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India

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INDEPENDENT AUDITORS' REVIEW REPORT

**TO THE BOARD OF DIRECTORS OF MADURA GARMENTS LIFESTYLE
RETAIL COMPANY LIMITED**

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Madura Garments Lifestyle Retail Company Limited ("the Company") for the quarter and nine month period ended December 31, 2014 (the "Statement"), prepared for the purpose of inclusion in the unaudited consolidated financial results of Aditya Birla Nuvo Limited, the Holding Company. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

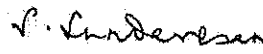
Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, to the extent applicable, including the manner in which it is to be disclosed, or that it contains any material misstatement.

This report is issued at the request of the Company and is intended solely for the information and use of the Board of Directors and the Management of the Company and of the Holding Company – Aditya Birla Nuvo Limited for the purpose of presentation of its statement of unaudited consolidated financial results for the quarter and nine month period ended December 31, 2014 in terms of requirements in Clause 41 of the Listing Agreements with stock exchanges, and is not intended to be and should not be used for any other purpose.

Certified True Copy
For Pantaloon Fashion & Retail Limited


Geetika Anand
Company Secretary

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No 008072S)


S. Sundaresan
Partner
(Membership No. 25)

BANGALORE, February 6, 2015
SS/RR



STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER 2014

Amount in Rs. Lakhs (except earning per share)

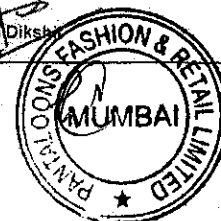
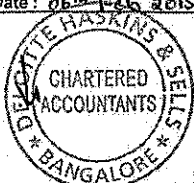
| Particulars | Quarter Ended | | | Year to Date | | |
|--|--------------------------------------|--|---|--------------------------------------|---|------------------------------------|
| | 31st December 2014 (Unaudited) | 30th September 2014 (Unaudited) | 31st December 2013 (Unaudited) | 31st December 2014 (Unaudited) | 31st December 2013 (Unaudited) | 31st March 2014 (Audited) |
| 1 Income from Operation | | | | | | |
| (a) Income from Operations | 9,122.20 | 7,726.86 | 8,652.00 | 24,029.03 | 21,642.64 | 29,633.99 |
| (b) Other Operating Income | 8.93 | 7.48 | 8.93 | 24.50 | 23.15 | 33.83 |
| Total Income from Operations | 9,131.13 | 7,734.34 | 8,660.93 | 24,053.53 | 21,665.79 | 29,667.81 |
| 2 Expenses | | | | | | |
| (a) Purchase of Stock-In-Trade | 4,743.99 | 7,573.27 | 4,721.37 | 15,427.43 | 15,429.07 | 19,888.51 |
| (b) Change in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade | 875.37 | (1,935.57) | 309.42 | 244.25 | (2,287.65) | (942.02) |
| (c) Employee Benefit Expense | 449.48 | 389.29 | 414.35 | 1,169.76 | 1,031.21 | 1,287.12 |
| (d) Depreciation and Amortisation Expense | 213.47 | 184.98 | 174.11 | 569.61 | 642.55 | 817.48 |
| (e) Rent | 578.17 | 553.96 | 491.16 | 1,601.83 | 1,434.52 | 1,898.77 |
| (f) Selling Commission | 939.39 | 846.25 | 825.97 | 2,576.12 | 2,199.92 | 2,959.67 |
| (g) Other Expenditure | 1,195.80 | 1,146.51 | 1,269.62 | 3,434.29 | 3,207.60 | 4,138.42 |
| Total Expenses | 8,995.67 | 8,758.69 | 8,208.00 | 25,025.28 | 21,657.22 | 30,047.96 |
| 3 Profit from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2) | 135.46 | (1,024.35) | 452.93 | (971.75) | 8.57 | (380.14) |
| 4 Other Income | 1.29 | 123.97 | 34.89 | 199.76 | 58.46 | 83.86 |
| 5 Profit before Finance Costs and Exceptional Items (3 + 4) | 136.75 | (900.37) | 487.82 | (771.99) | 67.04 | (296.28) |
| 6 Finance Costs | 111.73 | 159.11 | 32.17 | 390.18 | 54.02 | 110.70 |
| 7 Profit after Finance Costs but before Exceptional Items (5 - 6) | 25.02 | (1,059.48) | 455.65 | (1,162.17) | 13.01 | (406.98) |
| 8 Exceptional Items | - | - | - | - | - | - |
| 9 Profit before Tax (7 + 8) | 25.02 | (1,059.48) | 455.65 | (1,162.17) | 13.01 | (406.98) |
| 10 Tax Expenses | - | - | - | - | - | - |
| 11 Net Profit for the Period (9 - 10) | 25.02 | (1,059.48) | 455.65 | (1,162.17) | 13.01 | (406.98) |
| 12 Paid Up Equity Share Capital (Face Value of ₹ 10 each) | 9,888.89 | 9,888.89 | 9,888.89 | 9,888.89 | 9,888.89 | 9,888.89 |
| 13 Reserve excluding Revaluation Reserve | | | | | | 1,343.07 |
| 14 Earning per Share of Rs.10 each (not annualised) | | | | | | |
| (a) Basic - Rs. | 0.00 | (1.10) | 0.44 | (1.25) | (0.06) | (0.51) |
| (b) Diluted - Rs. | 0.00 | (1.10) | 0.44 | (1.25) | (0.06) | (0.51) |

| | |
|---|--------------------|
| 15 Public Shareholding | |
| a Number of shares | |
| b Percentage of shareholding | |
| 16 Promoters and promoter group shareholding | |
| a Pledged / Encumbered | |
| Number of shares | |
| Percentage of shares (as a % of the total shareholding of promoter and promoter group) | |
| Percentage of shares (as a % of the total share capital of the company) | Refer Note 2 below |
| b Non-encumbered | |
| Number of shares | |
| Percentage of shares (as a % of the total shareholding of promoter and promoter group) | |
| Percentage of shares (as a % of the total share capital of the company) | |

Notes:

- The above results were taken on record by the Board of Directors of the Company at their meeting on 06th Feb 2015 and the same have been reviewed by the Auditors.
- The Company is closely held and the shares are held by Aditya Birla Nuvo Limited and its wholly owned subsidiaries and hence the information relating to public share holding, investors grievances and promoters and promoter group shareholding are not applicable.
- Effective 1st April, 2014, the Company has revised depreciation based on useful life of assets as per the requirement of Schedule II of the Companies Act, 2013. Had the Company followed earlier practice of charging depreciation, the charge to the Statement of Profit & Loss for the quarter ended 31st December, 2014 would be higher by Rs.3.73 Lacs and for nine months period ended 31st December, 2014 would be lower by Rs. 6.56 Lacs.

For and on Behalf of the Board of Directors

Place : Bangalore
Date : 06th Feb 2015Ashish Diksha
DirectorS Visvanathan
Director

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

Statement of Assets and Liabilities as on 31st December 2014

Amount in Rs. Lakhs

| Particulars | | As at 31st December 2014 (Unaudited) | As at 31st March 2014 (Audited) |
|-------------|--|---|--|
| A | EQUITY AND LIABILITIES | | |
| 1 | Shareholders' Funds: | | |
| | (a) Share Capital | 10,888.89 | 10,888.89 |
| | (b) Reserves & Surplus | (1,650.54) | 1,343.07 |
| | Sub Total - Shareholders' Fund | 9,238.35 | 12,231.96 |
| 2 | Non-current Liabilities | | |
| | (a) Long-term Borrowings | 37,200.00 | 2,000.00 |
| | (b) Other Long-term Liabilities | 133.83 | 162.46 |
| | Sub Total - Non-current Liabilities | 37,333.83 | 2,162.46 |
| 3 | Current Liabilities | | |
| | (a) Short-term Borrowings | 2,226.88 | 1,715.24 |
| | (b) Trade Payables | 5,624.10 | 3,984.04 |
| | (c) Other Current Liabilities | 2,073.52 | 35,817.26 |
| | (d) Short-term Provisions | 99.99 | 79.61 |
| | Sub Total - Current Liabilities | 10,024.49 | 41,596.15 |
| | TOTAL - EQUITY AND LIABILITIES | 56,596.67 | 55,990.57 |
| B | ASSETS | | |
| 1 | Non-current Assets | | |
| | (a) Fixed Assets | | |
| | - Tangible Asset | 1,518.00 | 1,694.57 |
| | - Intangible Assets | - | - |
| | - Capital Work-in-progress | 217.00 | 54.01 |
| | (b) Non-current investments | 42,500.00 | 42,500.00 |
| | (c) Long-term Loans and Advances | 1,012.65 | 885.55 |
| | (d) Other Non-current Assets | 42.44 | 40.29 |
| | Sub Total - Non-current Assets | 45,290.08 | 45,174.42 |
| 2 | Current Assets | | |
| | (a) Inventories | 8,550.33 | 8,794.58 |
| | (b) Trade Receivables | 547.08 | 10.15 |
| | (c) Cash & Bank Balance | 496.93 | 380.52 |
| | (d) Short-term Loans and Advances | 1,555.89 | 1,476.88 |
| | (e) Other Current Assets | 156.37 | 154.03 |
| | Sub Total - Current Assets | 11,306.60 | 10,816.15 |
| | TOTAL - ASSETS | 56,596.67 | 55,990.57 |

Note:

- 1 The Company had issued at par 3,000 rated, listed, non convertible secured debentures of Rs. 10,00,000 each amounting to Rs. 300 Crores in September 2012 redeemable at a premium of yield to maturity of 10.38% after 24 months. The redemption premium for the period ended 31st December 2014 of Rs. 1841.86 Lakhs (In Financial year ended 31st March 2014 Rs.3,114.00 lakhs) has been set off to share premium account. The said Debentures were redeemed on 26th of September 2014



MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

Additional Information Required for the Quarter Ended 31st December 2014

| | (Rs. in Lacs) | | | | | | |
|---|--|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| | Balance Sheet | As on 31st Dec 14 (Unaudited) | As on 30th Sept 14 (Unaudited) | As on 31st Dec 13 (Unaudited) | As on 31st Dec 14 (Unaudited) | As on 31st Dec 13 (Unaudited) | As on 31st Mar 14 (Audited) |
| 1 | Current Maturity of Long Term Borrowings (Other Current Liabilities) | - | - | 30,000.00 | - | 30,000.00 | 30,000.00 |
| 2 | Interest accrued but not due (Other Current Liabilities) | 337.52 | 285.92 | - | 337.52 | - | 58.80 |
| 3 | Provision for Tax (Short Term Provision) | - | - | - | - | - | - |
| 4 | Advance Tax (Long-term Loans and Advances) | - | - | - | - | - | - |
| 5 | Inter Corporate Deposit (Long-term Loans and Advances) | - | - | - | - | - | - |
| 6 | Advance Tax (Short-term Loans and Advances) | 85.25 | 84.23 | 212.35 | 85.25 | 212.35 | 214.47 |
| 7 | Proposed Dividend (Short Term Provision) | - | - | - | - | - | - |
| 8 | Provision for Corporate Tax on Dividend (Short Term Provision) | - | - | - | - | - | - |
| 9 | Inter Corporate Deposit (Short-term Loans and Advances) | - | - | - | - | - | - |

| | (Rs. in Lacs) | | | | |
|----------------------------|--|-----------------------------|----------------------------|----------------------------|--------------------------|
| | Quarter Ended | | | Year Ended | |
| Statement of Profit & Loss | 31st Dec 14 (Unaudited) | 30th Sept 14 (Unaudited) | 31st Dec 13 (Unaudited) | 31st Dec 14 (Unaudited) | 31st Mar 14 (Audited) |
| 1 | Interest Income (Other Income) | 119.37 | 1.17 | - | 6.08 |
| 2 | Dividend on Long Term Investment (Other Income) | 4.25 | - | - | 3.26 |
| 3 | Dividend on Current Investment (Other Income) | - | - | - | - |
| 4 | Profit / (Loss) on Sale of Long Term Investment (Other Income / (Other Expense)) | - | - | - | - |
| 5 | Profit / (Loss) on Sale of Current Investment (Other Income / (Other Expense)) | - | - | - | - |



Madura Garments Lifestyle Retail Company Limited

Additional information presented for consolidation of the financial results by the holding Company - Aditya Birla Nuvo Limited

Related Party Transactions

(a) List of related parties :

Parties where control exists

Holding Company - Aditya Birla Nuvo Limited, (ABNL)

Other Parties with whom transactions during the period

ABNL-Division Madura Fashion and Lifestyle (Unit of Holding Company)

Aditya Birla Finance Limited

ABNL Investments Limited

Pantaloons Fashion & Retail Limited

Aditya Birla Minacs Worldwide Limited

ABNL IT & ITES Limited

Transactions during the period

Rs.

| Sl. No. | Particulars | For the Period Ended | | For the Year ended |
|---------|--|--------------------------|--------------------------|------------------------|
| | | 31-Dec-14 (Unaudited) | 31-Dec-13 (Unaudited) | 31-Mar-14 (Audited) |
| | Transactions during the period | | | |
| 1 | Unsecured loans received | | | |
| | Aditya Birla Nuvo Limited - CFD | 450,000,000 | 125,000,000 | 153,500,000 |
| | ABNL IT & ITES Limited | 219,500,000 | | |
| 2 | Unsecured loans repaid | | | |
| | Aditya Birla Nuvo Limited - CFD | 329,500,000 | 35,000,000 | 52,500,000 |
| | ABNL IT & ITES Limited | 219,500,000 | | |
| 3 | Unsecured Loans Received Back | | | |
| | ABNL Investments Limited | | 18,000,000 | 18,000,000 |
| 4 | Convertible Debentures Issued | | | |
| | ABNL IT & ITES Limited | 3,520,000,000 | | |
| 5 | Dividend on Convertible Preference Shares | | | |
| | Aditya Birla Finance Limited | 425,000 | 326,164 | 326,164 |
| 6 | Interest Income | | | |
| | ABNL Investments Limited | | 201,451 | 201,451 |
| 7 | Interest paid | | | |
| | Aditya Birla Nuvo Limited - CFD | 30,968,832 | 3,973,834 | 6,533,869 |
| | ABNL IT & ITES Limited | 3,886,295 | | |
| | Other transactions | | | |
| a | Purchase of Goods and Services | | | |
| | ABNL-Division Madura Fashion and Lifestyle | 967,594,229 | 999,044,627 | 1,233,836,983 |
| b | Royalty Paid | | | |
| | ABNL-Division Madura Fashion and Lifestyle | 900,000 | 900,000 | 1,200,000 |
| c | Expenses Reimbursement Paid | | | |
| | Aditya Birla Nuvo Limited - CFD | 85,236 | 180,940 | 180,940 |
| | ABNL-Division Madura Fashion and Lifestyle | 880,649 | 1,302,309 | 892,560 |
| | Aditya Birla Minacs Worldwide Limited | | 68,574 | 113,562 |
| | Pantaloons Fashion & Retail Limited | | 2,436,034 | 2,800,556 |
| d | Sales of Goods and Services | | | |
| | ABNL-Division Madura Fashion and Lifestyle | | 346,500 | 346,500 |
| e | Sales of Assets | | | |
| | ABNL-Division Madura Fashion and Lifestyle | | 366,888 | 366,888 |




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Madura Garments Lifestyle Retail Company Limited

Additional information presented for consolidation of the financial results by the holding Company - Aditya Birla Nuvo Limited

| Sl. No. | Particulars | For the Period Ended | | Rs. |
|---------|--|--------------------------|---------------------------------------|--|
| | | 31-Dec-14 (Unaudited) | 31-Dec-13 (Unaudited) | For the Year ended 31-Mar-14 (Audited) |
| | | 9 | Balance outstanding at the period end | |
| | Aditya Birla Nuvo Limited - CFD | | | |
| | Loan Payable | 221,500,000 | 90,000,000 | 101,000,000 |
| | Interest Payable | 33,752,429 | 3,576,451 | 5,880,483 |
| | Corporate Guarantee | 175,000,000 | 175,000,000 | 175,000,000 |
| | Expenses Payable | 52,351 | | |
| | ABNL IT & ITES Limited | | | |
| | Loan Payable | | | |
| | Interest Payable | | | |
| | Convertible Debentures Payable | 3,520,000,000 | | |
| | Aditya Birla Finance Limited | | | |
| | Preference Shares Receivable | 4,250,000,000 | 4,250,000,000 | 4,250,000,000 |
| | Aditya Birla Minacs Worldwide Limited | | | |
| | IT Service charges Payable | | 25,582 | 14,730 |
| | Peter England Fashion & Retail Limited | | | |
| | Reimbursement Payable | | | 364,522 |
| | ABNL Investments Limited | | | |
| | Convertible Debentures Payable | 200,000,000 | 200,000,000 | 200,000,000 |
| | ABNL-Division Madura Fashion And Lifestyle | | | |
| | Purchase Payable | 190,866,735 | 180,727,441 | 46,010,099 |

For and on Behalf of the Board of Directors

Place : Bangalore
Date : 06th Feb 2015

Ashish Dikshit
Director


S Visvanathan
Director


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Madura Garments Lifestyle Retail Company Limited

Segmental Reporting

| Sl. No. | Segment Reporting | Quarter Ended | | | Year to Date | | Year Ended 31st March 2014 (Audited) |
|---------|---|--------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
| | | 31st December 2014 (Unaudited) | 30th September 2014 (Unaudited) | 31st December 2013 (Unaudited) | 31st December 2014 (Unaudited) | 31st December 2013 (Unaudited) | |
| | Segment Revenue | | | | | | |
| | Retail | 8,741.83 | 7,289.47 | 8,660.93 | 22,940.21 | 21,665.79 | 29,660.77 |
| | Institutional | 389.30 | 444.87 | - | 1,113.32 | - | 7.04 |
| | Financial Services | - | - | - | - | - | - |
| | Total Segmental Revenue | 9,131.13 | 7,734.34 | 8,660.93 | 24,053.53 | 21,665.79 | 29,667.81 |
| | Add: | | | | | | |
| | Unallocated Revenue | - | - | - | - | - | - |
| | Total Revenue | 9,131.13 | 7,734.34 | 8,660.93 | 24,053.53 | 21,665.79 | 29,667.81 |
| | Segment Results (Profit / (Loss) before Interest and Tax - PBIT) | | | | | | |
| | Retail | (53.99) | (979.26) | 469.82 | (1,041.61) | 67.03 | (302.23) |
| | Institutional | 186.48 | 78.88 | - | 265.36 | - | 2.57 |
| | Financial Services | - | - | - | - | - | - |
| | Unallocated | 4.25 | - | - | 4.25 | - | 3.26 |
| | Total Segmental PBIT | 136.74 | (900.38) | 469.82 | (772.00) | 67.03 | (296.29) |
| | Less: | | | | | | |
| | Interest | | | | | | |
| | Unallocated | 111.73 | 159.11 | 32.17 | 390.18 | 54.02 | 110.70 |
| | Total Interest | 111.73 | 159.11 | 32.17 | 390.18 | 54.02 | 110.70 |
| | Profit & Loss before Tax | 25.01 | (1,059.49) | 437.65 | (1,162.18) | 13.01 | (406.99) |
| | Segmental Capital Employed | | | | | | |
| | Retail | 47,277.63 | 13,189.05 | 15,454.39 | 47,307.63 | 15,454.39 | 14,261.86 |
| | Institutional | 268.03 | 81.55 | - | 268.03 | - | 2.57 |
| | Financial Services | - | - | - | - | - | - |
| | Unallocated/Corporate Liabilities | 125.00 | 125.00 | 125.00 | 95.00 | 125.00 | 125.00 |
| | Total Capital Employed | 47,670.67 | 13,365.60 | 15,579.39 | 47,670.67 | 15,579.39 | 14,389.54 |

Previous Period / Year: figures have been regrouped / reclassified as applicable.

Place: Bangalore
Date: 06th Feb 2015

and on Behalf of the Board of Directors


Anish P. Kishore
Director


S. Vivanathan
Director


MADURA GARMENTS LIFESTYLE RETAIL COMPANY LTD.

Madura Garments Lifestyle Retail Company Limited is a subsidiary of Aditya Birla Nuvo Limited

DIRECTORS' REPORT

To the Members of Madura Garments Lifestyle Retail Company Limited

Your Directors are pleased to present the Seventh Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2014.

Financial Performance

| | Rs. In crores | |
|---|---------------|---------|
| | 2013-14 | 2012-13 |
| Net Income | 297.5 | 258.4 |
| Profit before Interest and Depreciation | 5.2 | 21.6 |
| Depreciation and Amortisation | 8.2 | 7.6 |
| Finance Costs | 1.1 | 0.5 |
| Profit/(Loss) Before Tax | (4.1) | 13.5 |
| Income Tax | - | - |
| Profit/(Loss) After Tax | (4.1) | 13.5 |
| Profit and Loss account balance brought forward | (159.7) | (159.7) |
| Appropriation to Reserves | - | (13.5) |
| Balance Carried Forward | (163.8) | (159.7) |

Review of Performance

The Company has expanded its network of stores and operated eight stores of "The Collective" and three "Hackett" Mono Brands during the financial year ended 31st March, 2014 and managed 110 "Planet Fashion" Stores by leveraging its expertise in operating in retail sector.

The Collective stores continue to set benchmarks in retail experience, product offering and visual merchandising.

Prospects

With the expansion of retail stores network and launch of international mono brand stores, your Company, with its portfolio of premium and super premium retail stores, is well positioned to be a major player in super premium market.

Certified True Copy
For Pantaloon's Fashion & Retail Limited


Geetika Anand
Company Secretary



Dividend

In view of the accumulated losses the Board of Directors has not recommended any dividend for the financial year ending 31st March, 2014

Fixed Deposits

Your Company has not accepted any deposits during the financial year ending 31st March, 2014.

Auditors

Your Company's statutory auditors Deloitte Haskins & Sells shall retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment as the statutory auditors of the Company. Your Directors request you to appoint Auditors for the current year as set out in the accompanying notice of the Annual General Meeting.

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Director

Mr. Sushil Agarwal and Mr. Ashish Dikshit retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. 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 of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. they have prepared the annual accounts on a 'going concern basis'.



Particulars of Employees

Information required to be provided under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this report.

Annexures

Required information as per Section 217(1) (e) and 217(2A) of the Companies Act, 1956, are Annexed.

Appreciation

Your Directors wish to place on record their appreciation of the support which the Company has received from its shareholders, customers, suppliers, bankers, press and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided by Central and State Governments and all Regulatory bodies.

Your Directors place on record their deep appreciation of the dedication and commitment of the employees at all levels and look forward to their continued contribution in the future as well. Their dedicated efforts and enthusiasm have been pivotal for your Company's growth.

For And On Behalf Of The Board

Place: Bangalore
Date: May 6, 2014


Ashish Dikshit
Director


S. Visvanathan
Director



ANNEXURE TO THE DIRECTORS' REPORT DATED MAY 6, 2014

(A) Statement pursuant to Sec. 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the period ended 31st March, 2014

I. Conservation of Energy

In line with the Company's declared commitment towards conservation of natural resources, the Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices.

II. Technology Absorption

The Company's activity is mainly that of trading of readymade garments, accessories and services. Every effort is made to utilize the best technology for making available the products to its intended consumers. Efforts to improve productivity by innovative work methods and adoption of better production technology are parts of a continual process.

III. Foreign Exchange Earning and Outgo

During the year under review, the Company spent Rs.54.88 crores (consisting of Rs. 1.39 crores on capital imports and Rs.53.49 crores on the revenue account).

(B) Particulars of Employees forming part of the Directors' Report, for the year ended 31st March 2014. Information pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

| Sl No | Name | Qualification | Age (Yrs) | Experience (Yrs) | Date of Commencement of Employment | Designation/Nature of Duties | Gross Remuneration Rs. | Particulars of last Employment held before joining the Company | | |
|-------|---------------|---------------------|-----------|------------------|------------------------------------|------------------------------|------------------------|--|--------------------|-------------------------|
| | | | | | | | | Name of Employer | Designation | Period of Service (Yrs) |
| 1 | Jube Woodhead | University Graduate | 53 | 33 | 28-Apr-08 | Buying Director, Collective | 21,978,120 | Moss Bros PLC | Head-Merchandising | 05 |

Notes:

- Gross remuneration shown above is subject to tax and comprises of basic salary, allowances, monetary value of perquisites and Company's contribution towards provident and superannuation funds.
- None of the above employees is related to any Director of the Company.
- The nature of employment in all cases is contractual.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MADURA GARMENT LIFESTYLE RETAIL COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **MADURA GARMENT LIFESTYLE RETAIL COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

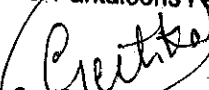
Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

↓
Certified True Copy
For Pantaloon Fashion & Retail Limited


Geetika Anand
Company Secretary

1



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

S. Sundaresan

S. Sundaresan
Partner
(Membership No. 25776)



BANGALORE, May 06, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. The nature of the Company's business / activities / results is such that clauses 4(iii) (b) to (d), (f) and (g), 4(vi), 4(viii), 4(xii), 4 (xiii), 4(xiv), 4(xvi), 4(xviii), 4 (ix) (b), 4(xx) and 4(xix) of the Order are not applicable to the Company.
2. In respect of its fixed assets,
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. In respect of inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
4. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.



6. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
7. The Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
9. The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses in the current financial year.
10. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders and during the year there were no dues repayable to financial institutions.
11. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
12. In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short term basis have not been used during the year for long term investment.



13. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

for Deloitte Haskins & Sells
Chartered Accountants
(Registration No 008072S)

S. Sundaresan

S. Sundaresan
Partner

(Membership No. 25776)

BANGALORE, May 06, 2014



Madura Garments Lifestyle Retail Company Limited
Balance Sheet As At 31st March 2014

| | Note No | As at 31-Mar-14 | Rs. As at 31-Mar-13 |
|------------------------------------|----------------|----------------------|---------------------------|
| (A) Shareholders' funds | | | |
| a. Share Capital | 1 | 988,888,900 | 988,888,900 |
| Equity Preference | | 100,000,000 | 100,000,000 |
| b. Reserves and Surplus | 2 | 134,306,891 | 487,116,389 |
| | Sub total -(A) | 1,223,195,791 | 1,576,005,289 |
| (B) Non-current liabilities | | | |
| a. Long-term borrowings | 3A | 200,000,000 | 3,200,000,000 |
| b. Other Long term Liabilities | 6A | 18,246,353 | 168,280,893 |
| | Sub total -(B) | 218,246,353 | 3,368,280,893 |
| (C) Current liabilities | | | |
| a. Short-term borrowings | 3B | 171,523,989 | 2,169,443 |
| b. Trade payables | 4 | 398,403,756 | 534,855,146 |
| c. Other Current liabilities | 5 | 3,581,725,622 | 65,295,766 |
| d. Short-term provisions | 6B | 7,961,479 | 9,045,111 |
| | Sub total -(C) | 4,159,615,046 | 611,364,466 |
| TOTAL | (A)+(B) | (A)+(B)+(C) | 5,598,057,190 |
| ASSETS | | | |
| (D) Non Current Assets | | | |
| a. Fixed Assets | | | |
| Tangible assets | 7A | 169,457,392 | 149,801,725 |
| Intangible assets | 7B | | 1,599,848 |
| Capital work-in-progress | | 5,400,785 | 97,852,641 |
| | | 174,858,177 | 249,251,214 |
| b. Non-current investments | 8 | 4,250,000,000 | 4,250,000,000 |
| c. Long-term loans and advances | 9A | 88,555,050 | 91,981,511 |
| d. Other non-current assets | 10A | 4,028,955 | 4,016,786 |
| | Sub total -(D) | 4,517,442,182 | 4,695,249,511 |
| (E) Current Assets | | | |
| a. Inventories | 11 | 879,457,682 | 785,255,903 |
| b. Trade receivables | 12 | 1,014,826 | 6,915,257 |
| c. Cash & Bank Balance | 13 | 38,051,712 | 44,500,615 |
| d. Short-term loans and advances | 9B | 147,688,039 | 120,036,132 |
| e. Other Current Assets | 10B | 15,402,749 | 3,693,230 |
| | Sub total -(E) | 1,081,615,008 | 960,401,137 |
| TOTAL | (D)+(E) | 5,599,057,190 | 5,555,650,648 |

Corporate Information & Significant accounting policies 1&2
Notes forming part of the financial statements 3 to 21

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan

S. Sundaresan
Partner



For and on Behalf of the Board of Directors

Aastish Dikshit
Aastish Dikshit
Director and Manager

S. Visvaratnam
S. Visvaratnam
Director

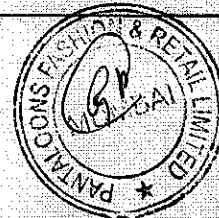
G Mohana Sundaram
G Mohana Sundaram
Company Secretary

Place : Bangalore

Date : *May 6th, 2014*

Certified True Copy
For Pantaloons Fashion & Retail Limited

Geetika Agand
Geetika Agand
Company Secretary



Madura Garments Lifestyle Retail Company Limited
Balance Sheet As At 31st March 2014

| | Note No | As at 31-Mar-14 | Rs. As at 31-Mar-13 |
|----------------------------------|----------------|----------------------|---------------------------|
| (A) Shareholders' funds | | | |
| a. Share Capital | 1 | 988,888,900 | 988,888,900 |
| Equity Preference | | 100,000,000 | 100,000,000 |
| b. Reserves and Surplus | 2 | 134,306,891 | 487,116,369 |
| Sub total -(A) | | 1,223,195,791 | 1,576,005,289 |
| (B) Non-current liabilities | | | |
| a. Long-term borrowings | 3A | 200,000,000 | 3,200,000,000 |
| b. Other Long term Liabilities | 6A | 16,246,353 | 188,280,893 |
| Sub total -(B) | | 216,246,353 | 3,388,280,893 |
| (C) Current liabilities | | | |
| a. Short-term borrowings | 3B | 171,523,989 | 2,168,443 |
| b. Trade payables | 4 | 398,403,756 | 534,855,146 |
| c. Other Current liabilities | 5 | 3,581,725,822 | 65,295,766 |
| d. Short-term provisions | 8B | 7,961,479 | 9,045,111 |
| Sub total -(C) | | 4,159,615,046 | 611,364,466 |
| TOTAL | (A)+(B) | (A)+(B)+(C) | |
| | | 5,599,057,190 | 5,555,650,848 |
| ASSETS | | | |
| (D) Non Current Assets | | | |
| a. Fixed Assets | | | |
| Tangible assets | 7A | 189,457,392 | 149,801,725 |
| Intangible assets | 7B | - | 1,595,848 |
| Capital work-in-progress | | 5,400,785 | 97,852,641 |
| | | 174,858,177 | 249,251,214 |
| b. Non-current investments | 8 | 4,250,000,000 | 4,250,000,000 |
| c. Long-term loans and advances | 9A | 88,555,050 | 91,981,511 |
| d. Other non-current assets | 10A | 4,028,955 | 4,018,788 |
| Sub total -(D) | | 4,617,442,182 | 4,595,249,511 |
| (E) Current Assets | | | |
| a. Inventories | 11 | 879,457,682 | 785,255,903 |
| b. Trade receivables | 12 | 1,014,826 | 8,915,257 |
| c. Cash & Bank Balance | 13 | 38,051,712 | 44,500,615 |
| d. Short-term loans and advances | 9B | 147,688,039 | 120,036,132 |
| e. Other Current Assets | 10B | 15,402,749 | 3,693,230 |
| Sub total -(E) | | 1,081,615,008 | 960,401,137 |
| TOTAL | (D)+(E) | 5,599,057,190 | 5,555,650,648 |

Corporate Information & Significant accounting policies 1&2
Notes forming part of the financial statements 3 to 21

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner



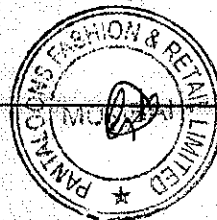
For and on Behalf of the Board of Directors:

Amitish Dikshit
Director and Manager

G Visvanathan
Director

Place : Bangalore

Date : May 6th, 2014



G Mohana Sundaram
Company Secretary

Madura Garments Lifestyle Retail Company Limited
Statement of Profit and Loss for the Year Ended 31st March 2014

| | Note No | Year Ended 31-Mar-14 | Rs. Year Ended 31-Mar-13 |
|---|---------|-------------------------|--------------------------------|
| Revenue from operations | 14 | 2,966,781,411 | 2,537,268,591 |
| Other Income | 15 | 8,385,928 | 46,243,470 |
| Total Revenue | | 2,975,167,339 | 2,583,512,061 |
| Expenses | | | |
| Purchase of Stock in trade | 16 | 1,988,851,429 | 2,181,455,421 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 17 | (94,201,779) | (579,529,733) |
| Employee benefits expenses | 18 | 128,712,292 | 108,362,992 |
| Finance Cost | 19 | 11,070,205 | 5,438,281 |
| Depreciation of Tangible Assets | | 80,150,861 | 73,318,810 |
| Amortization of Intangible Liabilities | | 1,596,848 | 2,826,952 |
| Other expenses | 20 | 899,685,894 | 657,106,622 |
| Total Expenses | | 3,015,865,750 | 2,448,979,345 |
| Profit / (Loss) before tax | | (40,698,411) | 134,532,716 |
| Tax expenses | | | |
| Current tax | | - | - |
| Deferred tax (Refer Note 22 sub note 22.23) | | - | - |
| Profit / (Loss) for the year | | (40,698,411) | 134,532,716 |
| Earnings / (Loss) per share of the face value of Rs. 10/- each | | | |
| Basic Earnings per Share - Rs. | } | (0.51) | 2.24 |
| Diluted Earnings per Share - Rs. | | | |
| (Face Value of Rs 10/- each) | | | |

Corporate Information & Significant accounting policies 1&2
Notes forming part of the financial statements 3 to 21

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

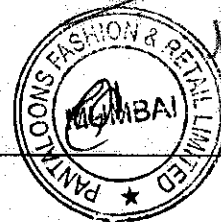
S. Sundaresan
S. Sundaresan
Partner



For and on Behalf of the Board of Directors

Ashish Dikshit
Ashish Dikshit
Director and Manager

S. Visvanathan
S. Visvanathan
Director



G Mohana Sundaram
G Mohana Sundaram
Company Secretary

Place : Bangalore
Date : *May 6th, 2014*

| MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED | | | | |
|--|--------------|----------------------|-----------------|------------------------|
| CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 | | | | |
| | 31-Mar-2014 | | 31-Mar-2013 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit / (Loss) before tax | | (40,698,411) | | 134,532,718 |
| Adjustments for: | | | | |
| Depreciation | 81,747,709 | | 78,145,782 | |
| Interest Expense | 39,075,253 | | 27,057,804 | |
| Profit on sale of investments | | | (301,862) | |
| Interest received | (808,098) | | (44,855,862) | |
| Mark to Market loss on outstanding forward Cover | 538,335 | | 906,249 | |
| Foreign Exchange Loss / (Gain) | (9,776,679) | | 4,377,409 | |
| Loss on disposal of Fixed Assets | 9,721,817 | | 2,387,720 | |
| Bad Debts | 1,847,016 | | | |
| | | 126,545,452 | | 65,697,220 |
| Operating Loss before working capital changes | | 85,847,041 | | 250,229,938 |
| (Increase) / Decrease in Accounts Receivables | 4,063,415 | | 14,857,938 | |
| (Increase) / Decrease in inventory | (94,201,779) | | (579,629,733) | |
| (Increase) / Decrease in long term Loans and Advances | (3,778,366) | | (3,145,890) | |
| (Increase) / Decrease in short term Loans and Advances | (57,027,538) | | (25,880,152) | |
| Increase / (Decrease) in Current Liabilities and Provisions | (95,302,476) | | 326,169,053 | |
| | | (246,256,744) | | (267,638,784) |
| Cash generated from operations | | (160,409,703) | | (67,308,848) |
| Taxes Paid | | (738,541) | | (1,433,670) |
| NET CASH USED IN OPERATING ACTIVITIES | | (161,148,244) | | (68,742,418) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of Tangible Fixed Assets | (1,118,928) | | (145,277,727) | |
| Investments in Compulsorily Convertible Preference Shares | | | (1,250,000,000) | |
| Proceeds from Sale of Fixed Assets | 666,912 | | 582,201 | |
| Proceeds on sale of investments | | | 3,479,352 | |
| Fixed Deposits made | (12,169) | | (84,586) | |
| Interest received | 1,012,751 | | 43,801,578 | |
| NET CASH USED IN INVESTING ACTIVITIES | | 538,565 | | (1,347,698,182) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Net Proceeds / Remittances from / to Long Term Borrowings | | | (1,504,000,000) | |
| ICDs issued to related parties | | | (2,978,950,000) | |
| ICDs repaid by related parties | 18,000,000 | | 2,958,950,000 | |
| ICD received from related party | 101,000,000 | | | |
| Proceeds from issue of redeemable non Convertible Debentures | | | 3,000,000,000 | |
| Proceeds / Remittances from / to Short Term Borrowings from Banks | 88,355,546 | | (2,260,168) | |
| Interest paid | (33,194,770) | | (27,684,243) | |
| NET CASH FROM FINANCING ACTIVITIES | | 164,160,776 | | 1,448,084,889 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | (6,445,903) | | 31,843,389 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | | 44,500,615 | | 12,857,226 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE 2 BELOW) | | 38,054,712 | | 44,600,615 |

Notes -

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 under Companies (Accounting Standard) Rule, 2006 on Cash Flow Statements, prescribed.

2. Cash and Cash Equivalents

Cash and Cash equivalents included in the cash flow statement comprises the following balance sheet amounts

| | 31-Mar-2014 | 31-Mar-2013 |
|---------------------|-------------------|-------------------|
| Cash in Hand | 589,308 | 219,371 |
| Balances with banks | | |
| On Current accounts | 37,482,404 | 44,281,244 |
| | <u>38,051,712</u> | <u>44,600,615</u> |

3. Previous year's figures have been regrouped/rearranged, wherever considered necessary, to conform to current year's presentation.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
S. Sundaresan
Partner

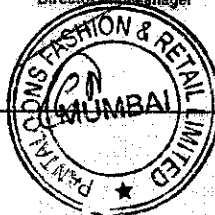


For and on Behalf of the Board of Directors

Ashwin Pichait
Ashwin Pichait
Director and Manager

S. Visvanathan
S. Visvanathan
Director

Place: Bangalore
Date: *May 6th, 2014*



G. Mohana Sundaram
G. Mohana Sundaram
Company Secretary

Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

NOTE 1**SHARE CAPITAL****1.1 Authorised:**

| | As At 31-Mar-14 Rs. | As At 31-Mar-13 Rs. |
|---|---------------------------|---------------------------|
| 100,000,000 (Previous Year 10,000,000) Equity Shares of Rs. 10 each | 1,000,000,000 | 1,000,000,000 |
| 10,000,000 (Previous Year 10,000,000) - 8% Redeemable Cumulative Preference Shares of Rs. 10 each | 100,000,000 | 100,000,000 |

Total

| | |
|---------------|---------------|
| 1,100,000,000 | 1,100,000,000 |
|---------------|---------------|

1.2 Issued, Subscribed & Paid-up:**Equity Share Capital**

| | | |
|--|-------------|-------------|
| 98,888,890 (Previous Year 98,888,890) Equity Shares of Rs. 10 each, Fully paid-up* | 988,888,900 | 988,888,900 |
|--|-------------|-------------|

*Comprising of

98,838,896 (Previous year 98,838,896) Equity Shares of Rs. 10 each held by the Holding Company, Aditya Birla Nuvo Limited

49,994 (Previous year 49,994) Equity Shares of Rs. 10 each held by ABNL Investment Limited, subsidiary of Aditya Birla Nuvo Limited
(Refer sub note 1.4 below)

Preference Share Capital

| | | |
|---|-------------|-------------|
| 10,000,000 (Previous Year 10,000,000) - 8% Redeemable Cumulative Preference Shares of Rs. 10 each** | 100,000,000 | 100,000,000 |
|---|-------------|-------------|

**All the above mentioned Preference Shares are held by the Holding Company Aditya Birla Nuvo Limited.
(Refer sub note 1.5 below)

Total

| | |
|---------------|---------------|
| 1,088,888,900 | 1,088,888,900 |
|---------------|---------------|

1.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

| Sl No. | Description | As at 31-Mar-14 | | As at 31-Mar-13 | |
|--------|--|--------------------|----------------------|--------------------|----------------------|
| | | No. of Shares | Rs. | No. of Shares | Rs. |
| 1 | No of Shares outstanding at the beginning of the year | | | | |
| | Equity Shares | 98,888,890 | 988,888,900 | 10,000,000 | 100,000,000 |
| | Preference | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| | | 108,888,890 | 1,088,888,900 | 20,000,000 | 200,000,000 |
| 2 | Allotment of Equity Shares of Rs. 10 each fully paid up on 24th September 2012 upon conversion of 3000 zero coupon, unsecured, unrated, unlisted, fully paid up, non marketable, non redeemable, fully and compulsorily convertible Debentures of Rs 1,000,000/- | | | 88,888,890 | 888,888,900 |
| 3 | No of Shares outstanding at the end of the year | | | | |
| | Equity Shares | 98,888,890 | 988,888,900 | 98,888,890 | 988,888,900 |
| | Preference | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| | | 108,888,890 | 1,088,888,900 | 108,888,890 | 1,088,888,900 |

1.4 Terms / right attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors 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 receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

1.5 Terms / rights attached to Preference Shares including terms of conversion / redemption

The Company had issued 10,000,000 8% cumulative redeemable preference shares of Rs 10/- each at par to its holding Company - Aditya Birla Nuvo Limited on March 26th, 2009. These preference shares are redeemable at face value upon completion of 10 years but before the expiry of the statutory period of 20 years from the date of allotment. The earliest redemption is due on March 25, 2019. The Preference share holders will be eligible for dividend at 8%. Arrears of fixed cumulative dividend on preference shares including corporate tax thereon as at 31st March 2014 is Rs. 4,69,26,214 (As at 31st March 2013 Rs. 3,75,66,614)

1.6 Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

| Sl. No. | Name of the Shareholder | As at 31-Mar-14 | | As at 31-Mar-13 | |
|---------|---|--------------------|----------------------------------|--------------------|----------------------------------|
| | | No. of Shares held | % of Total paid up Share Capital | No. of Shares held | % of Total paid up Share Capital |
| 1 | Equity Share Capital Aditya Birla Nuvo Limited | 98,838,896 | 99.95% | 98,838,896 | 99.95% |
| 2 | Preference Share Capital Aditya Birla Nuvo Limited | 10,000,000 | 100.0% | 10,000,000 | 100.0% |



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

| | As At 31-Mar-14 Rs. | As At 31-Mar-13 Rs. |
|--|---------------------------|---------------------------|
| NOTE :2 | | |
| RESERVES AND SURPLUS | | |
| Hedging Reserve | | |
| Opening Balance | (2,184,251) | - |
| Gain/(Loss) recognised during the year (Net) | (569,741) | (2,775,856) |
| Gain/(Loss) recycled to statement of Profit and Loss | 141,346 | (591,605) |
| Closing balance | <u>(2,895,338)</u> | <u>(2,184,251)</u> |
| Share Premium Account | | |
| Opening Balance | 1,951,571,922 | - |
| Additions : Issue of 88,888,888 equity shares of Rs. 10 each at a premium of Rs. 23.75 per share | - | 2,111,111,100 |
| Deduction: Provision for premium on redemption of debentures | (311,400,000) | (159,539,178) |
| | <u>1,640,171,922</u> | <u>1,951,571,922</u> |
| Debenture Redemption Reserve | | |
| Opening Balance | 134,532,716 | - |
| Additions : Transfer from Statement of Profit And Loss | - | 134,532,716 |
| Closing Balance | <u>134,532,716</u> | <u>134,532,716</u> |
| Balance in Statement of Profit and Loss | | |
| Balance at the beginning of the year | (1,596,803,998) | (1,596,803,998) |
| Add- Profit / (Loss) for the year | (40,698,411) | 134,532,716 |
| | <u>(1,637,502,409)</u> | <u>(1,462,271,282)</u> |
| Less : Appropriations | | |
| Transfer to Debenture Redemption reserve (Refer note : 21.04) | - | 134,532,716 |
| Closing Balance | <u>(1,637,502,409)</u> | <u>(1,596,803,998)</u> |
| | <u>134,306,891</u> | <u>487,116,389</u> |



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

| | As At 31-Mar-14 Rs. | As At 31-Mar-13 Rs. |
|---|---------------------------|---------------------------|
| NOTE :3A | | |
| LONG TERM BORROWINGS | | |
| 3A.1 Debentures- Unsecured (Refer sub note 3A.3b below) | 200,000,000 | 200,000,000 |
| 3A.2 Debentures- Secured (Refer sub note 3A.3a below) | - | 3,000,000,000 |
| | <u>200,000,000</u> | <u>3,200,000,000</u> |
| 3A.3 Debentures | | |
| a 3000 secured redeemable Non- Convertible Debentures of the face value of Rs 1,000,000/- each at par issued through private placement. | - | 3,000,000,000 |
| <p>The Company has issued 3000 secured redeemable non convertible debentures of the face value of Rs. 10,00,000/-each for cash at par on private placement basis on 26th September 2012.</p> <p>The debentures are secured by first pari-passu charge by way of mortgage over immovable property valuing about Rs. 11,55,000/-first ranking exclusive charge basis, all its rights, title, interest, benefits, claims and demands whatsoever of the issuer under the CCP Call right and Put Right Agreement, First and Exclusive Charge on the Escrow Account and all the monies lying to the credit of thy Escrow Account, at present or in future till full and final payment and discharge of the obligation, First and exclusive charge on the deposits made in the Escrow Account, if any, pursuant to the Cash Support Undertaking or Corporate Guarantee.</p> <p>Terms of Redemption : The first redemption date is 24 months from the deemed date of Allotment. The debentures are redeemable at a redemption premium equal to Yield To Maturity of 10.38% per annum.</p> | | |
| b 200 Zero Coupon fully and compulsorily Convertible Debentures of Rs 1,000,000/- each at par issued to ABNL Investment Limited | 200,000,000 | 200,000,000 |
| <p>The Company has issued 200 zero coupon, fully and compulsorily convertible Debentures of Rs 1,000,000/- each at par to ABNL Investment Limited on February 5th, 2010. The Debentures are convertible into Equity Shares on expiry of 60 months from the date of allotment i.e. (Compulsory Conversion Date), or at the option of investor, at any time after expiry of 24 months from the date of allotment but before 54 months with 3 months advance notice. The Conversion Ratio shall be determined mutually by the Company and Debenture holder at least 30 days prior to the Compulsory Conversion Date or the Conversion Date as the case may be. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend with the then existing fully paid up equity shares of the Company subject to the provisions of the Memorandum and Articles of Association of the Company.</p> | | |
| | <u>200,000,000</u> | <u>3,200,000,000</u> |
| NOTE :3B | | |
| SHORT TERM BORROWINGS | | |
| 3B.1 Working Capital Borrowings from Banks (Refer sub note 3B.3 below) - Secured | 70,523,989 | 2,168,443 |
| 3B.2 Inter Corporate Deposit - Unsecured* | 101,000,000 | - |
| *from Aditya Birla Nuvo Limited- Holding Company | | |
| | <u>171,523,989</u> | <u>2,168,443</u> |
| Secured Working Capital Borrowings from Banks | | |
| 3B.3 Working Capital borrowings are secured by Second charge by way of hypothecation of Company's entire Current assets including stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary or clean, outstanding monies, receivables, both present & future | 70,523,989 | 2,168,443 |
| Corporate Guarantee issued by the Holding Company Aditya Birla Nuvo Ltd. | | |
| 3B.4 Inter Corporate Deposit - Unsecured | 101,000,000 | - |
| <p>The Company had obtained unsecured inter corporate deposits from Aditya Birla Nuvo Ltd - Holding Company for its business operations. The ICD are repayable at call. The rate of interest on the ICD is 10%</p> | | |
| | <u>171,523,989</u> | <u>2,168,443</u> |



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

| | As At 31-Mar-14 Rs. | As At 31-Mar-13 Rs. |
|--|---------------------------|---------------------------|
| NOTE :4 | | |
| TRADE PAYABLES | | |
| Trade Payables for Salaries, wages and other Employee benefits | 24,262,407 | 20,078,543 |
| Trade Payables | 374,141,349 | 514,776,603 |
| | <u>398,403,756</u> | <u>534,855,146</u> |

Disclosure under Sec. 22 of MSMED Act, 2006
(Chapter V - Delayed Payment to Micro and Small Enterprises)

Micro and Small Scale Business Entities:

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE :5
OTHER CURRENT LIABILITIES

| | | |
|---|----------------------|-------------------|
| Current Maturity of long term Borrowings (Refer Note 3A.3a) | 3,000,000,000 | - |
| Liability for Premium on Redemption of Debentures | 470,939,178 | - |
| Statutory Dues | 26,997,902 | 27,119,586 |
| Interest Accrued but not due | 5,880,483 | - |
| Advance from Customers | 18,265,649 | 18,208,186 |
| Payable for Capital Expenditure | 12,310,428 | 2,900,783 |
| Mark to Market Derivatives | 4,339,922 | 2,949,154 |
| Deferred lease Rentals | 602,681 | 520,457 |
| Security Deposit | 42,389,579 | 13,597,600 |
| | <u>3,581,725,822</u> | <u>65,296,766</u> |

NOTE :6A
OTHER LONG TERM LIABILITIES

| | | |
|---|-------------------|--------------------|
| Liability for Premium on Redemption of Debentures | - | 159,539,178 |
| Deferred lease Rentals | 16,246,353 | 8,741,715 |
| | <u>16,246,353</u> | <u>168,280,893</u> |

NOTE :6B
SHORT TERM PROVISIONS

| | | |
|---|------------------|------------------|
| Provision for Employee Benefits | | |
| Leave Encashment (Refer Note 21.08 (b)) | 6,039,371 | 7,280,522 |
| Gratuity Payable (Refer Note 21.08 (b)) | - | 1,764,589 |
| Provision for Discount on Retail Loyalty Cards (Refer Note 21.14) | 1,922,108 | - |
| | <u>7,961,479</u> | <u>9,045,111</u> |



Madura Garments Lifestyle Retail Company Limited

Notes forming part of Accounts

NOTE :7A

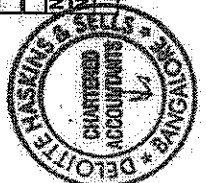
Tangible assets

| | Leasehold Improvements | Buildings | Plant and Machinery | Computer and accessories | Office Equipments | Furniture and Fixtures | Vehicles | Total |
|--|------------------------|-----------|---------------------|--------------------------|-------------------|------------------------|-----------|-------------|
| Gross Block | | | | | | | | |
| As At 1st April 2012 | 10,121,287 | 1,275,400 | 27,093,773 | 5,823,954 | 14,755,157 | 323,595,058 | 3,457,480 | 394,846,709 |
| Additions | - | - | 6,062,128 | 516,354 | 3,267,705 | 49,361,438 | - | 54,503,026 |
| Deduction/Adjustments | - | 402,148 | - | 168,186 | 120,205 | 4,630,510 | 630,000 | 5,951,049 |
| As At 31st March 2013 | 10,121,287 | 1,275,400 | 32,753,753 | 6,172,122 | 17,902,658 | 362,345,986 | 2,827,480 | 433,398,686 |
| Additions | - | - | 12,334,483 | 1,592,899 | 4,044,127 | 90,518,547 | - | 108,990,056 |
| Deduction/Adjustments | - | - | 1,221,072 | 113,754 | 377,305 | 9,939,717 | 1,007,840 | 12,559,688 |
| As At 31st March 2014 | 10,121,287 | 1,275,400 | 44,367,164 | 7,651,267 | 21,568,480 | 443,024,816 | 1,819,640 | 529,929,054 |
| Accumulated Depreciation | | | | | | | | |
| As At 1st April 2012 | 4,961,771 | 73,030 | 9,570,858 | 4,376,872 | 9,250,702 | 183,674,762 | 1,644,514 | 213,479,278 |
| For the year | 1,240,671 | - | 6,044,028 | 762,574 | 2,391,354 | 62,364,660 | 422,493 | 73,318,610 |
| Deduction/Adjustments | - | - | 215,997 | 116,854 | 71,064 | 2,589,037 | 208,186 | 3,201,128 |
| As At 31st March 2013 | 6,202,442 | 73,030 | 15,398,889 | 5,022,392 | 11,570,994 | 249,470,385 | 1,856,819 | 283,596,961 |
| For the year | 1,240,671 | 134,626 | 8,385,609 | 562,278 | 3,331,959 | 66,272,171 | 222,648 | 80,150,950 |
| Deduction/Adjustments | - | - | 309,327 | 37,465 | 98,891 | 2,547,347 | 365,129 | 3,376,159 |
| As At 31st March 2014 | 7,443,113 | 207,656 | 23,476,881 | 5,547,205 | 14,806,062 | 307,193,209 | 1,656,336 | 360,371,662 |
| Net Book Amount As At 31st March 2013 | 3,918,845 | 1,202,370 | 17,354,854 | 1,149,730 | 6,331,664 | 118,874,601 | 968,661 | 149,801,725 |
| Net Book Amount As At 31st March 2014 | 2,678,174 | 1,067,744 | 20,891,083 | 2,104,062 | 6,763,418 | 135,829,607 | 123,304 | 169,487,392 |

NOTE :7B

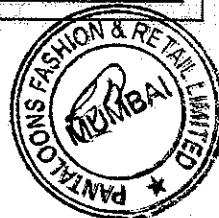
Intangible assets

| | Technical Know-how | Specialised Software | Total |
|--|--------------------|----------------------|------------|
| Gross Block | | | |
| As At 1st April 2012 | 14,078,512 | 224,995 | 14,303,507 |
| Additions | - | (0) | (0) |
| Deduction/Adjustments | - | - | - |
| As At 31st March 2013 | 14,078,512 | 224,995 | 14,303,507 |
| Additions | - | - | - |
| Deduction/Adjustments | - | - | - |
| As At 31st March 2014 | 14,078,512 | 224,995 | 14,303,507 |
| Accumulated Depreciation | | | |
| As At 1st April 2012 | 9,656,962 | 213,745 | 9,870,707 |
| For the year | 2,815,702 | 11,250 | 2,828,952 |
| Deduction/Adjustments | - | - | - |
| As At 31st March 2013 | 12,472,664 | 224,995 | 12,708,659 |
| For the year | 1,596,848 | - | 1,596,848 |
| Deduction/Adjustments | - | - | - |
| As At 31st March 2014 | 14,078,512 | 224,995 | 14,303,507 |
| Net Book Amount As At 31st March 2013 | 4,415,550 | 11,250 | 4,426,800 |
| Net Book Amount As At 31st March 2014 | 2,583,666 | 11,250 | 2,594,916 |



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

| | As At 31-Mar-14 Rs. | As At 31-Mar-13 Rs. |
|--|---------------------------|---------------------------|
| NOTE :8 | | |
| NON CURRENT INVESTMENTS | | |
| Unquoted and Non Trade Investments | | |
| Preference Shares | | |
| 42,50,00,000 (Previous Year 30,00,00,000) 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each in Aditya Birla Finance Limited, paid up in full. | 4,250,000,000 | 4,250,000,000 |
| | <u>4,250,000,000</u> | <u>4,250,000,000</u> |
| Aggregate amount of unquoted investments | 4,250,000,000 | 4,250,000,000 |
| NOTE :9A | | |
| LONG TERM LOANS AND ADVANCES (Unsecured Considered Good Except Otherwise Stated) | | |
| Security Deposit | | |
| Less: Provision for Doubtful Deposits | 89,548,560 (1,200,000) | 84,107,150 |
| | <u>88,348,560</u> | <u>84,107,150</u> |
| Advance for Capital Goods | | |
| Less: Provision for Doubtful Capital Advance | 889,534 (463,064) | 7,874,381 |
| | <u>206,470</u> | <u>7,874,381</u> |
| | <u>88,555,050</u> | <u>91,981,511</u> |
| NOTE :9B | | |
| SHORT TERM LOANS AND ADVANCES (Unsecured Considered Good Except Otherwise Stated) | | |
| Security Deposit | | |
| Advances to Employees | 706,897 | 725,867 |
| Loans to Related Parties | 2,691,757 | 3,898,661 |
| Advances for Expenses | - | 18,000,000 |
| Prepaid Expenses | 41,910,201 | 26,734,873 |
| Net Advances Tax and Tax deducted at Source (Net of Provisions for taxes Nil (Previous Year Nil)) | 14,329,292 | 6,398,675 |
| VAT, Other taxes recoverable, Statutory Deposit & Dues from Government | 21,447,181 | 20,703,650 |
| Advance Gratuity | 66,110,777 | 43,580,386 |
| | <u>491,934</u> | <u>-</u> |
| | <u>147,688,039</u> | <u>120,038,137</u> |
| NOTE :10A | | |
| OTHER NON CURRENT ASSETS (Unsecured, Considered Good except otherwise stated) | | |
| Other Bank Balance | | |
| Bank Deposits more than 12 months maturity from Balance Sheet date | 4,028,955 | 4,016,786 |
| | <u>4,028,955</u> | <u>4,016,786</u> |
| Amount held as Margin money under lien to bank for issuing guarantee | 4,028,955 | 4,016,786 |
| NOTE :10B | | |
| OTHER CURRENT ASSETS | | |
| Interest Accrued on Loans and Advances | - | 732,924 |
| Interest Accrued on Fixed Deposit | 1,609,349 | 1,281,077 |
| Insurance claim receivable | 11,327,672 | - |
| Dues from Employees | 2,465,728 | 1,679,229 |
| | <u>15,402,749</u> | <u>3,693,230</u> |
| NOTE :11 | | |
| INVENTORIES (At lower of cost and net realisable value) | | |
| Stock in Trade | | |
| | 879,457,682 | 785,255,903 |
| | <u>879,457,682</u> | <u>785,255,903</u> |
| NOTE :12 | | |
| TRADE RECEIVABLES | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 456,952 | 333,469 |
| Unsecured, considered doubtful | 183,852 | - |
| Less: Provision for doubtful debts | 650,904 183,852 | 333,469 |
| | <u>486,952</u> | <u>333,469</u> |
| Other Trade receivables | | |
| Unsecured, considered good | 547,874 | 6,581,788 |
| | <u>1,014,626</u> | <u>6,915,257</u> |
| NOTE :13 | | |
| CASH AND BANK BALANCE | | |
| Cash & Cash Equivalents | | |
| Balances with Banks on Current Accounts | 37,432,404 | 44,281,244 |
| Cash in hand | 589,308 | 219,371 |
| | <u>38,051,712</u> | <u>44,500,615</u> |



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

| | Year Ended 31-Mar-14 Rs. | Year Ended 31-Mar-13 Rs. |
|---|--------------------------------|--------------------------------|
| NOTE :14 | | |
| REVENUE FROM OPERATIONS | | |
| Sale of Traded Goods (Refer Note 21.07 (a)) | 2,963,398,710 | 2,633,250,484 |
| Other Operating Income | | |
| Sale of Services - Commission | 3,382,701 | 4,018,107 |
| | <u>2,966,781,411</u> | <u>2,637,268,591</u> |
| NOTE :15 | | |
| OTHER INCOME | | |
| Interest Income | 608,099 | 44,855,862 |
| Dividend received on Long term Investments (Tax Deducted at Source Nil (Previous Year - Nil)) | 326,164 | 225,822 |
| Net Foreign Exchange Gain | 5,778,579 | - |
| Profit on sale of Non Current Investments | - | 301,862 |
| Miscellaneous Income | 1,875,086 | 859,924 |
| | <u>8,385,928</u> | <u>46,243,470</u> |
| NOTE :16 | | |
| PURCHASES OF STOCK IN TRADE | | |
| Purchase of Stock in Trade (Refer Note 21.07 (a)) | 1,988,851,429 | 2,181,455,421 |
| | <u>1,988,851,429</u> | <u>2,181,455,421</u> |
| NOTE :17 | | |
| TRADE (Refer Note 21.07 (a)) | | |
| Closing Inventory Stock in trade | 879,457,682 | 785,255,903 |
| Less: Opening Inventory Stock in trade | 785,255,903 | 205,726,170 |
| (Increase) / Decrease | <u>(94,201,778)</u> | <u>(679,529,733)</u> |
| Net (Increase) / Decrease | <u>(94,201,778)</u> | <u>(679,529,733)</u> |
| NOTE :18 | | |
| EMPLOYEE BENEFITS EXPENSES | | |
| Salaries, Wages and Bonus | 110,110,476 | 97,225,630 |
| Contributions to Provident fund and other funds | 3,957,941 | 4,898,364 |
| Staff Welfare Expenses | 14,643,875 | 6,238,968 |
| | <u>128,712,292</u> | <u>108,362,962</u> |
| NOTE :19 | | |
| FINANCE COST | | |
| Debt Issue Expenses | - | 5,157,320 |
| Interest Expenses on borrowings from Banks | 4,538,336 | 280,861 |
| Interest on Short Term Borrowings | 6,533,868 | - |
| | <u>11,076,205</u> | <u>5,438,281</u> |
| NOTE :20 | | |
| OTHER EXPENSES | | |
| Professional and Consultancy Expenses (For note on Auditors' remuneration refer NOTE :21 sub note 21.09) | 11,470,766 | 4,632,843 |
| Advertisement and Sales Promotion Expenses | 56,080,811 | 39,866,661 |
| Travel and Conveyance | 13,849,117 | 15,017,935 |
| Rent Expenses | 189,876,687 | 75,651,653 |
| Repairs and Maintenance | | |
| Plant and Machinery | 43,882,865 | 31,964,860 |
| Others | 697,812 | 629,151 |
| Rates and Taxes | 23,325,273 | 31,069,923 |
| Postage Expenses | 479,041 | 560,566 |
| Communication Expenses | 8,308,838 | 5,769,987 |
| Electricity | 51,355,317 | 39,890,262 |
| Security and Housekeeping Expenses | 31,389,254 | 16,615,339 |
| Other Store Expenses | 84,383,719 | 74,287,580 |
| Selling Commission | 295,967,181 | 249,377,073 |
| Royalty Expenses | 1,348,320 | 1,348,320 |
| Freight | 13,915,445 | 20,598,069 |
| Packing Materials | 15,334,238 | 10,864,943 |
| Printing and Stationery | 1,565,413 | 1,665,326 |
| Recruitment Expenses | 1,864,164 | 1,346,465 |
| Insurance | 2,870,833 | 2,229,419 |
| Other Bank Charges | 28,005,048 | 21,619,323 |
| Provision for Doubtful Debts | 183,952 | - |
| Provision for Doubtful Advances | 1,693,064 | - |
| Loss on Disposal / Discarding of Fixed Assets / Intangible Assets | -9,721,817 | 2,387,720 |
| Net Foreign Exchange Loss | - | 4,377,409 |
| Miscellaneous Expenses | 12,257,441 | 4,755,695 |
| | <u>899,585,894</u> | <u>637,165,622</u> |



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

Note :- 1

1 Corporate Information

Madura Garment Lifestyle Retail Company Limited is a subsidiary of Aditya Birla Nuvo Limited was incorporated in May 1, 2007 and is committed to developing a branded apparel and retail company, designs, manufactures, distributes, and retails apparel for men, women, youth, and children. The company sells its products through exclusive and franchise stores, shop-in-shops, multi-brand trade outlets, hypermarkets, and department stores.

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act, as applicable 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP, requires that the management makes estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported Year. Although, these estimates are based on the management's best knowledge of 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.

2.3 FIXED ASSETS - TANGIBLE AND INTANGIBLE

Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

2.4 DEPRECIATION / AMORTIZATION

- a. Depreciation on Tangible Assets is provided on Straight-Line basis at the rates and in the manner specified in Schedule XIV of the Companies Act 1956 except as stated hereunder.

| Particulars | Estimated Useful Life |
|---|----------------------------------|
| Building | 9 Years |
| Leasehold Improvements | Over the primary period of lease |
| Office Computers and Electronic Equipments | 4 Years |
| Vehicles | 5 Years |
| Assets of Showrooms | 5 Years |
| Furniture, Fixtures and Other office Equipments | 7 Years |

Fixed Assets individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

- b. Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

| Particulars | Estimated Useful Life |
|-----------------------|-----------------------|
| Technical Know-how | 5 Years |
| Specialised Softwares | 3 Years |

2.5 IMPAIRMENT OF ASSETS

The carrying amount 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 Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

2.6 BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the Year in which they are incurred.



- 2.7 INVESTMENTS**
Current investments are stated at lower of cost and fair value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.
- 2.8 INVENTORIES**
Finished Goods including traded goods are valued at lower of cost and net realizable value. Finished goods include other direct cost in bringing the inventories to their present location and condition.
Cost of inventories is computed on a weighted average basis.
- 2.9 TRANSLATION OF FOREIGN CURRENCY ITEMS**
Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to exchange difference arising on translation/settlement of long-term foreign currency items from 1st April, 2011, the Company has adopted the following policy:
- (i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary item Translation Difference Account, and amortised over the balance period of such long-term asset/liability.
- Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.
- 2.10 DERIVATIVE INSTRUMENTS**
Premium/Discount, in respect of forward foreign exchange contract to hedge an underlying recorded asset or liability, is recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates changes. Profit / Loss on cancellation/renewal of forward exchange contract is recognised as income/expense for the year.
- The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions and designates such forward contracts as cash flow hedge by applying the principles set out in the Accounting Standard 30 - Financial Instruments: Recognition and Measurement. All such forward contracts are used as risk management tools and not for speculative purposes.
- For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in Hedging Reserve (net of taxes) under Reserves and Surplus, and reclassified into, i.e., recognised in, the Statement of Profit and Loss in the period or periods during which the underlying hedged item assumed affects profit or loss. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, the hedge accounting is discontinued and the fair value changes arising from the forward contracts are recognised in the Statement of Profit and Loss.
- 2.11 REVENUE RECOGNITION**
Sale of goods are recorded net of trade discounts, rebates, sales tax and include excise duty. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.
Income from services are recognized as they are rendered based on agreements / arrangements with the concerned parties and recognized net of service tax.
Interest income is recognised on time proportion basis.
Revenue in respect of insurance claim is recognised upon determination of claim amount by respective insurance company.
- 2.12 EMPLOYEE BENEFITS**
- a. **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 Year 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 recognized on an undiscounted basis and charged to the Statement of Profit and Loss.
- b. **Long term Employee benefits**
- i. **Defined Contribution Plan**
The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.
- ii. **Defined Benefit Plan**
The Company's liabilities under Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year / reporting Year using the projected unit credit method and are fully funded. Actuarial gains and losses are recognized immediately in the statement of 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 currency and terms of the Government bonds with the currency and estimated terms of the defined obligation.
- iii. **Long term compensated absences**
The Company's liability towards compensated absences is determined by actuarial valuation using Projected Unit Credit Method based on accumulated leave credit outstanding to the employee as on the balance sheet date and is not funded.



2.13

TAXATION

Tax expense comprises of current and deferred tax.

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 laws that have been 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.

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 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 that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, deferred tax assets thereon are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date, the Company reassesses the unrecognised deferred tax assets.

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.

2.14

LEASES

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Statement of Profit and Loss on straight line basis.

2.15

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when an enterprise has a present obligation as a result of past event; 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.

2.16

EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the Year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the Year after deducting preference dividends and any attributable tax thereto for the Year.

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.

2.17

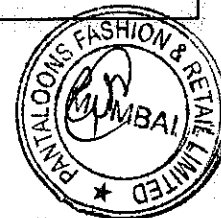
CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby the 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.

2.18

CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity Year of three months and short-term highly liquid investments with an original maturity of three months or less.



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

NOTE :21 Additional information to the financial statements

| | | 2014 Rs. | 2013 Rs. |
|-------|--|-------------|-------------|
| 21.01 | Estimated amount of contracts remaining to be executed on capital account and not provided for | | |
| 21.02 | Contingent Liabilities not provided for: | | |
| | a) Claims against the Company not acknowledged as debts | | |
| | b) Bill discounting and Bank guarantees | | |
| | c) Arrears of Preference Dividend | 40,108,589 | 32,709,589 |
| | d) Dividend Distribution tax thereon | 6,816,925 | 3,457,025 |

21.03 No remuneration has been paid to any of the Directors of the Company during the year.

21.04 The Company had issued 3000 secured redeemable non convertible debentures of face value of Rs. 10,00,000 each at par (Previous year Nil) through private placement basis on 26th September 2012. Sec 117C(1) of Companies Act 1956 requires creation of a debenture redemption reserve (DRR) for redemption of the debentures, to which adequate amount shall be credited out of profits of every year. The circular no. 4/2013 dated 11th February, 2013 issued by Ministry of Corporate affairs requires the DRR to be Rs. 568,347,469 (25% of the value of debentures on prorata basis). Due to losses in the current financial year the amount apportioned in Debenture Redemption Reserve for the year ended March 31, 2014 is Nil (Previous year Rs 134,532,716).

21.05 The timing difference relating mainly to the unabsorbed depreciation between book depreciation and depreciation under Indian Income Tax Act 1961, and Provisions resulted in a deferred tax credit as per Accounting Standard 22 "Accounting for taxes on income". As a prudex measure, deferred tax assets have not been recognised in the books of accounts.

21.06 Lease Accounting

The company has taken premises under operating lease on non cancellable basis, with the lease period between 3 years to 5 years and the non cancellable period between 1 year to 3 years. The lease rentals and future minimum lease payments in respect of such operating lease are disclosed below.

| Particulars | 2014 | | 2013 | |
|---|------|-------------|------|-------------|
| | Rs. | | Rs. | |
| a) Expenses in the current year | | | | |
| Minimum lease rent | | 176,975,556 | | 77,748,881 |
| Variable rent | | 171,161,411 | | 76,021,618 |
| | | 4,814,145 | | 2,727,263 |
| b) Future minimum lease rentals payable under non cancellable operating lease | | | | |
| Payable within one year* | | 152,873,366 | | 141,183,568 |
| Payable between one year & five years* | | 563,203,883 | | 344,085,191 |
| Payable more than five years | | 157,517,417 | | 115,478,286 |

*Note:- Does not include facilities where the lease rentals are computed on revenue share basis with no minimum guaranteed amount

21.07 a) Details of Purchases, Sales and Inventory under Broad Heads

| Particulars | Garments and Accessories | | |
|---------------|--------------------------|---------------|-----------------|
| | Apparel | Accessories | Total |
| | Rs. | Rs. | Rs. |
| Opening Stock | | | |
| Current Year | 705,812,613 | 79,443,290 | 785,255,903 |
| Previous Year | (181,237,998) | (44,436,172) | (225,674,170) |
| Purchases | | | |
| Current Year | 1,826,589,512 | 162,291,917 | 1,988,881,429 |
| Previous Year | (2,097,551,337) | (83,904,064) | (2,181,455,421) |
| Sales | | | |
| Current Year | 2,702,999,228 | 260,389,460 | 2,963,388,710 |
| Previous Year | (2,362,341,074) | (170,909,410) | (2,533,250,484) |
| Closing Stock | | | |
| Current Year | 773,993,714 | 105,443,963 | 879,437,682 |
| Previous Year | (705,812,613) | (79,443,290) | (785,255,903) |

Figures in brackets represent corresponding amount of previous year

b) Value of Inpart calculated on C.I.F Basis:

| Particulars | 2014 | | 2013 | |
|-------------------------|------|-------------|------|-------------|
| | Rs. | | Rs. | |
| Capital goods Purchase | | 13,879,517 | | 19,191,254 |
| Stock in trade | | 522,163,369 | | 268,717,693 |
| Cost of product testing | | 473,475 | | 245,180 |
| Total | | 536,516,361 | | 278,094,107 |

c) Expenditure In Foreign Currency other than those given in (b) above

| Particulars | 2014 | | 2013 | |
|-----------------|------|------------|------|-----------|
| | Rs. | | Rs. | |
| Consultancy | | 6,908,383 | | - |
| Travel Expenses | | 3,376,063 | | 5,140,182 |
| Total | | 10,284,446 | | 5,140,182 |



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

NOTE 21
21.08 Additional Information to the financial statements:
Employee Benefits

a) Defined Contribution Plans:

Amount recognized as an expense and included in the Note :19 - "Contribution to Provident & Other Funds"

| Particulars | 2014 Rs. | 2013 Rs. |
|--|------------------|------------------|
| Contribution to Employees Pension fund | 1,140,068 | 877,838 |
| Contribution to Superannuation fund of Aditya Birla Nuvo Limited | | 182,893 |
| Total | 1,140,068 | 1,060,731 |

b) Defined Benefit Plan:

Amount recognized as an expense and included in the Note :19 - "Contribution to Provident & Other Funds"

| Particulars | 2014 Rs. | 2013 Rs. |
|--|------------------|------------------|
| Contribution to Employees Provident Fund of Aditya Birla Nuvo Limited* | 2,627,469 | 2,219,161 |
| Total | 2,627,469 | 2,219,161 |

*The Guidance Note on Implementation of AS-15, Employee Benefits (Revised 2005), issued by the ICAI states that 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 deficit of interest shortfall.

Gratuity

Gratuity liability provided for in the books are fully funded with Aditya Birla Nuvo Employee Gratuity Fund. The disclosures as required under AS-15 on Employee Benefits are as under:

| Particulars | 2014 Rs. | 2013 Rs. |
|--|------------------|--------------------|
| Net Employee Benefits expenses (Recognised in the Employee costs) | | |
| Service Cost | 3,165,540 | 871,326 |
| Interest Cost | 392,294 | 200,807 |
| Expected return on the plan asset | (236,777) | (157,155) |
| Net Actuarial (gain)/ loss recognised during the year | (1,130,844) | 703,734 |
| | 190,413 | 4,618,712 |
| Reconciliation of opening and closing balances of present value of the defined benefit obligation | | |
| Obligation at the beginning of the year | 3,851,428 | 1,873,340 |
| Service Cost | 1,165,540 | 871,326 |
| Interest Cost | 392,294 | 200,807 |
| Benefits paid | (124,577) | (851,457) |
| Acquisition / (Divestiture) | (557,770) | 997,359 |
| Actuarial losses / (Gain) | (1,285,871) | 760,083 |
| Obligation at the end of the Year | 3,461,544 | 3,851,428 |
| Reconciliation of opening and closing balances of fair value of plan assets | | |
| Fair value of the plan asset at the beginning of the year | 2,086,838 | 1,848,887 |
| Contribution made during the year | 1,889,167 | 875,844 |
| Benefits Settled | (124,577) | (851,457) |
| Expected Return on Plan Assets | 236,777 | 157,155 |
| Actuarial Gain / (Loss) on plan assets | (134,727) | 58,349 |
| Fair value of the plan asset at the end of the Year | 3,953,478 | 2,086,838 |
| Reconciliation of present value of defined benefit obligation and fair value of plan assets | | |
| Fair value of plan assets | 3,953,478 | 2,086,838 |
| Gratuity paid on behalf of the funds for transfer of employees | | |
| Present value of defined benefit obligation | 3,461,544 | 3,851,428 |
| Assets / (Liabilities) recognised in the balance sheet | 491,934 | (1,764,590) |
| Component of plan assets | | |
| Government of India Securities | 825,797 | 466,670 |
| Corporate Bonds | 45,077 | 28,261 |
| Deposit Scheme | 100,764 | 91,896 |
| Insurer Managed Funds | 2,312,533 | 1,205,230 |
| Others | 669,313 | 296,767 |
| | 3,953,484 | 2,086,844 |
| Component of plan assets in percentage | | |
| Government of India Securities | 21 | 22 |
| Corporate Bonds | 1 | 1 |
| Deposit Scheme | 3 | 4 |
| Insurer Managed Funds | 58 | 58 |
| Others | 17 | 15 |
| | 100 | 100 |

| Experience Adjustment | 31-Mar-14 | 31-Mar-13 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 |
|--|-----------|-------------|-----------|-----------|-----------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Defined Benefit Obligation | 3,461,544 | 3,851,428 | 1,873,340 | 1,820,530 | 1,238,895 |
| Plan Assets | 3,953,478 | 2,086,838 | 1,848,887 | 1,742,017 | 1,613,309 |
| Surplus / (Deficit) | 491,934 | (1,764,590) | (244,533) | (78,513) | 375,414 |
| Experience Adjustment on Net Liabilities | (610,262) | 780,083 | (831,048) | (80,819) | (268,156) |
| Experience Adjustment on plan Assets | (734,727) | 56,295 | (9,891) | 4,137 | (62,235) |
| Expected employer's contribution in the next twelve months | 1,500,000 | 1,500,000 | 800,000 | | |

Assumptions:

Discount Factor

Estimated rate of return on plan assets

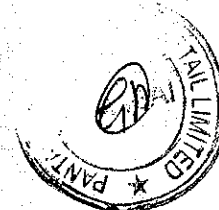
8.9%

8.5%

The estimate of future salary increases considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Leave Liability

Leave salary expensed in the Statement of Profit and Loss for the Year Rs: (5,10,914) (Previous year Rs: 13,81,977) has been computed on the basis of actuarial principles using Projected Unit Credit Method as prescribed under AS-15 on Employee Benefits.



Madura Garments Lifestyle Retail Company Limited
Notes forming part of Accounts

NOTE :21 - Additional information to the financial statements

21.06

Details of Auditor's Remuneration

| Particulars | 2014 | | 2013 | |
|---|---------|--|---------|--|
| | Rs. | | Rs. | |
| For Statutory Audit Fees (including Limited Review) | 625,000 | | 625,000 | |
| For Tax Audit | 150,000 | | 150,000 | |
| Reimbursement of Expenses (including Service Tax) | 95,790 | | 108,672 | |
| Auditors remuneration included in Note 20 under Professional and Consultancy Expenses | 870,790 | | 883,672 | |

21.10

Disclosure in respect of Related Parties pursuant to Accounting Standard 18 - Refer Annexure I

21.11

a) Forward Exchange Contracts outstanding as at the Balance Sheet Date:

| Purpose | No. of Contracts | Currency | Amount in Foreign Currency |
|-----------------------|------------------|----------|----------------------------|
| Current Year | | | |
| Payable for Purchases | | | |
| Payable | 7 | GBP | 449,976 |
| Payable | 9 | EUR | 185,087 |
| Previous year | | | |
| Payable for Purchases | | | |
| Payable | 5 | GBP | 136,023 |
| Payable | 3 | EUR/0 | 265,016 |
| Payable | | USD | |

b) The Company does not hold or use derivative financial instruments for trading or speculative purposes and all the derivatives entered into by the Company are to mitigate or offset the risks that arise from the normal business activities only. In pursuance of announcement dated 29th March, 2008 of The Institute of Chartered Accountants of India on accounting for derivatives, on a prudent basis the Company has provided for mark-to-market loss on outstanding forward exchange derivatives aggregating to Rs. 5,38,334 (Previous Year: 906,243).

c) The year-end foreign currency exposures that have not been hedged by a forward contract or otherwise are given below:

Amounts payable in foreign currency on account of the following:

| Particulars | Currency | 2014 | 2013 |
|-------------|----------|------------|-----------|
| Payables | USD | 19,807 | 23,383 |
| Payables | EUR | 96,031 | - |
| Payables | GBP | 426,820 | - |
| | Rs. | | |
| Payables | USD | 1,190,378 | 1,271,785 |
| Payables | EUR | 7,929,889 | - |
| Payables | GBP | 42,617,843 | - |
| | INR | 51,738,109 | 1,271,785 |

21.12

Basic and Diluted Earnings / (Losses) per share:

| Particulars | 31-Mar-14 | 31-Mar-13 |
|---|--------------|-------------|
| i) Numerator - Profit / (Loss) after tax | (40,608,411) | 134,532,716 |
| ii) Less: Dividend 8% on Preference Shares on Rs. 100,000,000/- including Dividend Distribution Tax thereon | 9,366,600 | 9,366,600 |
| iii) Profit / (Loss) available to Equity Shareholders | (50,058,011) | 125,173,116 |
| iv) Denominator - Weighted Average number of Equity Shares outstanding | 98,558,890 | 55,783,887 |
| v) Nominal value of shares | Rs. 10/- | Rs. 10/- |
| Basic Earnings / (Losses) per share | (0.51) | 2.24 |
| Diluted Earnings / (Losses) per share | (0.51) | 2.24 |

Note: The conversion rate of Zero percent non redeemable, fully and compulsorily convertible Debenture are contingent as per terms of the agreement. The rate of conversion would be on mutually agreeable terms on the date of such conversion. Since such rate cannot be determined, the diluted earnings per share has been restricted up to the basic earnings per share.



Madura Garments Lifestyle Retail Company Limited

Notes forming part of Accounts

NOTE :21.10

Annexure -4

Disclosure in respect of Related Parties pursuant to Accounting Standard 18.

a) LIST OF RELATED PARTIES AS ON MARCH 31, 2014

Controlling Company

Aditya Birla Novo Limited (ABNL)

Fellow Subsidiaries

- 1 Aditya Birla Finance Limited (ABFL) (100% Subsidiary of ABFSPL)
- 2 ABNL Investment Limited (ABNLInv) (100% Subsidiary of ABNL)
- 3 Aditya Birla Housing Finance Ltd. (ABHFL) (100.00% Subsidiary of ABFSPL) (earlier known as UJL Investment Limited)
- 4 Birla Sun Life Insurance Company Limited (BSLICL) (74% Subsidiary)
- 5 Aditya Birla Minacs Worldwide Limited (ABMWL) (88.85% Subsidiary of ABNLIT & ITES)
- 6 Aditya Birla Customer Services Private Limited (ABCSPCL) (100% Subsidiary of ABFSPL)
- 7 Pantaloon Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited) (PFRL)

b) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR IN THE ORDINARY COURSE OF BUSINESS

| Sl. No. | Description | Controlling Company Rs. | Fellow Subsidiaries Rs. | Total Rs. |
|---------|--|---|--|--|
| 1 | Purchase of stock in trade and services Aditya Birla Novo Limited (Division Madura Garments)(Finished Goods) Current Year Total Aditya Birla Novo Limited (Division Madura Garments)(Finished Goods) Previous Year Total | 1,233,836,983 1,233,836,983 (1,658,223,466) (1,658,223,466) | - - - - | 1,233,836,983 1,233,836,983 (1,658,223,466) (1,658,223,466) |
| 2 | Sales Revenue Aditya Birla Novo Limited (Division Madura Garments)(Finished Goods) Current Year Total Previous Year Total | 348,500 348,500 - - | - - - - | 348,500 348,500 - - |
| 3 | Sales Assets Aditya Birla Novo Limited (Division Madura Garments)(Finished Goods) Current Year Total Previous Year Total | 366,888 366,888 - - | - - - - | 366,888 366,888 - - |
| 4 | Loans Taken Aditya Birla Novo Limited Current Year Total Aditya Birla Novo Limited Previous Year Total | 153,500,000 153,500,000 (75,000,000) (75,000,000) | - - - - | 153,500,000 153,500,000 (75,000,000) (75,000,000) |
| 5 | Loans Repaid Aditya Birla Novo Limited Current Year Total Aditya Birla Novo Limited Previous Year Total | 52,500,000 52,500,000 (1,579,000,000) (1,579,000,000) | - - - - | 52,500,000 52,500,000 (1,579,000,000) (1,579,000,000) |
| 6 | Dividend on Convertible Preference Shares Aditya Birla Finance Limited Current Year Total Dividend on Convertible Preference Shares Aditya Birla Finance Limited Previous Year Total | - - - - | 326,164 326,164 - (225,822) (225,822) | 326,164 326,164 - (225,822) (225,822) |
| 7 | Loans Granted Current Year Total Aditya Birla Minacs Worldwide Limited Aditya Birla Customer Services Private Limited ABNL Investments Limited Aditya Birla Novo Limited Pantaloon Fashion & Retail Limited Previous Year Total | - - - - - 590,000,000 (590,000,000) | - - - - - (725,000,000) (290,850,000) (15,600,000) (1,336,850,000) | - - - - - (725,000,000) (305,500,000) (290,850,000) (590,000,000) (15,600,000) (1,526,850,000) |
| 8 | Loans Granted Received back Aditya Birla Minacs Worldwide Limited Aditya Birla Customer Services Private Limited ABNL Investments Limited Aditya Birla Novo Limited Pantaloon Fashion & Retail Limited Current Year Total Aditya Birla Minacs Worldwide Limited Aditya Birla Customer Services Private Limited ABNL Investments Limited Aditya Birla Novo Limited Pantaloon Fashion & Retail Limited Previous Year Total | 18,000,000 18,000,000 - - - 590,000,000 (590,000,000) | - - - - - (725,000,000) (272,850,000) (15,600,000) (1,318,850,000) | 18,000,000 18,000,000 - - - (590,000,000) (590,000,000) (725,000,000) (305,500,000) (272,850,000) (590,000,000) (15,600,000) (1,508,850,000) |
| 9 | Interest Paid Aditya Birla Novo Limited Current Year Total Aditya Birla Novo Limited Previous Year Total | 6,533,869 6,533,869 - - | - - - - | 6,533,869 6,533,869 - - |
| 10 | Interest Income ABNL Investments Limited Aditya Birla Novo Limited Pantaloon Fashion & Retail Limited Current Year Total Aditya Birla Minacs Worldwide Limited Aditya Birla Customer Services Private Limited ABNL Investments Limited Aditya Birla Novo Limited Pantaloon Fashion & Retail Limited Previous Year Total | 201,451 201,451 - 201,451 - - - 3,871,184 (6,971,184) | - - - - (13,995,816) (10,219,901) (3,841,893) (681,806) (28,738,116) | 201,451 201,451 - 201,451 - - - (3,841,893) (6,871,184) (681,806) (35,710,280) |



Madura Garments Lifestyle Retail Company Limited

Notes forming part of Accounts -

NOTE :21:10

Annexure -4

Disclosure in respect of Related Parties pursuant to Accounting Standard 18:

| Sl. No. | Description | Controlling Company Rs. | Fellow Subsidiaries Rs. | Total Rs. |
|---------|---|---|--|---|
| 11 | Investment - Convertible Preference Shares Aditya Birla Finance Limited Current Year Total Aditya Birla Finance Limited Previous Year Total | - | (1,250,000,000) (1,250,000,000) | (1,250,000,000) (1,250,000,000) |
| 12 | Secured Redeemable Non Convertible debenture issued Current Year Total Aditya Birla Finance Limited ABNL Investments Limited Previous Year Total | - | (950,000,000) (550,000,000) (1,500,000,000) | (950,000,000) (550,000,000) (1,500,000,000) |
| 13 | Payment for reimbursement of Expenses: Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Nuvo Limited Pantaloon Fashion & Retail Limited Current Year Total Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Nuvo Limited Pantaloon Fashion & Retail Limited Previous Year Total | 892,580 180,940 - 1,073,520 (11,725,049) (44,888) 11,769,937 | - - 2,800,556 2,800,556 - (591,291) (591,291) | 892,580 180,940 2,800,556 3,874,056 (11,725,049) (44,888) (591,291) 112,361,228 |
| 14 | Payment for Expenses: Aditya Birla Minacs Worldwide Limited Current Year Total Aditya Birla Minacs Worldwide Limited Previous Year Total | - | 113,562 113,562 (47,939) (47,939) | 113,562 113,562 (47,939) (47,939) |
| 15 | Sale of Investments Aditya Birla Finance Limited Current Year Total Aditya Birla Finance Limited Previous Year Total | - | - - (3,479,352) (3,479,352) | - - (3,479,352) (3,479,352) |
| 16 | Royalty Paid ABNL-Division Madura Fashion and Lifestyle Current Year Total ABNL-Division Madura Fashion and Lifestyle Previous Year Total | 1,200,000 1,200,000 (1,200,000) (1,200,000) | - - - - | 1,200,000 1,200,000 (1,200,000) (1,200,000) |
| 17 | Equity Shares Qty - 8,68,89,899 @Rs.10 per share Aditya Birla Nuvo Limited Current Year Total Aditya Birla Nuvo Limited Previous Year Total | - - - (888,888,900) (888,888,900) | - - - - | - - - (888,888,900) (888,888,900) |
| 18 | Equity Share Premium Aditya Birla Nuvo Limited Current Year Total Aditya Birla Nuvo Limited Previous Year Total | - - - (2,111,111,100) (2,111,111,100) | - - - - | - - - (2,111,111,100) (2,111,111,100) |
| 19 a | Amount Payable Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Minacs Worldwide Limited (Reimbursements) Aditya Birla Nuvo Limited (Loan) Aditya Birla Nuvo Limited (Interest) ABNL Investment Limited (10% Convertible Debentures) Pantaloon Fashion & Retail Limited Current Year Total Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Minacs Worldwide Limited (Reimbursements) Aditya Birla Nuvo Limited (Reimbursements) ABNL Investment Limited (10% Convertible Debentures) Previous Year Total | 48,010,099 - 101,000,000 5,880,483 200,000,000 364,522 365,268,104 (222,547,723) - (4,719) (4,719) (222,552,442) | 14,730 - - - - 14,736 (16,480) (16,480) (200,000,000) (200,016,480) | 48,010,099 14,730 101,000,000 5,880,483 200,000,000 364,522 353,268,834 (222,547,723) (16,480) (4,719) (200,000,000) (422,568,922) |
| b | Amount Receivable Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Finance Limited (0.01% Convertible Preference Shares) ABNL Investments Limited (Loan) ABNL Investments Limited (Interest) Current Year Total Aditya Birla Finance Limited (0.01% Convertible Preference Shares) ABNL Investments Limited (Loan) ABNL Investments Limited (Interest) Previous Year Total | - - - - - - - - - - (175,000,000) (175,000,000) (175,000,000) | 4,250,000,000 - - - - 4,250,000,000 4,250,000,000 (18,000,000) (732,923) (14,268,732,923) | 4,250,000,000 - - - - 4,250,000,000 4,250,000,000 (18,000,000) (732,923) (14,268,732,923) |
| c | Corporate Guarantee Given Aditya Birla Nuvo Limited Current Year Total Aditya Birla Nuvo Limited Previous Year Total | 175,000,000 175,000,000 (175,000,000) (175,000,000) | - - - - | 175,000,000 175,000,000 (175,000,000) (175,000,000) |

1. Figures in brackets represent corresponding amount of previous year.

2. No amount in respect of the related parties have been written off / back or provided for during the year.

3. Related party relationship have been identified by the management and relied upon by the auditors.



During the previous year ended March 31, 2013 the Company has disclosed Financial services and institutional businesses as a segment. During the current year ended March 31st 2014, the Company has discontinued such financial services activities and institutional business arising from an internal business reorganisation, and all relevant net financial assets and liabilities have been grouped under corporate assets, treated as unallocable, for the current period.

| S.No. | Primary Segment | Retail | | Institutional | | Financial Services | | Unallocated | | Total Enterprise | |
|-------|----------------------------------|--------------------|---------------|--------------------|------------|--------------------|-----------|--------------------|-------------|--------------------|---------------|
| | | For the Year ended | As at | For the Year ended | As at | For the Year ended | As at | For the Year ended | As at | For the Year ended | As at |
| | | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 |
| 1 | Segment Revenue | 2,986,077,728 | 2,456,671,310 | 703,693 | 80,596,281 | - | - | - | - | 2,986,781,411 | 2,537,268,591 |
| 2 | Total Revenue | 2,986,077,728 | 2,456,671,310 | 703,693 | 80,596,281 | - | - | - | - | 2,986,781,411 | 2,537,268,591 |
| 3 | Segment Results before Interest | (30,828,348) | 29,473,944 | 267,980 | 75,462,076 | - | - | - | (5,170,663) | (30,562,468) | 134,010,563 |
| 4 | Less: Interest Income | - | - | - | - | - | - | 608,099 | 803,113 | 608,099 | 603,113 |
| 5 | Less: Interest & Finance Charges | - | - | - | - | - | - | 328,164 | 328,164 | 328,164 | - |
| 6 | Less: Provision for tax | - | - | - | - | - | - | 11,070,205 | 286,961 | 11,070,205 | 286,961 |
| 7 | Profit / (Loss) After tax | - | - | - | - | - | - | - | - | (40,698,411) | 134,532,716 |

In Segment Reporting, interest and dividend income for the year amounting to Rs. Nil (Previous year: 44,052,749) relating to Financial Services Segment have been included in that Segment Revenue and Expenses in the current year.

| S.No. | Primary Segment | Retail | | Institutions | | Financial Services | | Unallocated | | Total Enterprise | |
|-------|---|--------------------|---------------|--------------------|------------|--------------------|-----------|--------------------|---------------|--------------------|---------------|
| | | For the Year ended | As at | For the Year ended | As at | For the Year ended | As at | For the Year ended | As at | For the Year ended | As at |
| | | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 |
| 6 | Carrying Amount of segment Assets | 1,346,785,693 | 1,173,516,927 | 277,536 | 78,764,141 | - | - | 4,550,000,000 | 10,085,954 | 5,893,087,169 | 5,555,650,846 |
| 7 | Carrying Amount of segment Liabilities | 1,074,398,952 | 813,881,474 | 484,446 | 489,524 | - | - | 3,391,000,000 | 3,200,000,000 | 4,316,951,388 | 3,979,645,360 |
| 8 | Cost incurred to acquire segment Fixed Assets during the period | 1,116,928 | 151,090,287 | - | - | - | - | 1,275,400 | - | 1,116,928 | 152,365,667 |
| 9 | Depreciation / Amortisation | 61,747,709 | 70,802,139 | - | - | - | - | 73,060 | - | 61,747,709 | 76,145,762 |

Reconciliation of Segment Results with Enterprise Results

| Particulars | Total Segmental Results | | Enterprise Results as per Schedule VI | | Difference | |
|-------------|--|---------------|---------------------------------------|---------------|---------------|------------|
| | For the Year ended | As at | For the Year ended | As at | | |
| | 31-Mar-14 | 31-Mar-13 | 31-Mar-14 | 31-Mar-13 | | |
| 1 | Total Revenue | 2,986,077,728 | 2,456,671,310 | 2,986,781,411 | 2,537,268,591 | - |
| | Less: Interest and other income included above | - | - | - | - | - |
| 2 | Net revenue | 2,986,077,728 | 2,456,671,310 | 2,986,781,411 | 2,537,268,591 | 0.59 |
| 3 | Segment Results before Interest and Other Income | (30,828,348) | 29,473,944 | (30,828,348) | 94,889,313 | 36,121,250 |
| 4 | Less: Interest Income | 608,099 | 803,113 | 608,099 | 44,856,882 | 44,052,748 |
| 5 | Less: Interest & Finance Charges | 328,164 | - | 328,164 | 225,822 | 225,822 |
| 6 | Less: Provision for tax | - | - | - | 5,459,361 | 5,157,320 |
| 7 | Profit / (Loss) After tax | 11,070,205 | 286,961 | 11,070,205 | (40,698,411) | - |
| | Other Non Cash items included in Segment Results above | (40,698,411) | 134,532,716 | (40,698,411) | 134,532,716 | - |
| | | 61,747,709 | 76,145,762 | 61,747,709 | 2,397,720 | 2,397,720 |

The Company operates in only one geography i.e. India and hence there is no secondary reportable segment.

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