ANNEXURE 3

Bansi S. Mehta & Co.
Merchant Chambers, 3rd Floor
41, New Marine Lines
Mumbai 400 020

Price Waterhouse & Co LLP
252, Veer Savarkar Marg
Shivaji Park, Dadar
Mumbai 400 028

To

Board of Directors
Aditya Birla Nuvo Limited
4th Floor, 'A' Wing
Aditya Birla Centre
S. K. Ahire Marg
Worli
Mumbai 400 030

Board of Directors
Pantaloons Fashion & Retail Limited
701-704, 7th Floor
Skyline Icon Business Park
86-92, Off A. K. Road
Marol Village, Andheri East
Mumbai 400059

Board of Directors
Madura Garments Lifestyle Retail Company Limited
Plot No 5B, Regent Gateway
Doddanakundi Village
KIADB Industrial Area
ITPL Main Road
Bengaluru 560048

Sub: Recommendation of share entitlement ratios for the proposed demerger of Madura Undertaking and MGL Retail Undertaking into Pantaloons Fashion & Retail Limited

Dear Sir/ Madam,

We refer to engagement letters dated 27 April 2015 whereby Aditya Birla Nuvo Limited, Pantaloons Fashion & Retail Limited and Madura Garments Lifestyle Retail Company Limited (together referred to as the 'Companies'/ 'Clients'/ 'you') have requested Bansi S. Mehta & Co. ('BSM') and Price Waterhouse & Co LLP ('PW&Co'), respectively, for recommendation of share entitlement ratio ('Entitlement Ratio') for the proposed demerger of Madura Undertaking and MGL Retail Undertaking (described later in this report, together referred to as the 'Specified Undertakings') into Pantaloons Fashion & Retail Limited.

BSM and PW&Co are together referred to as 'Valuers' or 'we' or 'us' and individually referred to as 'Valuer' in this Share Entitlement Ratio Report ('Share Entitlement Ratio Report' or 'Report').

Bansi S. Mehta & Co. Chartered Accountants

Pantaloons Fashion & Retail Limited Mumbai

Price Waterhouse & Co LLP
LLPIN AAC-2731
Chartered Accountants
FRN 016844N/N500015
Mumbai

Certified True Copy
For Pantaloons Fashion & Retail Limited

Geetika Anand
Company Secretary

SCOPE AND PURPOSE OF THIS REPORT

Aditya Birla Nuvo Limited ('ABNL'), a part of Aditya Birla Group, is ~USD 3.4 billion business conglomerate with presence across financial services, telecom, fashion & lifestyle and manufacturing businesses. Equity shares of ABNL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). Global Depository Receipts ('GDRs') of ABNL are listed on the Luxemburg Stock Exchange.

Madura Fashion and Lifestyle division ('Madura Undertaking') of ABNL, is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England.

Madura Garments Lifestyle Retail Company Limited ('MGLRCL') is a wholly owned subsidiary of ABNL. Lifestyle Retail division of MGLRCL ('MGL Retail Undertaking') is primarily engaged in promoting lifestyle brands and has licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof 'The Collective'.

Pantaloons Fashion & Retail Limited ('PFRL') is a subsidiary of Indigold Trade and Services Limited ('ITSL'), which in turn is a 100% subsidiary of ABNL. PFRL operates a national chain of 'Pantaloons' stores of apparels and fashion accessories and has three broad segments: Men's wear, Women's wear and Kid's wear. PFRL sells ~100 brands, which comprise a mix of private labels, licensed brands and other brands. Equity shares of PFRL are listed on BSE and NSE.

The management of the Companies ('Management') are contemplating demerger of Madura Undertaking and MGL Retail Unertaking into PFRL ('Transaction') under a Scheme of Arrangement under the provisions of Section 391-394 of the Companies Act, 1956 ('Composite Scheme'). As a consideration for this Transaction, PFRL would issue equity shares to the shareholders of ABNL and MGLRCL.

We understand that the appointed date for the demerger will be 1 April 2015.

For the aforesaid purpose, the Board of Directors of the Companies have appointed BSM and PW&Co respectively to submit a joint Share Entitlment Ratio Report recommending share entitlement ratios, for issue of PFRL's equity shares to the shareholders of ABNL and MGLRCL, to be placed before the Audit Committee of the Companies.

The scope of our services is to carry out a relative valuation of PFRL and Specified Undertakings and report on Share Entitlement Ratio for the Transaction in accordance with generally accepted professional standards.

The Valuers have been appointed severally and not jointly and have worked independently in their analysis and after arriving at a consensus on Share Entitlement Ratios, are issuing this Report.

BANSI S. MEHTA & CO. CHARTERED ACCOUNTANTS MUMBAI

PANTALOONS FASHION & RETAIL LIMITED MUMBAI

Price Waterhouse & Co LLP LLPIN AAC-2731 Chartered Accountants FRN 016844N/N500015 Mumbai

We have been provided with historical financial information for the Specified Undertakings and PFRL upto 31 March 2015. We have considered the same in our analysis and made adjustments for further facts made known to us till the date of our Report. The current valuation does not factor impact of any event which is unusual or not in normal course of business. The same has been described later in this report.

We have relied on the above while arriving at the Share Entitlement Ratios for the Transaction.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- Audited financial statements of PFRL for the 2 years ended 31 March 2014;
- Unaudited results of PFRL for the 9 months period ended 31 December 2014, which were subjected to a limited review by the statutory auditors of PFRL;
- Carved out financial statements of the Specified Undertakings for the 2 years ended 31 March 2014 and nine months period ended 31 December 2014, prepared by the management of respective companies;
- Provisional statements of assets and liabilities of PFRL and Specified Undertakings as at 31 March 2015;
- Projected financials/ cash flows for Specified Undertakings and PFRL ('Financial Projections'), provided by the management of the respective companies;
- Market prices of equity shares of PFRL;
- Proposed Composite Scheme;
- Discussions with the Management in connection with the business operations of the Specified Undertakings and PFRL, past trends and non-recurring/ non-operating items, future plans and prospects, etc;
- Other information and documents for the purpose of this engagement.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Companies have been provided with the opportunity to review the draft report (excluding the recommended Share Entitlement Ratios) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

PANTALOONS FASHION & RETAIL LIMITED MUMBAI

Price Waterhouse & Co LLP LLPIN AAC-2731 Chartered Accountants FRN 016844N/N500015 Mumbai

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) are based on the provisional statement of assets and liabilities of PFRL and Specified Undertakings as at 31 March 2015. The Management has represented that the business activities of PFRL and Specified Undertakings have been carried out in the normal and ordinary course between 31 March 2015 and the Report date and that no material adverse change has occured in their respective operations and financial position between 31 March 2015 and the Report date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In the ultimate analysis, valuation will have to capture the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The recommendation(s) rendered in this Report represent our recommendation(s) based upon information till 1 May 2015, furnished by the Companies (or their representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

The determination of Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single share entitlement ratio. While we have provided our recommendation of the Share Entitlement Ratios based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Entitlement Ratio of the equity shares of PFRL for the Specified Undertakings. The final responsibility for the determination of the Share Entitlement Ratios at which the proposed demerger(s) shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data.

In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial/ carved out financial information of Specified Undertakings and PFRL, provided to us. We have not independently investigated or otherwise verified the data provided by the Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements/ carved out income statements and statements of assets and liabilities of Specified Undertakings and PFRL. While we have analyzed Financial Projections with regard to industry information readily available in public domain, historical performance of the Specified Undertakings and PFRL, as made available to us, we express no opinion as to how closely the actual results will correspond to the results projected. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Share Entitlment Ratio Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies/ statement of assets and liabilities of Specified Undertakings. Our conclusion of value assumes that the assets and liabilities of the Companies/ Specified Undertakings, reflected in their respective latest balance sheets/ statement of assets and liabilities remain intact as of the Report date.

This Report is not to certify compliance with matters of any law governing the Company nor should it be construed as a certificate for compliance with matters of taxation.

This Report does not look into the business/ commercial reasons behind the Transaction. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

BANSI S. MEHTA & CO. CHARTERED ACCOUNTANTS

PANTALOONS FASHION & RETAIL LIMITED MUMBAI

Price Waterhouse & Co LLP LLPIN AAC-2731 Chartered Accountants FRN 016844N/N500015 Mumbai

No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

We must emphasize that the forecasts are prepared by the Management and provided to us for the purpose of our analysis. The fact that we have considered the Financial Projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections. Realisations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the Companies that have appointed us under the terms of our respective Engagement Letters and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Composite Scheme, without our prior written consent. In addition, this Report does not in any manner address the prices at which PFRL's equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

BACKGROUND OF COMPANIES

Aditya Birla Nuvo Limited

The issued and subscribed equity share capital of ABNL as at 31 March 2015 is INR 1,301.4 million consisting of 130,137,193 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding pattern as on 31 March 2015 #	No of equity shares	% shareholding
Promoters and promoter group	75,869,697	58.3%
Non-Promoter (Institutions)	36,681,438	28.2%
Non-Promoter (Others)	17,586,058	13.5%
Total	**130,137,193**	**100.0%**

Includes shares held by custodians against Depository Receipts
Source: BSE filing (As at 31 March 2015)

In addition, ABNL has 74,047 employee stock options (convertible into equivalent equity shares) which were vested and remained to be exercised as at 31 March 2015 and has 41,323 equity shares which were held in abeyance. The diluted number of equity shares as at 31 March 2015, after considering the aforementioned would be 130,252,563 of face value INR 10 each.

Pantaloons Fashion & Retail Limited

The issued and subscribed equity share capital of PFRL as at 31 March 2015 is INR 927.9 million consisting of 92,793,529 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding pattern as on 31 March 2015	No of equity shares	% shareholding
Promoters and promoter group	67,390,782	72.6%
Non-Promoter (Institutions)	1,334,660	1.4%
Non-Promoter (Others)	24,068,087	25.9%
Total	**92,793,529**	**100.0%**

Source: BSE filing (As at 31 March 2015)

PFRL does not have any employee stock options which were vested and remain unexercised as at 31 March 2015.

Madura Garments Lifestyle Retail Company Limited

The issued and subscribed equity share capital of MGLRCL as at 31 March 2015 is INR 988.9 million consisting of 98,888,890 equity shares of face value of INR 10 each. MGLRCL also has INR 100 million preference shares consisting of 10,000,000 preference shares of face value of INR 10 each as at 31 March 2015. MGLRCL is a wholly owned subsidiary of ABNL.

The Management has informed us that there was a conversion of 3,720 debentures of MGLRCL into 91,176,471 equity shares of face and paid up value of INR 10 each ranking pari passu with the existing equity shares of MGLRCL. Post this conversion the expanded equity capital of MGLRCL stood at 190,065,361 equity shares of face and paid up value of INR 10 each. Besides this change, there is no change in the above number of equity shares/ diluted equity shares and also there would not be any capital variation in the Companies till the Transaction becomes effective without approval of the shareholders other than on account of existing ESOP Scheme.

APPROACH - BASIS OF DEMERGER

The Composite Scheme contemplates the demerger of the Specified Undertakings into PFRL. Arriving at the Share Entitlement Ratio for the proposed demerger of Madura Undertaking and MGL Retail Undertaking into PFRL would require determining value of Specified Undertakings in terms of value of the equity shares of PFRL. These values are to be determined independently but on a relative basis, and without considering the current Transaction.

There are several commonly used and accepted methods for determining the share entitlement ratio for the proposed demerger of Specified Undertakings into PFRL, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Quoted Multiples/ Comparable Transaction Multiple method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies and Specified Undertakings, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price ('MP') Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

PANTALOONS FASHION & RETAIL

Price Waterhouse & Co LLP LLPIN AAC-2731 Chartered Accountants FRN 016844N/N500015 Mumbai

In the present case, equity shares of the PFRL are listed on BSE and NSE. The share price observed on NSE for PFRL over an appropriate period have been considered for determining the value of PFRL under the market price methodology as the traded turnover of shares of PFRL on NSE is higher than that on BSE.

Although ABNL is a listed entity with its shares listed on BSE and NSE, there is no separate reflection of market price of Madura Undertaking. Therefore, we have not adopted MP Method for Madura Undertaking.

Equity shares MGLRCL are not listed on any stock exchange and, therefore, this approach have not been adopted in respect of MGL Retail Undertaking.

Comparable Companies' Quoted Multiple ('CCM')/ Comparable Transaction Multiple ('CTM') method

Under CCM, value of the equity shares of a company/ business underaking is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Under CTM method, value of the equity shares of a company/ business undertaking is arrived at by using the prices implied by reported transactions/ deals of comparable companies.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have adopted revenue and/ or profitability based valuation multiples, as considered appropriate, for valuation of PFRL and Specified Undertakings. We have not used the comparable transactions analysis as transaction multiples may include acquirer specified considerations, synergy benefits, control premium and minority adjustments.

To arrive at the value available to the equity shareholders of each of the Companies, value arrived above under CCM method for the Specified Undertakings/ PFRL is adjusted for, cash and cash equivalents, borrowings, contingent liabilities etc. as considered appropriate. The final equity value is then divided by the diluted number of equity shares in order to work out the value per equity share of the Companies.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

PANTALOONS FASHION & RETAIL MUMBAI

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Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have been provided by forecasts by the Management of respective Companies.

For the purpose of DCF valuation, the free cash flow forecast is based on Financial Projections as provided by the Management. We must emphasize that realisations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. While we have analyzed Financial Projections with regard to industry information readily available in public domain, historical performance of the Specified Undertakings and PFRL, as made available to us, we express no opinion as to how closely the actual results will correspond to the results projected. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on historical information made available to us by the management of the Companies and the respective Financial Projections for future related information. We did not carry out any due diligence with respect to the information provided/ extracted or carry out any verification of the assets save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the equity shareholders of each of the Companies, value arrived above under DCF method for the Specified Undertakings/ PFRL is adjusted for cash and cash equivalents, borrowings, contingent liabilities etc. as considered appropriate. The final equity value is then divided by the diluted number of equity shares in order to work out the value per equity share of the Companies.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. In a going concern scenario, the relative earning power is of importance to the basis of demerger, with the values arrived at on the net asset basis being of limited relevance.

Further, the value of the companies/ businesses in this industry is significantly driven by intangible assets (such as brand and distribution network) which are not captured in historical financials, NAV methodology has not been considered.

BANSI S. MEHTA & CO. CHARTERED ACCOUNTANTS MUMBAI

PANTALOONS FASHION & RETAIL LIMITED MUMBAI

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BASIS OF DEMERGER

The basis of demerger of the Specified Undertakings into PFRL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. The final share entitlement ratio is based on values determined under each of the above methodologies. It is important to note that the objective of this Report is to arrive at relative values for the proposed demerger. For this purpose, we have considered appropriate weights to values arrived at using Market Price, CCM and DCF methods, as applicable.

The fair Share Entitlement Ratios have been arrived at on the basis of a relative equity valuation of the PFRL and Specified Undertakings based on the various methodologies explained herein earlier and various qualitative factors relevant to PFRL and Specified Undertakings and the business dynamics and growth potentials of the businesses of PFRL/ Specified Undertakings, having regard to information base, key underlying assumptions and limitations. The Preference Shareholders of MGLRCL are to continue in MGLRCL without any modification to their rights and would continue to be serviced and subsequently redeemed by MGLRCL. Accordingly, for our analysis the same have not been considered as relating to the MGL Retail Undertaking. However, to comply with the relevant tax laws we recommend a ratio of 1 (One) equity share of the Resulting Company of INR 10 each fully paid up to be issued for all the preference shares held in MGLRCL.

Valuers carried out an independent analysis, discussed the analysis, arrived at a consensus and are issuing this report jointly.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend following Share Entitlement Ratios for:

- Demerger of Madura Undertaking into PFRL at **twenty six (26)** equity shares of PFRL of INR 10 each fully paid up for every **five (5)** equity shares of ABNL of INR 10 each fully paid up.
- Demerger of MGL Retail Undertaking into PFRL at **seven (7)** equity shares of PFRL of INR 10 each fully paid up for every **five hundred (500)** equity shares of MGLRCL of INR 10 each fully paid up.
- Demerger of MGL Retail Undertaking into PFRL at **one (1)** equity shares of PFRL of INR 10 each fully paid up for all **ten million (10,000,000)** preference shares of MGLRCL of INR 10 each fully paid up.

Respectfully submitted,

For Bansi Mehta & Co.
Chartered Accountants
Firm Registration No: 100991W

RRDesai

Drushti Desai
Partner
Membership No: 102062

Dated: 3 May 2015

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

For Price Waterhouse & Co LLP
Chartered Accountants
Firm Registration No: 016844N/ N500015

Rajan Wadhawan
Partner
Membership No: 090172

Dated: 3 May 2015

Price Waterhouse & Co LLP LLPIN AAC-2731 Chartered Accountants FRN 016844N/N500015 Mumbai

PANTALOONS FASHION & RETAIL LIMITED

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