination of in-house teams, own foundations and external organisations as required, in order to maximise outreach. We focus on and encourage employee volunteering towards the initiatives. A total of 1,833 Employee volunteering hours were clocked in FY 2015-16.

2. Have you done any impact assessment of your initiative?

   In order to identify our focus areas, a 'materiality' analysis was carried out, analysing the regulatory requirements and Government Focus areas, the existing activities at ABFRL and peer analysis.

   We are regularly monitoring and evaluating our initiatives through a set of determined Key Performance Indicators ("KPIs") in order to assess our impact. A positive trend has been observed through the CSR initiatives, in that there has been a steady increase in the number of people being benefitted.

   For certain initiatives, we have also conducted a social impact assessment survey with the key stakeholders.

3. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   A total contribution of ₹ 203.81 Lakh was made in FY 2015-16 towards our CSR initiatives.

4. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words.

   Our belief is that in order to truly benefit a community we should help make it sustainable. One of our unique initiatives to help build this is to develop 'focus villages' aimed at the total transformation of a number of villages in proximity to our plants. Making of a 'focus village' entails ensuring self-reliance in all aspects viz., education, health care and family welfare, infrastructure, agriculture and watershed management and working towards sustainable livelihood patterns. Fundamentally, ensuring that their development reaches a stage wherein village committees take over the complete responsibility and our teams become dispensable.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

ABFRL recognises its position as an influencer of public choice and values, and therefore ensures 'responsible advertising', by eliminating bias, being political neutral and minimising ambiguity.

The Company has created strong competencies around Brand building, Product Positioning and communicating the Brand USP to the potential customer segments.

1. What Percentage of customer complaints/ consumer cases are pending as on the end of financial year 2015-16?

   None Pending. ABFRL strives to ensure all customer complaints are appropriately addressed to the satisfaction of its consumers. On several occasions, we have gone beyond the required response, to ensure our consumers' needs were met with.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information).

   Yes. Beyond the label requirements mandated by local laws, all apparel product labels also include information on raw materials utilised. Further, instructions for wash and care are included to maintain durability of the products.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as of end of FY 2015-16?

   No complaints received and none pending.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   A number of initiatives have been launched to make the customer the centre of focus in the Company. The recently launched 'Mission Happiness' aims to deliver a positive and uniform customer experience across all outlets. Through an electronic interface, the consumer can provide a detailed feedback is captured and rate their in-store experience. This feedback is rigorously monitored, and training is imparted to the employees to decode and respond to it. This initiative issupported by CRM initiatives such as Loyalty Cards, complaint resolution mechanism and training of retail sales staff.

   Further, for generating consumer feedback, ABFRL uses multiple data collection and research methodologies like Top down BEI, CVP and Mission Happiness.ABFRL's 'Epic Centre' has been started as a means of positively leveraging social media to manage brand image.

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Fashion and Retail Limited ("the Company") (formerly Pantaloons Fashion & Retail Limited), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the branch's financial statements for the year ended on that date audited by the branch auditors of the Company's branches at Bengaluru.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The report on the accounts of the branch offices of the Company, audited under Section 143(8) of the Act by the branch auditor, has been sent to us and have been properly dealt by us in preparing this report;
   (d) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the audited financial statements received from branches;
   (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
   (f) On the basis of written representations received from the Directors, as on March 31, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from being appointed as a Director in terms of Section 164(2) of the Act;
   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (h) With respect to the Other Matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Other Matters

The accompanying financial statements include total assets of Rs.184,996 lakh as at March 31, 2016, and total revenues and profit before tax of Rs.391,118 lakh and Rs.21,935 lakh, respectively for the year ended on that date, in respect of two branches, which have been audited by the branch auditors, which financial statements, other financial information and auditor's reports have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vijay Maniar
Partner
Membership No.: 36738

Place: Bengaluru
Date: 25th May, 2016

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

(i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i)(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company except for the following immovable properties other than self-constructed buildings aggregating to Rs.605 lakhs which are held in the name of the demerged companies and is in the process of being transferred to the Company (refer Note 32 to the financial statements).

Total Number of Cases	Asset Category	Amount as at 31 March 2016 (Rs.in lakhs)	Remarks
12	Freehold Land	592	Title deeds are in the names of the companies whose divisions got merged with the Company and are pending to be transferred in the name of the Company.
1	Building (Flat)	13	Title deeds are in the names of the companies whose divisions got merged with the Company and are pending to be transferred in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted, in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013, are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Clause 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii)(a) Undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, excise duty, income tax, sales tax, wealth tax, service tax, customs duty, value added tax, cess and other material statutory dues, have generally been regularly deposited with the appropriate authorities.

(vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, value added tax, excise duty, customs duty, cess and other material statutory dues

were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(c) According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, duty of custom, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount Involved (in Rs.)	Period to which the Amount Relates	Forum where Dispute is Pending
Central Excise Act	Excise Duty	21,121,944	1.05.2001 to 30.04.2003	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Orissa Sales Tax Act	Sales Tax	81,000	2002-03	Assistant Commissioner of Commercial Taxes, Bhubaneswar
Orissa Entry tax	Entry Tax	32,000	2002-03	Assistant Commissioner of Commercial Taxes, Bhubaneswar
Kerala General Sales Tax Act	Kerala Sales Tax	68,000	2004-05	Kerala Sales Tax Appellate Tribunal, Ernakulam
Karnataka Tax on Entry of Goods Act	Entry Tax	221,000	2002-03 to 2004-05	Joint Commissioner of Commercial Taxes - Appeal-1
West Bengal Sales Tax	Sales Tax	121,000	2005-06	Asst. Commissioner of Commercial Taxes
Textile Committee Act	Textile Cess	13,266,000	1981-99	Textile Committee Cess Appellate Tribunal, Mumbai
		8,130,669	1999-05	Assessing Officer - Textiles Committee, Coimbatore
Karnataka Sales Tax	Sales Tax	341,445	2005-07	JCCT - Appeals
		48,287,594	2011-12	Hon'ble High Court, Karnataka
Central Sales Tax Act Tax	Central Sales	161,000	2006-07	The Appellate Deputy Commissioner (CT), Secunderabad Division
Uttar Pradesh Commercial Tax	Value Added Tax	72,556,564	2009-10, 2010-11 and 2011-12	DCCT, Uttar Pradesh
Uttar Pradesh-Value Added Tax	Value Added Tax	41,101,963	2008-09	DCCT, Uttar Pradesh
Custom Duty	Custom Duty	40,800,000	1998-99	Hon'ble High Court, Karnataka
Karnataka - Value Added Tax	Value Added Tax	817,012	2008-09	Deputy Commissioner of Commercial Taxes, Bengaluru
Madhya Pradesh - Value Added Tax	Value Added Tax	236,400	2013-14	Commercial Tax Department

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The Company has not taken any loans or borrowings from the government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments. The monies raised by way of term loans were applied for the purposes for which those were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of Clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vijay Maniar
Partner
Membership No.: 36738

Place: Bengaluru
Date: 25th May, 2016

Annexure 2 referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the financial statements of Aditya Birla Fashion and Retail Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Aditya Birla Fashion and Retail Limited

We have audited the internal financial controls over financial reporting of Aditya Birla Fashion and Retail Limited ("the Company") (formerly Pantaloons Fashion & Retail Limited) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorisations of management and directors of the company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory Paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 25, 2016, expressed an unqualified opinion thereon.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vijay Maniar
Partner
Membership No.: 36738

Place: Bengaluru
Date: 25th May, 2016

ADITYA BIRLA FASHION AND RETAIL LIMITED (formerly known as Pantaloons Fashion & Retail Limited)
BALANCE SHEET AS AT 31ST MARCH, 2016

Rs. in Lakhs

	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
Share Capital	2	**76,935**	9,330
Share Suspense Account	2A	**378**	-
Reserves and Surplus	3	**17,057**	25,227
Sub-Total - (A)		**94,370**	34,557
B. Non-Current Liabilities			
Long-term Borrowings	4A	**67,664**	93,750
Other Long-term Liabilities	5A	**10,043**	5,411
Long-term Provisions	7A	**822**	656
Sub-Total - (B)		**78,529**	99,817
C. Current Liabilities			
Short-term Borrowings	4B	**79,927**	29,813
Trade Payables	6		
Total outstanding dues of micro and small enterprises		**149**	-
Total outstanding dues of creditors other than micro and small enterprises		**143,525**	31,140
Other Current Liabilities	5B	**57,799**	17,354
Short-term Provisions	7B	**7,545**	1,564
Sub-Total - (C)		**288,945**	79,871
TOTAL (A) + (B) + (C)		**461,844**	214,245
ASSETS			
D. Non-Current Assets			
Fixed Assets			
Tangible Assets	8A	**48,219**	37,489
Intangible Assets	8B	**183,952**	120,446
Capital Work-in-Progress		**2,535**	377
Deferred Tax Assets (Net)	37	**-**	-
Loans and Advances	9A	**27,096**	8,161
Other Non-Current Assets	10A	**108**	-
Sub-Total - (D)		**261,910**	166,473
E. Current Assets			
Inventories	11	**138,810**	42,733
Trade Receivables	12	**39,094**	707
Cash and Bank Balances	13	**2,032**	720
Loans and Advances	9B	**17,541**	2,638
Other Current Assets	10B	**2,457**	974
Sub-Total - (E)		**199,934**	47,772
TOTAL (D) + (E)		**461,844**	214,245

Summary of Significant Accounting Policies 2.1

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Reg. No.: 324982E / E300003
Chartered Accountants

per Vijay Maniar
Partner
Membership No.: 36738

Place: Bengaluru
Date: 25th May, 2016

For and on behalf of Board of Directors of
Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited)

Pranab Barua
(Managing Director)
(DIN: 00230152)

Sukanya Kripalu
(Director)
(DIN: 06994202)

Arun Thiagarajan
(Director)
(DIN: 00292757)

S. Visvanathan
(Chief Financial Officer)

Geetika Anand
(Company Secretary)
Membership No.: ACS 23228

Place: Bengaluru
Date: 25th May, 2016

ADITYA BIRLA FASHION AND RETAIL LIMITED (formerly known as Pantaloons Fashion & Retail Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Rs. in Lakhs

	Notes	Year Ended 31st March, 2016	Year Ended 31st March, 2015
INCOME			
Revenue from Operations (Gross)	14	**606,071**	185,073
Less: Excise Duty		**66**	-
Revenue from Operations (Net)		**606,005**	185,073
Other Income	15	**1,195**	278
Total Revenue (I)		**607,200**	185,351
EXPENSES			
Cost of Raw Materials and Components Consumed	16	**63,922**	16
Purchase of Traded Goods	17	**234,790**	106,482
(Increase) / Decrease in Inventory of Finished Goods, Traded Goods and Work-in-Progress	18	**(23,221)**	(6,442)
Employee Benefits Expense	19	**59,689**	18,369
Other Expenses	20	**231,144**	59,378
Total Expenses (II)		**566,324**	177,803
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (I) - (II)		**40,876**	7,548
Depreciation and Amortisation Expense (Refer Note: 40)	21	**33,803**	18,345
Finance Costs	22	**17,487**	12,017
(Loss) / Profit Before Tax		**(10,414)**	(22,814)
Tax Expenses			
- Current Tax		**-**	-
- Deferred Tax		**-**	-
Total Tax Expense		**-**	-
(Loss) / Profit for the Year		**(10,414)**	(22,814)
Earnings Per Equity Share [nominal value of share Rs. 10 (31st March, 2015 Rs.10)]			
Basic in Rs. Per Share		**(1.35)**	(24.59)
Diluted in Rs. Per Share	23	**(1.35)**	(24.59)
Summary of Significant Accounting Policies	2.1		

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Reg. No.: 324982E / E300003
Chartered Accountants

per Vijay Maniar
Partner
Membership No.: 36738

Place: Bengaluru
Date: 25th May, 2016

For and on behalf of Board of Directors of
Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited)

Pranab Barua
(Managing Director)
(DIN: 00230152)

Sukanya Kripalu
(Director)
(DIN: 06994202)

Arun Thiagarajan
(Director)
(DIN: 00292757)

S. Visvanathan
(Chief Financial Officer)

Geetika Anand
(Company Secretary)
Membership No.: ACS 23228

Place: Bengaluru
Date: 25th May, 2016

ADITYA BIRLA FASHION AND RETAIL LIMITED (formerly known as Pantaloons Fashion & Retail Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Rs. in Lakhs

		Year Ended 31st March, 2016	Year Ended 31st March, 2015
A.	**Cash flow from operating activities**		
	Loss before tax	**(10,414)**	(22,814)
	Adjustments to Reconcile Profit Before Tax to Net Cash Flows:		
	Depreciation / Amortisation	**33,803**	18,345
	(Profit) / Loss on Sale of Plant, Property and Equipment	**92**	59
	Employee Stock Compensation Expense	**64**	67
	Net (Gain) / Loss on Sale of Current Investment	**(294)**	(152)
	Interest Expense	**17,487**	12,017
	Interest Income	**(611)**	-
	Operating Profit Before Working Capital Changes	**40,127**	7,522
	Movements in Working Capital:		
	Increase / (Decrease) in Trade Payables	**112,534**	(6,418)
	Increase / (Decrease) in Provisions	**6,147**	682
	Increase / (Decrease) in Other Liabilities	**15,389**	1,563
	Decrease / (Increase) in Trade Receivables	**(38,387)**	1,353
	Decrease / (Increase) in Inventories	**(96,077)**	(6,898)
	Decrease / (Increase) in Loans and Advances	**(32,876)**	(1,209)
	Decrease / (Increase) in Other Current Assets	**(1,554)**	(34)
	Cash Generated From / (Used in) Operations	**5,303**	(3,439)
	Direct Taxes Paid (Net of refunds)	**(190)**	(152)
	Net Cash Flow From / (Used in) Operating Activities (A)	**5,113**	(3,591)
B.	**Cash Flows from Investing Activities**		
	Purchase of Fixed Assets including CWIP and Capital Advances	**(111,042)**	(11,630)
	Proceeds from Sale of Fixed Assets	**266**	-
	Purchase of Current Investments	**(1,390)**	(66,828)
	Proceeds from Sale / Maturity of Current Investments	**1,390**	67,428
	Investments in Bank Deposits (having original maturity of more than three months)	**(37)**	-
	Interest Received	**611**	-
	Net (Gain) / Loss on Sale of Current Investment	**294**	152
	Net Cash Flow from / (Used in) Investing Activities (B)	**(109,908)**	(10,879)
C.	**Cash Flows from Financing Activities**		
	Proceeds from Issuance of Equity Share Capital	**11**	-
	Proceeds from Issuance of Equity Share Capital	**67,605**	-
	Proceeds from Share Suspense Account	**378**	-
	Proceeds from Long Term Borrowings	**6,275**	-
	Repayment of Long Term Borrowings	**(2,521)**	(3,750)
	Proceeds from Short Term Borrowings	**57,614**	82,000
	Repayment of Short Term Borrowings	**(7,500)**	(52,233)
	Interest Paid	**(17,639)**	(11,909)
	Net Cash Flow from / (Used in) Financing Activities (C)	**104,223**	14,108
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**(572)**	(362)
	Cash and Cash Equivalents at the beginning of the year	**720**	1,082
	Cash Taken Over on Demerger (Refer Note: 32)	**1,884**	-
	Cash and Cash Equivalents at the end of the year	**2,032**	720
	Components of Cash and Cash Equivalents		
	Cash on Hand	**528**	391
	Cheques on Hand	**105**	-
	With Banks - in Current Account	**1,036**	155
	Deposit Accounts (with original maturity more than 3 months)	**18**	-
	Balance with Credit Card Company	**345**	174
	Total Cash and Cash Equivalents (Note 14)	**2,032**	720
	Summary of Significant Accounting Policies 2.1		

As per our report of even date

For S R B C & CO LLP
ICAI Firm Reg. No.: 324982E / E300003
Chartered Accountants

per Vijay Maniar
Partner
Membership No.: 36738

Place: Bengaluru
Date: 25th May, 2016

For and on behalf of Board of Directors of
Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited)

Pranab Barua (Managing Director) (DIN: 00230152)

Sukanya Kripalu (Director) (DIN: 06994202)

Arun Thiagarajan (Director) (DIN: 00292757)

S. Visvanathan (Chief Financial Officer)

Geetika Anand (Company Secretary) Membership No.: ACS 23228

Place: Bengaluru
Date: 25th May, 2016

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Aditya Birla Fashion and Retail Limited (Formerly Pantaloons Fashion & Retail Limited) (the 'Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

In the year ended March 31, 2016, the Hon'ble High Court of Judicature at Bombay, vide Order dated 5th December, 2015, and the Hon'ble High Court of Gujarat at Ahmedabad, vide order dated 23rd October, 2015, have approved the Composite Scheme of Arrangement between the Company, Pantaloons Fashion & Retail Limited (PFRL) and Aditya Birla Nuvo Limited (ABNL) (with respect to its Madura Undertaking), Madura Garments Lifestyle and Retail Company Limited (MGLRCL) (with respect to its MGL Retail Undertaking), together known as the "demerged undertakings", and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956 ["Composite Scheme"]. The appointed date of the scheme is 1st April, 2015. Pursuant to this scheme, the name of the Company has changed from Pantaloons Fashion & Retail Limited to Aditya Birla Fashion and Retail Limited.

The Company operates a national chain of "Pantaloons" stores of apparels and fashion accessories. The demerged undertakings taken over are engaged in the business of manufacturing and retailing of branded apparels.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for sale and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) USE OF ESTIMATES

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

(II) TANGIBLE FIXED ASSETS

Tangible Fixed Assets and capital Work-in-Progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The Company identifies and determines the cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Tangible fixed assets held for sale are valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the Statement of Profit and Loss.

(III) DEPRECIATION ON TANGIBLE FIXED ASSETS

Depreciation on tangible fixed assets is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management.

During the year, the Company, with respect to its "Pantaloons" business, has reassessed the useful life of leasehold improvements and immovable fixtures from the period of lease to six years as the same better reflects the expected usage of such assets.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its tangible fixed assets:

A: Assets where useful life is same as Schedule II

Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
Factory Buildings	30 Years
Fences, Wells, Tube wells	5 Years
Borewell (Pipes, Tubes and Other Fittings)	5 Years
Other Office Equipment	5 Years
Electrical Installations and Equipment (At factory)	10 Years

B: Assets where useful life differ from Schedule II:

Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Other than Continuous Process Plant (Single Shift)	15 Years	20 Years
Plant & Machinery - Show Room	15 Years	5 – 6 Years
Furniture and Fittings - Show Room	10 Years	5 – 6 Years
Motor Cycles, Scooters and other Mopeds	10 Years	4 – 5 Years
Motor Buses, Motor Lorries and Motor Cars other than those used in a business of running them on hire	6 Years for Motor Cars and 8 Years for Motor Buses, Motor Lorries	5 Years
Servers, End-user devices, such as Desktops, Laptops, etc.	3 Years - End-user Devices and 6 Years - Servers	4 Years
Furniture and Fittings	10 Years	7 Years
Office Electrical Equipment	5 Years	4 Years
Electrically operated Vehicles including battery powered or fuel cell powered vehicles	8 Years	5 Years

Useful life of assets different from prescribed in Schedule II has been estimated by the management, supported by technical assessment.

Leasehold Assets	
Leasehold Land	Period of Lease
Leasehold Improvements	5 to 6 Years

Fixed Assets, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase. Depreciation on the Fixed Assets, added/disposed off/discarded during the year, is provided on *pro-rata* basis with reference to the month of addition/disposal/discarding.

The residual values, useful lives and methods of depreciation of tangible fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(IV) INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

A summary of amortisation policies applied to the Company's intangible assets is as below:

Block of Assets	Rates
Computer Software	33.33% - 3 Years
Goodwill arising on acquisition of business division through demerger	Not being amortised (Tested for Impairment)
Brands/Trade Marks	10% - 10 Years

(V) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

(VI) BORROWING COSTS

Borrowing Costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

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

(VII) FOREIGN CURRENCY TRANSLATION

Foreign currency transactions and balances:

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

(VIII) INVESTMENTS

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

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(IX) INVENTORIES

Raw materials, components, stores and spares and packing material are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Traded goods, work-in-progress, finished goods and stock-in-trade are valued at cost or net realisable value, whichever is lower. Finished goods, stock-in trade and work-in-progress include costs of conversion and other costs incurred to bring them to their present location and condition. Cost is determined based on weighted-average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete, defective and unserviceable inventory are duly provided for.

(X) GOVERNMENT GRANTS

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific Tangible / Intangible Assets are reduced from the gross value of the respective Tangible / Intangible Assets. Other capital grants in the nature of promoter's contribution are credited to capital reserve.

(XI) REVENUE RECOGNITION

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

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

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

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

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

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

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

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

(XII) EMPLOYEE BENEFITS

(i) Short-term Employee Benefits

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

(ii) Retirement and Other Employee Benefits

A) Defined Contribution Plan

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

B) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses

are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

C) Compensated absences and Long-term Service Awards

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

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

(XIII) INCOME TAXES

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

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

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

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

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

At each Balance Sheet date the Company reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

(XIV) OPERATING LEASES

Where the Company is the Lessee:

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over five to six years or the lease period, whichever is shorter.

In the current year, the Company, with respect to its "Pantaloons" stores, has changed its estimate of using the premises on lease for the period of 6 years instead of erstwhile lease period, hence the lease rentals have been straight-lined for a period of 6 years.

Where the Company is the Lessor:

Leases, in which the Company does not transfer substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Assets subject to operating leases are included in tangible fixed assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs, such as legal costs, brokerage costs, etc., are recognised immediately in the Statement of Profit and Loss.

(XV) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash on hand and cash at bank, including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less.

(XVI) CASH FLOW STATEMENT

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

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

(XVII) EARNINGS PER SHARE

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

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

(XVIII) CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

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

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.

(XIX) EMPLOYEE STOCK COMPENSATION COST

The stock options granted are accounted for as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period, and is recognised in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

In respect of re-pricing of existing stock options, the incremental intrinsic value of the options is accounted as employee cost over the remaining vesting period.

The deferred employee compensation is charged to the Statement of Profit and Loss on straightline basis over the vesting period of the option. In case of forfeiture, stock option which is not vested, amortised portion is

reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employees Stock Options Outstanding Account are transferred to the General Reserve.

Stock appreciation rights (SAR) granted to employees under the Cash-settled Employee Share-based Payment Plan is recognised based on intrinsic value method. Intrinsic value of the SAR's is determined as excess of closing market price on the reporting date over the exercise price of the unit, and is charged as employee benefit expense over the vesting period in accordance with the "Guidance Note on Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India.

(XX) MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTISATION, INTEREST AND TAX (PBDIT)

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

(XXI) SEGMENT REPORTING

Identification of Segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment Transfers

The Company generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

Allocation of Common Costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated Items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 2		
SHARE CAPITAL		
Authorised Shares:		
1,000,000,000 (31st March, 2015: 150,000,000) Equity Shares of Rs. 10/- each	**100,000**	15,000
10,000,000 (31st March, 2015: 10,000,000) 8% Redeemable Cumulative Preference Shares of Rs. 10/- each	**1,000**	1,000
15,000 (31st March, 2015: 15,000) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	**15**	15
	101,015	16,015
Issued, Subscribed and Fully Paid-up Shares:		
Equity Share Capital		
768,842,726 (31st March, 2015: 92,793,529) Equity Shares of Rs. 10/- each	**76,884**	9,279
(A)	**76,884**	9,279
Preference Share Capital		
500,000 (31st March, 2015: 500,000) 8% Redeemable Cumulative Preference Shares of Rs. 10/- each	**50**	50
500 (31st March, 2015: 500) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	**1**	1
(B)	**51**	51
Total Issued, Subscribed and Fully Paid-up Share Capital (A) + (B)	**76,935**	9,330

(a) Reconciliation of the Paid-up Shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	**Amount**	No. of Shares	Amount
At the beginning of the period	**92,793,529**	**9,279**	92,793,529	9,279
Issued during the period - Scheme of Demerger (Refer Note: 32)	**676,037,600**	**67,604**	-	-
Issued during the period - ESOP	**11,597**	**1**	-	-
Outstanding at the end of the year	**768,842,726**	**76,884**	92,793,529	9,279

Issued during the year includes:

(i) Allotted 676,037,600 Equity Shares of Rs. 10/- each, without payment being received in cash as per the Share Entitlement Ratio under the Scheme of Demerger.

(ii) Allotted 11,597 Equity Shares of Rs. 10/- each, pursuant to the exercise of stock options in terms of the Employee Stock Options Scheme-2013.

8% Redeemable Cumulative Preference Shares of Rs. 10/- each

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	**Amount**	No. of Shares	Amount
At the beginning of the period	**500,000**	**50**	500,000	50
Outstanding at the end of the period	**500,000**	**50**	500,000	50

6% Redeemable Cumulative Preference Shares of Rs. 100/- each

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	**Amount**	No. of Shares	Amount
At the beginning of the period	**500**	**1**	500	1
Outstanding at the end of the period	**500**	**1**	500	1

(b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having face value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c. Terms of Conversion/Redemption of Preference Shares

500,000 8% Redeemable Cumulative Preference Shares of Rs. 10/- each fully paid-up (31st March, 2015: 500,000).

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

500 6% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid-up (31st March, 2015: 500).

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

d. Shares Held by Holding / Ultimate Holding Company and / or their Subsidiaries / Associates

Out of equity and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
Indigold Trade and Services Limited and its nominees Nil (31st March, 2015: 67,390,782) Equity Shares of Rs. 10/- each fully paid-up	**-**	6,739
Aditya Birla Nuvo Limited# (31st March, 2015: 500,000) 8% Redeemable Cumulative Preference Shares of Rs. 10/- each	**-**	50

Pursuant to the scheme of demerger, Aditya Birla Nuvo Limited is no longer the ultimate holding company and Indigold Trade and Services Limited is no longer the holding company (Refer Note: 32).

e. Details of Shareholders holding more than 5% Shares in the Company

Number of shares held by each shareholder in excess of 5% based on the shares held on the Balance Sheet date:

Name of Shareholder	**As at 31st March, 2016**		As at 31st March, 2015	
	No. of Shares	**% Holding in Class**	No. of Shares	% Holding in Class
i) Equity Shares				
Indigold Trade and Services Limited and its nominees	**-**	**0.00%**	67,390,782	72.62%
Future Corporate Resources Limited	**-**	**0.00%**	12,986,985	14.00%
IGH Holdings Private Limited	**85,030,930**	**11.06%**	-	0.00%
TGS Investment And Trade Private Limited	**70,235,027**	**9.14%**	-	0.00%
Aditya Birla Nuvo Limited	**69,982,370**	**9.10%**	-	0.00%
Umang Commercial Company Private Limited	**64,972,778**	**8.45%**	-	0.00%
Trapti Trading And Investments Private Limited	**49,004,462**	**6.37%**	-	0.00%
Hindalco Industries Limited	**44,982,142**	**5.85%**	-	0.00%
ii) 8% Redeemable Cumulative Preference Shares of Rs. 10/- each				
Aditya Birla Nuvo Limited	**500,000**	**100%**	500,000	100%

Name of Shareholder	As at 31st March, 2016 No. of Shares	% Holding in Class	As at 31st March, 2015 No. of Shares	% Holding in Class
iii) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each				
Naman Finance & Investment Private Limited	**250**	**50%**	250	50%
Infocyber (India) Private Limited	**250**	**50%**	250	50%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

f. Aggregate Number of Shares Issued for consideration other than cash:

Name of Shareholder	As at 31st March, 2016	As at 31st March, 2015
i) Equity Shares	**No. of Shares**	No. of Shares
Equity Shares allotted as fully paid-up pursuant to demerger contracts for consideration other than cash	**676,037,600**	-

g. Shares Reserved for issue under Options

For details of shares reserved for issue under the employee stock options (ESOP) plan of the Company, please refer Note:34.

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 2A		
SHARE SUSPENSE ACCOUNT		
3,782,178 Equity Shares of Rs. 10/- each, fully paid up, to be issued pursuant to the Scheme of Demerger (Refer Note: 32), which are held in abeyance	**378**	-
	378	**-**
NOTE: 3		
RESERVES AND SURPLUS		
1) Capital Reserve		
Balance as per the last Financial Statements	**-**	-
Add: Taken over pursuant to the Scheme of Arrangement (Refer Note: 32)	**2,169**	-
	2,169	-
2) Hedging Reserve		
Balance as per the last Financial Statements	**-**	-
Add: Taken over pursuant to the Scheme of Arrangement (Refer Note: 32)	**2**	-
Add: Gain / (Loss) recognised during the year (net)	**(24)**	-
Less: Gain / (Loss) recycled to the Statement of Profit and Loss (Net)	**22**	-
	-	-
3) Securities Premium Account		
Balance as per the last Financial Statements	**75,137**	75,137
Add : Premium on issue of shares	**11**	-
	75,148	75,137
4) Employee Stock Options Outstanding (Refer Note: 34)		
Balance as per the last Financial Statements	**100**	33
Add: Gross compensation for options granted during the year	**64**	67
	164	100
5) Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	**(50,010)**	(26,553)
(Loss) / Profit for the year	**(10,414)**	(22,814)
Less: Depreciation Adjustment (Refer Note: 40)	**-**	(643)
	(60,424)	(50,010)
Total Reserves and Surplus	**17,057**	25,227

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 4A		
LONG-TERM BORROWINGS		
SECURED		
Rupee Term Loans from Banks**	**53,614**	63,750
External Commercial Borrowings#	**4,050**	-
** All the loans pertaining to Madura Undertaking are transferred from Aditya Birla Nuvo Ltd (ABNL) as per the Scheme of Demerger of Madura Undertaking of Aditya Birla Nuvo Limited and MGL Retail Undertaking of Madura Garments Lifestyle Retail Company Limited, pursuant to the court order dated 23rd October, 2015 and 5th December, 2015. (Refer Note: 32)		
# The foreign currency loans from Banks aggregating to Rs. 11,689 lakh were transferred from ABNL pursuant to the Scheme of Demerger. The Company is in the process of getting name updated in the Bank's records. (Refer Note: 32)		
UNSECURED		
Non-Convertible Debentures:		
2,000, (31st March, 2015: 2,000) 9.25% Unsecured Redeemable Non-Convertible Debentures (FV of Rs. 1,000,000/- each for cash at par)	**-**	20,000
1,000, (31st March, 2015: 1,000) 9.20% Unsecured Redeemable Non-Convertible Debentures (FV of Rs. 1,000,000/- each for cash at par)	**10,000**	10,000
	67,664	93,750
The above amount includes:		
Secured Borrowings	**57,664**	63,750
Unsecured Borrowings	**10,000**	30,000
	67,664	93,750
NOTE: 4B		
SHORT-TERM BORROWINGS		
Cash Credit from Banks	**13,568**	15
8.75% - 8.90% Commercial Papers repayable between 2 and 3 months (unsecured)*	**54,359**	19,798
6.1% Loan repayable on demand from HSBC Bank	**2,000**	-
9.35% Loan from Bank repayable within one year (Unsecured)	**10,000**	-
9.5% Loan from Non-Banking Financial Institutions repayable within one year (Unsecured)	**-**	10,000
	79,927	29,813
The above amount includes:		
Secured Borrowings	**13,568**	15
Unsecured Borrowings	**66,359**	29,798
	79,927	29,813

*Commercial Papers are shown net of unamortised discounting charges

Rs. in Lakhs

		As at 31st March, 2016 Current	As at 31st March, 2016 Non-Current	As at 31st March, 2015 Current	As at 31st March, 2015 Non-Current
NOTE: 4C					
SECURED LONG-TERM BORROWINGS					
A)	**TERM LOAN FROM BANKS**				
i)	First *pari passu* charge on present and future movable and immovable Fixed Assets Second *pari passu* on current assets. Repayment Terms: 8 years, including a moratorium of 1 Year. Starting from Q1 FY 14.	**4,500**	**21,000**	4,500	24,000
ii)	First *pari passu* charge on the entire Fixed Assets, both present and future, with all other term lenders, First *pari passu* charge on long-term lease deposits, both present and future, with all other term lenders. Second *pari passu* charge on all current assets both present and future. Repayment Terms: 8 years, including a moratorium of 1 Year. Starting from Q1 FY 14.	**6,750**	**31,500**	3,000	39,750
iii)	Term Loan secured by way of first *pari passu* charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Kasaba Hobli, Karnataka and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 17 half-yearly instalments from 29th December, 2008. First four instalments of Rs. 16 Lakh each, next 4 instalments of Rs. 32 Lakh each, next 4 instalments of Rs. 96 Lakh each and next 5 instalments of Rs. 205 Lakh each. Rate of Interest: 5 years GOI + 140bps with annual rest (9.44% p.a.).	**410**	**-**	-	-
iv)	Term Loan secured by way of first *pari passu* charge created by hypothecation of movable fixed assets of the Company's Madura Garment Export Plant at Kasaba Hobli, Karnataka. Repayment Terms: 32 quarterly instalments from 1st January 2010. 1st instalment of Rs. 16 Lakh, next four instalments of Rs. 4 Lakh each, next 8 instalments of Rs. 8 Lakh each, next 8 instalments of Rs. 24 Lakh each, next 8 instalments of Rs. 51.25 Lakh each and next 3 instalments of Rs. 34 Lakh each. Rate of Interest: IDBI PLR - 265 bps (11.60% p.a.).	**154**	**102**	-	-
v)	Term Loan secured by way of first *pari passu* charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 16 half-yearly instalments from 27th September, 2009. First four instalments of Rs. 4 Lakh each, next 4 instalments of Rs. 8 Lakh each, next 4 instalments of Rs. 24 Lakh each and next 4 instalments of Rs. 64 Lakh each. Rate of Interest: 11.85% p.a.	**102**	**51**	-	-

Rs. in Lakhs

		As at 31st March, 2016		As at 31st March, 2015	
		Current	**Non-Current**	Current	Non-Current
vi)	Term Loan secured by way of first *pari passu* charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 17 half-yearly instalments from 4th September 2010. First four instalments of Rs. 12 Lakh each, next 4 instalments of Rs. 24 Lakh each, next 4 instalments of Rs. 72 Lakh each and next 5 instalments of Rs. 153.6 Lakh each. Rate of Interest: 10 year GOI + 275 bps with annual reset (10.456% p.a.).	**307**	**461**	-	-
vii)	Term Loan secured by way of first *pari passu* charge on movable assets of the units CCL and FCL(# 527 & # 324) Marasur Village, Karnataka. Repayment Terms: From 3rd year of disbursement, first four quarterly instalments with 2% of the total loan amount, next 4 quarterly instalments will be 2.5% of the total loan amount, next 4 quarterly instalments will be 3% of the total loan amount, next four quarterly instalments will be 4% of total loan amount and balance 5 quarterly instalments will be 10.08% of the total loan amount. Rate of Interest: HDFC Bank base rate + 20bps to be reset annually from the first draw down. Present rate is 9.50% p.a.	**-**	**500**	-	-
viii)	External Commercial Borrowings Secured by way of first *pari passu* charge created by hypothecation of all movable assets of Indo Gulf Fertiliser Division of ABNL situated at Jagdishpur, Uttar Pradesh. Rate of Interest: 1M USD Libor + 0.94. Present swap rate is 7.94% p.a. Repayment Terms: Bullet repayment on 16th May, 2017.	**-**	**3,131**	-	-
ix)	External Commercial Borrowings Secured by way of first *pari passu* charge created by hypothecation of the movable assets, including its movable plant and machinery, machinery spares, tools and accessories and other movables, situated at Rayon Plant of ABNL at Veraval and Textile Plant of ABNL at Rishra. Rate of Interest: 3M JPY Libor + 0.875. Present swap rate is 8.90% p.a. Repayment Terms: Repayment in three equal annual tranches starting from 12th January, 2016	**920**	**920**	-	-
x)	External Commercial Borrowings Unsecured. Rate of Interest: 1M USD Libor + 0.94. Present swap rate is 7.30% p.a. Repayment Terms: Bullet repayment on 24th August, 2016.	**4,198**	**-**	-	-
	Total of Term Loans from Banks	**17,340**	**57,664**	7,500	63,750

Rs. in Lakhs

	As at 31st March, 2016		As at 31st March, 2015	
	Current	**Non-Current**	Current	Non-Current
B) UNSECURED LONG-TERM BORROWINGS:				
Unsecured Redeemable Non-Convertible Debentures:				
Unsecured Redeemable Non-Convertible Debentures - Series 1 shall be redeemed on May 7th, 2016 at face value. The debentures are unsecured and bear interest at 9.25% p.a. payable annually.	**20,000**	**-**	-	20,000
Unsecured Redeemable Non-Convertible Debentures - Series 2 shall be redeemed on May 22nd, 2018 at face value. The debentures are unsecured and bear interest at 9.20% p.a. payable annually.	**-**	**10,000**	-	10,000
	20,000	**10,000**	-	30,000

C) SHORT-TERM BORROWINGS:

(i) Cash Credit is repayable on demand and is secured against first *pari passu* charge on all current assets both present and future, on *pari passu* with all other lenders (existing and future). Cash Credit carries an interest rate of 9.65% to 10% p.a.

(ii) 8.32% to 8.80% p.a. Commercial Papers repayable between 2 and 3 months (unsecured)

(iii) 9.35% p.a. Loan from HDFC Bank repayable within one year (unsecured)

(iv) 6.1% p.a. Loan from Bank repayable on demand (unsecured)

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 5A		
OTHER LONG-TERM LIABILITIES		
Deposits	**7,245**	21
Liability for Rent Straight-Lining	**2,798**	5,390
	10,043	5,411
NOTE: 5B		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Borrowings (Note: 4C)	**37,340**	7,500
Other Payables		
Liability for Gift Vouchers/Point Award Redemptions	**1,484**	1,612
Interest Accrued but not Due on Borrowings	**3,116**	3,268
Advance from Customers	**1,480**	376
Book Overdraft	**2**	-
Payables for Capital Expenditure	**2,771**	2,968
Statutory Dues	**3,796**	688
Deposits	**5,319**	-
Forward Contract Liability	**318**	-
Liability for Rent Straight-Lining	**2,173**	942
	57,799	17,354

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 6		
TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	**149**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note below for details of dues to Micro and Small Enterprises)	**143,525**	31,140
	143,674	31,140

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal Amount Due to Micro & Small Enterprises	**149**	-
	Interest Due on above	**-**	-
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**-**	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

The Company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at Balance Sheet date.

NOTE: 7A		
LONG-TERM PROVISIONS		
Provisions for Employee Benefits:		
Provision for Gratuity (Refer Note: 33)	**760**	645
Provision for Stock Appreciation Rights (SAR)	**62**	11
	822	656
NOTE: 7B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits		
Provision for Leave Encashment	**6,246**	1,525
Provision for Gratuity (Refer Note: 33)	**352**	39
Other Short-term Provisions (AS-29)*	**947**	-
	7,545	1,564

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
***Additional disclosure as per Accounting Standard-29 "Provisions, Contingent Liabilities and Contingent Assets"**		
A. Customer Loyalty Programme		
Opening Balance	-	-
Addition pursuant to the scheme of arrangement	**1,234**	-
Arising during the year	**4,211**	-
Utilised	**(4,498)**	-
Unused Amounts Reversed	-	-
Closing Balance	**947**	-
Long-term	-	-
Short-term	**947**	-
	947	-

Customer Relationship Management Loyalty Programmes are the schemes designed with an intention to retain the existing customers and attract new customers by rewarding a customer for his loyalty and patronage. It is expected that this provision will be utilised within one year.

NOTE: 8A
TANGIBLE ASSETS

Rs. in Lakhs

	Freehold Land	Freehold Buildings	Plant & Equipment	Leasehold Improvements	Computers	Furniture & Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block									
As at 1st April, 2014	-	-	523	14,546	2,252	35,992	25,059	281	**78,653**
Additions	-	-	74	1,497	1,507	5,437	3,382	56	**11,954**
Deletions	-	-	19	392	89	1,144	581	-	**2,226**
As at 31st March, 2015	**-**	**-**	**578**	**15,651**	**3,670**	**40,285**	**27,860**	**337**	**88,381**
Additions / Adjustments	-	20	1,579	2,436	2,405	8,596	2,994	265	**18,295**
Deletions	-	13	868	1,768	1,566	8,845	3,212	219	**16,491**
Addition pursuant to the Demerger (Refer Note: 32)	592	1,857	19,295	3,487	6,344	31,576	1,317	847	**65,315**
As at 31st March, 2016	**592**	**1,864**	**20,584**	**19,806**	**10,853**	**71,612**	**28,959**	**1,230**	**155,500**
Accumulated Depreciation									
As at 1st April, 2014	-	-	180	6,828	1,058	13,990	12,035	240	**34,331**
For the year	-	-	106	2,780	632	8,907	5,641	18	**18,084**
Adjusted against Reserves (Refer Note: 40)	-	-	12	-	1	423	207	-	**643**
Deletions	-	-	19	392	87	1,097	571	-	**2,166**
As at 31st March, 2015	**-**	**-**	**279**	**9,216**	**1,604**	**22,223**	**17,312**	**258**	**50,892**
For the year (Refer Note: 40)	-	58	1,452	4,187	2,190	17,137	7,369	209	**32,602**
Deletions	-	13	715	1,745	1,563	8,725	3,201	171	**16,133**
Addition pursuant to the Demerger (Refer Note: 32)	-	603	8,466	2,020	4,374	23,128	887	442	**39,920**
As at 31st March, 2016	**-**	**648**	**9,482**	**13,678**	**6,605**	**53,763**	**22,367**	**738**	**107,281**
Net Block as at 31st March, 2015	**-**	**-**	**299**	**6,435**	**2,066**	**18,062**	**10,548**	**79**	**37,489**
Net Block as at 31st March, 2016	**592**	**1,216**	**11,102**	**6,128**	**4,248**	**17,849**	**6,592**	**492**	**48,219**

NOTE: 8B
INTANGIBLE ASSETS

Rs. in Lakhs

	Brands / Trademarks	Goodwill	Computer Software	Technical Knowhow	TOTAL
Gross Block					
As at 1st April, 2014	2,160	116,756	792	-	**119,708**
Additions	-	-	1,712	-	**1,712**
As at 31st March, 2015	**2,160**	**116,756**	**2,504**	**-**	**121,420**
Additions	-	-	1,224	-	**1,224**
Deletions	-	-	566	-	**566**
Addition pursuant to the Demerger (Refer Note: 32)	16,727	2,041	4,032	801	**23,601**
Arising from Acquisition (Refer Note: 32)	-	60,726	-	-	**60,726**
As at 31st March, 2016	**18,887**	**179,523**	**7,194**	**801**	**206,405**
Accumulated Amortisation					
As at 1st April, 2014	1	-	712	-	**713**
Additions	216	-	45	-	**261**
As at 31st March, 2015	**217**	**-**	**757**	**-**	**974**
For the year (Refer Note: 40)	231	-	955	15	**1,201**
Deletions	-	-	566	-	**566**
Addition pursuant to the Demerger (Refer Note: 32)	16,681	-	3,377	786	**20,844**
As at 31st March, 2016	**17,129**	**-**	**4,523**	**801**	**22,453**
Net Block as at 31st March, 2015	**1,943**	**116,756**	**1,747**	**-**	**120,446**
Net Block as at 31st March, 2016	**1,758**	**179,523**	**2,671**	**-**	**183,952**

The balance amortisation period of material intangible assets (in years):	**As at 31st March, 2016**	As at 31st March, 2015
Brands / Trademarks (Madura Fashion & Lifestyle Division)	**2**	-
Agile Brand (Pantaloons Division)	**8**	9

NOTE: 8C

During the year, the Company has capitalised the following expenses to the cost of Fixed Assets/ Capital Work-in-Progress	**As at 31st March, 2016**	As at 31st March, 2015
Salaries	**-**	294
Travelling	**-**	11
Miscellaneous Expenses	**-**	8
Power and Fuel	**14**	20
Preoperative Expense	**71**	-
	85	333
Add: Brought forward from previous year	**6**	1
Less: Capitalised during the year	**91**	328
Balance in Capital Work-in-Progress	**-**	6

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 9A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Capital Advance		
Unsecured, Considered Good	**1,392**	620
Unsecured, Considered Doubtful	**10**	-
Less: Provision for Doubtful	**(10)**	-
Security Deposits	**22,868**	6,152
Other Loans and Advances		
Advance Income Tax	**1,476**	1,286
Advance for Expenses and Materials		
Considered Good	**22**	-
Advance to Employees	**357**	19
Prepaid Expense	**981**	84
	27,096	8,161
NOTE: 9B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposit	**7,430**	1,422
Other Loans and Advances		
Balance with Statutory / Government Authorities	**4,719**	160
Advance for Expenses and Material		
Unsecured, Considered Good	**2,810**	595
Unsecured, Considered Doubtful	**34**	-
Less: Provision for Doubtful Advances	**(34)**	-
Prepaid Expense	**2,145**	327
Advance to Employees	**336**	134
Others	**101**	-
	17,541	2,638
NOTE: 10A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances		
Bank Deposits with more than twelve months maturity*	**37**	-
Insurance Claim Receivables	**4**	-
Others	**67**	-
	108	-

*Amount held as margin money under lien to bank for issuing guarantee.

NOTE: 10B		
OTHER CURRENT ASSETS		
Export Incentive Receivable	**219**	-
Unamortised Premium on Forward Contracts	**7**	-
Government Grant Receivable	**163**	-
Interest Accrued on Fixed Deposits	**24**	-
Forward Contract Receivable	**304**	-
Reimbursement of Expenses Receivable	**24**	-
Rent Income Receivable	**48**	114
Expected Returns from Customers	**694**	102
Other Current Assets	**974**	758
	2,457	974

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 11		
INVENTORIES (Valued at Lower of Cost and Net Realisable Value)		
Raw Materials (Includes Goods-in-Transit Rs. 1,142 Lakh (31st March, 2015: Nil))	**10,816**	-
Work-in-Progress	**2,285**	-
Finished Goods	**28,515**	-
Traded Goods (Includes Goods-in-Transit Rs. Nil (31st March, 2015: 919 Lakh))	**95,716**	42,139
Stores and Spares	**56**	-
Packing Materials	**1,422**	594
	138,810	42,733
NOTE: 12		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	**73**	-
Unsecured, Considered Good	**4,558**	-
Unsecured, Considered Doubtful	**184**	-
Less: Provision for Doubtful	**(184)**	-
Other receivables		
Secured, Considered Good	**2,267**	-
Unsecured, Considered Good	**32,196**	707
	39,094	707
NOTE: 13		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	**1,036**	155
Balance with Credit Card Companies	**345**	174
Cash on Hand	**528**	391
Cheques/Drafts on Hand	**105**	-
Other Bank Balances		
Deposit Accounts (with original maturity more than 3 months)	**55**	-
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets) (Refer Note: 10A)	**(37)**	-
	2,032	720

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 14		
REVENUE FROM OPERATIONS		
A. SALE OF PRODUCTS		
Finished Goods	**148,611**	-
Traded Goods	**453,188**	181,688
	601,799	181,688
B. SALE OF SERVICES	**47**	-
	47	-
C. OTHER OPERATING INCOME		
Scrap Sales	**356**	181
Export Incentives	**1,005**	-
Licence Fees and Royalties	**124**	-
Cash Discounts	**1,165**	1,604
Space on Hire	**220**	224
Commission Income	**1,159**	1,294
Miscellaneous Other Operating Income	**196**	82
	4,225	3,385
Total A + B + C	**606,071**	185,073
Details of Products sold:		
Finished Goods sold		
Apparels	**148,611**	-
Non-Apparels	**-**	-
	148,611	-
Traded Goods sold		
Apparels	**394,132**	156,252
Non-Apparels	**59,056**	25,436
	453,188	181,688
NOTE: 15		
OTHER INCOME		
Interest Income on Income Tax Refund	**17**	-
Other Interest	**594**	4
Net Gain on Sale of Investments		
Short-Term	**294**	152
Miscellaneous Income	**290**	122
	1,195	278
NOTE: 16		
COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	**594**	138
Add: Inventories taken over pursuant to the Scheme of Arrangement (Refer Note: 32)	**9,578**	-
Add: Purchases	**65,988**	472
	76,160	610
Less: Inventory at the end of the year	**12,238**	594
Cost of Raw Materials and Components Consumed	**63,922**	16
Details of Inventory:		
Raw Materials and Components		
Fabric	**50,083**	-
Others	**13,839**	16
	63,922	16

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 17		
PURCHASE OF TRADED GOODS		
Purchase of Traded Goods	**234,790**	106,482
	234,790	106,482
Details of Purchases of Traded Goods under broadhead is as follows:		
Apparels	**204,061**	92,639
Non-Apparels	**30,729**	13,843
	234,790	106,482
NOTE: 18		
(INCREASE)/DECREASE IN INVENTORY OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS		
Closing Stocks		
Finished Goods	**28,515**	-
Traded Goods	**95,716**	42,139
Work-in-Progress	**2,285**	-
	126,516	42,139
Less:		
Opening Stocks		
Finished Goods	**-**	-
Traded Goods	**42,139**	35,697
Work-in-Progress	**-**	-
Inventories taken over pursuant to the Scheme of Arrangement (Refer Note: 32)		
Finished Goods	**21,647**	-
Traded Goods	**37,543**	-
Work-in-Progress	**1,969**	-
	103,298	35,697
(Increase) / Decrease in Excise duty on Stocks	**3**	-
	(23,221)	(6,442)
Inventories at the end of the year		
Finished Goods		
Apparels	**28,515**	-
	28,515	-
Traded Goods		
Apparels	**82,874**	37,571
Non-Apparels	**12,842**	4,568
	95,716	42,139
Work-in-Progress		
Apparels	**2,285**	-
	2,285	-
Inventories at the beginning of the year		
Traded Goods		
Apparels	**37,571**	32,127
Non-Apparels	**4,568**	3,570
	42,139	35,697

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 19		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	**51,276**	16,168
Gratuity Expense (Refer Note: 33)	**832**	272
Contribution to Provident and Other Funds	**3,411**	752
Stock Option Scheme (Refer Note: 34)	**256**	29
Staff Welfare Expenses	**3,914**	1,148
	59,689	18,369
NOTE: 20		
OTHER EXPENSES		
Consumption of Stores and Spares	**309**	-
Power and Fuel	**911**	-
Electricity Charges	**9,447**	5,692
Rent (Refer Note: 41)	**64,793**	28,251
Repairs and Maintenance		
Building	**151**	-
Plant and Machinery	**578**	-
Others	**7,728**	594
Insurance	**530**	103
Rates and Taxes	**7,182**	414
Processing Charges	**5,326**	-
Commission to Selling Agents	**27,283**	30
Brokerage and Discounts	**817**	-
Advertisement and Sales Promotion	**40,715**	7,303
Transportation and Handling Charges	**10,185**	4,277
Loyalty Provision (Refer Note: 7B)	**(287)**	-
Royalty Expense	**925**	497
Legal and Professional Expenses (Refer Note: 29)	**9,835**	1,382
Provisions for Bad and Doubtful Deposits and Advances	**67**	-
Printing and Stationery	**1,075**	545
Travelling and Conveyance	**6,203**	1,646
Communication Expenses	**882**	278
Loss on Sale/ Discard of Fixed Assets (Net)	**92**	59
Bank Charges	**913**	211
Credit Card Charges	**2,573**	1,201
Postage Expenses	**763**	148
Foreign Exchange Loss (Net)	**16**	3
Information Technology Expenses	**3,773**	1,445
Security and House Keeping Charges	**24,108**	3,286
Corporate Social Responsibility (CSR) Expenses (Refer Note: 39)	**204**	-
Miscellaneous Expenses	**4,047**	2,013
	231,144	59,378
NOTE: 21		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	**32,602**	18,084
Amortisation of Intangible Assets	**1,201**	261
	33,803	18,345
NOTE: 22		
FINANCE COSTS		
Interest	**17,202**	11,924
Other Borrowing Costs	**285**	93
	17,487	12,017

Rs. in Lakhs

		As at 31st March, 2016	As at 31st March, 2015
NOTE: 23			
EARNINGS PER SHARE			
The following reflects the profit / (loss) and share data used in the basic and diluted EPS computations			
Earnings Per Share (EPS) is calculated as under:			
(Loss)/ Profit as per the Statement of Profit and Loss		**(10,414)**	(22,814)
Less: Preference Dividend and Tax thereon		**5**	5
(Loss)/ Profit for calculation of EPS	**(A)**	**(10,419)**	(22,819)
Weighted average number of Equity Shares for calculation of Basic EPS	**(B)**	**772,615,240**	92,793,529
Basic EPS (In Rs.)	**(A/B)**	**(1.35)**	(24.59)
Weighted average number of Equity Shares Outstanding		**772,615,240**	92,793,529
Weighted average number of Potential Equity Shares #		**198,984**	207,942
Weighted average number of Equity Shares for calculation of Diluted EPS		**772,615,240**	92,793,529
Diluted EPS (In Rs.)	**(C)**	**(1.35)**	(24.59)
Nominal Value of Shares (In Rs.)		**10**	10
# Since the conversion of stock options into equity shares 198,984 (31st March, 2015: 207,942) would decrease the loss per share, these potential equity shares are considered anti-dilutive and the effect of anti-dilutive potential equity shares are ignored.			
NOTE: 24			
CAPITAL AND OTHER COMMITMENTS			
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)		**4,666**	790
NOTE: 25			
Value of Imports calculated on C.I.F. Basis			
Raw Materials		**13,831**	-
Components and Spare Parts		**6**	-
Capital Goods		**985**	59
Traded Goods		**12,269**	494
		27,091	553
NOTE: 26			
Expenditure in Foreign Currency (on Accrual Basis):			
Advertisement		**1,206**	-
Technical Assistance Fees		**1,413**	-
Brand Royalty		**59**	-
Professional Charges		**28**	-
Others		**1,001**	16
		3,707	16

NOTE: 27

Value of Imported and Indigenous Raw Materials and Spare Parts Consumed and percentage thereof to the total consumption:

Rs. in Lakhs

	Percentage	**Year Ended 31st March, 2016**	Percentage	Year Ended 31st March, 2015
Raw Materials:				
Imported	**17%**	**10,377**	0%	-
Indigenous	**83%**	**49,792**	0%	-
		60,169		-
Spare Parts:				
Imported	**14%**	**6**	0%	-
Indigenous	**86%**	**36**	0%	-
		42		-

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 28		
Earnings in Foreign Currency (on Accrual Basis):		
On Export of Goods (F.O.B. Basis):		
(a) Foreign Currency	**17,102**	-
(b) Rupee Payments	**308**	-
	17,410	-
NOTE: 29		
Details of Auditors' Remuneration:		
Payments to Statutory Auditor:		
For Audit Fees (Including Limited Review Fees)	**43**	35
For Tax Audit	**6**	5
For Other Services	**25**	15
For Reimbursement of Expenses	**2**	4
	76	59
Payments to Branch Auditor:		
For Audit Fees (Including Limited Review Fees)	**41**	-
For Tax Audit	**4**	-
For Reimbursement of Expenses	**13**	-
	58	-
	134	59

NOTE: 30
DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) Derivatives: Outstanding at the Balance Sheet date:

As at 31st March, 2016

Particulars	Currency	Foreign Currency in Lakhs	Rs. in Lakhs
Forward Contracts to buy (Hedge of capital imports)	USD	14	964

As at 31st March, 2015

Particulars	Currency	Foreign Currency in Lakhs	Rs. in Lakhs
Forward Contracts to buy (Hedge of capital imports)	USD	-	-

As at 31st March, 2016

Particulars	Currency	Foreign Currency in Lakhs	Rs. in Lakhs
Forward Contracts to sell (Hedge of receivables)	USD	4	265

As at 31st March, 2015

Particulars	Currency	Foreign Currency in Lakhs	Rs. in Lakhs
Forward Contracts to sell (Hedge of receivables)	USD	-	-

b) Particulars of unhedged foreign currency exposure as at the reporting date:

As at 31st March, 2016

Particulars	Currency	Foreign Currency in Lakhs	Rs. in Lakhs
Trade Payable	USD	-	-

As at 31st March, 2015

Particulars	Currency	Foreign Currency in Lakhs	Rs. in Lakhs
Trade Payable	USD	0	17

NOTE: 31
Related Parties under AS-18 with whom transactions have taken place during the year:

Name of related parties and related party relationship

(a) Related Parties where control exists

Controlling Companies

Holding Company : Indigold Trade and Services Limited (upto 31st March, 2015)

Ultimate Holding Company : Aditya Birla Nuvo Limited (ABNL) (upto 31st March, 2015)

(b) Names of Related Parties with whom Transactions have taken place during the year

Aditya Birla Retail Limited - Key Managerial Personnel has significant influence

Aditya Birla Management Corporation Private Limited - Private Company in which Director is Director

Aditya Birla Online Fashion Private Limited - Private Company in which Director is Director

Madura Garments Lifestyle Retail Company Limited (MGLRCL) (upto 31st March, 2015)

Aditya Birla Minacs Worldwide Limited (upto 31st March, 2015)

Birla Sun Life Insurance Company Limited (upto 31st March, 2015)

Aditya Birla Capital Advisors Private Limited (upto 31st March, 2015)

(c) Key Managerial Personnel

Pranab Barua (Managing Director with effect from October 25, 2013)

Additional Related Parties as per the Companies Act, 2013 with whom transactions have taken place during the year

Ashish Dikshit (Business Head - Madura Fashion & Lifestyle, with effect from 9th January, 2016)

Shital Mehta (Chief Executive Officer - Pantaloons, with effect from 9th January, 2016)
(previously Chief Executive Officer of the Company, with effect from 1st January, 2013)

S. Visvanathan (Chief Financial Officer, with effect from 4th November, 2014)

Geetika Anand (Company Secretary, with effect from 1st January, 2013)

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
(d) Transactions with Related Parties		
Aditya Birla Nuvo Limited		
Sale of Traded Goods	**-**	406
Sale of Gift Vouchers	**-**	1
Cash Discount (Income)	**-**	116
Purchase	**-**	13,026
Reimbursement of Expenses (Recovered from)	**-**	47
Reimbursement of Expenses (Paid to) - Employee	**-**	1
Reimbursement of Expenses (Paid to)	**-**	235
Birla Sun Life Insurance		
Insurance Expenses	**-**	39
Aditya Birla Online Fashion Private Limited		
Sale of Goods	**382**	-
Reimbursement of Expenses (Recovered from)	**14**	-
Aditya Birla Retail Limited		
Rental Income	**78**	31
Expenses	**107**	-
Electricity Expenses	**5**	-
Rent Expenses	**25**	-
Repairs and Maintenance - Others	**5**	-
Staff Welfare Expenses	**72**	-
Reimbursement of Expenses (Recovered from)	**428**	18
Reimbursement of Expenses (Paid to)	**257**	163
Deposits (Received)	**-**	13
Aditya Birla Management Corporation Private Limited		
Expenses	**1,251**	-
Advertisement and Sales Promotion Expenses	**34**	
Brokerage and Discounts	**0**	
Communication Expenses	**16**	
Electricity Expenses	**6**	
Insurance	**1**	
Interest Expenses	**1**	
Legal and Professional Fees	**231**	
Miscellaneous Expenses	**56**	
Postage Expenses	**0**	
Printing and Stationery	**2**	
Rates and Taxes	**1**	
Rent Expenses	**47**	
Repairs and Maintenance - Others	**10**	
Salaries, Wages and Bonus	**770**	
Staff Welfare Expenses	**22**	
Travelling and Conveyance	**54**	
Reimbursement of Expenses (Paid to)	**579**	-
Pranab Barua*		
Salary and Other Perquisites	**473**	180
Ashish Dikshit*		
Salary and Other Perquisites	**45**	-
Shital Mehta*		
Salary and Other Perquisites	**188**	-
S. Visvanathan*		
Salary and Other Perquisites	**129**	-
Geetika Anand*		
Salary and Other Perquisites	**35**	-

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
(e) Balance Outstanding at the year end		
Payables:		
Aditya Birla Nuvo Limited	**-**	9,498
Aditya Birla Management Corporation Private Limited	**84**	-
Aditya Birla Retail Limited	**58**	24
Receivables:		
Birla Sun Life Insurance Company Limited	**-**	4
Aditya Birla Online Fashion Private Limited	**138**	-
Deposit - Pranab Barua	**250**	-

No amount in respect of the related parties have been written off/back are provided for during the year.

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

NOTE: 32
SCHEME OF ARRANGEMENT:

1. During the year, Madura Undertaking of Aditya Birla Nuvo Limited ("ABNL") and MGL Retail Undertaking of Madura Garments Lifestyle Retail Company Limited ("MGLRCL"), collectively hereinafter referred to as 'Madura Fashion & Lifestyle' or 'Demerged Undertakings', was demerged and transferred to Pantaloons Fashion and Retail Limited (hereinafter referred to as 'PFRL' or 'resulting Company'), pursuant to a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, duly approved by the shareholders and creditors of the Company, ABNL and, MGLRCL and, subsequently, sanctioned by the Hon'ble High Court of Judicatures of Gujarat and Bombay, by virtue of their respective orders dated 23rd October, 2015 and 5th December, 2015 (the 'Composite Scheme'), on a going concern basis, with effect from the Appointed Date of the Scheme i.e., 1st April, 2015.

   The Board of Directors of the Company, the Madura Demerger Committee of the Board of Directors of ABNL and Madura Garments Lifestyle Demerger Committee of the Board of Directors of MGLRCL, at their respective meetings, held on 9th January, 2016, made and declared the Effective Date of the Composite Scheme to be 9th January, 2016.

   Further to the effectiveness of the Composite Scheme, the name of the Company was changed from "Pantaloons Fashion & Retail Limited" to "Aditya Birla Fashion and Retail Limited" w.e.f. 12th January, 2016, by virtue of the "Certificate of Incorporation pursuant to change of name" issued by the Registrar of Companies, Mumbai.

2. In accordance with the Scheme, the Company has acquired the following assets and liabilities as on the appointed date of the demerged undertaking at book value as set out below:

Rs. in Lakhs

A. In respect of Madura Undertaking of ABNL:		
Assets taken Over		
Fixed Assets (Net Block)	26,672	
Capital Work-in-Progress	1,146	
Deferred Tax Assets (Refer point 5 of Note: 32)	5,216	
Long-term Loans and Advances	15,220	
Other Non-Current Assets	12	
Current Assets		
Inventories (includes Stores and Spares of Rs. 53 Lakh)	62,399	
Trade Receivables	54,253	
Cash and Bank Balances	1,665	
Short-term Loans and Advances	9,239	
Other Current Assets	947	**176,769**

Rs. in Lakhs

	Liabilities Taken Over		
	Long-term Borrowings	7,297	
	Other Long-Term Liabilities	9,692	
	Current Liabilities		
	Short-term Borrowings	37,359	
	Trade Payables	99,115	
	Other Current Liabilities	6,325	
	Short-term Provisions	4,746	
	Hedge Reserve	29	**164,563**
	Net Assets Taken Over - A		**12,206**
	Consideration of 677,158,862 Equity Shares of Rs. 10/- each as per the Scheme		**67,716**
	Deficit Adjusted in Goodwill		**55,510**
	Add: Adjustment of Deferred Tax Asset (Refer point 5 of Note: 32)		**5,216**
	Goodwill		**60,726**
B.	**In respect of MGL Undertaking of MGLRCL:**		
	Assets Taken Over		
	Fixed Assets (Net Block)	1,480	
	Capital Work-in-Progress	44	
	Long-term Loans and Advances	1,081	
	Other Non-Current Assets	43	
	Current Assets		
	Inventories	8,391	
	Trade Receivables	416	
	Cash and Bank Balances	219	
	Short-term Loans and Advances	1,302	
	Other Current Assets	157	**13,133**
	Liabilities Taken Over		
	Other Long-term Liabilities	64	
	Current Liabilities		
	Short-term Borrowings	3,622	
	Trade Payables	5,019	
	Other Current Liabilities	1,857	
	Short-term Provisions	163	
	Hedge Reserve	(27)	**10,698**
	Net Assets Taken Over - B		**2,435**
	Consideration of 2,660,916 Equity Shares of Rs. 10/- each as per the Scheme		**266**
	Excess Adjusted in Capital Reserve (Refer Note: 3)		**2,169**

3. 679,819,778 Equity Shares of Rs.10/- each fully paidup of the Company, were to be issued to the shareholders of ABNL and MGLRCL, whose names are registered in the register of members on the record date, without payment being received in cash respectively, in the following share entitlement ratio (as enumerated in the Composite Scheme).
   i) 26 Equity Shares of the Company to the Equity Shareholders of ABNL for every 5 Equity Shares held by them in ABNL - pursuant to transfer of the Madura undertaking;
   ii) 7 Equity Shares of the Company to the Equity Shareholders of MGLRCL for every 500 Equity Shares held by them in MGLRCL and 1 Equity Share to the Preference Shareholders of MGLRCL - pursuant to transfer of the MGL Retail Undertaking.

Out of the aforesaid total issued shares, the Board of Directors, on 27th January, 2016, allotted 676,037,600 Equity Shares of Rs. 10/- each to the Shareholders of ABNL and MGLRCL. Pursuant to Clause 21 of the Composite Scheme, allotment of 3,782,178 Equity Shares of Rs. 10/- each to the Non-Resident Public Shareholders of ABNL have been kept pending until the receipt of applicable regulatory approvals. The face value of pending allotment has been accounted as "Share Suspense Account" as at 31st March, 2016.

4. In terms of the Scheme, all assets and liabilities of the demerged undertakings have been transferred and stand vested with the Company with effect from the appointed date i.e 1st April, 2015 at their respective book values as on that date. Further, with effect from the appointed date and upto and including the effective date the demerged Company was deemed to have been carrying on all business activities of the demerged undertaking and all the profits / losses accruing to the demerged Company in relation to the demerged undertaking for the period commencing from the appointed date and upto the effective date for all purposes was treated as the profit or losses, as the case may be of the Company.

5. In accordance with the Scheme, the difference between the share capital issued and the net assets taken over has been treated as Goodwill / Capital Reseves. Further, in absence of virtual certainty, the Deferred Tax Asset of Madura Undertaking amounting to Rs. 5,216 Lakh has been adjusted to the Goodwill arising from the Composite Scheme and MGL Retail Undertaking has not recognised net deferred tax asset arising on the assets and liabilities of the Demerged Undertaking taken over as on the appointed date.

6. From the effective date, the authorised share capital has increased to Rs. 101,015 lakh consisting of following:

	Rs. in Lakhs
1,000,000,000 Equity Shares of Rs. 10/- each	100,000
10,000,000 8% Redeemable Cumulative Preference Shares of Rs. 10/- each	1,000
15,000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	15
	101,015

7. The figures for the current year include the figures of the Demerged Undertakings, which merged with the Company with effect from 1st April, 2015 and are, therefore, to that extent not comparable with those of previous year.

NOTE: 33
EMPLOYEE BENEFITS

General Description of the Plan

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A part of the gratuity plan, is funded and managed within the Group, hence the liability has been bifurcated into Funded and Unfunded.

Rs. in Lakhs

	As at 31st March, 2016		As at 31st March, 2015	
	Funded	**Unfunded**	Funded	Unfunded
Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)				
The details of the Company's Defined Benefit Plans in respect of Gratuity:				
Amounts Recognised in the Balance Sheet in respect of Gratuity				
Present Value of the Defined Benefit Obligation at the end of the year	**3,151**	**843**	-	684
Fair Value of the Plan Assets	**2,882**	**-**	-	-
Net Liability / (Asset)	**269**	**843**	-	684

Rs. in Lakhs

	As at 31st March, 2016		As at 31st March, 2015	
	Funded	**Unfunded**	Funded	Unfunded
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in Respect of Gratuity				
Current Service Cost	**549**	**187**	-	105
Interest on Defined Benefit Obligations	**254**	**66**	-	51
Expected Return on Plan Assets	**(224)**	**(1)**	-	-
Net Actuarial (gain) / loss recognised during the year	**-**	**-**	-	117
Net Gratuity Cost	**579**	**252**	-	272
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:				
Change in Present Value of the Obligation:				
Opening Defined Benefit Obligation	**-**	**684**	-	471
Addition pursuant to the Scheme of Arrangement	**2,622**	**-**	-	-
Current Service Cost	**549**	**159**	-	105
Interest Cost	**254**	**66**	-	51
Actuarial (Gain) / Loss	**(18)**	**-**	-	117
Liability Taken Over pursuant to the Scheme of Arrangement (Note: 32)	**12**	**-**	-	-
Benefits Paid	**(268)**	**(66)**	-	(59)
Closing Defined Benefit Obligation	**3,151**	**843**	-	684
Change in Fair Value of the Plan Assets:				
Opening Fair Value of the Plan Assets	**-**	**-**	-	-
Addition pursuant to the Scheme of Arrangement	**2,622**	**-**	-	-
Expected Return on Plan Assets	**224**	**-**	-	-
Actuarial Gain / (Loss)	**(18)**	**-**	-	-
Assets on Stake Change / Amalgamation of Subsidiaries / Joint Ventures	**45**	**-**	-	-
Contributions by the Employer	**277**	**-**	-	-
Benefits Paid	**(268)**	**-**	-	-
Closing Fair Value of the Plan Assets	**2,882**	**-**	**-**	**-**
Amount recognised in the Balance Sheet				
Net Liability	**269**	**843**	-	684
Net Liability is bifurcated as follows:				
Current	**269**	**83**	-	39
Non-Current	**-**	**760**	-	645
Net Liability	**269**	**843**	-	684

Experience Adjustment	**31-Mar-16**	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined Benefit Obligation	**3,994**	684	471	194	4
Plan Assets	**2,882**	-	-	7	5
Surplus / (Deficit)	**(1,112)**	(684)	(471)	(187)	1
Experience Adjustment on Plan Liabilities	**62**	20	39	10	0
Experience Adjustment on Plan Assets	**(18)**	0	-	2	(0)
The expected future contribution for Plan Assets	**300**	-			

Expected rate of return on assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

	As at 31st March, 2016	As at 31st March, 2015
Principal Actuarial Assumptions at the Balance Sheet date for Pantaloons Division	**Unfunded**	Unfunded
Discount Rate	**8.05%**	8.00%
Employee Turnover	**10% - 12%**	10% - 12%
Salary Escalation Rate	**7% for Stores and 8% for HO and Zones**	7% for Store and 8% for HO and Zones
Principal Actuarial Assumptions at the Balance Sheet date for Madura Fashion and Lifestyle	**Funded**	
Discount Rate	**8.00%**	
Employee Turnover	**2% - 5%**	
Estimated Rate of Return on Plan Assets	**8.00%**	
Salary Escalation Rate	**7% for Staff and 5% for Workers**	

The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

Rs. in Lakhs

	As at 31st March, 2016	As at 31st March, 2015
Defined Contribution Plans		
Amount recognised as an expense and included in the Note as "Contribution to Provident and Other Funds"		
Contribution to Government Provident Fund	**1,230**	547
Contribution to Superannuation Fund	**149**	-
Contribution to Employee Pension Scheme	**977**	-
Contribution to Employee State Insurance (ESI)	**646**	203
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	**36**	-
Contribution to Labour Welfare Fund (LWF)	**4**	2
In Case of Defined Benefit Plan		
The Guidance Note on implementation of AS-15 (Revised), "Employee Benefits" issued by the ICAI states that the Provident Fund set-up by the employers, which requires interest shortfall to be met by the employer, needs to be treated as Defined Benefits Plan. The Company set-up Provident Fund does not have existing deficit of Interest shortfall.		
Contribution to the Company owned Provident Fund Trust	**369**	-
Contribution to Provident and Other Funds as per Note 19	**3,411**	752

NOTE: 34

I) Employee Stock Option Plan

The Company provides share-based payment schemes to its employees. During the year ended 31st March, 2014, an employee stock option plan (ESOP) was introduced. The relevant details of the scheme and the grant are as below.

On 22nd July, 2013, the ESOP Compensation Committee ("Committee") and the Board of Directors ("Board") approved the introduction of an ESOP Scheme Viz., Pantaloons Employee Stock Option Scheme-2013 ("Scheme") for issue of Stock Options ("Options") and Restricted Stock Units ("RSUs") to the key Employees and Directors of the Company, subject to the approval of the Shareholders of the Company. The Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on 23rd August, 2013, approved the introduction of the Scheme and authorised the Board / Committee to finalise and implement the Scheme. Accordingly, pursuant to the resolution passed by the Committee on 25th October,

2013, the Committee finalised the Scheme and granted Options and RSUs to the Eligible Employees. The details of the Scheme, are as below:

a) Employee Stock Option Scheme:

Particulars	Tranche - I		Tranche - II	
	ESOP	RSU	ESOP	RSU
No. of Options	830,382	259,849	11,686	5,000
Method of Accounting	Intrinsic Value	Intrinsic Value	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 100% at the end of 3rd year	Graded Vesting - 25% every year	Graded Vesting - 100% at the end of 3rd year
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	25th Oct, 13	25th Oct, 13	10th June, 14	10th June, 14
Grant / Exercise Price (Rs. Per Share)	102.1	10.0	118.2	10.0
Market Price on the date of Granting of Option (Rs.)	102.1	102.1	118.2	118.2
Method of Settlement	Equity	Equity	Equity	Equity

b) Movement of Option Granted:

Particulars	As at 31st March, 2016				As at 31st March, 2015			
	No. of Options	Weighted-average Exercise	No. of RSUs	Weighted-average Exercise	No. of Options	Weighted-average Exercise	No. of RSUs	Weighted-average Exercise
Tranche I:								
Options Outstanding at the beginning of the year	**577,112**	**102.32**	**232,121**	**10.00**	830,382	102.10	259,849	10.00
Granted during the year	**-**	**-**	**-**	**-**	11,686	118.20	5,000	10.00
Exercised during the year	**(11,597)**	**102.10**	**-**	**-**	-	-	-	-
Lapsed during the year	**(17,530)**	**102.10**	**(10,000)**	**-**	(264,956)	102.10	(32,728)	-
Options Outstanding during the year	**547,985**	**102.44**	**222,121**	**10.00**	577,112	102.32	232,121	10.00
Options Unvested at the end of the year	**547,985**	**102.44**	**222,121**	**10.00**	577,112	102.32	232,121	10.00
Option Exercisable at the end of the year	**-**	**-**	**-**	**-**	-	-	-	-

The ESOP compensation cost is amortised on a straight-line basis over the total vesting period of the options. Accordingly, Rs. 64 lakh (31st March, 2015 - Rs. 67 Lakh) has been charged to the Statement of Profit and Loss.

The remaining contractual life for the options outstanding as on 31st March, 2016, is 4 years (31st March, 2015: 5 years) and for RSU outstanding as on 31st March, 2016, is 6 years (31st March, 2015: 7 years).

c) Fair Valuation

The Fair valuation of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and Fair Value are as under:

Particulars	On the Date of Grant			
	Tranche - I		Tranche - II	
	Options	RSU	Options	RSU
Risk-Free Interest Rate (%)	**8.58**	**8.58**	7.91	7.91
Expected Volatility (%) *	**45.93**	**45.93**	44.77	44.77
Expected Dividend Yield (%)	**NIL**	**NIL**	NIL	NIL
Weighted average Fair Value per Option (Rs.)	**52.96**	**95.90**	59.32	111.75

* Expected volatility of the Company's stock price is based on the Company's comparable peer group's stock price on NSE based on the price data of the last three years upto the date of grant as the Company has been listed only for a few months prior to the date of grant.

II) Stock Appreciation Rights - (SAR)

On 22nd July, 2013, the ESOP Compensation Committee ("Committee") and the Board of Directors ("Board") approved the introduction of an ESOP Scheme Viz., Pantaloons Employee Stock Option Scheme-2013 ("Scheme") for Stock Appreciation Rights ("SAR") to the key Employees and Directors of the Company, subject to the approval of the Shareholders of the Company. The Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on 23rd August, 2013, approved the introduction of the Scheme and authorised the Board / Committee to finalise and implement the Scheme. Accordingly, pursuant to the resolution passed by the Committee on 25th October, 2013, the Committee finalised the SAR's to the eligible employees. The details of the Scheme, are as below:

Stock Appreciation Rights Scheme - (SAR)

Particulars	**Tranche - I SAR**	**Tranche - II SAR**
No. of Options	308,295	10,225
Method of Accounting	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year
Exercise Period	Not Applicable	Not Applicable
Grant Date	25th Oct, 13	10th June, 14
Grant/Exercise Price (Rs. Per Share)	102.10	118.20
Market Price on the date of Granting of Option (Rs.)	102.10	118.20
Method of Settlement	Cash	Cash

a) Movement of Option Granted:

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	No. of SAR's	**Weighted average Exercise**	No. of SAR's	Weighted average Exercise
Options Outstanding at the beginning of the year	**191,257**	**102.96**	308,295	102
Granted during the year	**-**	**-**	10,225	118.20
Exercised during the year	**-**	**-**	-	-
Lapsed during the year	**(15,338)**	**102.10**	(127,263)	102
Options Outstanding during the year	**175,919**	**103.04**	191,257	102.96
Options Unvested at the end of the year	**175,919**	**103.04**	191,257	102.96
Option Exercisable at the end of the year	**-**	**-**	-	-

The SAR compensation cost is amortised on a straight line basis over the total vesting period of the options. Accordingly, Rs. 51 lakh (31st March, 2015 - Rs. 38 lakh) has been charged to the Statement of Profit and Loss.

The remaining contractual life for SAR outstanding as on 31st March, 2016 is 4 years. (31st March, 2015: 5 years).

b) Fair Valuation:

The Fair Valuation of the options used to compute proforma net profit and earning per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and Fair Value are as under:

Particulars	**On the Date of Grant**	
	Tranche - I SAR	**Tranche - II SAR**
Risk-Free Interest Rate (%)	8.58	7.91
Life (Years)	5	5
Expected Volatility (%)*	45.93	44.77
Expected Dividend Yield (%)	NIL	NIL
Weighted average Fair Value per Option (Rs.)	52.96	59.32

* Expected volatility of the Company's stock price is based on the Company's comparable peer group's stock price on NSE based on the price data of the last three years upto the date of grant as the Company has been listed only for a few months prior to the date of grant.

III) Had the compensation cost for Options and SARs been recognised based on the fair value at the date of grant in accordance with Black-Scholes Merton Formula, the Proforma net loss and earnings per share of the Company would have been as under:

Particulars	**31st March, 2016**	31st March, 2015
Loss After Tax to be considered for EPS	**(10,414)**	(22,814)
Add : Compensation Cost as per Intrinsic Value	**115**	29
Less : Compensation Cost as per Fair Value	**64**	265
Adjusted Net Loss	**(10,363)**	(23,050)
Weighted average Number of Basic Equity Shares Outstanding (In Nos.)	**772,615,240**	92,793,529
Weighted average Number of Potential Equity Shares # (In Nos.)	**198,984**	207,942
Weighted average Number of Diluted Equity Shares Outstanding (In Nos.)	**772,615,240**	92,793,529
Face Value of the Equity Share (In Rs.)	**10**	10
Reported Earnings Per Share (EPS)		
– Basic EPS (Rs.)	**(1.35)**	(24.60)
– Diluted EPS (Rs.)	**(1.35)**	(24.60)
Proforma Earnings Per Share (EPS)		
– Basic EPS (Rs.)	**(1.34)**	(24.84)
– Diluted EPS (Rs.)	**(1.34)**	(24.84)

Since the conversion of stock options into equity shares Qty. - 198,984 (As at 31st Marrch, 2015: Qty. - 207,942) would decrease the loss per share, these potential equity shares are considered anti-dilutive and the effect of anti-dilutive potential equity shares are ignored.

Amount debited to the Statement of Profit and Loss	**31st March, 2016**	31st March, 2015
Expense on Employee Stock Option Scheme	**64**	67
Expense on Employee Stock Appreciation Rights	**51**	(38)
Expense on Employee Stock Option Scheme of erstwhile ultimate holding company	**141**	-
	256	29

NOTE: 35
Disclosure pursuant to Accounting Standard-19 - Leases is as under:

A. Assets taken on Lease:

The Company has entered into agreements for taking on lease certain residential/ office/ store premises, warehouses, on leave and licence basis. The lease term is for a period ranging from 3 to 25 years. There are escalation clauses in the lease agreements. The specified disclosure in respect of these agreements is given below:

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Lease Payments Recognised in the Statement of Profit and Loss for the year		
Minimum Lease Rent	**50,539**	17,545
Contingent Lease Rent	**14,254**	10,706
	64,793	28,251
Future Minimum Rentals Payable under Non-cancellable Operating Leases are as follows:		
Within one year	**17,351**	10,305
After one year but not more than five years	**48,986**	33,657
More than five years	**1,147**	47,835
	67,484	91,797

Notes:

The initial non-cancellable period of the lease agreement is upto three years, beyond which there is an option for the lessee to continue the lease, which the Company expects to continue for a period of 2-3 years after the initial non-cancellable period, accordingly 5-6 years has been considered as non-cancellable for the purpose of above disclosure.

B. Sublease of Store Premises

Sublease Payment Received	**197**	248
	197	248

Rs. in Lakhs

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 36		
(I) CONTINGENT LIABILITIES NOT PROVIDED FOR		
Dividend on Cummulative Preference Shares	**16**	12
Dividend Distribution Tax on the above Dividend	**3**	2
Claims against the Company not acknowledged as debt		
Excise Duty	**1,360**	-
Customs Duty Payable	**254**	-
ESIC Demand Notice for which appeal has been filed	**11**	-
Commercial Taxes	**1,690**	-
Labour Laws - Minimum Wages Act	**78**	78
Occupancy Cost	**-**	917
Textile Committee Cess	**214**	-
Others	**186**	93
	3,812	1,102

(The Contingent liabilities, if materialised, shall entirely be borne by the Company, as there is no likely reimbursement from any other party.)

The Company's pending litigations comprise of claims against the Company, primarily for Excise Duty, comprising various cases demanding duty on reversal of Cenvat credit on sale of capital goods, reversal of credit on inputs used for manufacturing dutiable and exempted goods, etc., and for Commercial Taxes, comprising various cases in respect of shortfall of Form F, H, I and C, disallowance of input credit, etc.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of Rs. 609 Lakh as at 31st March, 2016.

(II) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision, as required under any law/accounting standards for material foreseeable losses on such long-term contracts, has been made in the books of account.

NOTE: 37

DEFERRED TAX

Rs. in Lakhs

DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liabilities at the year end comprise timing difference on account of:		
Fixed Assets: Impact of difference between Tax Depreciation and Depreciation/ Amortisation charged	**-**	17,175
Stamp Duty: Impact of difference between Stamp Duty paid and Amortisation charged	**185**	-
	185	17,175
DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets at the year end comprise timing difference on account of:		
Fixed Assets: Impact of difference between Tax Depreciation and Depreciation/ Amortisation charged	**14,626**	-
Demerger Expenses	**771**	113
Employee Benefit Provision allowed on payment basis	**1,542**	976
Disallowance under Section 40a	**370**	878
Loss as per Income Tax calculations*	**32,572**	18,540
	49,881	20,507
Deferred Tax Assets (Net)	**49,696**	3,332

* In absence of virtual certainty, the Company has not recognised deferred tax assets (DTA) on timing differences arising from depreciation, disallowance of occupancy expense, carry forward of business loss, accumulated depreciation and other items.

NOTE: 38
SEGMENT INFORMATION

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the nature of the products and services, differential risks and returns, the organisational structure and internal reporting system.

The business segment comprise of the following:

SEGMENT	ACTIVITIES
Madura Fashion & Lifestyle	Manufacturing and distribution of Branded Fashion Apparel and Accessories
Pantaloons	Retailing of Apparel and Accessories

Inter-segment Revenues are recognised at sales price.

Information about Primary Business Segments

Rs. in Lakhs

Particulars	For the Year Ended 31st March, 2016			For the Year Ended 31st March, 2015		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Segment Revenue						
Madura Fashion & Lifestyle	**390,333**	**9,308**	**399,641**	-	-	-
Pantaloons	**215,672**	**775**	**216,447**	185,073	-	185,073
Total Segment	**606,005**	**10,083**	**616,088**	185,073	-	185,073
Eliminations			**10,083**			-
Total Revenue			**606,005**			185,073

Rs. in Lakhs

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Segment Results (Profit Before Finance Costs and Tax)		
Madura Fashion & Lifestyle	**28,619**	-
Pantaloons	**(15,825)**	(10,797)
Total Segment Result	**12,794**	(10,797)
Less: Inter-Segment Result	**2,627**	-
Net Segment Result	**10,167**	(10,797)
Less: i) Finance Cost	**17,487**	12,017
ii) Other Unallocable Expenditure/(Income) - Net	**3,094**	-
Profit/(Loss) after Finance Costs but Before Exceptional Items	**(10,414)**	(22,814)
Exceptional Items	**-**	-
Total Profit/(Loss) Before Tax	**(10,414)**	(22,814)

Information about Primary Business Segments

Rs. in Lakhs

Other Information	Carrying Amount of Segment Assets (including Goodwill)		Carrying Amount of Segment Liabilities	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Madura Fashion and Lifestyle	**248,964**	-	**136,135**	-
Pantaloons	**217,317**	214,245	**46,390**	45,358
Total Segment	**466,281**	214,245	**182,525**	45,358
Inter-Segment Eliminations	**(5,913)**	-	**(5,913)**	-
Unallocated Corporate Assets/Liabilities	**1,476**	-	**2,815**	-
Total Assets/Liabilities	**461,844**	214,245	**179,427**	45,358

NOTE: 39
DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

		In Cash	Yet to be Paid in Cash	Total
(a)	**Amount spent during the year ending on 31st March, 2016:**			
i)	Construction/ Acquisition of any asset	-	-	**-**
ii)	On purposes other than (i) above	204	-	**204**

NOTE: 40
In the previous year, the Company, in pursuant to the requirement of Schedule II to the Companies Act, 2013, effective from 1st April, 2014, had revised depreciation based on useful life of asset. As a result of this change and based on transitional provision provided in Schedule II, an amount of Rs. 643 Lakh, being the WDV of assets whose useful life has already been exhausted thereon, had been adjusted against retained earnings.

During the year, the Company, with respect to its "Pantaloons" business, has reassessed the useful life of leasehold improvements and immovable fixtures from the period of lease to six years as the same better reflects the expected usage of such assets.

Had the Company continued to use the earlier life of depreciating the leasehold improvements and immovable fixtures, its financial statements for the year would have been impacted as below:

Depreciation and loss for the current year and quarter ended 31st March, 2016 would have been lower by Rs. 10,040 Lakh.

NOTE: 41
During the year, the Company, with respect to its "Pantaloons" stores, has changed its estimate of using the premises on lease for the period of 6 years instead of erstwhile lease period, hence the lease rentals have been straight-lined for a period of 6 years.

Had the Company continued to use the earlier lease period of straight lining its operating lease, its financial statements for the year would have been impacted as below:

Rent and losses for the current year and quarter ended 31st March, 2016 would have been higher by Rs. 5,190 Lakh.

NOTE: 42
The Company in the current year, has incurred losses, hence no amount has been transferred to the debenture redemption reserve.

NOTE: 43
PREVIOUS YEAR FIGURES
The Company has reclassified previous year figures to conform to this year's classification.

The figures for the current year includes the figures of the demerged undertakings which merged with the Company with effect from 1st April, 2015 and are therefore to that extent not comparable with those of previous year.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

per Vijay Maniar
Partner
Membership No: 36738

Place : Bengaluru
Date: 25th May, 2016

For and on behalf of Board of Directors of
Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited)

Pranab Barua
(Managing Director)
(DIN: 00230152)

Sukanya Kripalu
(Director)
(DIN: 06994202)

Arun Thiagarajan
(Director)
(DIN: 00292757)

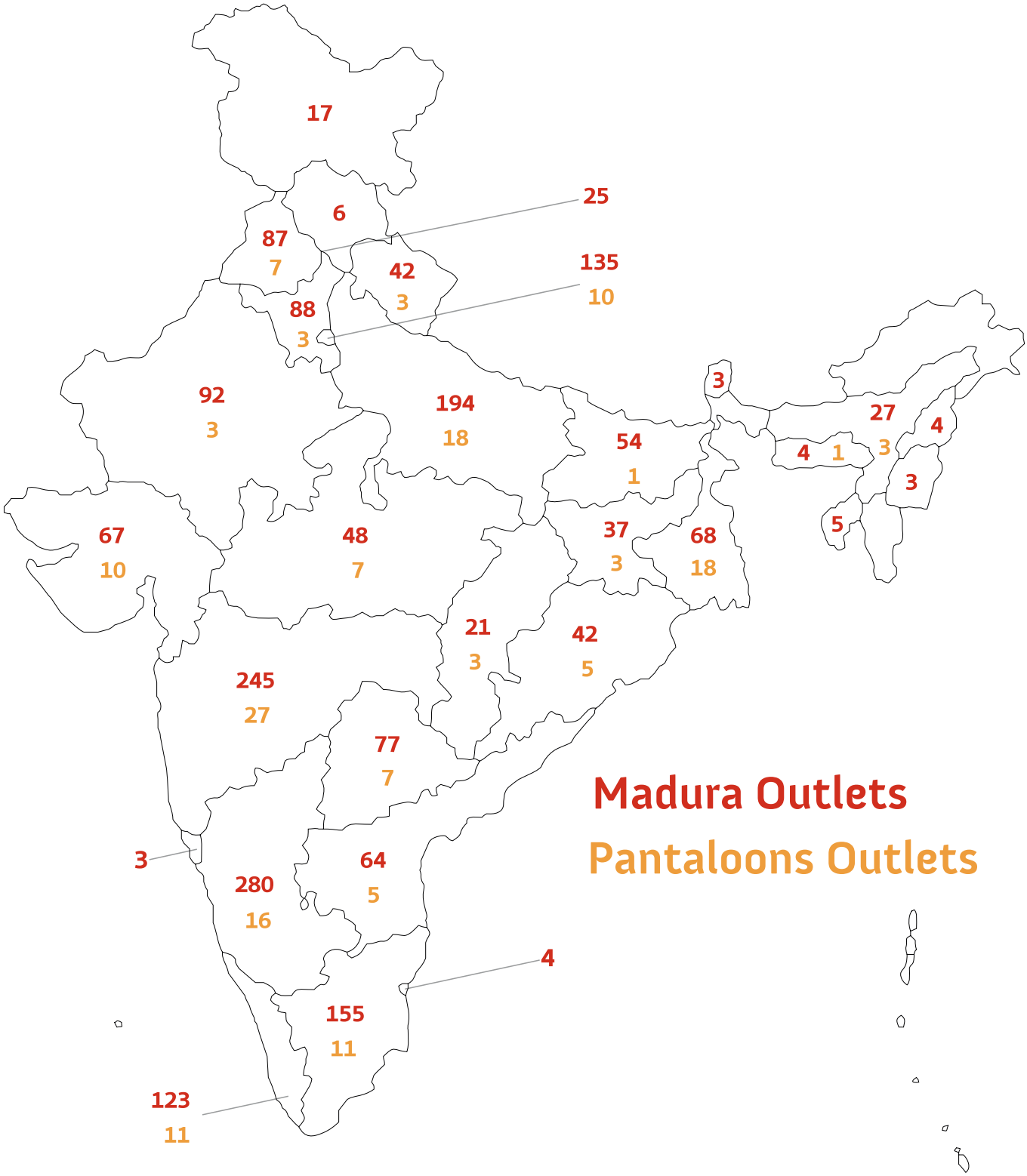
S. Visvanathan
(Chief Financial Officer)

Geetika Anand
(Company Secretary)
Membership No: ACS 23228

Place : Bengaluru
Date: 25th May, 2016

NOTES

BRAND STORE NETWORK



MADURA F&L pantaloons

Registered Office: Aditya Birla Fashion and Retail Ltd,
Skyline Icon Business Park, 86-92, off A.K. Road,
Marol Village, Andheri (East), Mumbai 400 059.
CIN: L18101MH2007PLC233901
Tel: (+91) 86529 05000 | **Fax:** (+91) 86529 05400
www.abfrl.com

Thomson Press