

ADITYA BIRLA FASHION AND RETAIL LIMITED

MAKING INDIA FASHIONABLE



ANNUAL REPORT
2018-19

**BIG IN
YOUR LIFE**



INDIA'S MOST ICONIC FASHION BRANDS



Mr. Aditya Vikram Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

Letter to Shareholders

Dear Shareholder,

Global Economy

The global economy recorded a healthy growth of 3.6% in 2018. During the second half of the year, however, the global economy lost some momentum, mainly on account of the increased trade frictions between the US and China, and the tightening of financial conditions. International Monetary Fund (IMF) expects growth to decelerate to 3.3% in 2019 and its projections suggest that all three major engines of the global economy, viz. US, China and Euro area are likely to decelerate in 2019. On the positive side, however, IMF expects world economic output to recover and grow at 3.6% in 2020.

Of late, there have been a few growth-supportive factors such as the announcement of economic stimulus in China and halt to the process of monetary policy tightening in developed countries. But the business sentiment has become somewhat clouded with challenges arising from the apparent setback to the US-China trade talks, the spread of trade frictions to technology sectors and the increased intermingling of economic policies. These challenges signal that global commodity prices could be under pressure.

Indian Economy

Indian economy exhibited mixed record in the just concluded fiscal. GDP growth slowed from 7.2% in FY18 to 6.8% in FY19. Sub-par rainfall in 2018, tight financial conditions



Your Company recorded a turnover of ₹ 8,118 Crore in FY19; a growth of 13% over the previous year linked to better performance across all its businesses. EBITDA grew to ₹ 619 Crore vis-à-vis ₹ 501 Crore last year, driven by improved profitability in our Lifestyle brands and Pantaloons segment. Your Company's profit after tax increased by 173% to ₹ 321 Crore from ₹ 118 Crore last year.

faced by the non-banking financial sector and moderation of external demand were the key challenges faced by the economy. Consumption growth declined during the second half of the year, but there were some signs of revival in the investment cycle, as the rate of gross fixed capital formation improved from 31.4% of GDP in FY18 to 32.3% in FY19.

Macroeconomic stability indicators broadly maintained their health. Low inflation has created the space for monetary policy easing, which will also help support growth revival. The fiscal deficit target for FY19 was adhered to, despite a shortfall in tax revenues. While the current account deficit was high at 2.6% of GDP during the first three quarters of FY19, the softness in international oil prices portends its narrowing in the coming quarters. Following the resounding political mandate for the ruling Government, expectations of further economic reforms and impetus to large infrastructure investments have been reinforced. These are reflected in strong inflows in the capital market, taking equity indices to record levels in the weeks following the general elections.

India's medium-term growth prospects continue to be robust. Significant reforms undertaken in the recent years such as GST and insolvency code would raise India's growth potential in the coming years, amplifying the effect of the long-term structural cornerstones of the Indian growth story such as demography and urbanization. In the near-term, however, uncertainty over the forthcoming monsoon season and the heightened global risks present headwinds for FY20. Accordingly, the outlook for the Indian economy in FY20 is one of cautious optimism at this juncture.

Your Company's Performance

Your Company recorded a turnover of ₹ 8,118 Crore in FY19; a growth of 13% over the previous year linked to better

performance across all its businesses. EBITDA grew to ₹ 619 Crore vis-à-vis ₹ 501 Crore last year, driven by improved profitability in our Lifestyle brands and Pantaloons segment. Your Company's profit after tax increased by 173% to ₹ 321 Crore from ₹ 118 Crore last year.

Lifestyle brands - Louis Philippe, Van Heusen, Allen Solly and Peter England continue to be the leaders within their respective segments. With a deeply penetrated distribution network across India, these brands are synonymous with high-quality products, contemporary fashion and top-notch consumer experience. The business further expanded its scale through new store openings in untapped markets. Lifestyle brands took significant strides towards adopting digital ways of working in their operations as well as consumer engagement and brand building.

Pantaloons is a leading player in the value fashion segment with a network of 308 stores across the country, spanning over 4 million square feet. The business increased its profitability significantly through improvement in product quality, design aesthetics, merchandise assortment, increased brand investment and enhanced retail experience.

Your Company launched innerwear and athleisure under the brand name Van Heusen (VH) for Men in FY17. After its resounding success, we also launched VH innerwear for women this year. Your Company considers this segment to become an important growth driver in coming years.

Outlook

I believe, the overall economic outlook for global and Indian economies remains positive. Rising consumer spending in the Indian market will lead to sustained growth in the apparel sector. Your Company is well poised to leverage this opportunity, through its strong brand portfolio, varied product offerings and integrated multichannel play.

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The year 2018-19 has been one of strategic decisions and partnerships; with many transformational business transactions: Vodafone-Idea merger, purchase of Binani Cement, acquisition of Aleris in Metals and Soktas in Textiles.

The Aditya Birla Group: In Perspective

The Aditya Birla Group in many ways is a proxy for a Rising India, given the diversified nature of our businesses.

The year 2018-19 has been one of strategic decisions and partnerships; with many transformational business transactions: Vodafone-Idea merger, purchase of Binani Cement, acquisition of Aleris in Metals and Soktas in Textiles. We have demonstrated the courage to think mega scale, to act decisively and to be calm in a volatile and changing environment. We have reaffirmed the commitment and trust that we can reinvent ourselves and be game changers in the industry. Consequently, we are globally the third largest cement company (outside of China), and among the top 3 telecom players in the world. We closed the year with revenues of US \$ 48.3 billion and an EBIDTA of US \$ 6.1 billion.

We believe our people and people processes give us the definitive edge to manage scale and yet remain nimble to embrace change proactively.

On the people front, I am delighted to share that our robust people processes that have been the bedrock of our success over the years continue to evolve and stay contemporary. Let me give you a flavour of what we have accomplished and how it is making a difference.

As a Group, we continue to be deeply invested in our talent pipeline across levels. At one level, we have on-boarded over 200 fresh recruits from top engineering and management institutes for premier trainee programs, and at the other end, we are actively building an internal talent pipeline in our businesses. Our Employee Value Proposition of 'A World Of Opportunities' is truly coming alive with this eclectic mix of experienced and young leaders. We have developed a robust leadership pipeline with a healthy ratio of 1:1 identified successors for more than 300 leadership roles across the Group.

Gyanodaya, the Aditya Birla Group Centre for Leadership Development continues to build curiosity for new learning, self-reflection and coaching in existing and future leaders. Broad-based leadership programs like Chairman Series brought 300 top leaders across the globe together on marketing, finance and strategy and built cohesion and cross-functional appreciation.

Functional Academies have been established in 5 distinct areas: Human Resources, Manufacturing, Sales / Marketing and Customer Centricity, Information Technology and Finance to develop cutting edge functional capabilities in these areas. Over the past three years, over 5000 employees have refreshed their skills, thereby enhancing the functional design and experience across the Group.

ABG Core Conclave, of middle managers across businesses, enabled 3000 managers and business leaders to share nuances and have candid conversations on missed opportunities and challenges ahead. This unique platform reinforced the One ABG connect, brought new perspectives and gave me a first-hand feel of the excitement, passion and commitment of our vibrant next generation leaders.

Businesses have adopted new areas like Robotic Process Automation, Artificial Intelligence, Machine Learning, Analytics, Design thinking. They are experimenting with the same in manufacturing processes, servicing customers, logistics enhancing the agility of the business and turnaround times, dramatically.

I believe the real test of HR processes lies in advancing business outcomes, and we have demonstrated a track record of doing just that. Greenfield projects were commissioned at earlier than planned time, and at a lower cost, acquired units were rebranded and recommissioned in days instead of months earlier. While saving precious capital and related resources, these initiatives inspire confidence within the organization and in the ecosystem.

**ABG Core Conclave.....
reinforced the One ABG
connect, brought new
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commitment of our vibrant
next generation leaders.**

We are determined to innovate.

We are determined to grow.....

We move into 2019, with the confidence that we have the right capabilities not just to seize, but pounce on every opportunity that comes our way.

The best is yet to come.

The Aditya Birla Group, over the years, has institutionalized best practices that have led to efficiency, safety, sustainability, and stronger Businesses. We have systematically got the customer to the centre of our Business discussions. As we continue to strive on this front, we need to get closer to the end consumer and innovate continuously to ensure a faster growth trajectory. With this in mind, we have constituted the Central Innovation Team. This team will not only build the innovation framework and pipeline but also get an outside-in perspective to our Businesses. This team works closely with Business R&D and Marketing teams, Technology talent, and a strong team of Data scientists. We are also in the process of evaluating partnerships with Global Universities and Start-ups relevant to the sectors in which we operate. The intent is to shift the Centre of gravity of the Company closer to the consumer.

We are determined to innovate. We are determined to grow.

I am excited with the speed and precision with which we are transforming ourselves to be future-focused while remaining steadfast to our time-tested values. We move into 2019, with the confidence that we have the right capabilities not just to seize, but pounce on every opportunity that comes our way.

The best is yet to come. Thank you for your continuing support.



Kumar Mangalam Birla

Chairman, Aditya Birla Group

FY 2018-19 HIGHLIGHTS



₹8,118 Crore
REVENUE

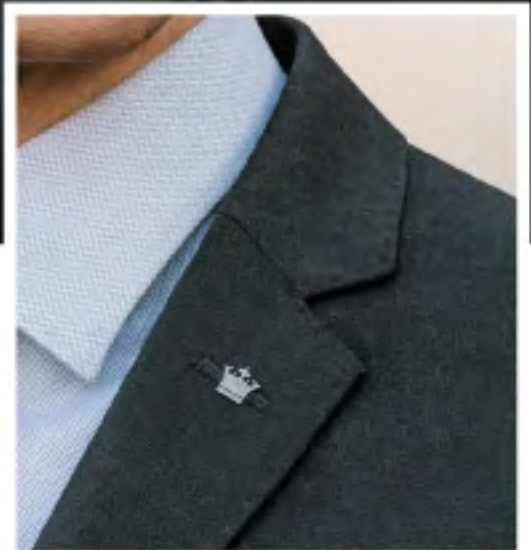
₹619 Crore
EBITDA

23,000+
EMPLOYEES

750+
CITIES

2,714
STORES

7.5 Million sq. ft.
RETAIL SPACE



LOUIS PHILIPPE



LOUIS PHILIPPE

394
Stores

400+
Cities

Celebrating its 30th year of surpassing the style conscious man's every need, Louis Philippe has consistently brought excellence to its supreme collection. The Embellished Crest has enabled the quintessential man to look dapper and debonair. It brings smart, comfortable and sharp formals, semi formals, shoes and accessories to the discerning gentlemen.





VAN HEUSEN

Van Heusen furnishes the working man and woman with dynamic power dressing for the corporate world. It focuses on individualism and self-expression, while bringing sophistication, class and elegance through its formal wear, casual wear, party wear and ceremonial wear. It presents timeless, relevant and modern fashion through its shirts, suits, dresses, blazers and customisable clothing.



VAN HEUSEN

357
Stores

400+
Cities

.....




Allen Solly
Est 1744



Allen Solly has introduced the Indian working professional to smart casuals. It has transformed the corporate world through its revolutionary Friday Dressing, enabling work wear to have a vibrant personality. The shirts, T-shirts, trousers, jeans, chinos and jackets for men; and dresses, pants, skirts, tunics and blouses for women are bright, colourful, innovative and stylish.



291
Stores

400+
Cities





BE EVERYTHING YOU LOVE

OFFICIAL
STYLE
PARTNER FOR





BE EVERYTHING YOU LOVE

838
Stores

750+
Cities



Peter England's unparalleled range, standardized fits and superior quality makes it the largest and most trusted menswear brand in India. Its collection of shirts, blazers, trousers and suits help young men make a mark in the corporate world. The brand also has a refreshing and eclectic line of washed cotton shirts, cargos, jackets, sweaters and denims.



pantaloon's





pantaloons

308
Stores

155
Cities

Pantaloons is India's leading fashion and lifestyle destination for men, women and children. The friendly and welcoming store staff coupled with fresh, vibrant and stylish merchandise make it a fashion hotspot that shoppers across India flock to. From contemporary ethnic wear to stylish western wear, from cool casuals to smart formals, from bubbly kids wear to cute infant wear, Pantaloons has it all. In addition to fashionable and trendy apparel, it has a range of handbags, footwear and accessories that make Pantaloons a one-stop style destination. Pantaloons has an impressive Greencard member base of 14 million customers, who trust Pantaloons to style their change.







Van Heusen Innerwear is India's most innovative and fashionable brand. With style and ultra-comfort at its heart, it's the perfect addition to one's innerwear drawer. Each of the four collections designed for men: Classic, Platinum, Signature and Active; cater to the unique lifestyle demands of a modern-day consumer. The newly launched lingerie collection for women: Cotton Sensation, Luxe and Glam are the embodiments of style, elegance and glamour.





FOREVER 21

25
Stores

19
Cities

The celebrated Californian brand Forever 21 has quickly become a household name amongst the young female population within the country. The brand provides young women with trendy street wear and subtle contemporary pieces. It has gained a strong foothold in women's clothing and accessories by offering runway trends at incredible prices.





People™

FASHION & ACCESSORIES

94
Stores

59
Cities

People is a one-stop shopping destination for young men and women, with its trendy and fashion forward product line. Characteristic of the edgiest styles and college-ready attitude, this fast-fashion brand is changing the way Indian youth dresses. Its collection of casual shirts, T-shirts, tops, kurtas, jeans, winter wear, footwear and accessories brings international runway trends to the street.





THE COLLECTIVE[®]

INDIA'S LARGEST LUXURY RETAILER

The Collective is India's first and largest multi retail brand, with a team of fashion experts ensuring a unique and stylish point of view. The brand acts as a style mentor for its customers by housing the biggest and most exclusive names in global fashion, under the same roof.





AMERICAN EAGLE

American Eagle Outfitters is a leading global specialty retailer that offers high-quality and trendy clothing, accessories and personal care products under its two labels: American Eagle and Aerie. The brand celebrates the individuality of the customer, at extremely affordable rates. AEO has more than 1000 stores and ships to 82 countries worldwide.



A luxury clothing retailer that epitomizes British menswear, with a collection that is both vintage and modern. The home of British menswear, Hackett's collections are built around impeccable tailoring, complemented by luxurious casualwear.





SIMON CARTER

LONDON

Simon Carter is known for its vintage and eclectic style. The brand takes classic forms and adds a twist of eccentricity to them, through the use of prints and colors in its apparel and accessories.

TED BAKER

LONDON

Ted Baker London is known as one of the best sellers of contemporary men's shirts around the world. The brand has a clear and unwavering focus on quality and attention to detail, coupled with a quirky and fun British sense of humour. The collection is a perfect mix between traditional and modern fashion.





RALPH LAUREN

"What I do is about living. It's about living the best life you can and enjoying the fullness of the life around you-from what you wear, to the way you live, to the way you love." - Ralph Lauren

Ralph Lauren has created a lifestyle brand to encourage this kind of living by introducing apparel, accessories, fragrance collections and home furnishings. Ralph Lauren Corporation has been a global leader in the design, marketing, and distribution of premium lifestyle products since five decades. The brand has had a significant influence on the dressing of people due to its attention to detail, fine quality and timeless design.



Fred Perry created a brand that presented practical, well-fitted sports outfits to the world of fashion. His designs are simple, with a streamlined silhouette and a focus on lightweight functionality. The brand has created a perfect blend between sportswear and street fashion.





Our Vision

"We are committed to give back more than what we take from our ecosystem"

Forever, we've been taking from the Earth.
Taking, considering it our right to do so.
Forgetting every time, that abundance is not permanent.

Yes, there was a time when everything was in plenty,
and to make a choice was never compulsory.

Back then, every pillar of the ecosystem:
Environment, Economy, Society, balanced each other well.

But then, we took a lot more than we could give,
and this balance fell apart.

Let's remind ourselves all over again,
that resources are decreasing and demands increasing.

And to keep our ecosystem going,
we need to give back more than we take from it.

So let's begin to give back.
To the Environment we grow in.
To the Economy we prosper in.
To the Society we live in.
Because when we give back, we get back.

Let's preserve our tomorrow.
Let's protect our planet.
Let's Re-Earth.

Corporate Social Responsibility



Education
19,098
students



Healthcare
& Sanitation
1,32,624
beneficiaries



Sustainable
Livelihood
406
youth



Water &
Watershed
25,473
beneficiaries



Digitalization
9,692
beneficiaries



SUSTAINABLE PRODUCTS

Product Sustainability Attribute

Baseline assessment by volume across Lifestyle Brands, Pantaloons and new business completed

Higg Index Assessment

4 Lifestyle Brands, Pantaloons, 2 new businesses and all in-house factories

Compliance to Vendor

Code of Conduct 200+ tier 1 garmenting vendors assessed



ENERGY

9% reduction

in purchase of grid electricity by means of energy efficiency measures

12% reduction

in purchase of grid electricity by means of renewable energy measures



CARBON FOOTPRINT

11% reduction

in Scope 1 emissions due to process efficiency measures

9% reduction

in Scope 2 emissions by energy efficiency and renewable energy measures



GREEN BUILDING

'SILVER' certification

for 2 of our manufacturing units (under Green factory rating system by Indian Green Building Council)



WATER

37% renewable water
sourced across our own facilities

73% of water recycled and reused
across our own facilities



SAFETY

No fatalities

across our operations, 6 loss time injuries (LTIs)



WASTE

Zero Waste to landfill

across our own facilities;



WASH (Water, Sanitation & Hygiene)

93% compliance

with WBCSD's WASH pledge facilities



PACKAGING

87% sustainable packaging
using non-pollutant materials

BOARD OF DIRECTORS

Mr. Ashish Dikshit,
Managing Director, 49.



is an Electronics & Electrical Engineer from IIT - Madras and holds a Master's Degree in Business Administration from IIM - Bangalore. He is also an alumnus of Harvard Business School through its Advanced Management Program. He has worked in diverse roles across industries and functions over the last 25 years. Mr. Dikshit started his career at Asian Paints before moving to Madura Fashion and Lifestyle Division of the Company, where he worked in its various functions ranging from Sales, Brand Management, Supply Chain and Sourcing over 15 years. He was appointed President of its Lifestyle Business in 2007 and went on to become its CEO in 2012. Earlier, he also served as the Principal Executive Assistant to the Chairman of Aditya Birla Group, where he built strong knowledge across the Group's various businesses in multiple industry sectors, ranging from manufacturing businesses such as Metals, Cement, Textiles and Speciality chemicals to consumer businesses such as Telecom, Financial Services and Retail. He was honoured with the Outstanding Leader Award in the year 2011 by the Chairman of the Aditya Birla Group.

Mr. Arun Thiagarajan,
Independent Director, 74.



holds a M.Sc. in Electrical Engineering from Royal Institute of Technology, Stockholm and a degree in Business Administration and Information Systems from Uppsala University, Sweden. He has also attended the Advanced Management Programme of the Harvard Business School. He is a Director on the Board of several other companies. Earlier, he served as the Part-time Chairman of ING Vysya Bank Limited, Managing Director of Asea Brown Boveri Limited, Vice-chairman of Wipro Limited and as President of Hewlett-Packard India Private Limited.

Mr. Bharat Patel,
Independent Director, 74.



holds a Master's Degree in Arts (Economics) from the University of Notre Dame, USA and a Master's degree in Business Administration (Marketing) from the University of Michigan, USA. He has over 40 years of varied experience in the fields of marketing, sales, exports and manufacturing. Presently, he is on the Executive Committee of the World Federation of Advertisers (WFA), Indian Society of Advertisers (ISA), Advertising Standards Council of India (ASCI) and Broadcast Audience Research Council (BARC). Mr. Patel is also an Independent Director on the Board of several other companies. Formerly, he served as the Chairman & Managing Director of Procter & Gamble Hygiene and Health Care Limited.

Mr. Pranab Barua,
Non-Executive Director, 66.



is a Graduate in English (Honours) from St. Stephens College, New Delhi. He has attended many advanced management programmes in the UK and the US.

Mr. Barua has over 47 years of experience across multiple industries. Over the years, he has served as the Sales & Marketing Director of Brooke Bond India Limited, Foods Director of Hindustan Unilever Limited, Chairman and Managing Director of Reckitt Benckiser India as well as the Regional Director of Reckitt Benckiser for South Asia. Prior to joining the Aditya Birla Group, he was working with Private Equity groups and their portfolio companies.

Mr. Barua has been with the Group for over 12 years in various capacities. He has served as the Managing Director of Aditya Birla Fashion & Retail Ltd and More Retail Limited (formerly known as Aditya Birla Retail Limited) for a period of 7 years. In recognition of his outstanding contribution in turning around these businesses, he was honoured with the 'Leader of Leaders Award' by the Chairman of Aditya Birla Group and earlier this year, he was nominated as the Mentor for the Group.

Mr. Sanjeeb Chaudhuri,
Independent Director, 66,

is a Graduate in Science (Honours) and holds a Master's degree in Business Administration from J. Bajaj Institute of Management Studies, Mumbai. He has over four decades of senior multinational business experience across global banks and consumer companies. Mr. Chaudhuri has served as Group Head, Brand & Global Chief Marketing Officer of Standard Chartered Bank. Prior to that, he was CEO, Retail and Commercial Banking for Citicorp, Europe, Middle East and Africa, in addition to other senior global leadership positions. Before joining Citigroup, he managed product development, testing and launch of large global brands in senior management roles at Procter & Gamble, Colgate-Palmolive and Unilever. He has extensive governance experience on various European and Asian Supervisory Boards where he has served on various Strategy, Risk and Audit Committees. He has attended many Advanced Management Programmes. He is a visiting Faculty at Wharton Business School and Judge Business School, Cambridge. He is also a Global Mentor at the Centre for Technology Management at Columbia School of Business, New York. Mr. Chaudhuri is also a member of the International Advisory Board of the Open University School of Business and Law, UK.



Ms. Sukanya Kripalu,
Independent Director, 58,

is a Graduate from St. Xavier's College and the Indian Institute of Management, Calcutta. She is a consultant in the fields of marketing, strategy, advertising and market research. Her experience includes working with leading corporates like Nestle India Limited, Cadbury India Limited and Kellogg's India. She was also the CEO of Quadra Advisory, a WPP group company. Ms. Kripalu is presently on the Board of Directors of various companies, namely Ultratech Cement Limited, Huhtamaki Paper Products Limited, Aditya Birla Health Insurance, ENIL and Colgate - Palmolive (India) Limited.



Mr. Sushil Agarwal,
Non-executive Director, 56,

is a Qualified Chartered Accountant and holds a Master's degree in Commerce. He is currently the Group Chief Financial Officer for the Aditya Birla Group and also the Whole Time Director & CFO of Grasim Industries Limited. He is also a member of the Business Review Council, which is an institutionalized mechanism for bringing in wider managerial perspectives and leadership experiences, into reviewing the development, growth and operations of the Group's businesses. He has been with the Aditya Birla Group since the beginning of his career in 1989 and has the distinction of working closely with the former Chairman Late Mr. Aditya Vikram Birla and current Chairman Mr. Kumar Mangalam Birla. He has worked with several businesses of the Aditya Birla Group and has richly contributed to many Restructurings, Mergers and Acquisitions initiatives of the Aditya Birla Group with his widely acknowledged financial acumen and analytical skills. He is on the board of several companies and is widely networked. He is familiar with operations in most states in India and several countries abroad, through his experience of about 30 years.

In September 2018, he was awarded as India's Greatest CFO in the 3rd edition of 'Asia One' India's Greatest Brands and Leaders Awards 2017-18. In recognition of his stellar contribution, he was awarded as 'Business Leader Corporate CFO' at the 11th ICA Awards 2017. He was also awarded as 'Asia's Best CFO' in the category 'Best CFO (Mergers and Acquisitions)' at the Golden Globe Tigers Award held in Kuala Lumpur in April 2018. He was honored with the 'Exceptional Contributor Award' in 2000 and 'Outstanding Leadership Award' in 2014 by the Chairman of the Aditya Birla Group. He was named among India's best CFOs by Business Today in the category 'Enhancing Competitiveness through M&A' in 2013. He has been consistently recognized for excellence by 'CFO 100' under the category 'Winning Edge in Mergers Acquisitions and Corporate Finance' in 2014, 2015, 2016 and 2017 and under the category 'Winning Edge in Strategy' in 2011.



KEY EXECUTIVES



Vishak Kumar
Chief Executive Officer
Lifestyle Brands



Sangeeta Pendurkar
Chief Executive Officer
Pantaloons



R Sathyajit
Chief Executive Officer
International Brands



Sooraj Bhat
Chief Executive Officer
Fast Fashion Business



Puneet Malik
Chief Executive Officer
Innerwear Business



Naresh Tyagi
Chief Sustainability Officer



Chandrashekhar Chavan
Chief Human Resource
Officer



Neeraj Pal Singh
Chief Information Officer



Praveen Shrikhande
Chief Digital Officer



Kedar Apshankar
Chief Operating Officer
Special Projects



Jagdish Bajaj
Chief Financial Officer
Key Managerial Personnel

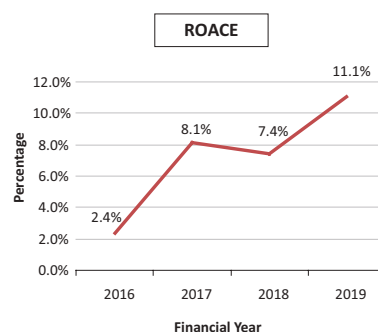
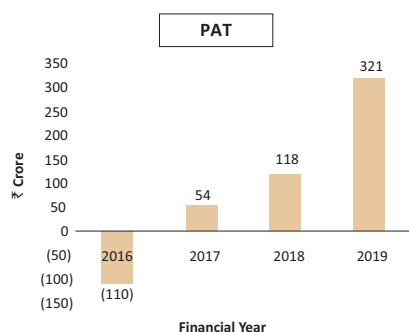
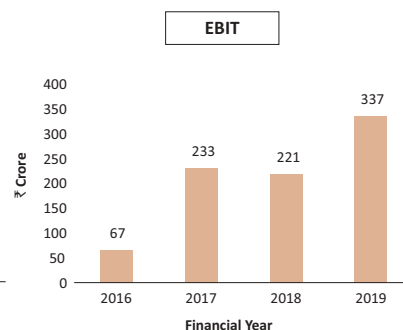
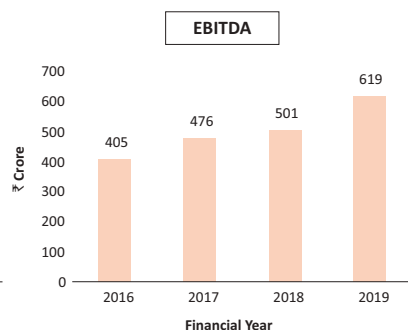
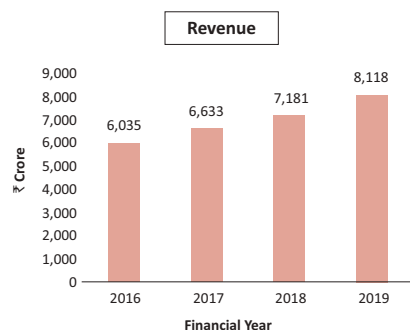


Geetika Anand,
Company Secretary & Compliance Officer
Key Managerial Personnel

FINANCIAL HIGHLIGHTS

(Amount in ₹ Crore)

Particulars	FY16	FY17	FY18	FY19
Revenue	6,035	6,633	7,181	8,118
EBITDA	405	476	501	619
EBIT	67	233	221	337
PBT	(110)	54	49	149
PAT	(110)	54	118	321
Revenue Growth		9.9%	8.3%	13.0%
EBITDA Growth		17.5%	5.4%	23.5%
EBITDA%	6.7%	7.2%	7.0%	7.6%
EBIT%	1.1%	3.5%	3.1%	4.1%
PBT%	(1.8%)	0.8%	0.7%	1.8%
PAT%	(1.8%)	0.8%	1.6%	4.0%
Capital Employed	2,755	3,003	2,955	3,132
Return on Average Capital Employed	2.4%	8.1%	7.4%	11.1%
Debt Equity Ratio	2.0	2.1	1.7	1.2



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and Analysis)
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Statutory Auditors

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

Secretarial Auditors

M/s. Dilip Bharadiya
& Associates
Company Secretaries

Registrar and Share Transfer Agent

Link Intime India
Private Limited

Company Details

Aditya Birla Fashion and Retail Limited

CIN: L18101MH2007PLC233901

Registered Office

701-704, 7th Floor, Skyline Icon Business Park,
86-92, Off A. K. Road, Marol Village,
Andheri (East), Mumbai - 400 059,
Maharashtra, India

Tel.: +91 - 86529 05000

Fax: +91 - 86529 05400

Email: secretarial.abfrl@adityabirla.com

Website: www.abfrl.com

REPORT OF THE BOARD OF DIRECTORS

(INCLUDING MANAGEMENT DISCUSSION AND ANALYSIS)

Dear Members,

Your Company's directors hereby present the Twelfth Annual Report of the Company together with the audited financial statements of the Company for the financial year ended March 31, 2019 (*"year under review/ FY 2019"*).

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The global economic outlook has weakened as compared to the forecast in 2017. The 3.6% growth in 2018 was due to significantly weaker performance in some economies in the second half of 2018. International Monetary Fund (IMF) projects the global economy growth to decelerate to 3.3% in 2019 and return to 3.6% in 2020. The decline in forecast is majorly due to US-China trade tensions, tighter credit policies in China, macro-economic stress in Argentina and Turkey and financial tightening alongside the normalisation of monetary policy in the larger advanced economies.

IMF, however, expects a strong growth in Indian economy while the rest of the world reels under the effects of high trade uncertainty, which threatens to disrupt global supply chains. The Indian economy is estimated to recover from mild slowdown experienced in 2018 to grow by 7.3% in 2019 and 7.5% in 2020, supported by continued recovery of investment. The future forecast of low oil prices continuing has eased inflationary pressures, causing the RBI to ease the pace of monetary tightening.

Industry structure and developments

Global apparel market

Global apparel market is close to 2.3% ⁽¹⁾ of world GDP with Europe, USA and China being the largest markets, expected to grow at a compound annual growth rate (CAGR) of 5% by the year 2025. With the shift of economic growth from mature regions in West to emerging markets in South and East Asia, more than half of apparel and footwear sales will originate outside of traditional markets of Europe and North America. This hints at the large opportunity available in these regions, which local and global apparel players will chase in the coming years.

In 2017, India and China collectively accounted for a market of ~ 16% with 36% of the world population. Currently, India and China are expected to grow at a higher steady CAGR of 12% and 10% respectively vis-à-vis overall world average of 5%. The growth in apparel markets in these countries is being driven by continued high economic growth and rise in per capita income. As a result, China will be the largest apparel consumer in the world by 2025 while India will topple Japan to become the fourth largest.

Global consumer trends

As customers globally embrace multiple modes of shopping, consumer footfall to physical stores continues to remain under pressure. This is driving most of the brands and retailers across market segments to develop an omni-channel play to address customers across channels. In the last few years, social media has played a key role in shaping the conversation around fashion and will continue to make fashion more democratic, accessible and aligned with the aspirations of evolving consumers.

At the back end, speed in production will be increasingly more critical to every fashion label and retailer. With new technologies such as robotics and 3D printing, companies will be able to deal with time pressures and offer customers greater personalisation at the same time. Taking cue from some of the widely successful fast fashion models, several apparel players are moving to digitise their supply chain for speed and flexibility.

Source:

(1) Basis industry and analyst reports

The trend of digital adoption by consumers is now mainstream and it will continue to be the biggest driver of change in the global fashion industry. The consumer's interaction with fashion is changing fast, with discovery moving online. Digital media and content now influences the way consumers perceive fashion trends and how they transact. This creates a need for the fashion brands to create strong online presence to assist and guide the customers in their non-linear exploration and consumption patterns.

Indian market

The apparel market for India is expected to grow at CAGR of 12% ⁽¹⁾ during the period 2017 to 2025. This growth is backed by greater purchasing power leading to higher discretionary spends; majorly riding on increase in youth population, shift to aspirational buying, higher brand affinity, urbanisation and increased penetration of technology.

Similarly, from the supply side, the factors driving growth are innovation in retail experience with digital marketing displays and improved check out mechanisms and investment by large organised players. Innovation on products and services has benefitted the consumers in improved product quality, product availability, competitive pricing and pleasant shopping experience. These changes have been driving growth for the organised apparel business in our country, wherein still majority of the market remains unorganised.

The share of organised retailing in the apparel space is expected to increase from 23% in FY 2017 to 28% ⁽¹⁾ by FY 2020. This growth would be aided by improved investments, new stores roll out and increased aggression by online players. Increased penetration of organised players in tier 2 and 3 cities, along with the higher disposable income levels are expected to contribute to the growth story. This also shows the magnitude of the opportunity available for the organised apparel and retail players in India.

While the current share of women's wear in the overall apparel market is 37% ⁽¹⁾, it is expected to outpace the men's wear category and occupy a majority market share of 41% ⁽¹⁾ by 2025. This trend is led by an increase in the number of working women, higher disposable income, more experiential lifestyle and higher autonomy in decision making.

The industry continued with its rapid growth this year, led by aggressive expansion in value and mass segments, rise of women's and kid's categories and continued scale up of e-commerce.

On e-commerce side, due to clearer reinforcement of Foreign Direct Investment (FDI) policy, the top e-commerce players had to re-evaluate their business models and strategic partnerships. The industry was also forced to focus more on convenience and service as the key driver with minor reductions in discounting and promotions. Despite few initial hiccups, e-commerce continued to build upon its strength of providing rapid scale and deep access to markets and consumers. However, with increased focus on profitability, the disruptive impact that the sector had on brick and mortar players few years back has diminished; creating a conducive ecosystem for offline and online players in India to partner and grow the market together.

With the developments in e-commerce policy and resulting business model, omni-channel or online-to-offline (O2O) has started emerging as a more suitable model for both online and offline players to test. Both new as well as established players are testing out different models of engaging an O2O framework for their products and services.

Business overview

Your Company is India's largest pure-play fashion and lifestyle entity with an elegant bouquet of leading fashion brands and retail formats.

Lifestyle brands

Lifestyle brands reported revenue of ₹ 4,304 Crore during the year, recording a growth of 11% over the previous year (comparable Ind AS and GST adjusted growth rate of 13%). The growth is fuelled by new store additions, growth in e-commerce channel, product innovation and expansion in newer categories. Lifestyle brands recorded a like-to-like growth of 5.3% for the full year. The EBITDA has improved to ₹ 519 Crore, a growth of 15% over previous

Source:

(1) Basis industry and analyst reports

year. Higher profitability is achieved despite more than 60% increase in brand building spends as compared to the previous year.

Louis Philippe, Van Heusen, Allen Solly and Peter England continue to be leaders within their respective segments. The brands expanded its loyal consumer base to approximately 15 Million this year providing high quality products and services to the consumers. With a deeply penetrated distribution network across India, these brands are synonymous with high quality fashion and top-notch consumer experience. The growth in women's and kids sub-brands has strengthened the overall performance of Lifestyle brands. With three of its brands having revenue of more than ₹ 1,000 Crore, Lifestyle brands constitutes the strongest brand portfolio in the industry.

These brands have created very strong equity amongst its loyal customers through years of persistent focus on product innovation, design development, consumer satisfaction and brand building.

During this year, the business further expanded its scale through new store openings in untapped markets. The business focused on integrating consumer feedback into product design and planning, aiming at improving the product satisfaction score amongst consumers. Lifestyle brands business took significant strides towards adopting digital ways of working, both, in terms of consumer engagement and brand building.

Your Company has expanded Peter England deep into tier 3 and 4 towns, providing these markets, an access to high quality branded products and consistent retail experience. High decibel and localised marketing launches with robust operational execution has ensured tremendous customer response across all stores.

Pantaloons

This has been a turnaround year for Pantaloons, with revenue of ₹ 3,194 Crore during the year, a growth of 12% over the previous year (*comparable Ind AS and GST adjusted growth rate of 15%*). This growth was driven by significant improvement in product freshness, design and quality and improved assortment. The EBITDA improved to ₹ 231 Crore, a growth of 35% over the previous year. EBITDA margins have improved by 120 basis points to 7.2% despite more than 60% increase in brand building spends as compared to the previous year.

Pantaloons is a continuously growing retailer in the value fashion segment with a network of 308 stores across the country, spanning over 4 Million square feet. During the year under review, Pantaloons added 40 new stores to its network and entered many new towns and markets. It also launched its B2C e-commerce platform (www.pantaloons.com) during the year and plans to build it in the coming years. Through focused interventions on understanding key customer needs and applying those insights to enhance product quality and assortment, Pantaloons was able to increase its share in private label and ethnic wear.

It also increased spends on marketing to strengthen the brand and create greater brand visibility. Pantaloons has a pool of over 15 Million deeply engaged customers, which is one of the key drivers of the growth, contributing to more than 90% of its sales.

Fast fashion

Your Company has created and is working towards revamping its fast fashion segment. Forever 21 is one of the most iconic fast fashion brands globally, providing trendy fashion apparel and accessories to girls, women and men. This year, your Company showed unwavering focus on improving the business model and reducing losses by store rationalisation and cost optimisation. Retail store models were calibrated further to establish proof of success, which will allow for future expansion in Forever 21.

Further, in line with its continued focus on prudent capital allocation, your Company has decided not to pursue "People" brand as a standalone retail format going forward. Considering the brand equity of "People" brand amongst young consumers, it is being transitioned into a private label brand within Pantaloons.

Innerwear

The Innerwear category is evolving from being a basic commodity to a need, which has more involvement by the customer who wants both; styling without compromising on comfort. Van Heusen (VH) innerwear for men has made significant scale and established itself as a rapidly growing brand in two years' time. In the mid of FY 2019,

the Company also launched VH innerwear for women and encouraged to receive extremely positive customer and partner feedback.

During this year, innerwear segment aggressively added more than 6,000 points of distribution through pan India launches. The business also launched its own e-commerce platform for women innerwear (www.vanheusenintimates.com), which gives the consumer a personalised and engaging experience. It is a one-stop solution for all lingerie fit concerns. An in-depth consumer research across 1,800+ respondents gave insight into the key consumer pain points and each of the product is crafted to address the same. Riding on product strategy focused on fit, fashion and innovation and favourable engagement models with channel partners, your Company considers this segment to become an important growth driver in coming years.

Global brands

Global brands portfolio comprises of 'The Collective', one of India's largest multi-brand retailer of luxury brands and select mono brands. The mono brands portfolio includes Hackett, Ted Baker, Simon Carter, American Eagle, Ralph Lauren and Polo Ralph Lauren. In this financial year, your Company expanded the mono brands foot print by launching new stores of Polo Ralph Lauren, Ralph Lauren, American Eagle and Ted Baker. American Eagle has created a strong brand imagery amongst its target segment, striving to become the most exciting denim-led casual brand for the youth.

With the addition of these brands in its portfolio, your Company will continue on its trajectory on building a strong but selective play in the emerging super premium and bridge to luxury segments.

Others

Your Company continuously explores growth opportunities in identified white spaces. In FY 2019, the Company has launched a new retail format "Style Up" to address the large opportunity in mass segment for small town India. Your Company is also evaluating various options to increase its presence in ethnic market. Both these opportunities offer tremendous long-term growth potential.

Business strategy

Your Company will continue to build on its leadership position through investments in key strategic themes.

Building strong brands

In order to maintain its leadership position, your Company will continue to invest in building strong vibrant brands that evolve with the changing customer needs. The brand focus will be extended into enhanced product design and a refreshed store experience. The focus on product innovation will continue to drive the differentiation, supplemented with initiatives to interact with customers continuously. The Company will continue to test and implement latest methods of engagement with the customers and create strong associations to strengthen its brands. The organisation's consumer-centricity framework is based on continuous research, big data analytics, real-time feedback from retail outlets and an engaged customer loyalty programme.

Enhancing portfolio

Your Company has laid out a clear growth path to create value by strengthening its existing businesses and accelerating play in emerging business segments. The Company continuously identifies emerging segments in the market and seeks to enhance its play through a combination of brand extensions, new product launches and strategic acquisitions.

In the last few years, your Company expanded its presence in casual wear through brand extensions and also gained a strong position in the fast growing value fashion segment through Pantaloons. The portfolio has been strengthened with inclusion of Forever 21 in women's fast fashion and men's and women's innerwear under the brand Van Heusen. The Company has also enhanced focus on women's and kids wear through strengthening the play in these segments through its Lifestyle brands.

Moving forward, your Company will continue to explore further growth opportunities in fast growing segments such as ethnic wear, casual and super-premium categories.

Building agile design and supply chain

Design and product development is at the core of the apparel business and your Company will continue to invest in these functions. It will drive product innovation by incorporating customer feedback in the design cycle. From a 4-season model, the Company will move to a 12-season model allowing it to reduce lead times significantly. This will enable the Company to continue with the journey of being closer to market in terms of identifying and addressing latest fashion trends. It is a significant shift that is enabling your Company to offer greater freshness and latest fashion in line with the changing consumer trends.

Expanding distribution footprint

Your Company has been growing rapidly through its multi-channel distribution strategy and is now present in more than 750 cities.

With the expansion of retail opportunity across India, the Company intends to continue building reach and penetration through physical stores, along with strong omni-channel play. Together with increasing its penetration in existing territories, the Company has identified markets for further expansion. It sees tremendous opportunity in the vast tier 2, 3 and 4 towns of the country and plans to expand presence through appropriate business models. This will help in gaining strong position across markets to meet the growing demand for high-quality ready-made branded apparel.

Digital transformation

Digital, as a way of life, is emerging as a key theme for organisations of tomorrow. The Company needs to embrace digital not only to enhance the customer experience side of it, but also internally to enhance processes and ways of working. Your Company has taken some key steps in this direction and internal and external focused digital transformation interventions will be a core strategy parameter for it.

Digital transformation is significantly disrupting the fashion retail industry. In India, e-commerce players have rapidly grown over the last 5 years, creating new business models, which are both, an opportunity and a threat to the business. Your Company has been a front-runner in adoption of transformational digital and analytics technology. While working closely with leading e-commerce players to extend the reach of its brands, the Company continues to focus on developing the online focus of its own brands. The omni-channel initiatives are rapidly scaling up by leveraging the Company's unique strength of a large store network along with online e-commerce capabilities. Your Company has also launched an initiative to design products digitally using advanced 3D design technology, which will enable digital commerce across trade and retail channels.

Your Company recognises the need for adoption of digital to ensure internal transformation and external market readiness. Significant investments are made in data analytics capabilities by setting up a central data warehouse for aggregating all customer transactions and interactions, both in-store and online. Its focus is on enabling personalised consumer campaigns leveraging the rich data that it has from the loyalty programs and building single-view of customer data models. This has been successfully piloted in Pantaloons and is now being scaled up to extend across brands as well. While analytics led customer engagement is a key priority, the Company has also initiated pilots to knowledge enable core business processes including design, merchandising, allocation and markdown management. The customer-shopping journey is not linear, thus, there is a significant focus to drive transformation using digital platforms, as the Company continues on its journey to build a future-ready organisation.

Financial performance and analysis

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations ⁽¹⁾	8,118	7,181
EBITDA ⁽²⁾	619	501
Finance costs	187	172
Depreciation	282	281
Earnings before tax	149	49
Current tax	22	-
Deferred tax assets/ (liabilities) ⁽³⁾	194	69
Net profit/ (loss) ⁽²⁾	321	118

Particulars	As at March 31, 2019	As at March 31, 2018
Net fixed assets (including CWIP)	718	769
Goodwill ⁽⁴⁾	1,860	1,860
Deferred tax asset ⁽³⁾	263	69
Net working capital	291	256
Capital employed	3,132	2,954
Net worth	1,429	1,093
Debt ⁽⁵⁾	1,703	1,861

Notes:

- (1) Revenue from operations for the year ended March 31, 2019 are not comparable with previous period corresponding figures of March 31, 2018 due to:
- GST: Effective July 1, 2017, sales are recorded net of GST whereas earlier the same was recorded gross of excise duty which formed part of expenses.
 - Ind AS 115: Sales is lower by ₹ 84 Crore for the year ended March 31, 2019, on account of impact of purchases on 'sales or return basis' arrangements.
- (2) Includes other income of ₹ 65 Crore (Previous year: ₹ 33 Crore).
- (3) Recognised deferred tax assets as at March 31, 2019 of ₹ 194 Crore (Previous year: ₹ 69 Crore) on brought forward accumulated losses and deductible temporary differences based on reasonable certainty in coming years.
- (4) As on March 31, 2019, goodwill (after testing for impairment in accordance with the Ind AS - 36 issued by the Institute of Chartered Accountants of India) stands at ₹ 1,860 Crore.
- (5) Comprises of non-current borrowings, current borrowings and current maturities of long-term borrowings.

Net working capital

(Amount in ₹ Crore)

Particulars	As at March 31, 2019 (As reported)	As at March 31, 2019 (Adjusted)	As at March 31, 2018 (As reported)
Inventories	1,921	1,788	1,691
Trade receivables	787	536	552
Cash and bank balances	57	57	73
Other assets	1,016	893	721
Less: Trade payables	2,399	2,143	2,009
Less: Other liabilities	1,091	840	772
Net working capital	291	291	256

Notes on adjustment:

- (1) Revision of agreements with vendors pursuant to change in model from sale or return (SOR) basis to outright (OR) basis has resulted in increase in inventory and trade payables - Impact of ₹ 256 Crore.
- (2) Impact of Ind AS 115 on provision for sales return:
- Provision for sales return (refund liabilities) - was netted off from trade receivables, now reclassified in other liabilities and trade receivables is reflected at a gross level - ₹ 251 Crore;
 - COGS value of sales return (return assets) - which was earlier part of Inventories is now required to be reduced from Inventories and reflected in Other assets - ₹ 123 Crore.

Overall impact is that both assets and liabilities has gone up by ₹ 507 Crore.

Revenue

Your Company reported revenue of ₹ 8,118 Crore during the year, recording a growth of 13% over the previous year (*comparable Ind AS and GST adjusted growth rate of 15%*), due to overall improved performance in both segments.

Your Company has implemented Ind AS 115 - "Revenue from Contracts with Customers" which became mandatory for reporting periods beginning on or after April 1, 2018, replacing the existing revenue recognition requirements. Accordingly, the Company has applied the modified retrospective approach and the revenue for the year ended March 31, 2019 are not comparable with the previous years. However, this does not have any impact on the profitability of the Company.

Segment performance: Madura Fashion and Lifestyle

Madura Fashion and Lifestyle (MFL) segment includes lifestyle brands, fast fashion and other businesses. MFL reported revenue of ₹ 5,032 Crore recording growth of 13% over the previous year (*comparable Ind AS and GST adjusted growth rate of 14%*).

MFL is expanding its presence in the retail channel by opening new stores and exits the year with 2,161 exclusive brand outlets (EBOs) and 245 value stores. MFL's share of revenue from retail channel has increased to ~ 43% from ~ 35% in the previous year.

Segment performance: Pantaloons

Pantaloons reported a revenue of ₹ 3,194 Crore recording growth of 12% over the previous year (*comparable Ind AS and GST adjusted growth rate of 15%*). During the year, it added 40 stores taking the total number of stores to 308 spanning 4 Million square feet. Pantaloons reaches out to large middle class Indian households with its diversified offerings for men, women and kids

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA of the Company, including other income is ₹ 619 Crore (*previous year ₹ 501 Crore*) and grew by 24%. The EBITDA margin for the Company improved from 7.0% to 7.6% in FY 2019 with a continuous improvement in both the segments.

Finance cost

Finance cost for the year was ₹ 187 Crore as compared to ₹ 172 Crore in the previous year. The increase is mainly on account of increase in market interest rates. The average borrowing cost for the Company is at 8.0% as compared to 7.7% in the previous year.

Depreciation

Depreciation during the year remains at ₹ 282 Crore as compared to ₹ 281 Crore in the previous year.

Dividend

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the Company's Dividend Distribution Policy, has decided that it would be prudent, not to recommend any dividend for the year under review.

Borrowings

In order to ensure greater financial flexibility and an optimal financing structure, the Company, at the Eleventh Annual General Meeting held on August 28, 2018, obtained approval of the shareholders by way of a special resolution, to raise funds by issuance of non-convertible debentures for an amount of upto ₹ 1,250 Crore, on private placement basis, within the overall borrowing limits of the Company as approved by the shareholders from time to time.

Key financial ratios

Particulars	As at March 31, 2019	As at March 31, 2018
Debtors turnover ratio ⁽¹⁾	12.13	14.31
Inventory turnover ratio ⁽²⁾	4.49	4.60
Interest coverage ratio	1.80	1.29
Current ratio	0.81	0.84
Debt equity ratio	1.19	1.70
EBITDA margin	7.6%	7.0%
Operating profit margin	4.1%	3.1%
Net profit margin	4.0%	1.6%
Return on net worth	23.6%	20.2%
Return on average capital employed	11.1%	7.4%

Notes:

(1) Adjusted debtors turnover ratio for FY 2019 - 14.93 (FY18 - 14.31)

(2) Adjusted inventory turnover ratio for FY 2019 - 4.67 (FY18 - 4.60)

The formulae used in the computation of the above ratios are as follows:

Ratio	Formula
Debtors turnover ratio	Revenue from operations/ Average of opening and closing trade receivables
Inventory turnover ratio	Revenue from operations/ Average of opening and closing inventories
Interest coverage ratio	Earnings before interest and tax/ Finance costs
Current ratio	Current assets/ Current liabilities
Debt equity ratio	Debt/ Net worth
EBITDA margin	EBITDA/ Revenue from operations
Operating profit margin	Earnings before interest and tax/ Revenue from operations
Net profit margin	Profit after tax/ Revenue from operations
Return on net worth	Earnings before interest and tax/ Net worth
Return on average capital employed	Earnings before interest and tax/ Average capital employed

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios:

- (1) Interest coverage ratio and Operating profit margin - Ratios have improved due to better operational performance by the Company.
- (2) Debt equity ratio, Net profit margin and Return on average capital employed - Ratios have improved due to better operational performance and higher deferred tax asset recognition for the period.

SWOT analysis

Strengths

Ability to build strong timeless brands

Your Company has been able to create many of the most iconic apparel and lifestyle brands in the country. This was achieved through continuous efforts in marketing, building an evolving distribution network and product innovation. The Company's brands are its strongest and most fundamental strategic asset, enabling it to maintain a differentiated and competitive position in the domestic apparel industry. The hallmark of success of the Company has been to transform these brands with the change in customer behavior. Your Company ensures that the brands it build are not only the leaders in their core segment but evolve and extend to cater needs of new customers and changing market.

The Company will continue to selectively add and build new brands, further strengthening its brand portfolio and expanding its presence across untapped segments.

Deep expertise in design, product development and sourcing

Your Company's brands derive the strength from the products it creates. Hence, the Company has invested deeply in building robust design and product development capabilities. Our teams are transforming the way we think about fashion cycles by aiming to improve towards closer-to-market creation. Your Company has enabled itself to swiftly and appropriately respond to ever-changing fashion trends by delivering innovative products satisfying consumer needs. This is supported by adoption of global sustainability practices.

Large distribution network

Your Company runs a wide and extensive distribution network of 2,714 stores and 23,000+ points of sale; making it one of the largest distribution networks of any apparel business in the country. The Company is also at the forefront of expansion into tier 3 and 4 markets, as it aims to expand the brands to travel even further and deeper, creating a distribution network that will become its dominant competitive advantage.

Strong people processes

Your Company is the preferred choice for talent in the industry due to its focused efforts on building a people focused, meritocratic, professional and progressive organisation. People development is at the core of the business strategy reflected in its extensive management trainee programs with top design and business schools across the country. The Company has also led many initiatives on people development, individual career mapping, mentoring for young women leaders and employee engagement.

Leadership capability and corporate governance

Home to some of the finest talent in the industry, most of the leadership team in the Company is home grown and has contributed to many important milestones in its long journey of more than two decades. Your Company is governed by a board comprising of industry stalwarts with rich experience across diverse consumer facing industries and multiple geographies.

Weaknesses

Sub-optimal presence in some high growth segments

Over the last few years, the Indian apparel industry has witnessed rapid growth in the casual, denim and women's segments. Due to its strong legacy of men's formal wear brands, the Company has been able to extend its offering to some of these opportunities but with moderate success. Company's portfolio still needs more strength in growing categories such as womenswear and kidswear; and across wearing occasions such as casual wear, denims etc. In order to build a strong and balanced portfolio that addresses these gaps and is aligned to the future configuration of the apparel market, your Company is taking aggressive actions to enhance the business.

Opportunities

Large, fast growing market

Organised retail in India is experiencing rapid transformation and growth. This has been aided by robust demand due to rising incomes, aspiring middle class population and democratisation of fashion aided by easy access to digital medium for the masses. Certain categories such as women and kids are expected to grow much faster due to a lot of new brand, proliferation and discretion-based purchase replacing need-based buying.

The other big story for Indian market is the tremendous opportunity that exists in tier 2 and 4 towns. These towns have a high propensity to spend, are witnessing urbanisation and have an increasing aspiration to use branded products. The exposure to digital has greatly changed the aspirations and expectations of consumers in these markets. These markets will also see rise of high grade retail space, driving entry of numerous brands trying to address the needs of brand seeking consumers in better quality shopping space.

Rising affluence and increasing global exposure have led to growth in premium international brands business in India.

Digital influence

Digital has emerged as the biggest force powering B2C businesses by creating digitally influenced and enabled transactions. Your Company has embraced the digital revolution, upgrading the consumer shopping experience through omni-channel play, blending post purchase consumer feedback in its product design process and digitally enabling the brick and mortar stores to offer more efficient and holistic shopping experience. Your Company is also creating an engaged digital presence across all media channels, which have become a primary source of brand discovery for customers.

Threats and risks

Increased markdown in industry

E-commerce growth across the industries created a huge change in customer expectations from brands and now they seek even higher value for every rupee spent. This has forced organisations to either provide more value in the product or use high discounts to compete in the market. EOSS, led by big sale days by online and offline players heavily encourages discount seeking behaviour and shifted a large portion of sales to discounting season; adversely impacting margins.

Year-on-year discount increases are a big risk for the apparel industry. Many players are working on improving the core customer proposition comprising of innovative product, sharp pricing and delightful pre- and post- purchase experience, to shift consumers back to a full price sale regime.

Commoditisation of fashion

Many regional and national players have rapidly expanded value fashion formats in untapped new markets. These towns are experiencing quality retail for the first time and the nature of these retail offerings might commoditise fashion for the customer. There is a need to create brands and propositions that provide access to high value products but create a customer connect to the brand identity as well.

Inadequate supply of good quality retail space

With larger part of FDI in real estate focusing on residential development in the last few years, commercial real estate development had slowed down. This has led to most of the cities having insufficient supply of grade A malls and good quality commercial space, translating into higher rentals and unviable economics for retail companies.

Limited availability of talent

Apparel industry experiences the demand for talent exceeding supply in many critical areas of analytical thinking, technical competency and leadership skills. Growth of e-commerce companies and advent of international players in India has also created tremendous challenge in terms of retaining key talent. The above two factors have made talent development and management an extremely crucial component of business strategy.

Outlook - Way forward

As per economic survey, India continues to be amongst the fastest growing economies in the world and is expected to continue to remain so in FY 2020 as well.

The policy environment is expected to be stable with a focus on reviving credit and investment in the economy. The government will continue its focus on enhancing ease of doing business, infrastructure development and digital India programs. These investments will help the economy recover back to past levels of growth. The improving economic scenario is expected to translate into positive consumer sentiments. The key factors that are driving the India consumption story are large proportion of young population, rising urbanisation, growing affluence, increasing discretionary spending and deeper penetration of digital content and processes.

However, the sector outlook is expected to be cautiously optimistic basis recent economic indicators on growth. Your Company is well positioned to leverage the opportunity in this growing market with its diverse offerings across varied market segments, price points and portfolio of strong brands.

Risk management

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

Your Company has constituted a Risk Management Committee (*RMC*) for identification, evaluation and mitigation of operational, strategic and external risks. RMC is supported by an internal committee, which consists of experts from various business processes and segments. The internal committee assists the RMC in defining the framework for risk management and compliance and undertakes assessment of risks, adopts the risk mitigation plans and regularly monitors them in a structured and controlled environment. It also reviews the developments in socio-economic environment and identifies internal threats and opportunities, updates the framework and refines processes and systems for mitigation. Details of the composition of the RMC and the Risk Management Policy, adopted by the Board, have been disclosed separately.

The key identified risks are covered as part of threats in SWOT analysis.

Internal control systems and their adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Internal control systems comprising policies and procedures are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed and these are routinely tested and certified by statutory as well as internal auditors and cover all functions and business areas. The audit committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Human resources

Your Company's **People Vision** is "To drive a **High Performing** and **Customer Centric Culture** with **Happy and Value Oriented** Employees". The Company's performance is anchored on its capabilities and productivity; customer-centric culture through a strong service orientation; happiness through purposeful behaviour by high quality talent; value-oriented through a deep commitment to the values of the Aditya Birla Group.

The Company has a diverse workforce of 23,000+ employees consisting of mix of people from diverse backgrounds, educational experience and wealth of experience from various industries. It also has a healthy gender diversity with 52% of the workforce comprising of women employees. 55% of the employees of the Company are in less than 30 years of age group.

Your Company has maintained healthy, cordial and harmonious industrial relations at all levels through proactive employee relation, development initiatives, gender diversity and community development.

Delivering 'Employee Value Proposition' (EVP) through people strategy

"**The Biggest Brands and Best People**" is the philosophy that drives ABFRL. The Company has well-known brands and it is the people behind the brands who have made the brands what they are. The unique EVP of the Company - "**A World of Opportunities**" makes it a preferred employer for professionals in the industry. Your Company is committed to strengthen its employee value proposition in every aspect - career growth, learning & development, rewards & recognition, enrichment of life through healthy work environment and well-being programs.

- Career growth

Your Company believes in harnessing the leadership and people capabilities through sharp focus and initiatives on talent development. The Company has institutionalised an active talent review process to take stock of succession planning for key roles of the business. The talent is reviewed based on the performance and potential to assess their readiness for future role of high scale and complexity. The Company has created a

strong ownership and governance on careers through talent council which run at both apex and business unit level and are chaired by business leaders and meet at periodic intervals. It also invests in hiring bright entry level talent through the Company's young talent management program (*striders*) from B-Schools and fashion institutes (*such as National Institute of Fashion Technology*) to create a strong future pipeline.

- Learning and development

The Company's initiatives equip its employees to develop taller leadership capabilities armed with strong management capabilities in both domain specific and behavioural disciplines.

The Company invests in multiple initiatives such as Gyanodaya, Aditya Birla Group Global Centre for Leadership Learning, for its leaders and management development programs on various managerial capabilities. In-house structured learning program (*ABFRL university*) has also strengthened and it has also expanded its wings to other lines of businesses.

There are also significant opportunities for on the job development through various business and functional projects. Apart from classroom and on the job training modules, employees are also provided opportunity to self-learning through digital interface, which hosts a variety of content. These not only help employees perform to their potential in the current roles, but also prepare them for higher responsibilities.

- Rewards and recognition

The Company's initiatives are aligned to drive the culture of meritocracy and ensuring market competitiveness. They celebrate successes and also help in raising the bar on performance and achievement.

Celebrating success through recognition programme are at the core of building vibrant ABFRL culture. Well-entrenched annual engagement events are forums where it celebrates and recognises team and individual achievements, value champions and feats achieved by employees beyond the call of duty.

Your Company has various forums where it recognises outstanding performance of the employees in the stores, warehouse, manufacturing facilities and offices.

- Enrich the life of employees

Your Company embarks on multiple initiatives to create a wholesome approach for its employees. These include retail olympics focused on sports events leading to employee bonding and competitiveness. It also encourages the employees to volunteer in various CSR initiatives of the Company, offering them an opportunity to work together for the common good of the community. The Company's initiatives also focus on the physical and mental well-being of its employees. It also offer flexible working arrangements for the employees to encourage them to balance their work, family and personal commitments & priorities.

DIRECTORS' RESPONSIBILITY STATEMENT

The audited financial statements of your Company for the year under review ("*financial statements*") are in conformity with the requirements of the Companies Act, 2013 read with the rules made thereunder ("*Act*") and the Accounting Standards. The financial statements fairly reflect the form and substance of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations.

Your directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) accounting policies selected have been applied consistently and reasonable & prudent judgments and estimates were made, so as to give a true and fair view of the state of affairs of your Company as at the end of the year under review and the profit & loss of your Company for the year under review;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts of your Company have been prepared on a 'going concern' basis;
- e) adequate internal financial controls were laid down & followed by your Company and such internal financial controls were operating effectively; and
- f) proper systems have been devised by your Company to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Compliance with Secretarial Standards

Your directors confirm that during the year under review, the Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

SHARE CAPITAL

Equity share capital

The paid-up equity share capital of your Company as at the end of the year under review stood at ₹ 773.48 Crore vis-à-vis ₹ 771.69 Crore as at the end of previous year.

Details of shares allotted during the year under review, are as under:

- (i) Allotment to non-resident shareholders of Aditya Birla Nuvo Limited (*now Grasim Industries Limited*) ("ABNL") holding shares on repatriation basis.

In terms of clause 21 of the Composite Scheme of Arrangement amongst the Company, ABNL and Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors, under sections 391 to 394 of the Companies Act, 1956 ("*Composite Scheme*"), allotment of 37,82,178 equity shares ("*said shares*") to 3,475 non-resident shareholders, including 4 overseas corporate bodies ("*OCBs*") of ABNL ("*NRE shareholders*") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 20,71,265 equity shares to 1,407 NRE shareholders who held accounts in India on non-repatriation basis and provided such valid details.

During the period under review, in view of the amended provisions of the "Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017" ("*FEMA Regulations*") and the authority granted by the Board of Directors (*on February 4, 2019*), 16,94,060 equity shares were allotted to 2,064 NRE shareholders of ABNL (*excluding OCBs*) on March 19, 2019.

Further, post this allotment, out of the said shares, 16,853 equity shares held by 4 OCBs shall remain pending for allotment until receipt of regulatory approvals. Your Company continues to evaluate various options for settling the matter with respect to the pending allotment to 4 OCBs, in terms of the applicable FEMA Regulations and any further development in this regard will be separately intimated to such OCBs.

- (ii) Allotment made pursuant to the Employee Stock Option Scheme - 2013 ("*Scheme 2013*")

51,435 equity shares of ₹ 10/- each were allotted to the eligible employees of the Company, pursuant to the exercise of stock options granted to them under the Scheme 2013.

- (iii) Allotment made pursuant to the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("*Scheme 2017*")

41,981 equity shares of ₹ 10/- each were allotted to the eligible employees of the Company, pursuant to the exercise of stock options granted to them under the Scheme 2017.

Preference share capital

Details of preference share capital of the Company as at March 31, 2019

(Amount in ₹ Lakh)

Particulars	As at March 31, 2019
A Authorised preference share capital	
1,00,00,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	1,000.00
15,000 6% Redeemable Cumulative Preference Shares of ₹ 100/- each	15.00
Total	1,015.00
B Issued, subscribed and paid-up share capital	
5,00,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	50.00
500 6% Redeemable Cumulative Preference Shares of ₹ 100/- each	0.50
Total	50.50

Details of redemption/ variation in terms of preference shares issued by the Company

Pursuant to the terms of issuance, the due dates for redemption of 8% Redeemable Cumulative Preference Shares and 6% Redeemable Cumulative Preference Shares, were March 30, 2019 and October 13, 2019, respectively.

While the Company had net profits for the year, it did not have distributable profits in terms of section 123 of the Act as it had past accumulated losses.

Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019, approved the variation in terms of the preference shares to the extent of extending their respective redemption dates by a period of 5 years, more particularly as under:

Class of preference shares	Revised redemption date
5,00,000, 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	March 29, 2024
500, 6% Redeemable Cumulative Preference Shares of ₹ 100/- each	October 12, 2024

DISCLOSURES IN TERMS OF THE PROVISIONS OF THE ACT & SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**A. Board of Directors ("Board")****(i) Number of meetings**

The Board met 5 (*five*) times during the year under review. The details of such meetings are disclosed in the Corporate Governance Report forming part of this Annual Report. The maximum gap between any two consecutive meetings was less than 120 (*one hundred and twenty*) days, as stipulated under section 173(1) of the Act and regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("*SEBI Listing Regulations*") and the Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) Appointments/ resignations

During the year under review, no directors were appointed or have resigned.

Further, in accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Pranab Barua, Non-executive Director of the Company, is due to retire by rotation at the ensuing 12th AGM and being eligible, he has offered himself for re-appointment. Business with respect to his re-appointment forms part of the notice of the ensuing AGM of the Company.

In addition to the above re-appointment, business with respect to following matters also forms part of the notice of the ensuing AGM of the Company:

- (a) re-appointment of Ms. Sukanya Kripalu, an Independent Director of the Company, whose tenure will expire during the year; and
- (b) continuation of directorship of Mr. Arun Thiagarajan, an Independent Director of the Company, who will attain the age of 75 years during the year.

As required under regulation 36(3) of the SEBI Listing Regulations, particulars of directors seeking appointment/re-appointment at the ensuing 12th AGM are given in the annexure to the notice of the AGM.

(iii) Board evaluation

The Company has devised a framework for performance evaluation of Board, its committees and individual directors in terms of the provisions of the Act, SEBI Listing Regulations and the Nomination Policy of the Company.

During the year under review, the Board carried out the evaluation of its own performance and that of its committees and the individual directors. The performance evaluation of non-independent directors and the Board as a whole was carried out by the independent directors.

The evaluation process consisted of structured questionnaires covering various aspects of the functioning of the Board and its committees, such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of individual directors based on criteria such as contribution of the director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

Further, pursuant to the applicable provisions of the Act, the performance evaluation criteria for the independent directors is disclosed in the Corporate Governance Report forming part of this Annual Report.

Outcome of the evaluation

The Board of your Company was satisfied with the functioning of the Board and its committees. The committees are functioning well and besides the committee's terms of reference, as mandated by law and important issues are brought up and discussed in the committee meetings. The Board was also satisfied with the contribution of directors, in their respective capacities, which reflects the overall engagement of the individual directors.

(iv) Declaration of independence

The Company has received necessary declaration from each independent director of the Company stating that they meet the criteria of independence as provided in section 149(6) of the Act and regulation 16(1)(b) of the SEBI Listing Regulations ("*said declarations*").

Based on the said declarations received from independent directors, in the opinion of the Board of Directors, the independent directors of the Company, fulfil the conditions of independence and are independent of the management.

B. Committees of the Board

(i) Audit committee

Your Company has a duly constituted audit committee, with its composition, quorum, powers, role and scope in accordance with section 177 of the Act and regulation 18 of the SEBI Listing Regulations. Details regarding the composition of the audit committee alongwith the dates of meeting and the terms of reference of the committee, are disclosed in the Corporate Governance Report forming part of this Annual Report.

The recommendations made by the audit committee to the Board, from time to time during the year under review, have been accepted by the Board.

Vigil mechanism

The Board has, on recommendation of its audit committee, duly adopted a Vigil mechanism/ Whistle Blower Policy and the details of which are provided in the Corporate Governance Report forming part of this Annual Report.

Adequate safeguards are provided against victimisation to those who avail of the mechanism and direct access to the Chairperson of the audit committee is provided to them. The details of establishment of vigil mechanism is also available on the website of the Company i.e. www.abfirl.com.

(ii) Nomination and Remuneration Committee ("NRC")

Your Company has a duly constituted NRC, with its composition, quorum, powers, role and scope in accordance with section 178 of the Act and regulation 19 of the SEBI Listing Regulations. Details regarding the composition of the NRC alongwith the dates of meeting and the terms of reference of the committee are disclosed in the Corporate Governance Report forming part of this Annual Report.

Nomination Policy and Executive Remuneration Policy/Philosophy

In terms of section 178 of the Act and regulation 19 of the SEBI Listing Regulations, the Board of your Company had, on recommendation of the NRC, adopted a Nomination Policy, which *inter alia* enumerates the Company's policy on appointment of directors, KMP and senior management. Further, the Board has, on recommendation of NRC, also adopted a policy entailing Executive Remuneration Philosophy, which covers remuneration philosophy covering the directors, KMP, senior management and other employees of the Company.

Both the aforesaid policies, as amended from time to time pursuant to the amendment in the applicable regulatory provisions, are available on the website of the Company i.e. www.abfirl.com.

Salient features of the aforesaid policies alongwith the changes therein during the period under review, are as under:

(a) Nomination Policy

The Nomination Policy is enacted mainly to deal with the following matters, falling within the scope of the NRC:

- To institute processes which enable the identification of individuals who are qualified to become directors and who may be appointed as key managerial personnel and/or in senior management and recommend to the Board of Directors their appointment and removal from time to time;
- To devise a policy on board diversity;
- To review and implement the succession and development plans for managing director, executive directors and officers forming part of senior management;
- To formulate the criteria for determining qualifications, positive attributes and independence of directors;
- To establish evaluation criteria of board, its committees and each director.

During the year under review, the Nomination Policy of the Company was amended to incorporate the change in evaluation process and the definition of Senior Management, pursuant to amendment in the SEBI Listing Regulations.

(b) Executive Remuneration Policy/ Philosophy

This Policy supports the design of programmes that align executive rewards - including incentive programmes, retirement benefit programmes, promotion and advancement opportunities - with the long-term success of the stakeholders of the Company.

The executive remuneration program of the Company is designed to attract, retain and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders and intends to:

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

During the year under review, the Executive Remuneration Policy/ Philosophy of the Company was amended to incorporate the extended scope of NRC pursuant to amendment in the SEBI Listing Regulations, wherein the NRC has to recommend to the Board, all remuneration, in whatever form, payable to the senior management.

(iii) Risk Management Committee (“RMC”)

Your Company has a duly constituted RMC, which is *inter alia* entrusted with the responsibility of monitoring and reviewing the risk management plan and the cyber security of the Company and such other functions as may be delegated by the Board from time to time.

The composition, quorum, powers, role and scope of the RMC are in accordance with the applicable provisions of the Act and regulation 21 of the SEBI Listing Regulations. Details regarding the composition of the RMC alongwith the dates of meeting and the terms of reference of the committee are disclosed in the Corporate Governance Report forming part of this Annual Report.

Mr. Jagdish Bajaj, Chief Financial Officer of the Company, is also the Chief Risk Officer of your Company.

Risk Management Policy

Your Company has framed and implemented a Risk Management Policy in terms of the provisions of regulation 17 of the SEBI Listing Regulations, for the assessment and minimisation of risk, including identification therein of elements of risk, if any, which may threaten the existence of the Company.

The policy is reviewed periodically by the RMC, alongwith the key risks and related mitigation plans. More details on risks and threats have been disclosed hereinabove, as a part of the Management Discussion and Analysis.

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

(iv) Corporate Social Responsibility Committee (“CSR committee”)

Your Company has a duly constituted CSR committee, with its composition, quorum, powers, role and scope in accordance with section 135 of the Act. Details regarding the composition of the CSR committee alongwith the dates of meeting and the terms of reference of the committee are disclosed in the Corporate Governance Report forming part of this Annual Report.

Corporate Social Responsibility Policy (“CSR Policy”)

The Board has, pursuant to the recommendation of the CSR committee, with a vision “to actively contribute to the social and economic development of the communities in which your Company operates and in doing so, build a better, sustainable way of life for the weaker sections of society and raise the country’s human development index”, adopted a CSR Policy and the same is available on the website of the Company i.e. www.abfrrl.com.

The scope of the CSR Policy is as under:

- Planning project or programmes which a Company plans to undertake falling within the preview of schedule VII of the Act;
- Monitoring process of such project or programmes.

The CSR Policy of the Company *inter alia* includes the process to be implemented with respect to the identification of projects and philosophy of the Company, alongwith key endeavours and goals i.e.

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

CSR initiatives taken during the year

Your Company's CSR activities are mainly focused towards girl child education, skilling, health and sanitation.

An annual report on CSR activities of the Company for the financial year 2018-19 is annexed as **Annexure I** to this Report.

C. Key Managerial Personnel

Pursuant to section 203 of the Act, the key managerial personnel ("*KMP*") of the Company are:

- i. Mr. Ashish Dikshit, Managing Director;
- ii. Mr. Jagdish Bajaj, Chief Financial Officer; and
- iii. Ms. Geetika Anand, Company Secretary.

Board had, at its meeting held on January 9, 2018, in terms of the applicable provisions of the Act and on recommendation of the NRC, appointed Mr. Jagdish Bajaj as the Chief Financial Officer of the Company with effect from April 1, 2018.

Further, Mr. Vishak Kumar, Chief Executive Officer of the Madura Finance and Lifestyle division ("*CEO*") of the Company, was appointed as a KMP of the Company with effect from November 24, 2016. Pursuant to the approval of the Board, he has ceased to be a KMP of the Company under the provisions of section 203 of the Act with effect from May 11, 2018. However, Mr. Kumar will continue to be the CEO of the Company.

Detailed profiles of the KMP and other key executives of your Company are available on the website of the Company i.e. www.abfirl.com.

D. Remuneration of directors and employees

Disclosure comprising particulars with respect to the remuneration of directors and employees, as required to be disclosed in terms of the provisions of section 197(12) of the Act and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure II** to this Report.

Further, a statement containing such particulars of employees as required in terms of the provisions of section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. However, in line with the provisions of the first proviso to section 136(1) of the Act, the reports and accounts, as set out therein, are being sent to all shareholders of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours. Further, any shareholder interested in obtaining such information may write to the Company Secretary at the registered office of the Company.

E. Employee stock option scheme and share based employee benefits

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

Your Company regards employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. Accordingly, in the year 2013, the 'Employee Stock Option Scheme - 2013' ("*Scheme 2013*") was instituted by the Company, to reward its employees for their past association and performance, as well as to motivate them to contribute in the Company's future growth and profitability.

Further, pursuant to the approval of shareholders of the Company at the 10th AGM held on August 23, 2017, the NRC, at its meeting held on September 8, 2017, instituted and implemented the 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017' ("*Scheme 2017*").

Both the Schemes of the Company i.e. Scheme 2013 and Scheme 2017, are governed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("*SEBI SBEB Regulations*") and in terms of the approvals granted by the shareholders of the Company, the NRC *inter alia* administers, implements and monitors the aforesaid schemes, thereby governing the grant of share based benefits to its employees, in the form of options and restricted stock units ("*RSUs*") (collectively referred to as "*stock options*").

A certificate from the Statutory Auditor of the Company, confirming that the aforesaid schemes have been implemented in accordance with the SEBI SBEB Regulations, will be open for inspection at the ensuing 12th AGM.

Disclosure pursuant to the regulation 14 of the SEBI SBEB Regulations

In terms of the provisions of regulation 14 of the SEBI SBEB Regulations, details of the aforesaid schemes are available on the website of the Company i.e. www.abfrrl.com and a summary of the stock options granted, vested and lapsed during the year under review, is as under:

Particulars	Scheme 2013		Scheme 2017	
	Options	RSUs	Options	RSUs
No. of stock options granted	Nil	Nil	90,039	30,349
No. of stock options vested	Nil	Nil	8,65,024	Nil
No. of stock options exercised ⁽¹⁾	5,843	22,760	46,483	Nil
Total no. of equity shares of ₹ 10/- each, arising as a result of exercise of stock options	5,843	22,760	41,981 ⁽²⁾	Nil
No. of stock options lapsed	5,843	Nil	4,79,678	1,96,655

Note:

(1) No loan was provided by your Company to exercise any of these stock options.

(2) 4,502 options were exercised during the year ended March 31, 2019. However, the consequent allotment of 4,502 equity shares was pending as on March 31, 2019 ("*said shares*"). The said shares were allotted on April 30, 2019.

The aforesaid details have been also disclosed in the financial statements of your Company for the year under review.

Stock Appreciation Rights ("*SARs*")

Your Company has also instituted a 'Plan for Stock Appreciation Rights Plan, 2013' ("*SAR Plan 2013*") in the year 2013, which is a cash based plan linked to the actual stock price movement over the plan tenure.

Further, pursuant to the enforcement of SEBI SBEB Regulations, in the event of transfer of employee to any Group Company ("*said transfer*"), all the options and RSUs granted to an employee under the employee stock option scheme of the Company, if not exercised by such employee before the last working day in the Company shall lapse as on the date of said transfer.

In view of the above, in order to compensate the loss to an employee due to the lapse of options and RSUs in the event of said transfer and pursuant to the approval of the Board vide a resolution passed at its meeting held on February 4, 2019, the NRC, at its meeting held on May 15, 2019, instituted and implemented the 'Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019' ("*SAR Scheme 2019*"), to grant SARs in the form of 'Option SARs' (*in place of options*) and 'RSU SARs' (*in place of the RSUs*), to such employees.

The above SAR Plan 2013 and SAR Scheme 2019, does not give rise to any right towards any equity share of the Company and hence, they are not covered under the provisions of SEBI SBEB Regulations. On exercise of the SARs granted under the said plan/ scheme, the employee exercising the SARs becomes entitled to receive cash, in terms of the respective plan/ scheme.

Details of the SARs granted by your Company under the SAR Plan 2013 and the SAR Scheme 2019 are available on the website of the Company i.e. www.abfirl.com.

F. Related party transactions

All related party transactions entered into during the year under review were approved by the audit committee and the board, from time to time and the same are disclosed in the financial statements of your Company for the year under review. Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the board has, on recommendation of its audit committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. www.abfirl.com. Also, during the year under review, pursuant to the amendments in the SEBI Listing Regulations, the aforesaid policy was reviewed and amended by the board.

Further, in terms of the provisions of section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 23 of the SEBI Listing Regulations, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were:

- in “ordinary course of business” of the Company;
- on “an arm’s length basis”; and
- not “material”.

All transactions with related parties are in accordance with the policy on related party transactions formulated by the Company.

Accordingly, Form no. AOC-2, prescribed under the provisions of section 134(3)(h) of the Act and rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of related party transactions, which are “not at arm’s length basis” and also which are “material and at arm’s length basis”, is not provided as an annexure of this Report.

G. Dividend Distribution Policy

In terms of regulation 43A of the SEBI Listing Regulations, your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the Stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the board in determining the dividend pay-out. The policy is annexed as **Annexure III** to this Report and is also available on the website of the Company i.e. www.abfirl.com.

H. Subsidiaries, joint ventures, associate companies

During the year under review, no company became/ ceased to be a subsidiary/ associate/ joint venture of the Company. Also, the Company did not become a part of any joint venture during the year.

Accordingly, as at the end of the year under review and also as on the date of this Report, your Company does not have any subsidiary and/or associate company and your Company is also not a part of any joint ventures.

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

Your Company consciously makes all efforts to conserve energy across all its operations. A report containing details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed in terms of section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure IV** to this Report.

J. Sustainability and business responsibility report

Your Company’s sustainability initiatives are aligned with the Aditya Birla Group’s sustainability vision, which mainly comprises of responsible stewardship, stakeholder engagement and future-proofing. Accordingly,

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

Through this mission, we hope to create a future ready organisation, which addresses the needs of all stakeholders thereby securing a sustainable future for tomorrow.

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

K. Auditors and auditors report

During the year under review, no frauds in terms of the provisions of section 143(12) of the Act, have been reported by the statutory auditor and secretarial auditor in their report for the year under review.

(i) Statutory auditor

M/s. S R B C & CO LLP, Chartered Accountants (ICAI registration no. 324982E/E30003), were appointed as the statutory auditor of the Company at the 9th AGM, for a term of 5 years i.e. till the conclusion of the 14th AGM, subject to the ratification of their appointment by the members at every AGM. Accordingly, business with respect to the same forms part of the notice of the ensuing 12th AGM of the Company.

Further, the auditors' report "with an unmodified opinion", given by the statutory auditor on the financial statements of the Company for FY 2018-19, is disclosed in the financial statements forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the statutory auditor in their report for the year under review.

The notes to the financial statements are self-explanatory and do not call for any further comments.

(ii) Secretarial auditor

Pursuant to the provisions of section 204 of the Act, M/s. Dilip Bharadiya & Associates, Company Secretaries, were appointed as the secretarial auditor of the Company, to conduct secretarial audit of the board processes for the year under review.

The Secretarial Audit Report given by the secretarial auditor of the Company is annexed as **Annexure V** to this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the secretarial auditor in his report for the year under review.

(iii) Cost auditor

During the year under review, your Company was not required to maintain cost records under sub-section (1) of section 148 of the Act. Hence, the provisions related to appointment of Cost auditor is not applicable.

L. Other disclosures

In terms of the applicable provisions of the Act and SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of your Company;
- your Company has not accepted any fixed deposits from the public falling under section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2019, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon;
- your Company has not issued any shares with differential voting rights;
- your Company has not any sweat equity shares; and
- no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status operations of your Company in future.

It is further disclosed that:

- There is no plan to revise the financial statements or directors' report in respect of any previous financial year.
- There have been no material changes and commitments, which affect the financial position of the Company, which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.
- Particulars of the loans, guarantees and investments as required under section 186 of the Act are disclosed in the financial statements of your Company for the year under review.
- Details pertaining to unclaimed shares demat suspense account of your Company are disclosed in the General Shareholder Information forming part of this Annual Report.
- Your Company does not engage in commodity hedging activities.

CORPORATE GOVERNANCE

Your Company is committed to follow the best practices of corporate governance and the Board is responsible to ensure the same, from time to time.

Your Company has duly complied with the corporate governance requirements as set out under chapter IV of the SEBI Listing Regulations and the M/s. Dilip Bharadiya & Associates, Company Secretaries, vide their certificate dated May 14, 2019, have confirmed that the Company is and has been compliant with the conditions stipulated in the chapter IV of the SEBI Listing Regulations. The said certificate is annexed as **Annexure VI** to this Report.

Further, a separate report on corporate governance forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of sections 92(3) and 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, an extract of the annual return in Form no. MGT-9 is annexed as **Annexure VII** to this Report and is also available on the website of the Company i.e. www.abfrl.com.

DISCLOSURES PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place a policy on Prevention of Sexual Harassment at Workplace, which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The objective of this policy is to provide an effective complaint redressal mechanism if there is an occurrence of sexual harassment.

This policy is applicable to all employees, irrespective of their level and it also includes 'third party harassment' cases i.e. where sexual harassment is committed by any person who is not an employee of the Company.

Your Company has also set up an internal complaints committee at each of its administrative office, which is duly constituted in compliance with the provisions of the POSH Act. Further, the Company also conducts interactive sessions for all the employees, to build awareness amongst employees about the policy and the provisions of POSH Act.

During the year under review, no cases were filed under the POSH Act.

AWARDS AND RECOGNITIONS

Your Company has been proud recipient of many awards and recognitions during the year under review and significant ones amongst them are as under:

- ABFRL won the '**Retailer of the Year Award (Fashion & Lifestyle)**' conferred by **ET Now Global Awards for Retail Excellence**.
- ABFRL bagged '**Stars of the Industry Award 2018**' by **ET Now** for **Excellence in CSR**.
- ABFRL received a **Social Impact Award** from the **Indian Chamber of Commerce (ICC)** for **Empowering the Rural Population, in the Mega Enterprise Category**.

- ABFRL was recognized as a **'Leader in Employee Volunteer - 2018'** by iVolunteer Awards.
- ABFRL has been conferred a **Silver Rating** by IGBC (Indian Green Building Council) for its manufacturing unit, **Crafted Clothing Limited**.
- ABFRL received the **First Prize** at the **Lean Six Sigma Excellence Awards 2018** conducted by **Symbiosis Centre for Management and Human Resource Development** in two categories such as **'DMAIC'** and **'Kaizen'**.
- Van Heusen Innerwear was adjudged **IMAGES Most Admired Fashion Brand of the Year for Innerwear (Men)**.
- Pantaloons was ranked amongst **Top Two Most Trusted Brands** in the **Retail category** by **ET Brand Equity**.
- Pantaloons was ranked amongst **Top Twenty Most Trusted Brands** in the **Service category** by **ET Brand Equity**.
- Pantaloons won the **IMAGES Most Admired Retailer of the Year: Enterprise Solution Implementation** in recognition of Excellence in Deployment of Technology in Retail.
- Pantaloons received the **'Segment of One - Top Project Award'** by Aditya Birla Group at its Quantum Jump Conference, 2018.
- Pantaloons won big in the **Customer Loyalty Awards** by Kamikaze. It won the **'Best use of Direct Marketing in a Loyalty Program'** Award.
- Pantaloons was awarded **Merit Certificate** in the **Visual Merchandising and Retail Awards** for **'Best Window Display - Festivals and EOSS - Kids Festive Fun'**.

ACKNOWLEDGEMENT

We take this opportunity to thank all the customers, members, investors, vendors, suppliers, business associates, bankers and financial institutions for their continuous support. We also thank the central and state governments and other regulatory authorities for their co-operation.

We acknowledge the patronage of the Aditya Birla Group and above all, we place on record our sincere appreciation for the hard-work, solidarity and contribution of each and every employee of the Company in driving the growth of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 15, 2019

Ashish Dikshit **Arun Thiagarajan**
Managing Director Independent Director

Disclaimer:

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

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

1	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be taken and a reference to the web link to the CSR Policy and projects or programmes	:	<ul style="list-style-type: none"> To actively contribute to the social and economic development of the communities in which the Company operates. In doing so, build a better, sustainable way of life for the weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index. Projects of the Company focus on education, healthcare & sanitation, sustainable livelihood, water and digitization epitomising a holistic approach to inclusive growth. The Company's CSR Policy can be accessed on www.abfrl.com.
2	Composition of the CSR Committee	:	<ul style="list-style-type: none"> Mr. Bharat Patel, Chairperson Mr. Pranab Barua, Member Mr. Sanjeeb Chaudhuri, Member Mr. Sushil Agarwal, Member Mrs. Rajashree Birla, Chairperson - Aditya Birla Centre for Community Initiatives and Rural Development, Permanent Invitee Dr. Pragnya Ram, Group Executive President, Corporate Communication and CSR, Permanent Invitee Mr. Ashish Dikshit, Managing Director, Permanent Invitee
3	Average net profit of the Company for the last three financial years	:	Average loss of ₹ 0.13 Crore during the three immediately preceding financial years.
4	Prescribed CSR expenditure (2% of the amount as mentioned in point 3 above)	:	Nil
5	Details of CSR expenditure during the year <ul style="list-style-type: none"> Total amount to be spent for FY Amount unspent, if any Manner in which amount spent during the financial year 2018-19 		<p>As per the provisions of section 135 of the Companies Act, 2013, a company is required to spend, in every financial year, at least 2% of the average net profit of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy.</p> <p>As the Company had incurred losses during FY 2015-16, aggregating more than the profits for FY 2016-17 and FY 2017-18, the Company was not required to spend towards the CSR activity during the year under review.</p> <p>CSR expenditure incurred by the Company, during FY 2018-19, is tabled below:</p>
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount on CSR		

(Amount in ₹ Crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR projects or activities identified	Sector in which project is covered	Projects or programmes: 1) Local area or others 2) Specify the state and district where the projects or programmes are undertaken	Amount outlay (budget) project or program wise	Amount spent on projects or programmes Subheads: 1) Direct expenditure on projects/ programmes 2) Overheads	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementation agency
1)	i. School education project	Education	Karnataka (Bangalore Urban/ Rural District and Ramnagar), Tamil Nadu (Krishnagiri district) & Maharashtra (Panvel)	0.55	0.56	1.17	Aditya Birla Fashion and Retail Jan Kalyan Trust
	ii. Education support project			0.60	0.62		
2)	i. Preventive health care	Health sanitation		0.09	0.07	0.17	
	ii. Curative health care			0.08	0.06		
	iii. Health infrastructure			0.04	0.04		
3)	Water	Water		0.30	0.33	0.33	
4)	Digitisation	Digitisation		0.10	0.06	0.06	
5)	Skill development and alternate livelihood	Sustainable livelihood		0.21	0.21	0.21	
6)	Others	Institutional building, social causes and others		0.04	0.05	0.05	
Total				2.00	2.00	2.00	
7	Responsibility Statement of the CSR committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.			:	The implementation and monitoring of CSR Policy are in compliance with CSR objectives and policy of the Company.		

Place : Mumbai
Date : May 15, 2019**Ashish Dikshit**
Managing Director
DIN: 01842066**Bharat Patel**
Chairperson of the CSR Committee
DIN: 00060998

ANNEXURE II**INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE CHAPTER XIII OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****(i) Percentage increase in the median remuneration of employees in the Financial Year 2018-19**

Median remuneration of employees of the Company as at the end of the year under review was ₹ 1,71,233 which increased by ~ 5.67% over the previous year's median remuneration of ₹ 1,62,045.

(ii) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2018-19; and**(iii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary for the Financial Year 2018-19**

Sr. no.	Name	Designation	Remuneration for the financial year 2018-19 (Amount in ₹ Lakh)	Percentage increase/ (decrease) in remuneration in the financial year 2018-19 (%)	Ratio of remuneration of each director to median remuneration of employees
Non-executive/ Independent Directors					
1	Mr. Arun Thiagarajan ⁽¹⁾	Independent Director	4.10	(15.46)	2.39
2	Mr. Bharat Patel ⁽¹⁾	Independent Director	3.35	(49.62)	1.96
3	Mr. Pranab Barua ⁽²⁾	Non-executive Director	4.10	(99.25)	2.39
4	Mr. Sanjeeb Chaudhuri ⁽¹⁾	Independent Director	4.10	(18.00)	2.39
5	Ms. Sukanya Kripalu ⁽¹⁾	Independent Director	4.10	(38.81)	2.39
6	Mr. Sushil Agarwal ⁽¹⁾	Non-executive Director	2.30	(61.34)	1.34
Executive Director					
7	Mr. Ashish Dikshit	Managing Director	574.73	23.62	335.64
Key Managerial Personnel					
8	Mr. Vishak Kumar ⁽³⁾	Chief Executive Officer, Madura Fashion & Lifestyle	26.28	(91.01)	15.35
9	Mr. Jagdish Bajaj ⁽⁴⁾	Chief Financial Officer	156.40	N.A.	91.34
10	Ms. Geetika Anand ⁽⁵⁾	Company Secretary	79.33	29.51	46.33

Notes:

- (1) Remuneration paid to directors (other than Mr. Barua and Mr. Dikshit) comprises sitting fees paid for attending the meetings of the board and/or its committees.
- (2) Remuneration of Mr. Pranab Barua mentioned in the above table comprises the sitting fees paid for attending the meetings of board and/or its committees. Hence, the remuneration paid to him during the previous year is strictly not comparable with the remuneration paid to him during the year under review. Further, the details of stock options available with Mr. Barua are disclosed separately in the report of board of directors forming part of this Annual Report.
- (3) Remuneration of Mr. Vishak Kumar mentioned in the above table are relatable to the period from April 1, 2018 upto May 11, 2018 i.e. for the period upto which Mr. Kumar was one of the KMP of the Company, whereas his remuneration as KMP during the previous year comprised the remuneration paid to him for the full year. Hence, the remuneration paid to him as a KMP of the Company during the previous year is strictly not comparable with the remuneration paid to him as a KMP of the Company during the year under review.
- (4) Mr. Jagdish Bajaj was appointed as the Chief Financial Officer of the Company with effect from April 1, 2018. Hence, percentage increase/ decrease in remuneration in the year under review is not applicable.
- (5) Remuneration paid to Ms. Geetika Anand includes one-time payout of ₹ 8 Lakh in terms of the Reward Policy of the Company for the year under review.

(iv) Number of permanent employees of the Company

As on March 31, 2019, there were ~ 23,269 permanent employees of the Company.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The total remuneration of managerial personnel of the Company (*i.e. the Managing Director*) increased by ~ 23.62% while the average remuneration of the employees of the Company other than managerial personnel increased by ~ 10.55%. However, such increase is not comparable for the reasons as mentioned in notes to point no. (ii) and (iii) above.

(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company

It is hereby affirmed that the remuneration paid to:

- a. directors, KMP and members of senior management is as per Executive Remuneration Philosophy/ Policy of the Company; and
- b. other employees of the Company is as per the Human Resource Philosophy of the Company.

DIVIDEND DISTRIBUTION POLICY

Introduction

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, this Dividend Distribution Policy was approved by the Board of Directors of the Company ("the Board") at its meeting held on February 3, 2017.

The objective of this policy is to provide the dividend distribution framework to the Stakeholders of the Company. The Board shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

Target Dividend Payout

Dividend will be declared out of the current year's Profit after Tax of the Company.

Only in exceptional circumstances, including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.

'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealized gains/ losses, will not be considered for the purpose of declaration of dividend.

Subject to the leverage position and the availability of cash flows, the Board will endeavour to achieve a dividend payout ratio (including dividend distribution tax) in the range of 15% to 25% of the Standalone Profit after Tax, net of dividend payout to Preference Shareholders, if any. Subject to the dividend payout range mentioned above, the Board will strive to pass on the dividend received from material Subsidiaries, Joint Ventures and Associates (as defined in the Companies Act, 2013).

Factors to be considered for Dividend Payout

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings
- Cash flow from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics
- Overall economic/ regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans.

General

Retained earnings will be used inter alia for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

If the Board decided to deviate from this policy, the rationale for the same will be suitably disclosed. This policy would be subject to revision/ amendment on a periodic basis, as may be necessary. This policy (as amended from time to time) will be available on the Company's website and in the Annual Report.

ANNEXURE IV**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014****A. CONSERVATION OF ENERGY****Energy conservation measures taken during the financial year 2018-19**

- Energy conservation measures at your Company are looked at in synergy with Carbon Footprint and Green Building initiatives and your Company has taken actions to reduce its energy footprint.
- Operational improvement measures have also been taken at the stores of the Company to increase the efficiency in energy utilisation.
- Installation of energy efficient lighting/ LED lights for energy conservation has been completed at 19 stores of your Company.
- As the result of the initiatives taken, your Company has saved ~ 51.41 Lakh units of electricity during the year under review.

Steps taken by the Company for utilising alternate sources of energy

- Two manufacturing units of your Company have been recognized as “Silver Certified Buildings” by Indian Green Building Council rating system.
- Solar rooftop plant of capacity 2MWp has been operational across 5 facilities (*i.e. 4 factories and 1 warehouse*) enabling us to generate ~ 11 Lakh units which resulted in reduction of ~ 900 tCO₂ emissions.
- Further, usage of ~ 5,000 Tons of briquettes (*biomass*) in the boilers, as renewable fuel for steam generation at the manufacturing units of the Company, has cut down significant amount of Greenhouse Gas emissions.

Investment done on energy conservation equipments

- Your Company has invested ~ ₹ 4 Crore on energy conservation measures, which includes installation of energy efficient LEDs & solar lights, solar water heater systems, energy management systems (*EMS*) and other operational efficiency measures.

B. TECHNOLOGY ABSORPTION

There has been no import of technology in the financial year 2018-19.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign exchange earnings for the year under review: ₹ 155 Crore (*vis-à-vis ₹ 139 Crore during the previous year*).
- Foreign exchange outgo for the year under review: ₹ 699 Crore (*vis-à-vis ₹ 600 Crore during the previous year*).

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

ADITYA BIRLA FASHION AND RETAIL LIMITED

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2019 (“period under review”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure - A**, for the period under review, according to the applicable provisions of:
 - (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder and the Companies Act, 1956 *(to the extent applicable)*;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).
2. We have relied on the representations made by the Company and its officers and report of the Internal Auditor for systems and mechanism formed by the Company for compliances under other applicable Laws. The list of other laws applicable to the Company is given in **Annexure - B**.

3. We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India.
 - The Listing Agreements entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (hereinafter collectively referred to as "Stock Exchanges"), from time to time and the provisions of SEBI Listing Regulations.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board /Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions/decisions including Circular Resolutions of the Board of Directors and its Committees are approved by the requisite majority and are duly recorded in the respective minutes.

Majority decision is carried through, while the dissenting views of the Directors/ Members, if any, are captured and recorded as part of the minutes.

We further report that

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

We further report that

In terms of Clause 21 of the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors ("Composite Scheme"), the allotment of 37,82,178 Equity Shares of Rs. 10/- each ("said shares"), representing 0.49% of the total paid-up capital, pertaining to 3,475 Non-Resident Shareholders of ABNL holding shares on repatriation basis ("NRE Shareholders") was kept pending until receipt of applicable regulatory approval(s).

As reported in the last years report, the Company has allotted 20,71,265 Equity Shares to 1,407 NRE Shareholders who held accounts in India on Non-repatriation basis and provided such valid details to the Company.

Further, in view of the amended provisions of the "Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017" and the authority granted by the Board of Directors (on February 4, 2019), 16,94,060 Equity Shares were allotted to 2,064 NRE Shareholders of ABNL (excluding OCBs) on March 19, 2019. Post this allotment, out of the said Shares, 16,853 Equity Shares held by 4 OCBs shall remain pending for allotment until receipt of Regulatory approvals.

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

- vide respective Circular Resolutions of the Nomination and Remuneration Committee, allotted 19,466 Equity Shares pursuant to the Employee Stock Option Scheme, 2013:

Sr. No.	Date of Allotment	No. of Equity Shares allotted			Nominal Value (in ₹)	Total amount received towards exercise (including premium on Options) (in ₹)
		On exercise of Options	On exercise of RSUs	Total		
1.	23.04.2018	13,623	9,209	22,832	2,28,320	14,82,999.00
2.	06.06.2018	5,843	-	5,843	58,430	5,96,571.00
3.	31.12.2018	-	22,760	22,760	2,27,600	2,27,600.00
Total		19,466	31,969	51,435	5,14,350	23,07,170.00

- ii. vide respective Circular Resolutions of the Nomination and Remuneration Committee, allotted 19,481 Equity Shares pursuant to the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017:

Sr. No.	Date of Allotment	No. of Equity Shares allotted on exercise of Options	Nominal Value (in ₹)	Total amount received towards exercise (including premium) (in ₹)
1.	03.12.2018	15,532	1,55,320	27,69,356.00
2.	17.01.2019	7,203	72,030	12,84,294.90
3.	22.03.2019	19,246	1,92,460	34,31,563.00
Total		41,981	4,19,810	74,85,213.90

- iii. issued 3,000 Listed, Unsecured, Rated, Redeemable, Zero Coupon Non-Convertible Debentures of Face Value of ₹ 10,00,000/- each aggregating to ₹ 300,00,00,000/- (Rupees Three Hundred Crores) on Private Placement basis on September 7, 2018.
- iv. redeemed Non-Convertible Debentures ("NCDs"), the details of which are as under:

Year	Series	Date of redemption	No. of debentures	Amount of redemption (in ₹ Crore)
2013	II	May 22, 2018	2000	256.49
2017	IV	September 17, 2018*	2600	290.69

* Due date for redemption was June 17, 2021, however, pursuant to the exercise of put option by the NCD holders, the company has duly paid the redemption amount on September 17, 2018.

We further report that, in order to compensate the loss to an employee due to the lapse of Options and RSUs in the event of "Transfer of employee to any Group Company", pursuant to the enforcement of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings held on February 4, 2019, had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), to grant 23,14,792 SARs in the form of "Option SARs" (in place of Options) and "RSU SARs" (in place of the RSUs), from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

We further report that the Company has 5,00,000, 8% Redeemable Cumulative Preference Shares of Rs. 10/- each and 500, 6% Redeemable Cumulative Preference Shares of ₹ 100/- each [hereinafter collectively referred to as "Preference Shares"]. These Preference shares are redeemable out of profits available for distribution as dividend. While the Company does have Net profits for the year, it does not have distributable profits in terms of Section 123 of the Companies Act, 2013 as it has past accumulated losses. Accordingly, the Board of Directors of the Company, on the basis of recommendation of the Stakeholders Relationship Committee and unanimous consent of all the Preference Shareholders, approved variation in the terms of these Preference shares to the extent of extending their respective Redemption dates by a period of 5 years. Further, in line with the opinion obtained from Shardul Amarchand Mangaldas & Co., Advocates & Solicitors, the same does not require consideration of the Equity Shareholders of the Company.

This report is to be read with our letter of even date, which is annexed as **Annexure - C** to this report.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA

Proprietor

Place: Mumbai

Date : May 14, 2019

FCS No.: 7956., C P No.: 6740

Annexure - A**List of documents verified:**

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the Financial Year ended March 31, 2018.
3. Minutes and Attendance Registers of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, held during the period under review.
4. Circular Resolutions approved by the Board of Directors and its Committees from time to time.
5. Minutes of Annual General Meeting held during the period under review.
6. Statutory Registers viz.
 - Register of Members;
 - Register of Debenture holders and other security holders;
 - Register of Directors and Key Managerial Personnel and their Shareholding;
 - Register of Employee Stock Options;
 - Register of loans, guarantee, security and acquisition made by the Company;
 - Register of Renewed and Duplicate Share Certificates;
 - Register of Charge;
 - Register of Contracts with Related Party and contracts and bodies, etc. in which directors are interested.
7. Agenda papers submitted to all the Directors/ Members for the Board and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Sections 184(1), 164(2), 149(3) and 149(7) of the Act.
9. Intimations received from Directors under the Code of Conduct for Trading in Listed or Proposed to be Listed Securities of Aditya Birla Fashion and Retail Limited (substituted by "Code of Conduct to regulate, monitor and report trading by Designated Persons in listed and proposed to be listed Securities of Aditya Birla Fashion and Retail Limited" w.e.f. April 1, 2019)
10. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act, alongwith the attachments thereof, during the period under review.
11. Intimations/ documents/ reports/ returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure - B**List of applicable laws to the Company**

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

Annexure - C

To,

The Members,

ADITYA BIRLA FASHION AND RETAIL LIMITED

Our report of even date is to be read along with this letter,

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by us provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA

Proprietor

FCS No.: 7956., C P No.: 6740

Place: Mumbai

Date : May 14, 2019

ANNEXURE VI**A CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

The Members,

ADITYA BIRLA FASHION AND RETAIL LIMITED

1. The Corporate Governance Report prepared by Aditya Birla Fashion and Retail Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The scope of such audit included the following:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the Board/Members/Committee meetings held during April 1, 2018 to March 31, 2019;
 - v. Obtained necessary representations and declarations from directors of the Company including the Independent Directors; and
 - vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

6. Based on the procedures performed by us as referred in paragraph 5 above and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Restriction on Use

7. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
8. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **DILIP BHARADIYA & ASSOCIATES**

Place: Mumbai
Date : May 14, 2019

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

ANNEXURE VII

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- (i) **CIN** : L18101MH2007PLC233901
- (ii) **Registration date** : April 19, 2007
- (iii) **Name of the Company** : Aditya Birla Fashion and Retail Limited
- (iv) **Category & sub-category of the Company** : Company Limited by shares and Indian Non-Government Company
- (v) **Address of the registered office and contact details** : 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A. K. Road, Marol Village, Andheri East, Mumbai - 400 059, Maharashtra, India
Tel.: +91 86529 05000; Fax: +91 86529 05400
- (vi) **Whether listed company** : Yes
- (vii) **Name, address and contact details of Registrar and Transfer Agent, if any** : Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083
Tel: (022) 4918 6000; Fax: (022) 4918 6060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Name and description of the main products/ services	NIC code of the product/service	% to total turnover of the Company
Branded fashion apparels and accessories	1410	60.65
Retail sale of clothing, footwear and leather articles in specialised stores	4771	39.35

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHAREHOLDING PATTERN *(Equity share capital breakup as percentage of total equity)*

During the year under review, the shareholding pattern of the Company changed to the extent of allotment of equity shares to:

- (i) the non-resident shareholders of Aditya Birla Nuvo Limited ("ABNL") holding shares on repatriation basis ("NRE shareholders") pursuant to the Composite Scheme of Arrangement amongst the Company, ABNL and Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors, under sections 391 to 394 of the Companies Act, 1956 ("Composite Scheme"); and
- (ii) the employees of the Company, pursuant to the exercise of stock options in terms of the provisions of the Employee Stock Option Scheme - 2013 ("Scheme 2013") and the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") of the Company.

Such changes are reflected in the tables below:

(i) Category-wise shareholding

Category of the shareholders		No. of shares held at the beginning of the year ⁽¹⁾				No. of shares held at the end of the year ⁽¹⁾				% change during the year ⁽²⁾
		Demat	Physical	Total	% of total shares ⁽²⁾	Demat	Physical	Total	% of total shares ⁽²⁾	
A. Promoters										
1	Indian									
a)	Individual/ HUF	7,08,254	-	7,08,254	0.09	7,08,254	-	7,08,254	0.09	0.00
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	45,64,55,863	-	45,64,55,863	59.15	45,64,55,863	-	45,64,55,863	59.01	(0.14)
e)	Banks/ FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)		45,71,64,117	-	45,71,64,117	59.24	45,71,64,117	-	45,71,64,117	59.10	(0.14)
2	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)		-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1)+(A)(2)		45,71,64,117	-	45,71,64,117	59.24	45,71,64,117	-	45,71,64,117	59.10	(0.14)
B. Public shareholding										
1	Institutions									
a)	Mutual Funds	8,70,49,728	39,204	8,70,88,932	11.29	13,07,63,182	39,204	13,08,02,386	16.91	5.63
b)	Banks/ FI	2,83,203	44,754	3,27,957	0.04	3,45,908	44,754	3,90,662	0.05	0.01
c)	Central Government	577	-	577	0.00	12,01,080	-	12,01,080	0.16	0.16
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	3,65,14,386	29,437	3,65,43,823	4.74	84,46,140	29,437	84,75,577	1.10	(3.64)
g)	FIs including Foreign Portfolio Investors	8,10,21,804	19,209	8,10,41,013	10.50	7,61,28,344	19,209	7,61,47,553	9.84	(0.66)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify):									
i.	Foreign Banks	12,816	23,201	36,017	0.00	12,816	23,201	36,017	0.00	0.00
ii.	UTI	-	86,944	86,944	0.01	-	86,944	86,944	0.01	0.00
iii.	Alternate Investment Funds	2,68,125	-	2,68,125	0.03	4,58,125	-	4,58,125	0.06	0.02
Sub-total (B)(1)		20,51,50,639	2,42,749	20,53,93,388	26.62	21,73,55,595	2,42,749	21,75,98,344	28.13	1.52
2	Non-institutions									
a)	Bodies Corporate:									
i.	Indian	2,49,95,449	1,24,168	2,51,19,617	3.26	2,55,88,061	1,02,329	2,56,90,390	3.32	0.07
ii.	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto ₹ 1 Lakh	4,53,70,502	84,52,414	5,38,22,916	6.97	4,29,26,318	74,73,506	5,03,99,824	6.52	(0.46)

Category of the shareholders	No. of shares held at the beginning of the year ⁽¹⁾				No. of shares held at the end of the year ⁽¹⁾				% change during the year ⁽²⁾
	Demat	Physical	Total	% of total shares ⁽²⁾	Demat	Physical	Total	% of total shares ⁽²⁾	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	2,31,62,477	5,99,128	2,37,61,605	3.08	1,37,80,457	4,11,898	1,41,92,355	1.83	(1.24)
c) Others:									
i. Non Resident Indians (Repat)	14,10,575	1,38,295	15,48,870	0.20	18,84,572	15,15,511	34,00,083	0.44	0.24
ii. Non Resident Indians (Non-repat)	20,85,285	1,14,536	21,99,821	0.29	15,92,468	92,044	16,84,512	0.22	(0.07)
iii. Foreign nationals	3,280	-	3,280	0.00	1,34,592	5,740	1,40,332	0.02	0.02
iv. Clearing members	13,29,393	-	13,29,393	0.17	11,08,742	-	11,08,742	0.14	(0.03)
v. Trusts	1,62,643	18,364	1,81,007	0.02	1,81,184	15,364	1,96,548	0.03	0.00
vi. HUF	11,69,970	-	11,69,970	0.15	18,53,088	-	18,53,088	0.24	0.09
vii. NBFCs registered with RBI	-	-	-	-	53,125	-	53,125	0.01	0.01
Sub-total (B)(2)	9,96,89,574	94,46,905	10,91,36,479	14.14	8,91,02,607	96,16,392	9,87,18,999	12.76	(1.38)
Total public shareholding (B) = (B)(1)+(B)(2)	30,48,40,213	96,89,654	31,45,29,867	40.76	30,64,58,202	98,59,141	31,63,17,343	40.90	0.14
C. Shares held by custodian for GDRs and ADRs									
Total shares held by custodian for GDRs and ADRs (C)	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	76,20,04,330	96,89,654	77,16,93,984	100.00	76,26,22,319	98,59,141	77,34,81,460	100.00	-

Notes:

(1) Beginning of the year -> As on April 1, 2018; End of the year-> As on March 31, 2019; and During the year -> From April 1, 2018 upto March 31, 2019.

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

(ii) Shareholding of Promoter and Promoter Group

Sr. no.	Name of the promoter/ entity part of the promoter group	Shareholding at the beginning of the year ⁽¹⁾			Cumulative shareholding at the end of the year ⁽¹⁾			% change in shareholding during the year
		No. of shares held	% of total shares of the Company ⁽²⁾	% of shares pledged/ encumbered to total shares	No. of shares held	% of total shares of the Company ⁽²⁾	% of shares pledged/ encumbered to total shares	
1	Birla Group Holdings Private Limited	1,87,73,560	2.43	-	1,87,73,560	2.43	-	0.00
2	Mrs. Rajashree Birla	6,63,696	0.09	-	6,63,696	0.09	-	0.00
3	Mr. Kumar Mangalam Birla	23,966	0.00	-	23,966	0.00	-	0.00
4	Mrs. Neerja Birla	10,270	0.00	-	10,270	0.00	-	0.00
5	Mrs. Vasavadatta Bajaj	9,542	0.00	-	9,542	0.00	-	0.00
6	Aditya Vikram Kumar Mangalam Birla HUF	780	0.00	-	780	0.00	-	0.00
7	Grasim Industries Limited	8,73,80,613	11.32	-	8,73,80,613	11.30	-	(0.02)
8	IGH Holdings Private Limited	8,50,30,930	11.02	-	8,50,30,930	10.99	-	(0.03)
9	TGS Investment & Trade Private Limited	7,02,35,027	9.10	-	7,02,35,027	9.08	-	(0.02)
10	Umang Commercial Company Private Limited	6,49,72,778	8.42	-	6,49,72,778	8.40	-	(0.02)
11	Trapti Trading & Investments Private Limited	4,90,04,462	6.35	-	4,90,04,462	6.34	-	(0.01)
12	Hindalco Industries Limited	4,49,82,142	5.83	-	4,49,82,142	5.82	-	(0.01)

Sr. no.	Name of the promoter/ entity part of the promoter group	Shareholding at the beginning of the year ⁽¹⁾			Cumulative shareholding at the end of the year ⁽¹⁾			% change in shareholding during the year
		No. of shares held	% of total shares of the Company ⁽²⁾	% of shares pledged/ encumbered to total shares	No. of shares held	% of total shares of the Company ⁽²⁾	% of shares pledged/ encumbered to total shares	
13	Turquoise Investment and Finance Private Limited	3,34,93,678	4.34	-	3,34,93,678	4.33	-	(0.01)
14	Pilani Investment And Industries Corporation Limited	9,72,909	0.13	-	15,69,219	0.20	-	0.07
15	ECE industries Limited	6,19,647	0.08	-	6,19,647	0.08	-	0.00
16	Manav Investment and Trading Company Limited	5,96,310	0.08	0.08	-	-	-	(0.08)
17	Birla Consultants Limited	1,49,006	0.02	-	1,49,006	0.02	-	0.00
18	Birla Industrial Finance (India) Limited	1,44,508	0.02	-	1,44,508	0.02	-	0.00
19	ABNL Investment Limited	69,327	0.01	-	69,327	0.01	-	0.00
20	Birla Industrial Investments (India) Limited	30,966	0.00	-	30,966	0.00	-	0.00
Total		45,71,64,117	59.24	-	45,71,64,117	59.10	-	(0.14)

Notes:

(1) Beginning of the year -> As on April 1, 2018; End of the year-> As on March 31, 2019; and During the year -> From April 1, 2018 upto March 31, 2019.

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

(iii) Change in Promoters' shareholding

Sr. no.	Name of the promoter/ entity part of the promoter group	Shareholding		Reason for change in shareholding	Cumulative shareholding during the year	
		No. of shares held	% of total shares of the Company ⁽¹⁾		No. of shares held	% of total shares of the Company ⁽¹⁾
1	Manav Investment and Trading Company Limited					
	At the beginning of the year ⁽²⁾	5,96,310	0.08	-	-	-
	Date wise increase/decrease during the year ⁽²⁾					
	September 28, 2018	(5,96,310)	(0.08)	Transfer	-	-
	At the end of the year ⁽²⁾	-	-	-	-	-
2	Pilani Investment and Industries Corporation Limited					
	At the beginning of the year ⁽²⁾	9,72,909	0.13	-	-	-
	Date wise increase/decrease during the year ⁽²⁾					
	September 28, 2018	5,96,310	0.08	Transfer	15,69,219	0.20
	At the end of the year ⁽²⁾	15,69,219	0.20	-	-	-

Notes:

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

(2) Beginning of the year -> As on April 1, 2018; End of the year-> As on March 31, 2019; and During the year -> From April 1, 2018 upto March 31, 2019.

Further, other than as mentioned in the above table, though the shareholding of the promoter/ entities forming part of the promoter group did not change during the year under review. However, due to the increase in the paid-up share capital of the Company, from time to time, during the year under review, there were change in the percentage of the respective shareholdings of each of the promoter/ promoter group, as at the end of the year under review, vis-à-vis the percentage of their shareholding as at the end of the previous year.

(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs)

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
1	Reliance Mutual Fund and its affiliates ⁽³⁾⁽⁴⁾					
	At the beginning of the year ⁽²⁾	2,63,59,166	3.42	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	May 11, 2018	35,54,000	0.46	Purchase	2,99,13,166	3.88
	May 18, 2018	6,90,000	0.09	Purchase	3,06,03,166	3.97
	June 22, 2018	3,85,581	0.05	Purchase	3,09,88,747	4.02
	June 30, 2018	1,84,419	0.02	Purchase	3,11,73,166	4.04
	July 13, 2018	1,00,000	0.01	Purchase	3,12,73,166	4.05
	July 20, 2018	50,000	0.01	Purchase	3,13,23,166	4.06
	July 27, 2018	4,60,000	0.06	Purchase	3,17,83,166	4.12
	August 3, 2018	10,00,000	0.13	Purchase	3,27,83,166	4.25
	August 10, 2018	7,57,000	0.10	Purchase	3,35,40,166	4.35
	August 31, 2018	(18,50,000)	(0.24)	Sale	3,16,90,166	4.11
	September 7, 2018	(1,33,926)	(0.02)	Sale	3,15,56,240	4.09
	September 14, 2018	(6,20,000)	(0.08)	Sale	3,09,36,240	4.01
	September 29, 2018	35,600	0.00	Purchase	3,09,71,840	4.01
	October 5, 2018	56,653	0.01	Purchase	3,10,28,493	4.02
	October 12, 2018	64,167	0.01	Purchase	3,10,92,660	4.03
	November 2, 2018	20,000	0.00	Purchase	3,11,12,660	4.03
	November 9, 2018	7,05,902	0.09	Purchase	3,18,18,562	4.12
	December 7, 2018	2,00,000	0.03	Purchase	3,20,18,562	4.15
	December 14, 2018	14,27,000	0.18	Purchase	3,34,45,562	4.33
	December 21, 2018	10,00,000	0.13	Purchase	3,44,45,562	4.46
	January 11, 2019	20,00,000	0.26	Purchase	3,64,45,562	4.72
	January 25, 2019	2,19,330	0.03	Purchase	3,66,64,892	4.75
	February 1, 2019	1,05,174	0.01	Purchase	3,67,70,066	4.76
	February 8, 2019	64	0.00	Purchase	3,67,70,130	4.76
	February 22, 2019	3,08,001	0.04	Purchase	3,70,78,131	4.80
	March 1, 2019	77	0.00	Purchase	3,70,78,208	4.80
	March 8, 2019	620	0.00	Purchase	3,70,78,828	4.80
	March 15, 2019	(6,21,797)	(0.08)	Sale	3,64,57,031	4.72
	March 22, 2019	(4,18,758)	(0.05)	Sale	3,60,38,273	4.66
	March 29, 2019	(13,89,281)	(0.18)	Sale	3,46,48,992	4.48
	At the end of the year ⁽²⁾	3,46,48,992	4.48	-	-	-
2	UTI Mutual Fund and its affiliates ⁽³⁾⁽⁴⁾					
	At the beginning of the year ⁽²⁾	99,73,862	1.29	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 6, 2018	2,23,213	0.03	Purchase	1,01,97,075	1.32
	April 13, 2018	9,56,197	0.12	Purchase	1,11,53,272	1.45
	April 20, 2018	4,00,000	0.05	Purchase	1,15,53,272	1.50
	May 4, 2018	6,51,951	0.08	Purchase	1,22,05,223	1.58
	May 11, 2018	4,97,594	0.06	Purchase	1,27,02,817	1.65
	June 8, 2018	4,376	0.00	Purchase	1,27,07,193	1.65

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
	August 17, 2018	12,626	0.00	Purchase	1,27,19,819	1.65
	September 29, 2018	1,26,541	0.02	Purchase	1,28,46,360	1.66
	October 5, 2018	31,59,637	0.41	Purchase	1,60,05,997	2.07
	October 12, 2018	8,96,361	0.12	Purchase	1,69,02,358	2.19
	October 19, 2018	50,724	0.01	Purchase	1,69,53,082	2.20
	October 26, 2018	(5,584)	(0.00)	Sale	1,69,47,498	2.20
	November 16, 2018	2,77,921	0.04	Purchase	1,72,25,419	2.23
	November 30, 2018	3,08,100	0.04	Purchase	1,75,33,519	2.27
	December 21, 2018	(10,000)	(0.00)	Sale	1,75,23,519	2.27
	December 28, 2018	(15,000)	(0.00)	Sale	1,75,08,519	2.27
	January 11, 2019	(35,000)	(0.00)	Sale	1,74,73,519	2.26
	February 15, 2019	(20,000)	(0.00)	Sale	1,74,53,519	2.26
	February 22, 2019	(29,911)	(0.00)	Sale	1,74,23,608	2.26
	March 1, 2019	3,75,000	0.05	Purchase	1,77,98,608	2.31
	At the end of the year ⁽²⁾	1,77,98,608	2.31	-	-	-
3	Franklin Mutual Fund and its affiliates ⁽³⁾⁽⁴⁾					
	At the beginning of the year ⁽²⁾	2,96,09,763	3.84	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 6, 2018	92,074	0.01	Purchase	2,97,01,837	3.85
	August 3, 2018	(1,90,290)	(0.02)	Sale	2,95,11,547	3.82
	August 10, 2018	(17,36,900)	(0.23)	Sale	2,77,74,647	3.60
	August 17, 2018	(5,00,000)	(0.06)	Sale	2,72,74,647	3.53
	August 31, 2018	(3,37,975)	(0.04)	Sale	2,69,36,672	3.49
	September 7, 2018	(32,735)	(0.00)	Sale	2,69,03,937	3.49
	October 5, 2018	(26,83,690)	(0.35)	Sale	2,42,20,247	3.14
	November 9, 2018	(2,50,000)	(0.03)	Sale	2,39,70,247	3.11
	December 7, 2018	42,182	0.01	Purchase	2,40,12,429	3.11
	December 14, 2018	(9,70,823)	(0.13)	Sale	2,30,41,606	2.99
	December 21, 2018	(16,18,143)	(0.21)	Sale	2,14,23,463	2.78
	December 28, 2018	(3,52,885)	(0.05)	Sale	2,10,70,578	2.73
	January 11, 2019	(5,00,000)	(0.06)	Sale	2,05,70,578	2.67
	January 18, 2019	(1,00,000)	(0.01)	Sale	2,04,70,578	2.65
	January 25, 2019	(8,00,000)	(0.10)	Sale	1,96,70,578	2.55
	February 22, 2019	(14,08,327)	(0.18)	Sale	1,82,62,251	2.37
	March 1, 2019	(4,41,673)	(0.06)	Sale	1,78,20,578	2.31
	March 15, 2019	(5,75,000)	(0.07)	Sale	1,72,45,578	2.23
	At the end of the year ⁽²⁾	1,72,45,578	2.23	-	-	-
4	Sundaram Mutual Fund and its affiliates ⁽³⁾⁽⁴⁾					
	At the beginning of the year ⁽²⁾	43,66,638	0.57	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 20, 2018	1,54,881	0.02	Purchase	45,21,519	0.59
	May 11, 2018	1,50,000	0.02	Purchase	46,71,519	0.61

REPORT OF THE BOARD OF DIRECTORS
(includes Management Discussion and Analysis)

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
	May 18, 2018	3,20,000	0.04	Purchase	49,91,519	0.65
	May 25, 2018	71,811	0.01	Purchase	50,63,330	0.66
	June 1, 2018	23,019	0.00	Purchase	50,86,349	0.66
	June 22, 2018	1,32,965	0.02	Purchase	52,19,314	0.68
	June 30, 2018	65,168	0.01	Purchase	52,84,482	0.68
	July 13, 2018	10,377	0.00	Purchase	52,94,859	0.69
	July 27, 2018	97,011	0.01	Purchase	53,91,870	0.70
	August 3, 2018	3,000	0.00	Purchase	53,94,870	0.70
	August 10, 2018	20,49,071	0.27	Purchase	74,43,941	0.96
	August 24, 2018	64,468	0.01	Purchase	75,08,409	0.97
	August 31, 2018	15,11,545	0.20	Purchase	90,19,954	1.17
	September 7, 2018	1,25,034	0.02	Purchase	91,44,988	1.19
	September 14, 2018	95,745	0.01	Purchase	92,40,733	1.20
	September 21, 2018	5,54,255	0.07	Purchase	97,94,988	1.27
	September 29, 2018	2,20,990	0.03	Purchase	1,00,15,978	1.30
	October 5, 2018	21,548	0.00	Purchase	1,00,37,526	1.30
	November 16, 2018	16,24,604	0.21	Purchase	1,16,62,130	1.51
	November 30, 2018	5,55,915	0.07	Purchase	1,22,18,045	1.58
	December 7, 2018	3,22,769	0.04	Purchase	1,25,40,814	1.63
	December 14, 2018	1,75,909	0.02	Purchase	1,27,16,723	1.65
	December 21, 2018	1,60,072	0.02	Purchase	1,28,76,795	1.67
	January 4, 2019	1,25,174	0.02	Purchase	1,30,01,969	1.68
	January 11, 2019	25,000	0.00	Purchase	1,30,26,969	1.69
	January 25, 2019	55,396	0.01	Purchase	1,30,82,365	1.70
	February 8, 2019	77,029	0.01	Purchase	1,31,59,394	1.71
	February 22, 2019	(9,000)	(0.00)	Sale	1,31,50,394	1.70
	March 15, 2019	6,33,629	0.08	Purchase	1,37,84,023	1.79
	March 22, 2019	2,06,538	0.03	Purchase	1,39,90,561	1.81
	At the end of the year ⁽²⁾	1,39,90,561	1.81	-	-	-
5	Mirae Asset Mutual Fund and its affiliates ⁽³⁾⁽⁴⁾					
	At the beginning of the year ⁽²⁾	67,40,554	0.87	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 6, 2018	8,33,302	0.11	Purchase	75,73,856	0.98
	April 13, 2018	1,60,000	0.02	Purchase	77,33,856	1.00
	April 20, 2018	13,00,000	0.17	Purchase	90,33,856	1.17
	April 27, 2018	40,000	0.01	Purchase	90,73,856	1.18
	May 18, 2018	30,000	0.00	Purchase	91,03,856	1.18
	June 8, 2018	23,157	0.00	Purchase	91,27,013	1.18
	June 15, 2018	46,843	0.01	Purchase	91,73,856	1.19
	June 30, 2018	30,000	0.00	Purchase	92,03,856	1.19
	July 6, 2018	4,567	0.00	Purchase	92,08,423	1.19
	July 27, 2018	50,000	0.01	Purchase	92,58,423	1.20

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
	August 10, 2018	21,96,975	0.28	Purchase	1,14,55,398	1.48
	August 17, 2018	4,00,000	0.05	Purchase	1,18,55,398	1.54
	August 24, 2018	3,75,000	0.05	Purchase	1,22,30,398	1.58
	August 31, 2018	10,21,035	0.13	Purchase	1,32,51,433	1.72
	September 21, 2018	26,184	0.00	Purchase	1,32,77,617	1.72
	October 19, 2018	(1,20,000)	(0.02)	Sale	1,31,57,617	1.70
	November 9, 2018	3,00,000	0.04	Purchase	1,34,57,617	1.74
	November 16, 2018	99,997	0.01	Purchase	1,35,57,614	1.76
	November 23, 2018	5,50,003	0.07	Purchase	1,41,07,617	1.83
	November 30, 2018	1,01,462	0.01	Purchase	1,42,09,079	1.84
	January 11, 2019	74,495	0.01	Purchase	1,42,83,574	1.85
	January 25, 2019	50,000	0.01	Purchase	1,43,33,574	1.86
	February 22, 2019	(43,290)	(0.01)	Sale	1,42,90,284	1.85
	March 8, 2019	(3,00,000)	(0.04)	Sale	1,39,90,284	1.81
	At the end of the year ⁽²⁾	1,39,90,284	1.81	-	-	-
6	India Opportunities Growth Fund Ltd. - Pinewood Strategy ⁽³⁾⁽⁴⁾					
	At the beginning of the year ⁽²⁾	90,98,428	1.18	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	August 10, 2018	(10,000)	(0.00)	Sale	90,88,428	1.18
	August 31, 2018	(28,910)	(0.00)	Sale	90,59,518	1.17
	September 29, 2018	(1,00,000)	(0.01)	Sale	89,59,518	1.16
	At the end of the year ⁽²⁾	89,59,518	1.16	-	-	-
7	Aditya Birla Sun Life Trustee Private Limited Mutual Fund and its affiliates ⁽³⁾					
	At the beginning of the year ⁽²⁾	-	-	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	June 22, 2018	57,000	0.01	Purchase	57,000	0.01
	August 24, 2018	80,000	0.01	Purchase	1,37,000	0.02
	August 31, 2018	18,24,300	0.24	Purchase	19,61,300	0.25
	September 14, 2018	11,22,000	0.15	Purchase	30,83,300	0.40
	September 21, 2018	30,000	0.00	Purchase	31,13,300	0.40
	September 29, 2018	2,59,000	0.03	Purchase	33,72,300	0.44
	October 12, 2018	1,10,000	0.01	Purchase	34,82,300	0.45
	October 19, 2018	2,56,000	0.03	Purchase	37,38,300	0.48
	November 2, 2018	20,000	0.00	Purchase	37,58,300	0.49
	November 9, 2018	20,000	0.00	Purchase	37,78,300	0.49
	November 23, 2018	50,000	0.01	Purchase	38,28,300	0.50
	November 30, 2018	1,00,000	0.01	Purchase	39,28,300	0.51
	December 14, 2018	1,00,000	0.01	Purchase	40,28,300	0.52
	December 21, 2018	2,30,000	0.03	Purchase	42,58,300	0.55

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
	December 28, 2018	72,000	0.01	Purchase	43,30,300	0.56
	January 4, 2019	85,200	0.01	Purchase	44,15,500	0.57
	January 11, 2019	18,73,606	0.24	Purchase	62,89,106	0.81
	January 18, 2019	6,83,000	0.09	Purchase	69,72,106	0.90
	January 25, 2019	5,74,000	0.07	Purchase	75,46,106	0.98
	February 1, 2019	1,10,000	0.01	Purchase	76,56,106	0.99
	February 8, 2019	4,30,000	0.06	Purchase	80,86,106	1.05
	March 8, 2019	35,000	0.00	Purchase	81,21,106	1.05
	At the end of the year ⁽²⁾	81,21,106	1.05	-	-	-
8	ITPL - Invesco Mutual Fund and its affiliates ⁽³⁾					
	At the beginning of the year ⁽²⁾	21,73,479	0.28	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 6, 2018	2,18,519	0.03	Purchase	23,91,998	0.31
	April 13, 2018	3,35,755	0.04	Purchase	27,27,753	0.35
	April 20, 2018	75,155	0.01	Purchase	28,02,908	0.36
	May 18, 2018	1,09,967	0.01	Purchase	29,12,875	0.38
	May 25, 2018	96,342	0.01	Purchase	30,09,217	0.39
	June 1, 2018	53,309	0.01	Purchase	30,62,526	0.40
	June 15, 2018	(1,48,003)	(0.02)	Sale	29,14,523	0.38
	June 22, 2018	1,79,313	0.02	Purchase	30,93,836	0.40
	June 30, 2018	2,15,599	0.03	Purchase	33,09,435	0.43
	July 6, 2018	1,57,728	0.02	Purchase	34,67,163	0.45
	July 13, 2018	1,74,507	0.02	Purchase	36,41,670	0.47
	August 10, 2018	1,50,252	0.02	Purchase	37,91,922	0.49
	August 31, 2018	1,19,354	0.02	Purchase	39,11,276	0.51
	September 7, 2018	(43,983)	(0.01)	Sale	38,67,293	0.50
	September 14, 2018	(2,32,981)	(0.03)	Sale	36,34,312	0.47
	September 21, 2018	5,334	0.00	Purchase	36,39,646	0.47
	September 29, 2018	34,466	0.00	Purchase	36,74,112	0.48
	October 12, 2018	7,890	0.00	Purchase	36,82,002	0.48
	October 19, 2018	17,583	0.00	Purchase	36,99,585	0.48
	October 26, 2018	93,477	0.01	Purchase	37,93,062	0.49
	November 2, 2018	1,35,769	0.02	Purchase	39,28,831	0.51
	November 30, 2018	23,075	0.00	Purchase	39,51,906	0.51
	December 7, 2018	10,396	0.00	Purchase	39,62,302	0.51
	December 21, 2018	61,136	0.01	Purchase	40,23,438	0.52
	December 28, 2018	1,75,154	0.02	Purchase	41,98,592	0.54
	December 31, 2018	14,213	0.00	Purchase	42,12,805	0.55
	January 4, 2019	32,542	0.00	Purchase	42,45,347	0.55
	February 1, 2019	98,841	0.01	Purchase	43,44,188	0.56
	February 15, 2019	13,61,973	0.18	Purchase	57,06,161	0.74

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
	February 22, 2019	6,90,229	0.09	Purchase	63,96,390	0.83
	March 1, 2019	47,977	0.01	Purchase	64,44,367	0.84
	March 8, 2019	55,588	0.01	Purchase	64,99,955	0.84
	March 15, 2019	3,82,035	0.05	Purchase	68,81,990	0.89
	March 22, 2019	70,626	0.01	Purchase	69,52,616	0.90
	March 29, 2019	3,49,766	0.05	Purchase	73,02,382	0.94
	At the end of the year ⁽²⁾	73,02,382	0.94	-	-	-
9	ICICI Prudential Life Insurance Company Limited ⁽³⁾					
	At the beginning of the year ⁽²⁾	35,09,817	0.45	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	May 11, 2018	4,99,627	0.06	Purchase	40,09,444	0.52
	June 8, 2018	49,000	0.01	Purchase	40,58,444	0.53
	July 6, 2018	3,00,447	0.04	Purchase	43,58,891	0.56
	July 13, 2018	9,54,687	0.12	Purchase	53,13,578	0.69
	July 20, 2018	43,968	0.01	Purchase	53,57,546	0.69
	July 27, 2018	4,08,294	0.05	Purchase	57,65,840	0.75
	August 3, 2018	(9,44,000)	(0.12)	Sale	48,21,840	0.62
	August 10, 2018	(10,19,357)	(0.13)	Sale	38,02,483	0.49
	August 24, 2018	(3,89,592)	(0.05)	Sale	34,12,891	0.44
	August 31, 2018	95,300	0.01	Purchase	35,08,191	0.45
	September 7, 2018	3,93,873	0.05	Purchase	39,02,064	0.51
	September 29, 2018	1,21,136	0.02	Purchase	40,23,200	0.52
	October 12, 2018	1	0.00	Purchase	40,23,201	0.52
	October 19, 2018	17,96,131	0.23	Purchase	58,19,332	0.75
	October 26, 2018	2,02,813	0.03	Purchase	60,22,145	0.78
	November 2, 2018	(747)	(0.00)	Sale	60,21,398	0.78
	November 9, 2018	(2,151)	(0.00)	Sale	60,19,247	0.78
	November 23, 2018	13,337	0.00	Purchase	60,32,584	0.78
	November 30, 2018	1,14,241	0.01	Purchase	61,46,825	0.80
	December 7, 2018	16,277	0.00	Purchase	61,63,102	0.80
	December 14, 2018	3,47,888	0.05	Purchase	65,10,990	0.84
	December 21, 2018	(1,369)	(0.00)	Sale	65,09,621	0.84
	December 28, 2018	157	0.00	Purchase	65,09,778	0.84
	December 31, 2018	1,924	0.00	Purchase	65,11,702	0.84
	January 4, 2019	14,184	0.00	Purchase	65,25,886	0.85
	January 11, 2019	5,53,656	0.07	Purchase	70,79,542	0.92
	January 18, 2019	(72,183)	(0.01)	Sale	70,07,359	0.91
	January 25, 2019	74,680	0.01	Purchase	70,82,039	0.92
	February 8, 2019	29,352	0.00	Purchase	71,11,391	0.92
	February 22, 2019	(1,17,515)	(0.02)	Sale	69,93,876	0.91
	March 1, 2019	(32,037)	(0.00)	Sale	69,61,839	0.90
	March 15, 2019	(45,342)	(0.01)	Sale	69,16,497	0.90
	At the end of the year ⁽²⁾	69,16,497	0.90	-	-	-

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
10	Goldman Sachs India Limited ⁽³⁾					
	At the beginning of the year ⁽²⁾	-	-	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 20, 2018	85,09,043	1.10	Purchase	85,09,043	1.10
	February 8, 2019	(8,77,777)	(0.11)	Sale	76,31,266	0.99
	March 8, 2019	(3,00,000)	(0.04)	Sale	73,31,266	0.95
	March 15, 2019	(6,00,572)	(0.08)	Sale	67,30,694	0.87
	At the end of the year ⁽²⁾	67,30,694	0.87	-	-	-
11	Life Insurance Corporation of India ⁽⁴⁾					
	At the beginning of the year ⁽²⁾	3,15,97,072	4.09	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	October 19, 2018	(27,213)	(0.00)	Sale	3,15,69,859	4.09
	October 26, 2018	(1,99,857)	(0.03)	Sale	3,13,70,002	4.06
	November 2, 2018	(6,85,605)	(0.09)	Sale	3,06,84,397	3.98
	November 9, 2018	(13,66,228)	(0.18)	Sale	2,93,18,169	3.80
	November 16, 2018	(23,85,104)	(0.31)	Sale	2,69,33,065	3.49
	November 23, 2018	(10,66,364)	(0.14)	Sale	2,58,66,701	3.35
	November 30, 2018	(21,39,247)	(0.28)	Sale	2,37,27,454	3.07
	December 7, 2018	(15,18,508)	(0.20)	Sale	2,22,08,946	2.88
	December 14, 2018	(22,80,342)	(0.30)	Sale	1,99,28,604	2.58
	December 21, 2018	(11,32,621)	(0.15)	Sale	1,87,95,983	2.44
	December 28, 2018	(14,70,860)	(0.19)	Sale	1,73,25,123	2.24
	December 31, 2018	(4,64,450)	(0.06)	Sale	1,68,60,673	2.18
	January 4, 2019	(10,12,095)	(0.13)	Sale	1,58,48,578	2.05
	January 11, 2019	(37,30,076)	(0.48)	Sale	1,21,18,502	1.57
	January 18, 2019	(9,04,215)	(0.12)	Sale	1,12,14,287	1.45
	January 25, 2019	(10,49,851)	(0.14)	Sale	1,01,64,436	1.32
	February 1, 2019	(15,60,403)	(0.20)	Sale	86,04,033	1.11
	February 8, 2019	(17,24,014)	(0.22)	Sale	68,80,019	0.89
	February 15, 2019	(9,81,742)	(0.13)	Sale	58,98,277	0.76
	At the end of the year ⁽²⁾	58,98,277	0.76	-	-	-
12	Mr. Akash Bhanshali ⁽⁴⁾					
	At the beginning of the year ⁽²⁾	48,04,530	0.62	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	August 10, 2018	(14,50,000)	(0.19)	Sale	33,54,530	0.43
	August 31, 2018	(8,30,000)	(0.11)	Sale	25,24,530	0.33
	September 29, 2018	(2,72,207)	(0.04)	Sale	22,52,323	0.29
	December 28, 2018	(4,43,224)	(0.06)	Sale	18,09,099	0.23
	December 31, 2018	(64,024)	(0.01)	Sale	17,45,075	0.23
	January 4, 2019	(10,863)	(0.00)	Sale	17,34,212	0.22
	January 11, 2019	(4,39,425)	(0.06)	Sale	12,94,787	0.17

Sr. no.	Name of the shareholder	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
	January 18, 2019	(96,136)	(0.01)	Sale	11,98,651	0.16
	February 22, 2019	(15,594)	(0.00)	Sale	11,83,057	0.15
	March 8, 2019	(96,000)	(0.01)	Sale	10,87,057	0.14
	March 15, 2019	(77,500)	(0.01)	Sale	10,09,557	0.13
	At the end of the year ⁽²⁾	10,09,557	0.13	-	-	-
13	Franklin Templeton Investment Funds ⁽⁴⁾					
	At the beginning of the year ⁽²⁾	1,71,06,370	2.22	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 6, 2018	(3,49,400)	(0.05)	Sale	1,67,56,970	2.17
	April 13, 2018	(15,99,618)	(0.21)	Sale	1,51,57,352	1.96
	April 20, 2018	(1,23,11,508)	(1.60)	Sale	28,45,844	0.37
	April 27, 2018	(5,95,700)	(0.08)	Sale	22,50,144	0.29
	May 4, 2018	(2,39,620)	(0.03)	Sale	20,10,524	0.26
	May 11, 2018	(16,96,700)	(0.22)	Sale	3,13,824	0.04
	May 18, 2018	(3,13,824)	(0.04)	Sale	-	-
	At the end of the year ⁽²⁾	-	-	-	-	-
14	HSBC Global Investment Funds - Indian Equity ⁽⁴⁾					
	At the beginning of the year ⁽²⁾	58,87,398	0.76	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	April 6, 2018	(1,71,950)	(0.02)	Sale	57,15,448	0.74
	May 11, 2018	(13,22,377)	(0.17)	Sale	43,93,071	0.57
	May 18, 2018	(2,79,382)	(0.04)	Sale	41,13,689	0.53
	June 1, 2018	(2,00,000)	(0.03)	Sale	39,13,689	0.51
	June 22, 2018	(52,611)	(0.01)	Sale	38,61,078	0.50
	June 30, 2018	(1,49,056)	(0.02)	Sale	37,12,022	0.48
	August 3, 2018	(8,93,831)	(0.12)	Sale	28,18,191	0.37
	August 10, 2018	(2,13,191)	(0.03)	Sale	26,05,000	0.34
	August 17, 2018	(69,298)	(0.01)	Sale	25,35,702	0.33
	August 24, 2018	(7,65,723)	(0.10)	Sale	17,69,979	0.23
	August 31, 2018	(3,98,107)	(0.05)	Sale	13,71,872	0.18
	September 7, 2018	(2,79,192)	(0.04)	Sale	10,92,680	0.14
	September 14, 2018	(5,23,325)	(0.07)	Sale	5,69,355	0.07
	September 21, 2018	(3,82,239)	(0.05)	Sale	1,87,116	0.02
	September 29, 2018	(1,87,116)	(0.02)	Sale	-	-
	At the end of the year ⁽²⁾	-	-	-	-	-

Notes:

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

(2) Beginning of the year -> As on April 1, 2018; End of the year -> As on March 31, 2019; and During the year -> From April 1, 2018 upto March 31, 2019.

(3) Part of top ten shareholders as on March 31, 2019.

(4) Part of top ten shareholders as on March 31, 2018.

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

Sr. no.	Name of the director & KMP	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
1	Mr. Arun Thiagarajan (Director)					
	At the beginning of the year ⁽²⁾	-	-	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	May 25, 2018	16,500	0.00	Purchase	16,500	0.00
	August 10, 2018	1,095	0.00	Purchase	17,595	0.00
	August 17, 2018	177	0.00	Purchase	17,772	0.00
	August 24, 2018	303	0.00	Purchase	18,075	0.00
	August 31, 2018	102	0.00	Purchase	18,177	0.00
	September 7, 2018	243	0.00	Purchase	18,420	0.00
	September 21, 2018	371	0.00	Purchase	18,791	0.00
	At the end of the year ⁽²⁾	18,791	0.00	-	-	-
2	Mr. Ashish Dikshit (Managing Director)					
	At the beginning of the year ⁽²⁾	1,16,027	0.02	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	1,16,027	0.02	-	-	-
3	Mr. Bharat Patel (Director)					
	At the beginning of the year ⁽²⁾	-	-	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	-	-	-	-	-
4	Mr. Pranab Barua (Director)					
	At the beginning of the year ⁽²⁾	4,36,497	0.06	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	4,36,497	0.06	-	-	-
5	Mr. Sanjeeb Chaudhuri (Director)					
	At the beginning of the year ⁽²⁾	-	-	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	-	-	-	-	-
6	Ms. Sukanya Kripalu (Director)					
	At the beginning of the year ⁽²⁾	-	-	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	-	-	-	-	-
7	Mr. Sushil Agarwal ⁽³⁾ (Director)					
	At the beginning of the year ⁽²⁾	1,19,829	0.02	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	1,19,829	0.02	-	-	-

Sr. no.	Name of the director & KMP	Shareholding		Reasons for change in shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company ⁽¹⁾		No. of shares	% of total shares of the Company ⁽¹⁾
8	Mr. Vishak Kumar ⁽⁴⁾ <i>(Chief Executive Officer - Madura Fashion and Lifestyle)</i>					
	At the beginning of the year ⁽²⁾	2,184	0.00	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾					
	July 27, 2018	(2,184)	0.00	Sale	-	-
	At the end of the year ⁽²⁾	-	-	-	-	-
9	Mr. Jagdish Bajaj <i>(Chief Financial Officer)</i>					
	At the beginning of the year ⁽²⁾	1,341	0.00	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	1,341	0.00	-	-	-
10	Ms. Geetika Anand <i>(Company Secretary)</i>					
	At the beginning of the year ⁽²⁾	8,758	0.00	-	-	-
	Date wise increase/ decrease during the year ⁽²⁾	-	-	-	-	-
	At the end of the year ⁽²⁾	8,758	0.00	-	-	-

Notes:

- (1) The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis-à-vis the paid-up capital of the Company, on such particular day.
- (2) Beginning of the year -> As on April 1, 2018; End of the year-> As on March 31, 2019; and During the year -> From April 1, 2018 upto March 31, 2019.
- (3) The details of shareholding of Mr. Sushil Agarwal mentioned hereinabove include the shareholding of Sushil Agarwal HUF.
- (4) Mr. Vishak Kumar has ceased to be a KMP of the Company w.e.f. May 11, 2018.

V. INDEBTEDNESS

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

(Amount in ₹ Lakh)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year i.e. as on April 1, 2018				
(i) Principal amount	17,181	1,68,964	-	1,86,145
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	16,426	-	16,426
Total (i + ii + iii)	17,181	1,85,390	-	2,02,571
Change in indebtedness during the financial year				
Addition	2,277	40,368	-	42,645
Reduction	4,598	46,449	-	51,047
Net Change	(2,321)	(6,081)	-	(8,402)
Indebtedness at the end of the financial year i.e. as on March 31, 2019				
(i) Principal amount	14,791	1,55,496	-	1,70,287
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	69	23,813	-	23,882
Total (i + ii + iii)	14,860	1,79,309	-	1,94,169

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director**

(Amount in ₹ Lakh)

Sr. no.	Particulars	Mr. Ashish Dikshit
1	Gross Salary	542.43
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	527.07
	Value of perquisites under section 17(2) of the Income-tax Act, 1961	15.36
	Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-
2	Stock options ⁽¹⁾	-
3	Sweat equity	-
4	Commission	-
	- as % of profit	-
	- others	-
5	Others, please specify	32.30
	(a) Company's contribution to provident fund	13.14
	(b) Company's contribution to superannuation fund	16.43
	(c) Company's contribution to gratuity	-
	(d) Food coupon/ voucher	0.13
	(e) Car valuation	2.61
	(f) House deposit valuation	-
	(g) NPS	-
Total (A)		574.73
Ceiling as per the Act		Not Applicable ⁽²⁾

Notes:

- (1) Details of stock options granted to Mr. Dikshit are disclosed separately in the 'Corporate Governance Report' forming part of this Annual Report.
- (2) The Company is in compliance with the conditions specified in the schedule V of the Act, more specifically as stated in the notification bearing no. S.O. 2922(E) issued by the Ministry of Corporate Affairs on September 12, 2016 and accordingly, there is no ceiling with respect to payment of remuneration to Mr. Dikshit.

B. Remuneration to other directors

(Amount in ₹ Lakh)

Sr. no.	Particulars of remuneration	Name of directors						Total amount
		Mr. Arun Thiagarajan	Mr. Bharat Patel	Mr. Pranab Barua	Mr. Sanjeeb Chaudhuri	Ms. Sukanya Kripalu	Mr. Sushil Agarwal	
1	Independent Directors							
	Fee for attending board/ committee meetings	4.10	3.35	-	4.10	4.10	-	15.65
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	Refer Note	-	-	-	-
Sub-total (1)		4.10	3.35	-	4.10	4.10	-	15.65

(Amount in ₹ Lakh)

Sr. no.	Particulars of remuneration	Name of directors						Total amount
		Mr. Arun Thiagarajan	Mr. Bharat Patel	Mr. Pranab Barua	Mr. Sanjeeb Chaudhuri	Ms. Sukanya Kripalu	Mr. Sushil Agarwal	
2	Other Non-executive Directors							
	Fee for attending board/ committee meetings	-	-	4.10	-	-	2.30	6.40
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Sub-total (2)	-	-	4.10	-	-	2.30	6.40
	Total (B) = (1+2)	4.10	3.35	4.10	4.10	4.10	2.30	22.05
	Total managerial remuneration (A+B)							596.78
	Overall ceiling as per the Act	In terms of the provisions of the Act and in line with the provisions of Articles of Association of your Company, the remuneration paid to the non-executive directors (<i>other than independent directors</i>) comprises sitting fees and stock options, if any and that of Independent Directors comprises only sitting fees. The remuneration paid during the year was in compliance with section 197 of the Act read with rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of laws. Further, please refer note (2) to point (VI) (A) above, with respect to ceiling for payment of managerial remuneration.						

Note:

Details of stock options available with Mr. Barua are disclosed separately in the 'Corporate Governance Report' forming part of this Annual Report.

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

(Amount in ₹ Lakh)

Sr. no.	Particulars of remuneration	Key Managerial Personnel			Total amount
		Mr. Vishak Kumar, Chief Executive Officer - MFL (upto May 11, 2018)	Mr. Jagdish Bajaj, Chief Financial Officer	Ms. Geetika Anand, Company Secretary	
1	Gross Salary	24.77	148.14	72.33	245.24
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.74	147.71	72.10 ⁽¹⁾	244.54
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.04	0.43	0.22	0.70
	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock option	-	-	4.66	4.66
3	Sweat equity	-	-	-	-

(Amount in ₹ Lakh)

Sr. no.	Particulars of remuneration	Key Managerial Personnel			Total amount
		Mr. Vishak Kumar, Chief Executive Officer - MFL (upto May 11, 2018)	Mr. Jagdish Bajaj, Chief Financial Officer	Ms. Geetika Anand, Company Secretary	
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	Others	-	-	-	-
5	Others, please specify	1.51	8.26	2.34	12.12
	(a) Company's contribution to provident fund	0.96	6.12	2.21	9.29
	(b) Company's contribution to superannuation fund	-	-	-	-
	(c) Company's contribution to gratuity	-	-	-	-
	(d) Food coupon/ voucher	0.01	0.13	0.13	0.28
	(e) Car valuation	0.54	2.01	-	2.55
	(f) House deposit valuation	-	-	-	-
	(g) NPS	-	-	-	-
	Total (1+2+3+4+5)	26.28	156.40	79.33	262.02

Note:

(1) Includes one-time payout of ₹ 8 Lakh in terms of the Reward Policy of the Company for the year under review.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
Company/ Directors/ Other officers					
Penalty					
Punishment			NIL		
Compounding					

CORPORATE GOVERNANCE REPORT

Group's Governance philosophy

The Aditya Birla Group ("Group") is one of the pioneers in the field of corporate governance. As a part of the Group, Aditya Birla Fashion and Retail Limited ("Company"/ "ABFRL") is committed to continuously adopt and adhere to the best governance practices, to achieve the ultimate goal of making the Company a value-driven organisation.

At ABFRL, we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business.

Key element of your Company's success includes adherence to the strong set of the Group values - **Integrity, Commitment, Passion, Seamlessness** and **Speed**. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations.



To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our stakeholders.

Our values provide us with our roots and they provide us with our wings.

Mr. Kumar Mangalam Birla
Chairman, Aditya Birla Group

In line with the above philosophy, your Company continuously endeavours for excellence and focuses on enhancement of long-term stakeholders' value through adoption of and adherence with the best governance practices, in true spirit at all times.

Company's Governance philosophy

The governance philosophy of the Group and your Company rests on five basic tenets viz.



In addition to the above, following principles supplement the core of the Company's philosophy on corporate governance:

- **TRANSPARENCY** in all decision making processes;
- High levels of **DISCLOSURES**;
- High standards of **ETHICS**;
- Regular **REVIEW** of processes and management systems for improvement; and
- **APPROPRIATE CONTROL SYSTEM** to enable the Board to efficiently conduct the business and discharge its responsibilities to its stakeholders.

Further, at ABFRL, we believe that good corporate governance encompasses not only regulatory and legal requirements, but also augments above reasonable expectations. The role of corporate laws, though essential, is only complementary and supplementary, whereas corporate governance extends beyond the realms of such laws. Your Company strives to comply with both the "letter" and the "spirit" of each such law.

Your Company, at all times strives to develop, strengthen and uphold the abovementioned corporate governance principles, systems and processes, in practice. The Company keeps its governance practices under continuous review and benchmark itself to best practices across the globe.

Your Company is in compliance with the corporate governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable laws, as amended from time to time.

Also, your Company ensures that its governance framework incorporates the amendments introduced from time to time in various laws applicable to the Company and that the same is complied with on or before the relevant due dates.

In terms of schedule V of SEBI Listing Regulations, your Company hereby presents this report on compliance with the principles of corporate governance.

The Board of Directors

The Board of Directors of your Company ("Board") is at the core of the corporate governance system of the Company. The Board is committed towards compliance of sound principles of corporate governance and plays the crucial role in overseeing how the management serves the short and long-term interests of the members and other stakeholders. This belief is reflected in the governance practices of the Company, under which it strives to maintain an effective, informed and independent Board.

The Board operates within the framework of well-defined responsibility matrix and is duly supported by the Managing Director, key managerial personnel ("KMP") and the senior management, while discharging its fiduciary duties and in ensuring effective functioning of your Company.

Committees of the Board viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee, handle specific responsibilities and empower the functioning of the Board through flow of information amongst each other and by delivering a focussed approach and expedient resolution on diverse matters.

The Company strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. Your Company has in place a plan for orderly succession for appointment to the Board and senior management of the Company.

A. Composition of the Board

An independent and well-informed Board goes a long way in protecting the stakeholders' interest.

The composition of your Company's Board represents an optimal mix of professionalism, knowledge, experience that enables the Board in discharging its responsibilities and providing effective leadership and support to the business. The composition, diversity and strength of the Board is reviewed from time to time for ensuring that the same is in line with the applicable laws and also that it remains aligned with the strategy and long term needs of the Company.

Your Company's Board has an optimum combination of executive, non-executive and independent directors, including an independent woman director. It is in conformity with section 149 of the Act and regulation 17 of the SEBI Listing Regulations.

As on March 31, 2019, your Company's Board comprises 7 directors, categorised as under:

Category	Name of the director	DIN
Executive Director	Mr. Ashish Dikshit, Managing Director	01842066
Non-executive Director	Mr. Pranab Barua	00230152
	Mr. Sushil Agarwal	00060017
Non-executive Independent Director	Mr. Arun Thiagarajan	00292757
	Mr. Bharat Patel	00060998
	Mr. Sanjeeb Chaudhuri	03594427
	Ms. Sukanya Kripalu	06994202

B. Details of meetings of Board of Directors and Annual General Meeting held during the period under review, alongwith attendance of directors at each meeting

The Board meets at regular intervals to discuss and decide on strategies, policies and reviews the financial performance of the Company. The meetings of the Board are pre-scheduled and a tentative annual calendar of the meeting is circulated to the directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken either by holding meetings at shorter notice or through circular resolutions, which are noted at the subsequent meeting of the board and/or committees.

The important and key decisions are taken after due discussions and deliberations with the Board and it is ensured that the relevant information (*as prescribed to be provided under the Act and SEBI Listing Regulations alongwith such other information as may be deemed necessary*) is presented to the Board for effective decision-making.

Information placed before the Board

The notice and detailed agenda alongwith the relevant notes and other material information are sent to each director well in advance and in exceptional cases, tabled at the meeting with the approval of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take well informed decisions. Presentations are made to the Board on various functional and operational areas of the Company and other business development activities as well as on major projects, financial highlights, etc.

The Company provides the information as set out in regulation 17 read with part A of schedule II of the SEBI Listing Regulations to the Board/ committees, to the extent it is applicable and relevant. Such information is either circulated in advance as part of the agenda papers of the respective meetings or is presented/ discussed at the meetings.













































Mode

Video-conferencing facility is provided to enable the directors travelling abroad or present at other locations to be able participate in the meetings. The same is conducted in due compliance with the applicable laws.

With a view to leverage technology, save paper and support sustainability, the Company has adopted a web-based application for conducting the Board/ committee meetings digitally. All the documents relating to a meeting, including agenda, explanatory notes and any other document required to be placed at the meeting, are circulated to the directors in electronic form through the application and the same can be accessed through browsers or iPads. The application meets high standards of security and integrity that is required for storage and transmission of meeting related documents.

Number of meetings held during the financial year 2018-19 and attendance of the directors

During the year under review, the Board of your Company met 5 (*five*) times to deliberate on various matters. The details of attendance of directors at each such meeting of the Board and at the 11th Annual General Meeting of the Company are as under:

Name of the director	Board Meetings						11 th AGM
	No. of meetings held	May 11, 2018	June 12, 2018	August 1, 2018	November 2, 2018	February 4, 2019	August 28, 2018
Mr. Arun Thiagarajan	5						
Mr. Ashish Dikshit	5						
Mr. Bharat Patel	5						
Mr. Pranab Barua	5						
Mr. Sanjeeb Chaudhuri	5						
Ms. Sukanya Kripalu	5						
Mr. Sushil Agarwal	5						
		 Present		 Leave of absence			

The maximum gap between any two consecutive meetings was less than 120 (*one hundred and twenty*) days, as stipulated under section 173(1) of the Act and regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India. Also, the necessary quorum was present for all the meetings.

Skills/ expertise/ competencies of the Board of Directors pursuant to schedule V of the SEBI Listing Regulations

- i) List of core skills/ expertise/ competencies identified by the Board of the Company as required in the context of its businesses and sectors for it to function effectively:

Your Company's Board has identified the following skills/ expertise/ competencies required to function and discharge their responsibilities effectively:

- Industry knowledge;
- Marketing;
- Innovation, technology and digitisation;
- Financial literacy and risk management;
- Corporate governance, legal and compliance;
- Strategic expertise;
- Sustainability;
- Human resource development; and
- General management.

- ii) List of such core skills/ expertise/ competencies, as identified by the Board, available with the Company's Board:

Your Company's Board comprises professionals possessing wide experience and expertise in their areas of function - strategy; banking and finance; governance and legal; marketing, among others, which together with their collective wisdom fuel your Company's growth. The Board collectively displays the following qualities:

- Integrity: fulfilling a director's duties and responsibilities;
- Curiosity and courage: ask questions and persistence in challenging management and fellow board members where necessary;
- Interpersonal skills: work well in a group, listen well, tactful and ability to communicate their point of view frankly;
- Interest: in the organisation, its business and the people;
- Instinct: good business instincts and acumen, ability to get to the crux of the issue quickly;
- Believer in gender diversity; and
- Active participation: at deliberations in the meeting.

Brief profile of the Board of Directors of the Company is provided separately in the 'Corporate Information' section of this Annual Report.

C. Details of directors including their directorships/ committee positions in other entities and their shareholding in the Company

In terms of the provisions of section 165 and 184 of the Act and regulation 17A and 26 of the SEBI Listing Regulations, the directors present necessary disclosures regarding the positions held by them on the Board and/or committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that as on March 31, 2019, none of the directors of your Company: -

- hold directorships, including alternate directorship, if any, in more than 20 (*twenty*) companies;
- hold directorships, including alternate directorship, if any, in more than 10 (*ten*) public limited companies;
- hold directorships in more than 8 (*eight*) listed entities;
- is a member of more than 10 (*ten*) committees (*considering only Audit Committee and Stakeholders Relationship Committee*) across all public limited companies (*listed or unlisted*);
- is a chairperson of more than 5 (*five*) committees (*considering only Audit Committee and Stakeholders Relationship Committee*) across all listed entities; and
- are related to each other.

The details of each director alongwith the number of directorships/ committee memberships/ chairmanships and their shareholding in the Company as on March 31, 2019, alongwith the date of joining the Board, are provided hereinbelow:

Name of the director	Date of joining	Shareholding in the Company	Directorships in other companies ⁽¹⁾	No. of memberships/ chairpersonships in other companies board committees ⁽²⁾	
				Member	Chairperson
Mr. Arun Thiagarajan	May 11, 2015	18,791	5	4	3
Mr. Ashish Dikshit	February 1, 2018	1,16,027	-	-	-
Mr. Bharat Patel	April 19, 2013	-	3	2	-
Mr. Pranab Barua	January 23, 2009	4,36,497	-	-	-

Name of the director	Date of joining	Shareholding in the Company	Directorships in other companies ⁽¹⁾	No. of memberships/ chairpersonships in other companies board committees ⁽²⁾	
				Member	Chairperson
Mr. Sanjeeb Chaudhuri	January 9, 2017	-	-	-	-
Ms. Sukanya Kripalu	October 13, 2014	-	5	3	1
Mr. Sushil Agarwal	August 6, 2009	1,18,774	6	4	-

Notes:

(1) In terms of the applicable provisions of the Act and SEBI Listing Regulations, total number of directorships:

a) consist of directorships in all public limited companies (including deemed public company), whether listed or not;

b) excludes this Company, foreign companies, private limited companies and section 8 companies.

(2) In terms of the applicable provisions of SEBI Listing Regulations, memberships in committee only includes the Audit Committee and Stakeholders Relationship Committee in other public limited companies (including deemed public company), whether listed or not and chairmanships in committee only includes the Audit Committee and Stakeholders Relationship Committee in other listed entities.

Names of other listed entities where the director of your Company is a director, if any, alongwith the category of directorship, as on March 31, 2019, are as under:

Sr. no.	Name of the director	Name of other listed entity	Category of directorship in other listed entity
1	Mr. Arun Thiagarajan	1. Grasim Industries Limited 2. Gokaldas Exports Limited 3. Vodafone Idea Limited 4. GE Power India Limited 5. TTK Prestige Limited	Independent Director
2	Mr. Bharat Patel	Sasken Technologies Limited	Independent Director
3	Ms. Sukanya Kripalu	1. Ultratech Cement Limited 2. Colgate - Palmolive (India) Limited 3. Huhtamaki PPL Limited 4. Entertainment Network (India) Limited	Independent Director
4	Mr. Sushil Agarwal	1. Grasim Industries Limited 2. Aditya Birla Capital Limited	Whole-time Director Non-executive Director

D. Independent directors

All independent directors on the Board are non-executive directors as defined under regulation 16 of the SEBI Listing Regulations. The maximum tenure of the independent directors is in compliance with the Act. All the independent directors have confirmed that they meet the criteria of independence as mentioned under section 149(6) of the Act and regulation 16 of the SEBI Listing Regulations.

Further, in opinion of the Board, the independent directors fulfil the conditions specified in regulation 16 and 25 of the SEBI Listing Regulations and are independent of the management.

In compliance with the regulation 17A of SEBI Listing Regulations, the independent directors of the Company do not serve as an independent director in more than 7 (seven) listed entities.

The independent directors on the Board of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

Further, as provided in the Act, a formal letter of appointment has been issued to the independent directors and the same is also disclosed on website of the Company i.e. www.abfrl.com.

Separate meeting of independent directors

Pursuant to schedule IV of the Act and regulation 25 of SEBI Listing Regulations, the independent directors met once during the year i.e. on February 4, 2019, without the presence of non-independent director, executive directors or management representatives. The independent directors *inter alia* discussed the performance of the board, non-independent directors and the management of the Company and assessed the quality, quantity and timeliness of flow of necessary information between the management and the Board, required for the board to effectively and reasonably perform its duties.

All the independent directors were present at the meeting.

E. Appointment and tenure

The directors of the Company are appointed/ re-appointed by the Board on the recommendations of the nomination and remuneration committee and approval of the members at the Annual General Meeting ("AGM"). In accordance with the articles of association of the Company, all directors, except the Managing Director and independent directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The executive directors on the board have been appointed as per the provisions of the Act and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of the independent directors, the Company has adopted the provisions of the Act and the SEBI Listing Regulations.

F. Board induction, training and familiarisation

In terms of the provisions of regulation 25 of the SEBI Listing Regulations, your Company has framed a Familiarisation Programme for independent directors of the Company, structured into two parts i.e. 'Induction' and 'Ongoing interaction'. This programme aims to provide insights into the business of the Company, to enable the independent directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business in depth and contribute significantly to the Company.

At the time of appointing an independent director, a formal letter of appointment is given to him/ her, which *inter alia* explains the role, function, duties and responsibilities expected from him/ her as an independent director of the Company. The directors are also provided with necessary documents, reports and internal policies of the Company, to enable them to familiarise with the Company's procedures and practices. The compliances applicable to them, in terms of the provisions of the Act, SEBI Listing Regulations and other applicable laws, are explained to them and an affirmation is obtained from them, in that regard.

Further, on an ongoing basis as a part of the agenda of meetings of the Board/ committee(s), presentations are regularly made to the independent directors on various matters *inter alia* covering the Company's businesses and operations, strategy, risk management framework, industry and regulatory updates and other relevant matters. These presentations enable one-on-one interaction between the independent directors and the senior management/ statutory auditor/ internal auditor of the Company. Additionally, visits to the stores of the Company, trade shows, etc. are also arranged to apprise them of the actual operations of the Company.

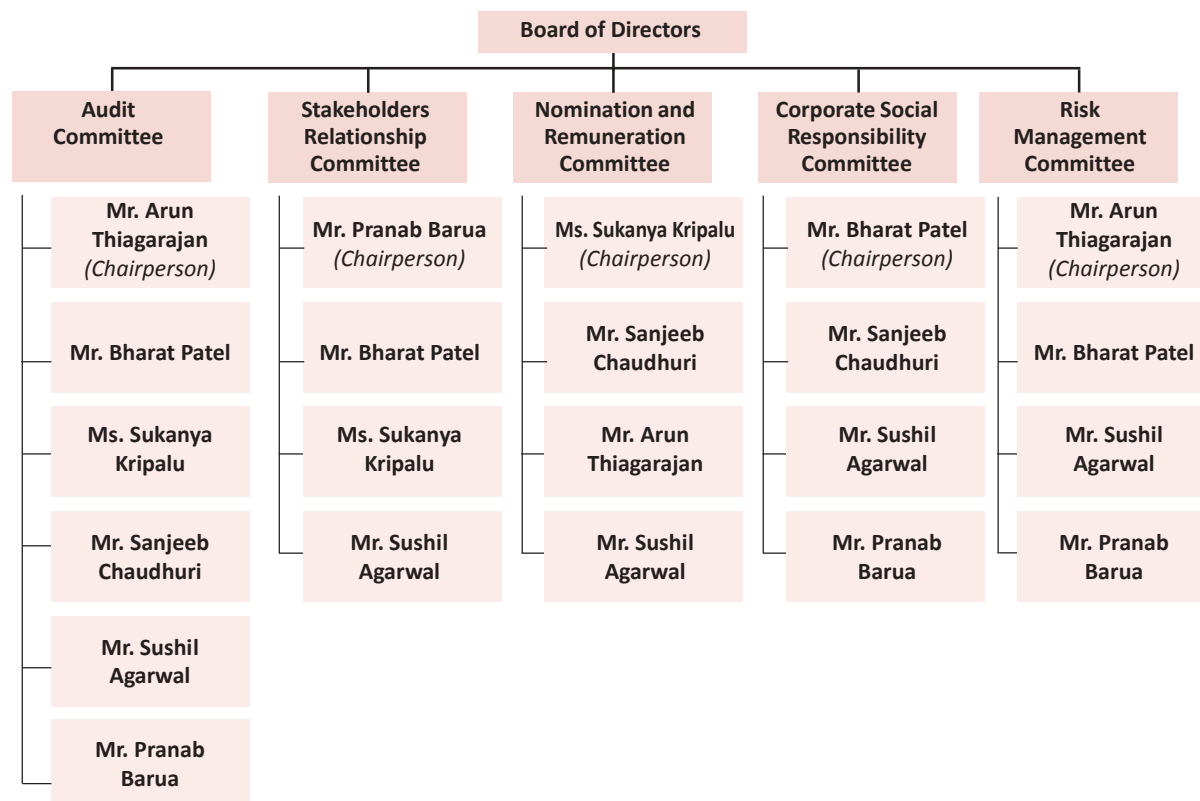
The details of the 'Familiarisation Programmes for Independent Directors' are also available on the website of the Company i.e. www.abfrl.com.

COMMITTEES OF THE BOARD

The committees of the Board ("*committees*") plays a crucial role in the governance structure of the Company. They have been constituted to deal with specific areas and activities which concern the Company and requires a closer review. The committees are formed with the approval of the Board and function under their respective terms of references framed in accordance with the Act and the SEBI Listing Regulations.

The committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. There is seamless flow of information between the Board and its committees, as the committees report their recommendations and opinions to the Board, which in turn supervises the execution of respective responsibilities by the committees. The minutes of the meetings of all the committees are placed before the Board for its review.

Committees of the Board and their composition as on March 31, 2019



Mr. Ashish Dikshit, Managing Director of your Company, is a permanent invitee for the committees.

Ms. Geetika Anand, Company Secretary of your Company, acts as the secretary to all the committees.

A. Audit committee

Your Company has a qualified and independent audit committee, which acts as an interface between the statutory and internal auditors, the management and the Board. The audit committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

The composition, quorum, powers, role and scope of the audit committee are in accordance with section 177 of the Act and regulation 18 of the SEBI Listing Regulations.

(i) Brief description of terms of reference

The board has framed the audit committee charter for the purpose of effective compliance of provisions of section 177 of the Act and regulation 18 of the SEBI Listing Regulations. In fulfilling the above role, the audit committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

In terms of the applicable provisions of the Act and in terms of regulation 18 read with part C of schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the audit committee *inter alia* cover the following matters:

a. Financial matters

- Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing with the management, the quarterly unaudited financial statements and annual audited financial statements alongwith limited review report/ auditor's report thereon before submission to the Board for the approval. Reviewing of annual financial statements *inter alia* including reviewing changes in accounting policies, if any, major accounting entries involving estimates, significant adjustments made in financial statements, qualifications in draft audit report, if any etc.;
- Reviewing management discussion and analysis of financial condition and results of operations;
- Reviewing with the management, the statement of uses/ application of funds raised through the issue and reporting the same to the board;
- Scrutinising the inter-corporate loans and investments; and
- Reviewing the utilization of loans and/ or advances from/ investment by the Company in the subsidiary, if any.

b. Internal controls, audit and auditors

- Recommending the terms of appointment/ re-appointment, remuneration and any other terms and conditions pertaining to the appointment/ re-appointment, if required, replacement or removal of auditors, fixation of statutory audit fees and approval of payment for any other services rendered by the statutory auditors, as permitted under applicable laws;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Reviewing the adequacy of internal audit function and internal control systems including internal financial controls;
- Evaluating of internal financial controls, risk management systems of the Company;
- Discussing with the internal auditors of any significant findings and follow-up thereon;
- Reviewing significant audit findings, if any, from the statutory and internal audits;
- Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

c. Other matters

- Approving all related party transactions and any subsequent modifications to the same;
- Approving appointment of Chief Financial Officer of the Company; and
- Reviewing the functioning of vigil/ whistle blower mechanism.

(ii) **Composition of the audit committee**



























The committee comprises 6 non-executive directors as its members, out of which 4 are independent directors.

Mr. Arun Thiagarajan, Independent Director, is the Chairperson of the audit committee.

All the members of the audit committee are financially literate and possess high expertise in the fields of finance, taxation, economics, risk and international finance.

(iii) **Number of meetings held during the financial year 2018-19 and attendance of the members**

During the year under review, the committee met 4 (*four*) times to deliberate on various matters. The details of attendance of members at each such meeting of the committee, are as under:

Name of the member	Audit Committee Meetings				
	No. of meetings held	May 11, 2018	August 1, 2018	November 2, 2018	February 4, 2019
Mr. Arun Thiagarajan	4				
Mr. Bharat Patel	4				
Mr. Pranab Barua	4				
Mr. Sanjeeb Chaudhuri	4				
Ms. Sukanya Kripalu	4				
Mr. Sushil Agarwal	4				
 Present		 Leave of absence			

Mr. Ashish Dikshit, Managing Director and a permanent invitee to the committee and Ms. Geetika Anand, Company Secretary and the secretary to the committee, attended all the meetings of the committee held during the year.

Chief Executive Officer, Chief Financial Officer, representatives of the statutory auditors and internal auditors of your Company are also invited to the audit committee meetings. In addition, other senior management personnel are also invited to the committee meeting from time to time, for providing such information as may be necessary.

Mr. Arun Thiagarajan, Chairperson of the audit committee was present at the 11th AGM of your Company, to answer the queries of the members of the Company.

B. Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board ("*NRC*") *inter alia* discharges the Board's responsibilities relating to appointment of the Company's executive director, KMP and senior management and recommend the same to the Board. The committee is also entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed directors, as well as recommending a policy to the Board relating to the remuneration of directors, KMP, senior management and other employees. It also specifies the methodology for effective evaluation of performance of the Board, its committees and individual directors.

The composition, quorum, powers, role and scope of the NRC are in accordance with section 178 of the Act and regulation 19 of the SEBI Listing Regulations.

(i) Brief description of terms of reference

The broad terms of reference of the NRC, as approved by the Board in terms of the section 178 of the Act and regulation 19 of the SEBI Listing Regulations, *inter alia*, include the following:

- Identifying persons who are qualified to become directors and who may be appointed at senior management positions in accordance with the criteria laid down and recommending to the Board their appointment and removal;
- Recommending the remuneration/ revision in remuneration of Managing Director and executive directors to the Board;
- Formulating criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, KMP, senior management and other employees;
- Formulating criteria for evaluation of Board, its committees and each director and reviewing its implementation and compliance;

- e. Devising a policy on Board diversity;
- f. Recommending to the Board the extension or continuation of term of appointment of the independent director, on the basis of the report of performance evaluation of the independent directors; and
- g. Recommending to the Board, all remuneration, in whatever form, payable to senior management.











(ii) **Composition of the NRC**

The committee comprises 4 non-executive directors as its members, out of which 3 are independent directors.

Ms. Sukanya Kripalu, Independent Director, is the Chairperson of the NRC.

(iii) **Number of meetings held during the financial year 2018-19 and attendance of the members**

During the year under review, the committee met 2 (*two*) times i.e. on November 2, 2018 and February 4, 2019, to deliberate on various matters. The details of attendance of members at each such meeting of the committee are as under:

Name of the member	Nomination and Remuneration Committee Meetings		
	No. of meetings held	November 2, 2018	February 4, 2019
Ms. Sukanya Kripalu	2		
Mr. Arun Thiagarajan	2		
Mr. Bharat Patel	2		
Mr. Sushil Agarwal	2		
	 Present	 Leave of absence	

Mr. Ashish Dikshit, Managing Director and a permanent invitee to the committee and Ms. Geetika Anand, Company Secretary and the secretary to the committee, attended all the meetings of the committee held during the year.

Ms. Sukanya Kripalu, Chairperson of the NRC was present at the 11th AGM of your Company, to answer the queries of the members of the Company.

(iv) **Evaluation criteria for independent directors**

The performance of the independent directors of the Company is evaluated on the criteria more particularly as to how an independent director:

- Invests time in understanding the Company and its unique requirements;
- Brings in external knowledge and perspective to the table for discussions at the meetings;
- Expresses his/ her views on the issues discussed at the Board; and
- Keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level.

Pursuant the amendment in the SEBI Listing Regulations, in addition to the above criteria the evaluation criteria for independent director also included fulfilment of the independence criteria as specified in section 149(6) of the Act and regulation 16(1)(b) of the SEBI Listing Regulations and their independence from the management.

(v) **Nomination Policy and Executive Remuneration Philosophy/ Policy**

In terms of section 178 of the Act and regulation 19 of the SEBI Listing Regulations, the Board of your Company had, on recommendation of the NRC, adopted a Nomination Policy, which *inter alia* enumerates

the Company's policy on appointment of directors, KMP and senior management. Further, the Board has, on recommendation of NRC, also adopted a policy entailing Executive Remuneration Philosophy, which covers remuneration philosophy covering the directors, KMP, senior management and other employees of the Company.

Both the aforesaid policies, as amended from time to time pursuant to the amendment in the applicable regulatory provisions, are available on the website of the Company i.e. www.abfrrl.com.

The Company's remuneration policy is intended to attract and retain the individuals in order to achieve the Company's objective. Further, the Company has a system where all the directors, KMP and senior management of the company are required to disclose all pecuniary relationships or transactions with the Company. Also, the Company does not pay any severance fees to its directors.

a. Remuneration to non-executive directors

In terms of the provisions of the Act and in line with the provisions of Articles of Association of your Company, the remuneration paid to the non-executive directors (*other than independent directors*) comprises sitting fees and stock options, if any and that of independent directors comprises only sitting fees.

Details of remuneration paid to the non-executive directors including independent directors, by way of sitting fees for each meeting of the Board or committees attended by them during the year under review, are as under:

(Amount in ₹ Lakh)	
Name of the director	Sitting fees paid ⁽¹⁾
Mr. Arun Thiagarajan	4.10
Mr. Bharat Patel	3.35
Mr. Pranab Barua ⁽²⁾	4.10
Mr. Sanjeeb Chaudhuri	4.10
Ms. Sukanya Kripalu	4.10
Mr. Sushil Agarwal	2.30
Total	22.05

Notes:

(1) Gross amount (without deducting TDS).

(2) Details of stock options granted to Mr. Barua are disclosed separately in this Report under "Stock Options".

The non-executive directors do not have any material pecuniary relationship or transactions with the Company.

b. Remuneration to executive directors

In terms of the provisions of the Act and in line with the Nomination Policy and Executive Remuneration Philosophy/ Policy of the Company, the appointment and remuneration of executive directors (*i.e. Managing Director, in case of the Company*) is approved by the Board and the members of the Company, on recommendation of the NRC. The appointment of Managing Director is subject to termination by giving 3 months' notice in writing by either side. The remuneration paid to the Managing Director comprises salary, allowances, perquisites, stock options, performance linked income/ bonus and other retirement benefit funds, as approved by the members at the Annual General Meeting.

Annual increments are linked to performance and are decided by the NRC and recommended to the Board for approval thereof. The performance review system is primarily based on competencies

and values. The Company closely monitors growth and development of top talent in the Company to align personal aspirations with the organisational goals and objectives.

Also, your Company has a policy of not advancing any loans to its directors, except to the executive directors, in the normal course of employment.

During the year under review, remuneration of ₹ 574.73 Lakh was paid to Mr. Ashish Dikshit, Managing Director of the Company.

Further, requisite disclosure with respect to the details of fixed component and performance linked incentive, in terms of the provisions of part C of the schedule V of the SEBI Listing Regulations and in terms of the provisions of the provisions of sub-clause (IV) of the second proviso to clause (B) of section II of part - II of the schedule V of the Act, have been made in the Extract of the Annual Return in Form no. MGT - 9 annexed as Annexure VII to the 'Report of the Board of Directors' forming part of this Annual Report.

c. Stock options

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

Accordingly, in terms of the provisions of applicable laws and pursuant to the approval of the Board and the members of the Company, the NRC has duly implement the 'Employee Stock Options Scheme - 2013' ("*Scheme 2013*") and the 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017' ("*Scheme 2017*"), to grant the stock options, in the form of Options and Restricted Stock Units ("*RSUs*"), to the employees of the Company.

Details of stock options granted to Mr. Pranab Barua, Non-executive Director and Mr. Ashish Dikshit, Managing Director of the Company, as on March 31, 2019, are as under:

I. **Scheme - 2013:**

Name of grantee	No. of stock options granted	Date of grant	Vesting schedule (subject to vesting criteria)	Exercise period
A. Options - Tranche 1				
Mr. Pranab Barua	4,78,045	October 25, 2013	25% of the options granted would vest each year, over a period of 4 years, beginning from the first anniversary of grant date i.e. October 25, 2014.	5 years from the date of vesting
B. RSUs - Tranche 1				
Mr. Pranab Barua	1,09,091	October 25, 2013	Single bullet vesting after 3 years i.e. on October 25, 2016.	5 years from the date of vesting
C. RSUs - Tranche 3				
Mr. Pranab Barua	88,384	May 11, 2016	Single bullet vesting on December 7, 2016.	5 years from the date of vesting
Mr. Ashish Dikshit	36,462			

II. Scheme - 2017:

Name of grantee	No. of stock options granted	Date of grant	Vesting schedule (subject to vesting criteria)	Exercise period
A. Options - Tranche 1				
Mr. Pranab Barua	5,04,216	September 8, 2017	25% of the options granted would vest each year, over a period of 4 years, beginning from the first anniversary of grant date i.e. September 8, 2018.	5 years from the date of vesting
Mr. Ashish Dikshit	4,50,194			
B. RSUs - Tranche 1				
Mr. Pranab Barua	1,69,955	September 8, 2017	100% of the RSUs granted would vest at the end of third year from the date of grant i.e. on September 8, 2020.	5 years from the date of vesting
Mr. Ashish Dikshit	91,048			

C. Stakeholders Relationship Committee

The Board of your Company has constituted the Stakeholders Relationship Committee ("SRC") to specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

The composition, quorum, powers, role and scope of the SRC are in accordance with section 178 of the Act and regulation 20 of the SEBI Listing Regulations.

Ms. Geetika Anand, Asst. Vice President & Company Secretary, being the Compliance Officer of your Company, is responsible for the redressal of grievances of the shareholders, debenture holders and other security holders.

(i) Brief description of terms of reference

In terms of the applicable provisions of the Act and regulation 20 read with part D of schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the SRC *inter alia* include the following:

- Resolving the grievances if the security holders of the Company including complaints relating to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- Reviewing the measures taken for effective exercise of voting rights by shareholders;
- Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; and
- Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

(ii) Composition of the SRC

The committee comprises 4 non-executive directors as its members, out of which 2 are independent directors.

Mr. Pranab Barua, Non-executive Director, is the Chairperson of the SRC.

(iii) **Number of meetings held during the financial year 2018-19 and attendance of the members**

During the year under review, the committee met once on November 2, 2018, to deliberate on various matters with respect to stakeholders of the Company. All the members of the SRC were physically present for the meeting.

Mr. Ashish Dikshit, Managing Director and a permanent invitee to the committee and Ms. Geetika Anand, Company Secretary and the secretary to the committee, also attended the meeting of the committee held during the year.

Mr. Pranab Barua, Chairperson of the SRC was present at the 11th AGM of your Company, to answer the queries of the members of the Company.

(iv) **Shareholders' complaints**

During the year under review, the Company received total of 129 complaints from the shareholders. Details of the same along with the status thereof as on March 31, 2019 and as on the date of this report, are tabled hereinbelow:

Sr. no.	Nature of complaints	Received	Resolved	Pending
1	Non-receipt of share certificate(s) - Transfer	64	61	3
2	Non-receipt of annual report	18	18	0
3	Non-receipt of fractional entitlement	3	3	0
4	Non-receipt of rejected DRF	37	31	6
5	Others, if any	7	5	2
Total		129	118	11

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee ("*CSR committee*") is *inter alia* entrusted with the responsibility of monitoring and implementing the CSR projects/ programmes/ activities of your Company.

Your Company has a Corporate Social Responsibility Policy in place, duly approved by the Board on recommendation of the CSR committee, details of which are disclosed in the 'Report of the Board of Directors' forming part of this Annual Report.

The composition, quorum, powers, role and scope of the CSR committee are in accordance with section 135 of the Act.

(i) **Brief description of terms of reference**

In terms of the applicable provisions of section 135 read with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the scope, functions and terms of reference of the CSR committee *inter alia* include the following:

- Reviewing and finalising the annual CSR budget of the Company for undertaking the CSR activities as per the CSR Policy of the Company and recommending the CSR budget to the Board;
- Monitoring the CSR Policy of the Company from time to time;
- Authorising officers and/or other person, to take necessary actions for and on behalf of the Company, to widen its CSR reach;
- Reviewing the business responsibility activities and the Business Responsibility Report ("*BRR*") of the Company and taking necessary actions which may be required to be done and performed from time to time in connection therewith; and
- Performing such other acts, deeds, things and powers as may be delegated to the committee by the Board from time to time.

(ii) **Composition of the CSR committee**

The committee comprises 4 non-executive directors as its members, out of which 2 are independent directors.

Mr. Bharat Patel, Non-executive Independent Director, is the Chairperson of the CSR committee.

Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development and Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Aditya Birla Group, are the permanent invitees to the meetings of CSR committee.

(iii) **Number of meetings held during the financial year 2018-19 and attendance of the members**

During the year under review, the committee met once on May 11, 2018, to *inter alia* approve the plan and budget for the CSR activities of the Company for the financial year 2018-19. All the members of the SRC were physically present for the meeting.

Mr. Ashish Dikshit, Managing Director and a permanent invitee to the committee and Ms. Geetika Anand, Company Secretary and the secretary to the committee, also attended the meeting of the committee held during the year.

Mr. Bharat Patel, Chairperson of the SRC was present at the 11th AGM of your Company, to answer the queries of the members of the Company.

E. Risk Management Committee

Business risk evaluation and its management is an on-going process within the Company. The Risk Management Committee ("RMC") is *inter alia* entrusted with the responsibility of monitoring and reviewing the risk management plan and the cyber security of the Company and such other functions as may be delegated by the Board from time to time.

The composition, quorum, powers, role and scope of the RMC are in accordance with the applicable provisions of the Act and regulation 21 of the SEBI Listing Regulations.

(i) **Brief Description of terms of reference**

The scope, functions and terms of reference of the RMC *inter alia* include the following:

- Reviewing the Risk Management Policy of the Company in line with the business requirements and SEBI Listing Regulation;
- Assisting the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks;
- Monitoring and reviewing the risk management plan of the Company; and
- Reviewing risks related to cyber security and evaluating the treatment including initiating mitigation actions.

(ii) **Composition of the RMC**

The committee comprises 4 non-executive directors as its members, out of which 2 are independent directors.

Mr. Arun Thiagarajan, Independent Director and the Chairperson of the audit committee, is also the Chairperson of the RMC.

(iii) **Number of meetings held during the financial year 2018-19 and attendance of the members**

During the year under review, the committee met once on November 2, 2018, to review the risks identified for the Company and its mitigation plans. All the members of the SRC were physically present for the meeting.

Mr. Ashish Dikshit, Managing Director and a permanent invitee to the committee and Ms. Geetika Anand, Company Secretary and the secretary to the committee, also attended the meeting of the committee held during the year.

Mr. Arun Thiagarajan, Chairperson of the RMC was present at the 11th AGM of your Company, to answer the queries of the members of the Company.

GENERAL BODY MEETINGS**A. Annual General Meetings**

Details of location, date, time and special resolutions passed in previous three Annual General Meetings of the Company, are tabled hereinbelow:

Financial year	AGM	Location	Date	Time	Particulars of special resolution(s) passed
2015-16	9 th	Ravindra Natya Mandir, PL Deshpande Maharashtra Kala Academy, Near Siddivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025	September 7, 2016	3:00 p.m.	(i) Issuance of non-convertible debentures for an amount of upto ₹ 1,250 Crore, on private placement basis; (ii) Increase in overall borrowing limits of the Company; (iii) Creation of charge/ mortgage on assets of the Company; (iv) Revision in limits of remuneration of Mr. Pranab Barua, Managing Director of the Company.
2016-17	10 th	Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028	August 23, 2017	3:00 p.m.	(i) Issuance of non-convertible debentures for an amount of upto ₹ 1,250 Crore, on private placement basis; (ii) Introduction of the 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017'; (iii) Extension of benefits of the 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017' to the employees of holding and subsidiary companies of the Company.
2017-18	11 th	Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028	August 28, 2018	3:00 p.m.	(i) Appointment of Mr. Ashish Dikshit as the Managing Director; (ii) Issuance of non-convertible debentures for an amount of upto ₹ 1,250 Crore, on private placement basis.

B. Postal Ballot

During the year under review, no resolution was passed through postal ballot and as on the date of this report no special resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

The quarterly/ half yearly/ annual results alongwith the limited review/ auditor's report thereon ("*said results*"), as applicable are filed with the BSE Limited and the National Stock Exchange of India Limited (*collectively referred to as "stock exchanges"*) at their respective electronic platforms i.e. BSE Corporate & Listing Centre and NSE Electronic Application Processing System, so as to enable the stock exchanges to display the results on their respective websites and are simultaneously uploaded on the website of the Company i.e. www.abfirl.com. The said results are published in 'The Business Standard' and 'Navshakti' (*a regional daily newspaper published from Mumbai*) within the stipulated timelines.

Official news/ press releases of the Company, if any, issued from time to time, are filed with the stock exchanges and are simultaneously uploaded on the website of the Company.

The schedule of institutional/ analysts meetings and the presentation made to them are also uploaded on the website of the Company.

The Company has separate designated e-mail IDs viz. invrelations.abfirl@adityabirla.com and secretarial.abfirl@adityabirla.com, respectively for investor relations and shareholders assistance and the same are prominently displayed on the website of the Company.

A separate dedicated 'Investor section' is maintained on the website of the Company for the ease of the shareholders of the Company. The information required to be disseminated by the Company in terms of regulation 46 of the SEBI Listing Regulations including the said results, are uploaded under the head 'SEBI Listing Regulations' of the Investor section.

GENERAL SHAREHOLDER INFORMATION

Your Company has provided the details required under this as a separate section on 'General Shareholder Information', which forms a part of this Annual Report.

OTHER AFFIRMATIONS AND DISCLOSURES

All the members of the Board, KMP and the senior management of the Company have affirmed their compliance with the 'Code of Conduct of Board of Directors and Senior Management', as on March 31, 2019 and a declaration to that effect, signed by the Managing Director, forms part of this Report.

No material transaction has been entered into by your Company with the promoters, directors or the management or relatives, etc. that may have a potential conflict with interests of the Company.

Your Company has complied with the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of the regulation 46(2) of the SEBI Listing Regulations.

Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large

All the related party transactions ("*RPTs*") entered into by the Company, during the financial year 2018-19, were at arm's length and in the ordinary course of business of the Company. All such transactions had prior approval of the audit committee and the Board.

However, there were no material significant RPTs that had/ may have potential conflict with the interests of the Company at large.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

Your Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and stock exchanges. Consequently, there has been no instance of non-compliance with any legal requirements and hence, no penalties or strictures are imposed on your Company by SEBI or the Stock Exchanges or any statutory authority on any matter related to the capital markets during the last 3 years.

Vigil Mechanism/ Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee

Your Company has in place a Vigil Mechanism/ Whistle Blower Policy which facilitates the stakeholders to have direct access to the management and the audit committee, to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It is hereby affirmed that no personnel has been denied access to the audit committee.

Also, the Company has adopted 'Policy for Prevention of Sexual Harassment at Workplace' and 'Anti-fraud Policy' which specifically guarantee the right to 'blow a whistle'. The said policies are also available on the website of the Company i.e. www.abfirl.com. This ensures a work environment that is professional and mature, free from animosity and one that reinforces ABFRL's value of integrity, which includes respect for the individual.

Without prejudice to and in addition to the same, your Company has established a policy for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The mechanism provides adequate safeguards against any victimisation of the persons who use this mechanism.

Details of compliance with mandatory requirements and adoption of non-mandatory requirements

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to corporate governance.

In addition to the same, your Company also strives to adhere and comply with the following discretionary requirements specified under regulation 27(1) and part E of the schedule II of the SEBI Listing Regulations, to the extent applicable:

- (i) Audit report: Statutory auditor of your Company have not raised any qualification/ modified opinion on its financial statements and accordingly, your Company has moved towards the regime of financial statements with an Unmodified Audit Opinion.
- (ii) Reporting of internal auditor: Internal auditor of your Company directly reports to the audit committee on functional matters.

Other policies and codes of the Company

Your Company has various policies and code, duly adopted pursuant to the approval of the Board and the same are periodically reviewed by the Board, to incorporate any changes required either in terms of the business of the Company or pursuant to the amendment in the applicable Acts and Regulations including but not limited to the Act and the SEBI Listing Regulations. Details of such policies and codes adopted by the Company are as under:

(i) Corporate Social Responsibility Policy

In terms of the provisions of section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has adopted 'Corporate Social Responsibility Policy' having the following scope:

- i. Planning project or programmes which a Company plans to undertake falling within the preview of schedule VII of the Act;
- ii. Monitoring process of such project or programmes.

(ii) Risk Management Policy

Your Company has framed a 'Risk Management Policy' in terms of the provisions of regulation 17 of the SEBI Listing Regulations, for the assessment and minimisation of risk. Since your Company is in the retail industry, it is prone to inherent business risks and the Risk Management Policy enables the Company to proactively manage uncertainty, changes in the internal and external environment to limit negative impacts and capitalise on opportunities along with minimisation of identifiable risks. Key strategy initiatives are identified to mitigate specific risks. The policy covers inherent business risks and appropriate measures to be taken by the Company.

(iii) Policy on Related Party Transactions

In terms of the provisions of regulation 23 of the SEBI Listing Regulations, your Company has framed a 'Policy on Related Party Transactions' (*"RPT policy"*), to regulate transactions of the Company with its related parties (*as defined and identified under the Act, SEBI Listing Regulations*), to ensure high standards of corporate governance while dealing with related parties and also to ensure optimum compliance with applicable laws prescribed for RPTs. The RPT policy is also available on the website of the Company i.e. www.abfrl.com.

During the year under review, the RPT policy of your Company has been amended to incorporate amendments in the SEBI Listing Regulations.

(iv) Forex Policy

The Company has adopted 'Forex Policy' (*also called as Forex Risk Management Manual*) to protect cash flows and shareholder value by reducing the adverse effect of currency rate fluctuations on the Company's profitability, business plans and sustainability of operations.

(v) Policy for determination of material subsidiary companies

During the year under review and as on the date of this Report, your Company had no subsidiaries and accordingly, the Company did not adopt a policy for determining the 'Material subsidiary'.

(vi) Policy for determination of materiality of information or event

In terms of the provisions of regulation 30 of the SEBI Listing Regulations, your Company has adopted this 'Policy for determination of materiality of information or event' for facilitating prompt disclosure of material price sensitive information to the stock exchanges in compliance with the provisions of the SEBI Listing Regulations, with effect from December 1, 2015.

This policy acts as a guidance for determining materiality of such price sensitive information and with the objective to ensure prompt disclosure of material price sensitive information/ event to the stock exchanges, where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in your Company and to avoid creation of false market in the securities of the Company. The policy is also available on the website of the Company i.e. www.abfrl.com.

(vii) Policy for archival of documents

In terms of the provisions of regulation 30 of the SEBI Listing Regulations, your Company has adopted this 'Policy for the archival of documents' of the Company, with effect from December 1, 2015.

The policy provides that beyond the mandatory hosting period (*i.e. 5 years from the date of each disclosure on the website of your Company*), the disclosed information shall be archived for such other additional period as may be required considering the requirement of various statutes, law, regulations etc. and other legal and administrative aspects. The policy is also available on the website of the Company i.e. www.abfrl.com.

(viii) Policy on preservation of documents

In terms of the provisions of regulation 9 of the SEBI Listing Regulations, your Company has adopted this 'Policy for preservation of documents', with effect from December 1, 2015.

This policy contains guidelines for identifying documents (*as defined under the SEBI Listing Regulations*) that need to be maintained, specifies the period of preservation of such documents and its destruction/ disposal. This policy aims to provide efficient and systematic control on the maintenance, periodicity and destruction of business related documents.

(ix) Code of practice and procedures for fair disclosure of unpublished price sensitive information

Your Company had adopted a 'Code of fair disclosure of unpublished price sensitive information', in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*"Insider Trading Regulations"*).

During the year under review, pursuant to the amendment in the Insider Trading Regulations, your Company has adopted a revised Code i.e. 'Code of practice and procedures for fair disclosure of unpublished price sensitive information', effective from April 1, 2019 and which is required to be followed by the Company for dissemination of unpublished price sensitive information in relation to the Company.

The said code is also available on the website of the Company i.e. www.abfirl.com.

(x) Code of conduct to regulate, monitor and report trading by Designated Persons in listed or proposed to be listed Securities of Aditya Birla Fashion and Retail Limited

Your Company had adopted a 'Code of conduct for trading in listed or proposed to be listed securities of Aditya Birla Fashion and Retail Limited', in terms of the Insider Trading Regulations.

During the year under review, pursuant to the amendment in the Insider Trading Regulations, your Company has adopted a revised Code i.e. 'Code of conduct to regulate, monitor and report trading by Designated Persons in listed or proposed to be listed Securities of Aditya Birla Fashion and Retail Limited', effective from April 1, 2019 and which states your Company's policy and code to be followed by Designated Persons for dealing in securities of the Company.

(xi) Code of conduct for Board of Directors and Senior Management of Aditya Birla Fashion and Retail Limited

This Code of conduct has been framed and adopted by your Company in compliance with the provisions of regulation 17 of the SEBI Listing Regulations.

The Code incorporates the duties of independent directors as laid down in the Act and also helps the Board of Directors, KMP and senior management to observe the highest standards of ethical conduct along with integrity and to work to the best of their ability and judgement. The code is also available on the website of the Company i.e. www.abfirl.com.

Commodity price risk and commodity hedging activities

Your Company does not engage in commodity hedging activities.

Disclosure of accounting treatment

The Company has followed all applicable accounting standards while preparing the financial statements.

Proceeds from public issues, rights issues, preferential issues, etc.

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilised issue proceeds during the year under review.

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

A certificate from M/s. Dilip Bharadiya and Associates, Company Secretaries, has been obtained, certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of a Company by the Board/ Ministry of Corporate Affairs or any other statutory authority and accordingly the same is enclosed separately at the end of this Report.

Details of recommendation of any committee of the Board not accepted by the Board and reasons thereof

During the year under review, the Board of your Company has accepted all the recommendations made by its committee(s), from time to time.

Total fees paid, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

Total fees of ₹ 1.49 Crore has been paid by the Company to M/s. S R B C & CO LLP, Chartered Accountants, Statutory Auditors and all the entities in the network firm/network entity of which the statutory auditor is a part, for all the services provided by them during the year under review. The same is also disclosed in note no. 35 of the financial statements forming part of this Annual Report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has adopted 'Policy for Prevention of Sexual Harassment at Workplace' ("POSH") on a company-wide level to ensure the respect and dignity of all its employees. POSH is applicable not only to employees but also to third parties or clients and vendors of the company.

The details of complaints related to sexual harassment are provided below:

Sr. no.	Particulars	No. of complaints
1	Number of complaints filed during the financial year 2018-19	33
2	Number of complaints disposed of during the financial year 2018-19	31
3	Number of complaints pending as on end of the financial year 2018-19	2 ⁽¹⁾

Note:

(1) The same have been resolved as on the date of this Report.

SUBSIDIARY COMPANIES

As on March 31, 2019, your Company did not have any subsidiary.

CEO - CFO CERTIFICATION

As required under the provisions of regulation 33 of the SEBI Listing Regulations, Mr. Ashish Dikshit, Managing Director and Mr. Jagdish Bajaj, Chief Financial Officer have reviewed the audited financial results and cash flow statements for the financial year ended March 31, 2019 and accordingly have provided a certificate, which is enclosed separately at the end of this Report.

REPORT ON CORPORATE GOVERNANCE

As required under regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the stock exchanges and the same are available on their websites. The said reports are also available on the website of the Company i.e. www.abfrrl.com.

The compliance certificate received from M/s. Dilip Bharadiya and Associates, Company Secretaries, regarding compliance of corporate governance requirements is annexed as Annexure VI to the Report of the Board of Directors.

CEO - CFO CERTIFICATION

To the Board of Directors

Aditya Birla Fashion and Retail Limited

- (1) We have reviewed the Audited Financial Statements and the cash flow statement of Aditya Birla Fashion and Retail Limited ("Company") for the financial year ended on March 31, 2019 and to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2019 which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
- (4) We have indicated to the Auditors and the Audit Committee:
 - I. significant changes in the Company's internal control over financial reporting, during the Financial year ended on March 31, 2019;
 - II. significant changes in accounting policies, if any, during the Financial year ended on March 31, 2019 have been disclosed in the notes to the Financial Statements; and
 - III. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : May 15, 2019

Ashish Dikshit
Managing Director

Jagdish Bajaj
Chief Financial Officer

DECLARATION

As provided under the provisions of Schedule II and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended March 31, 2019.

Place : Mumbai
Date : May 15, 2019

Ashish Dikshit
Managing Director

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

To,

The Members,

ADITYA BIRLA FASHION AND RETAIL LIMITED

This certificate is being issued to the Members of Aditya Birla Fashion and Retail Limited, bearing Corporate Identification Number (CIN) - L18101MH2007PLC233901, having its registered office at 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A. K. Road, Marol Village, Andheri (East), Mumbai - 400 059 (*"the Company"*) in terms of regulation 34(3) read with schedule V para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*"SEBI Listing Regulations"*).

We believe it is the responsibility of directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and SEBI Listing Regulations.

We have examined the documents and disclosures provided by the following Directors, pursuant to the requirements under the Act and the SEBI Listing Regulations for the purpose of this Certificate, more particularly as under:

- i) Declaration as on April 1, 2019, as required under section 164 of the Act, from all the directors self-certifying their non-disqualification;
- ii) Disclosure of their concern/interests as required under section 184 of the Act as on April 1, 2019; (*hereinafter referred to as "relevant documents"*).

Directors of the Company as on May 14, 2019		
Sr. no.	Name of the director	DIN
1	Mr. Arun Thiagarajan	00292757
2	Mr. Ashish Dikshit	01842066
3	Mr. Bharat Patel	00060998
4	Mr. Pranab Barua	00230152
5	Mr. Sanjeeb Chaudhuri	03594427
6	Ms. Sukanya Kripalu	06994202
7	Mr. Sushil Agarwal	00060017

Based on our examination of relevant documents made available to us by the Company and such other verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, **we certify that as on date of this Certificate, none of the directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.**

Ensuring the eligibility for the appointment/continuity of every director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES****DILIP BHARADIYA**

Proprietor

FCS No.: 7956., C P No.: 6740

Place: Mumbai

Date : May 14, 2019

GENERAL SHAREHOLDER INFORMATION**BRIEF CORPORATE HISTORY OF YOUR COMPANY****a) Incorporation (2007)**

Your Company was incorporated as a public limited company under the Companies Act, 1956 with its registered office situated in the State of Karnataka (*Bangalore*) as “Peter England Fashions and Retail Limited”. Your Company was a wholly owned subsidiary of Aditya Birla Nuvo Limited (ABNL).

b) Change of registered office (2009)

In the year 2009, the registered office of the Company was shifted from the State of Karnataka (*Bangalore*) to the state of Gujarat (*Veraval*).

c) Demerger of domestic business into Aditya Birla Nuvo Limited (2010)

Pursuant to a Composite Scheme of Arrangement under sections 391 and 394 of the Companies Act, 1956, the domestic business of your Company was demerged into ABNL with effect from January 1, 2010 (*the appointed date*). The effective date of the Scheme was February 22, 2010. The Company continued to be a wholly owned subsidiary of ABNL.

d) Change of registered office (2012)

In the year 2012, the registered office of the Company was shifted from the State of Gujarat (*Veraval*) to the State of Maharashtra (*Mumbai*).

e) Acquisition of Pantaloons format business, listing and name change (2013-2014)

In the year 2012, the Board of Directors of the Company had approved acquisition of Pantaloons format business of Future Retail Limited (FRL) (*earlier known as Pantaloon Retail (India) Limited*) by way of demerger through a Scheme of Arrangement under sections 391-394 of the Companies Act, 1956 between FRL, the Company, and their respective shareholders and creditors and Indigold Trade and Services Limited (ITSL) (*as the shareholder of the Company*) (*“the Scheme”*).

On receipt of all the requisite approvals and on completion of the conditions precedent listed in the Scheme, the Board of Directors of the Company in their meeting held on April 8, 2013 made the Scheme effective (*the effective date*). Accordingly, the Pantaloons format business was transferred to and vested in the Company with effect from July 1, 2012 (*the appointed date*).

Pursuant to the arrangements contemplated under the Scheme, ABNL, through its wholly owned subsidiary ITSL, continued to hold a controlling stake in the Company post the demerger. The balance stake was held by public.

In addition, in terms of the Scheme, the name of the Company was changed from “Peter England Fashions and Retail Limited” to “Pantaloons Fashion & Retail Limited”, in April 2013.

In July 2013, equity shares of the Company were listed on the BSE Limited and National Stock Exchange of India Limited.

f) Composite Scheme of Arrangement with ABNL (now Grasim Industries Limited) (2015-2016)

In a bid to capitalise on its large market presence in the branded fashion space in India, the apparel retail businesses of the Aditya Birla Group, housed under separate entities were consolidated under the Company, vide the Composite Scheme of Arrangement amongst the Company, ABNL, MGLRCL and their respective shareholders and creditors, under sections 391 to 394 of the Companies Act, 1956 (*“Composite Scheme”*).

On January 9, 2016, on receipt of requisite approvals including the approvals from the Hon’ble High Court of Gujarat and Bombay, the Composite Scheme was made effective from April 1, 2015 (*the appointed date*).

On effectiveness of the Composite Scheme, Madura Fashion - the branded apparel retailing division of ABNL and Madura Lifestyle - the luxury branded apparel-retailing division of MGLRCL, were demerged from ABNL and MGLRCL respectively to the Company, to collectively form a division of the Company viz. Madura Fashion & Lifestyle division. Pantaloons format business forms another separate division of the Company (*“Pantaloons division”*).

g) Change of name (2016)

To reflect the enhanced scope of the operations, the name of your Company was changed from “Pantaloon Fashion & Retail Limited” to “Aditya Birla Fashion and Retail Limited” with effect from January 12, 2016.

GENERAL INFORMATION IN TERMS OF PART C, SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**(i) Twelfth Annual General Meeting for the Financial Year 2018-19**

Day and date	: Wednesday, August 21, 2019
Time	: 3:00 p.m.
Venue	: Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028

Voting

Cut-off date <i>(for determining the members eligible to vote)</i>	: Wednesday, August 14, 2019
Last date for submission of proxy	: Monday, August 19, 2019 <i>(upto 3:00 p.m.)</i>
E-voting period	
Commences on	: Sunday, August 18, 2019 <i>(at 9:00 a.m.)</i>
Ends on	: Tuesday, August 20, 2019 <i>(at 5:00 p.m.)</i>

(ii) Financial Year

Your Company follows April-March as the financial year.

Meeting Calendar for the financial year ending March 31, 2019

- a) **Board Meetings**
Dates of the meetings of the Board of Directors, held for consideration of quarterly/ half- yearly/ annual financial results for the financial year ended on March 31, 2019, have been disclosed as a part of the Corporate Governance Report forming part of this Annual Report.
- b) **Annual General Meeting**
Details of the Annual General Meeting are as disclosed above.

Tentative meeting calendar for the financial year ending March 31, 2020

a) Board Meetings	
For considering	Month
Results for the quarter ending June 30, 2019	July/ August, 2019
Results for the quarter and six months ending September 30, 2019	October/ November, 2019
Results for the quarter and nine months ending December 31, 2019	January/ February, 2020
Results for the quarter and year ending March 31, 2020	April/ May, 2020
b) Annual General Meeting: August, 2020.	

(iii) Dividend payment date

Not Applicable.

(iv) Stock exchanges where securities of the Company are listed**(a) Equity shares**

Stock exchange	Stock code
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	535755
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	ABFRL

(b) Non-convertible debentures

Unsecured, rated, redeemable, non-convertible debentures ("NCDs") of face value of ₹ 10,00,000/- each issued by the Company from time to time, are listed on BSE, details of which are as under:

Year of issue	Series	Scrip code	ISIN	Principal amount (₹ in Crore)	Date of maturity	Debenture Trustee
2013	2 ⁽¹⁾	949235	INE647O08024	100	22-May-18	Axis Trustee Services Limited 2 nd Floor 'E', Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Phone: +91 22 2425 5215/5216 Fax: +91 22 2425 4200 Email id: debenturetrustee@axistrustee.com
2016	1 ⁽²⁾	953898	INE647O08032	200	12-Apr-19	
	2	954050	INE647O08040	300	31-May-19	
	3	955053	INE647O08057	400	20-Apr-20	
2017	4 ⁽³⁾	955876	INE647O08065	260	17-Jun-21	
2018	5	958228	INE647O08073	300	14-Aug-21	

Notes:

- (1) Redemption of Series 2 NCDs was due on May 22, 2018. Accordingly, the principal amount alongwith the interest at the rate of 9.20% p.a. of the said NCDs has been duly paid.
- (2) Redemption of Series 1 NCDs was due on April 12, 2019. Accordingly, the redemption amount has been duly paid.
- (3) Redemption of Series 4 NCDs was due on June 17, 2021. However, pursuant to the exercise of put option by the NCD holders, the Company has duly paid the redemption amount on September 17, 2018 i.e. the put date.

(v) Credit ratings

There was no change in the credit ratings of the Company during the financial year.

As on March 31, 2019, the Company had the following credit ratings:

Type of instrument issued by/ on behalf of the Company	Amount (In ₹ Crore)	Credit rating		
		CRISIL Limited	ICRA Limited	India Ratings & Research
Total Bank Loan Facilities	1,250	CRISIL AA/Stable	[ICRA] AA	-
NCDs Series 1 - 2016	200	CRISIL AA/Stable	[ICRA] AA	-
NCDs Series 2 - 2016	300			
NCDs Series 3 - 2016	400			
NCDs Series 5 - 2018	300			Provisional IND AA/ Stable
Commercial Paper	1,250	CRISIL A1+	[ICRA] A1+	IND A1+
Overall Rating	-	-	-	IND AA

(vi) Designated depository

In terms of circular no. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018, issued by Securities and Exchange Board of India ("SEBI"), your Company has appointed Central Depository Services (India) Limited ("CDSL") as the "Designated Depository" for the purpose of monitoring of Foreign Investment limits on behalf of the Company.

(vii) Payment of annual listing fees

Annual listing fees for the financial year 2019-20 have been paid to both the stock exchanges.

(viii) Stock market price data

The stock market price data and volume of the Company's equity shares traded on the BSE and NSE during the financial year 2018-19 were as under:

Month - Year	BSE				NSE			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Total traded volume (No. of shares)	High (in ₹)	Low (in ₹)	Close (in ₹)	Total traded volume (No. of shares)
April - 2018	155.00	143.00	146.30	69,85,612	155.85	143.00	146.75	1,98,43,616
May - 2018	159.30	138.85	148.50	15,83,808	159.40	139.05	148.30	1,73,60,547
June - 2018	148.20	135.15	138.40	7,04,203	148.40	135.05	138.00	56,23,037
July - 2018	144.60	132.15	140.75	9,86,558	144.80	132.10	140.15	62,48,735
August - 2018	215.55	142.05	198.80	1,31,29,974	215.75	141.55	198.50	8,14,35,125
September - 2018	210.50	161.20	182.90	20,94,333	211.00	160.25	183.50	1,92,28,145
October - 2018	201.00	168.30	180.50	15,50,265	203.80	167.55	180.10	1,60,53,545
November - 2018	202.50	178.00	180.95	33,63,888	202.80	179.25	181.05	1,98,40,309
December - 2018	213.40	176.70	202.40	49,49,461	213.25	175.00	202.50	2,24,63,051
January - 2019	219.00	193.40	209.45	66,46,113	219.95	194.05	209.50	2,38,38,607
February - 2019	229.00	203.60	225.20	27,06,616	229.70	203.00	225.30	1,96,97,678
March - 2019	236.45	216.00	220.95	17,72,653	236.90	215.70	220.35	1,51,34,712

Source: BSE and NSE websites.

Closing price of your Company's equity shares and the market capitalisation as on the last trading day of the financial year 2018-19 i.e. March 29, 2019, were as under:

Particulars	BSE	NSE
Closing price (in ₹)	220.95	220.35
Market capitalisation (in ₹ Crore)	17,052.22	17,005.91

(ix) Stock performance

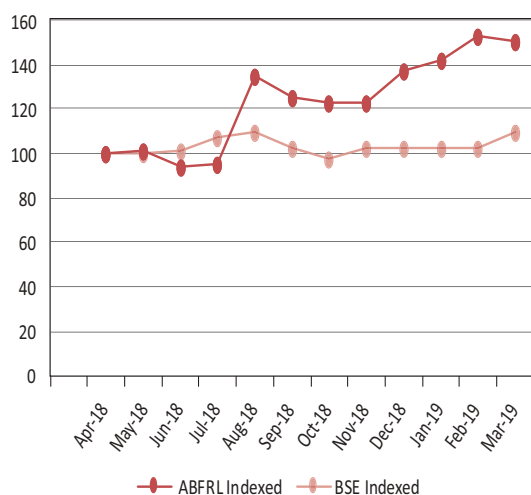
Performance in comparison to broad-based indices viz. NSE CNX Nifty and BSE SENSEX during the financial year 2018-19 were as under:

Month - Year	ABFRL		BSE		NSE	
	NSE closing price (in ₹)	Indexed	SENSEX (in ₹)	Indexed	CNX Nifty (in ₹)	Indexed
April - 2018	146.75	100.00	35,160.36	100.00	10,739.35	100.00
May - 2018	148.30	101.06	35,322.38	100.46	10,736.15	99.97
June - 2018	138.00	94.04	35,423.48	100.75	10,714.30	99.77
July - 2018	140.15	95.50	37,606.58	106.96	11,356.50	105.75

Month - Year	ABFRL		BSE		NSE	
	NSE closing price (in ₹)	Indexed	SENSEX (in ₹)	Indexed	CNX Nifty (in ₹)	Indexed
August - 2018	198.50	135.26	38,645.07	109.91	11,680.50	108.76
September - 2018	183.50	125.04	36,227.14	103.03	10,930.45	101.78
October - 2018	180.10	122.73	34,442.05	97.96	10,386.60	96.72
November - 2018	181.05	123.37	36,194.30	102.94	10,876.75	101.28
December - 2018	202.50	137.99	36,068.33	102.58	10,862.55	101.15
January - 2019	209.50	142.76	36,256.69	103.12	10,830.95	100.85
February - 2019	225.30	153.53	35,867.44	102.01	10,792.50	100.49
March - 2019	220.35	150.15	38,672.91	109.99	11,623.90	108.24

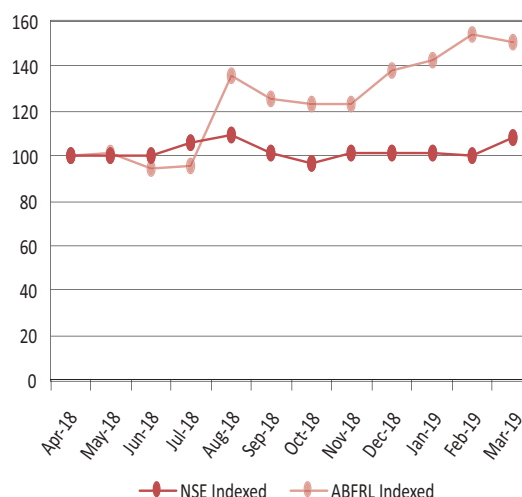
Source: BSE and NSE websites.

BSE Sensex vs. ABFRL Share Price (Indexed)



Source: BSE and NSE websites.

NSE Nifty vs. ABFRL Share Price (Indexed)



(x) Distribution of shareholding as on March 31, 2019

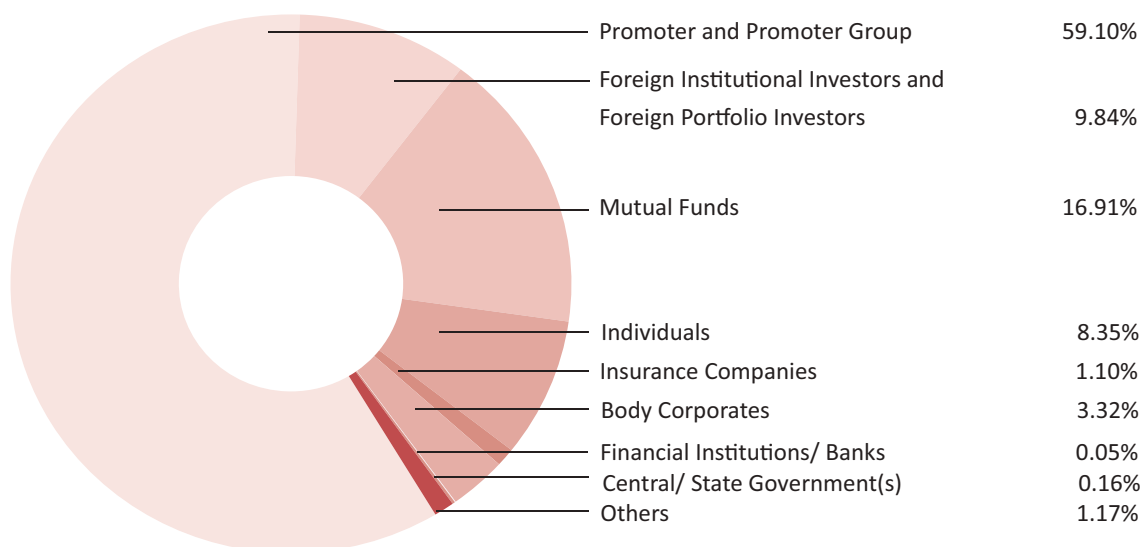
Range of no. of shares held	No. of folios	% of folios (falling under this range)	Total shares held (by shareholders falling under this range)	% of shares held
1 to 500	1,30,196	80.50	1,35,63,690	1.75
501 to 1000	16,970	10.49	1,18,39,217	1.53
1001 to 2000	8,044	4.97	1,13,13,358	1.46
2001 to 3000	2,507	1.55	62,08,735	0.80
3001 to 4000	1,122	0.69	39,11,585	0.51
4001 to 5000	658	0.41	29,84,596	0.39
5001 to 10000	1,264	0.78	86,96,323	1.12
10001 and above	965	0.60	71,49,63,956	92.43
Total	1,61,726	100.00	77,34,81,460	100.00

Category-wise shareholding pattern of the Company as on March 31, 2019

Category	No. of shareholders ⁽¹⁾	No. of shares	%
Promoter and Promoter Group	19	45,71,64,117	59.10
Public	1,56,294	31,63,17,343	40.90
Mutual Funds	38	13,08,02,386	16.91
Foreign Institutional Investors and Foreign Portfolio Investors	154	7,61,47,553	9.84
Individuals	1,46,844	6,45,92,179	8.35
Body Corporates	1,307	2,56,90,390	3.32
Insurance Companies	6	84,75,577	1.10
Central/ State Government(s)	5	12,01,080	0.16
Financial Institutions/ Banks	49	3,90,662	0.05
Others	7,891	90,17,516	1.17
Total	1,56,313	77,34,81,460	100.00

Note:

(1) Consolidated on basis of Permanent Account Number (PAN).



(xi) Dematerialisation of shares and liquidity

As on March 31, 2019, 98.78% of the total issued equity share capital of the Company i.e. 77,34,98,313 equity shares, was held in dematerialised form with NSDL and CDSL under International Securities Identification Number ("ISIN") - INE647O01011.

The break-up of equity shares held in dematerialised and physical mode, is as under:

Particulars	As on March 31, 2019		As on the date of this Report	
	No. of shares ⁽¹⁾	% of total issued capital	No. of shares	% of total issued capital
Physical	84,67,317	1.09	98,59,141	1.27
Dematerialised mode ⁽²⁾ :	76,33,00,837	98.69	76,36,22,319	98.72
NSDL	64,94,83,355	83.97	64,97,71,711	84.00
CDSL	11,38,17,482	14.71	11,38,50,608	14.72
Total	77,17,68,154	99.78	77,34,81,460	99.99

Note:

(1) Excludes 17,13,306 equity shares which were allotted by the Company during the year under review, however, the corporate action/dispatch of share certificate was effectuated after March 31, 2019.

(2) Entire shareholding of the promoter and promoter group is in dematerialised form.

(xii) Unclaimed shares

During the year under review, no shares were credited to the Unclaimed Shares Suspense Account of the Company ("suspense account").

As on March 31, 2019, total number of 8,83,000 equity shares of ₹ 10/- each were lying in the said suspense account and details of which is as under:

Particulars	No. of shareholders	No. of shares
Outstanding at the beginning of the year	5,578	8,90,655
Shareholders who approached the Company and to whom shares were transferred during the year	22	7,655
Outstanding at the end of the year	5,556	8,83,000 ⁽¹⁾

Note:

(1) Voting rights on these shares shall remain frozen till the rightful owners of such shares claims the shares.

As the shares lying in the said suspense account are resulting out of allotments made pursuant to the merger activities of the Company, they shall be released as and when released by transferor companies i.e. Future Retail Limited and Aditya Birla Nuvo Limited (now Grasim Industries Limited). Such shareholders may also approach the Company/ Registrar and Transfer Agent of the Company ("RTA"), with their correct particulars and proof of their identity for crediting requisite shares from the said suspense account to their individual account.

(xiii) Reconciliation of share capital audit

As stipulated under regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, as amended, M/s. Dilip Bharadiya & Associates, Company Secretaries, carry out a quarterly audit for the purpose of reconciliation of the total issued capital, listed capital and the capital held by the depositories in dematerialised form, the details of changes in the share capital during each quarter and the in-principle approval pending from stock exchanges with respect to such further issued capital, if any.

Further, an audit report issued in that regard is submitted to the stock exchanges, NSDL and CDSL on quarterly basis and the same is also placed before the Board.

(xiv) Outstanding Global Depository Receipts ("GDRs")/ American Depository Receipts ("ADRs")/ warrants or any convertible instruments, conversion date and likely impact on equity

Your Company has not issued any GDRs/ ADRs/ warrants/ convertible instruments and hence, there are no outstanding GDRs/ ADRs/ warrants or any convertible instruments pending for conversion as on March 31, 2019.

(xv) Commodity price risk/ foreign exchange risk and hedging activities

Your Company does not engage in commodity hedging activities. The foreign currency exposure of the Company, in respect of its imports, borrowings and export receivables, is hedged as per the Forex Policy of the Company. The Company uses a mix of various derivative instruments like forward covers.

(xvi) Investor service and grievance handling mechanism

A robust mechanism is established by your Company which ensures efficient service to the investors, pro-active handling of investor correspondences and redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA, through its investor service centres which are spread across the country.

Quarterly review by the Board and Audit Committee

The Board of your Company and its audit committee review the status of investor complaints on a quarterly basis.

Six-monthly/annual review by the Stakeholders Relationship Committee ("SRC")

SRC has been constituted specifically to look into various aspects of interest of shareholders, debenture holders and other security holders. The SRC meets once/twice in a year to deliberate on various matters with respect to stakeholders of the Company.

Details of complaints received during the financial year 2018-19 alongwith their status as on March 31, 2019, have been disclosed separately in the Corporate Governance Report forming part of this Annual Report.

(xvii) Share transfer system

The Board has entrusted SRC with the power and authority to deal with the matters pertaining to transfer, transmission, dematerialisation of shares etc.

During the year under review, the share transfers were processed within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. RTA of your Company ensured compliance with all the procedural requirements with respect to transfer, transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates. Further, as stipulated under regulation 40(9) of the SEBI Listing Regulations, the RTA also obtained half-yearly certificates in that regard from M/s. Dilip Bharadiya & Associates, Company Secretaries and the same were duly filed with the stock exchanges.

SEBI has, vide its circular no. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and notification no. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 has mandated that post April 1, 2019, the requests for effecting transfer of securities (*except in case of transmission or transposition of securities*) shall not be processed unless the securities are held in the dematerialised form with the depositories.

Therefore, shareholders are requested to take action to dematerialise their shareholdings, promptly. However, investors are not barred from holding shares in physical form.

Transfers in electronic form are much simpler and quicker as the shareholders have to approach their respective depository participants and the transfers are processed by NSDL/ CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

(xviii) Company's recommendations to the shareholders**a. Dematerialisation of shares**

Shareholders may consider converting their physical holdings into dematerialised form and avail the benefits of dealing in shares in demat form, such as immediate transfer of shares, no stamp duty payable on transfer of shares held in dematerialised form and avoidance of risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries.

Also, in accordance with the amendments to regulation 40 of SEBI Listing Regulations, requests for effecting transfer of listed securities shall be processed only if the securities are held in dematerialised

form, thereby curbing the risks of fraud and manipulation in physical transfer of securities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors.

Accordingly, shareholders holding shares in physical can contact the RTA/ Company for assistance in converting their holdings to demat form.

b. Intimate/ update contact details

Shareholders are requested to update/ intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, with necessary documentary evidence, to the Company/ RTA, if shares are held in physical mode or to their depository participant ("DP"), if the holding is in electronic mode.

c. Furnish/ update bank account particulars with the Company/ DP

SEBI has, vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, made it mandatory for all the companies to use the bank account details furnished by the depositories and the bank account maintained by the RTA for payment of dividend in electronic mode.

Shareholders holding shares in physical form may submit the particulars of their bank account alongwith the original cancelled cheque bearing their name, to RTA/ Company, to update their bank account details. Shareholders holding shares in demat form may update their bank account details with their respective DP.

This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid events such as postal delays and loss in transit.

d. Updation of KYC details

As per SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, efforts are underway to update the PAN and bank account details of the shareholders and communications in that regard have been sent by the Company to the eligible shareholders. Shareholders are requested to furnish their PAN, which will help the Company to strengthen compliance with KYC norms and provisions of the Prevention of Money Laundering Act, 2002.

Further, in terms of the provisions of SEBI Listing Regulations, it is mandatory to furnish a copy of PAN card to the RTA/ Company with respect to all requests pertaining to transfer of shares, deletion of name, transmission of shares and transposition of shares.

e. Updation of details by non-resident shareholders

Non-resident Indian shareholders are requested to immediately inform the Company/ RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode, regarding change in the residential status on return to India for permanent settlement and/or the particulars of the NRE account with a bank in India, if not furnished earlier.

f. Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services, shareholders who have more than one folio/ demat account in the same order of names, are requested to consolidate their holdings under one folio/ demat account. They may write to the RTA/ DP in that regard. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor and service multiple folios/ demat accounts.

g. Submit Nomination Form

Shareholders shall avail the facility of nomination in respect of shares held by them pursuant to the provisions of section 72 of the Companies Act, 2013, to ensure that their shares are transmitted to their respective nominees without any hassle. Shareholders desiring to avail this facility/ change an existing nomination, may send their nomination in the prescribed Form no. SH-13/ SH-14, duly filled-in to RTA at their address mentioned hereinbelow. Shareholders holding shares in demat form may contact their respective DPs for availing this facility/ change an existing nomination.

The said forms are available for download from the “Investors” section on the website of the Company i.e. www.abfirl.com.

h. Service of documents through electronic means

Your Company holds its green initiative in high regard. Pursuant to section 101 and 136 of the Act, companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the DPs. Accordingly, shareholders who have not registered their e-mail addresses so far, are requested to register the same, by submitting a duly filled ‘E-communication Registration Form’ available on the website of the Company i.e. www.abfirl.com, to RTA/ Company on its designated e-mail Id i.e. secretarial.abfirl@adityabirla.com.

i. Deal with registered intermediaries

Shareholders should transact through a SEBI registered intermediary, as it will be responsible for its activities and in case the intermediary does not act professionally, the matter can be taken up with SEBI/ stock exchanges.

j. Monitor holdings regularly

Demat account should not be kept dormant for a long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the shareholder holding shares in demat form is likely to be away for a long period of time, such shareholder can make a request to the DP to keep the account frozen, so that there can be no debit to the account till the instruction for freezing the account is countermanded by the shareholder.

k. Mergers and demergers

Details of mergers and demergers are available on the website of the Company i.e. www.abfirl.com. Shareholders may also send a request to the Company for availing the said details by sending an e-mail to secretarial.abfirl@adityabirla.com and/or a request letter to the RTA/ Company at their respective address provided hereinbelow.

(xix) Plants of the Company with their locations

1. Madura Clothing (*Crafted Clothing*)

No. 527, Marasur Village, Anekal Taluk, Bengaluru - 562 106, Karnataka

2. Madura Clothing (*Fashion Craft*)

No. 324, Marasur Village, Anekal Taluk, Bengaluru - 562 106, Karnataka

3. Madura Clothing (*Europa Garments*)

Survey No. 62/2A, 62/2B, Parappana Agrahara, Off Hosur Road, Begur Hobli, Naganathapura, Bengaluru - 560 100, Karnataka

4. Madura Clothing (*Classical Menswear*)

No. 288/2, Dodda Begur, Bommanahalli, Bengaluru - 560 068, Karnataka

5. Madura Clothing (*English Apparels*)

No. 52/2, Bilvaradahalli, Jigani Hobli, Anekal Taluk, Bengaluru - 560 083, Karnataka

6. Madura Clothing (*Haritha Apparels*)

Survey No. 42/2, 43, Basavanapura, Mayaganahalli, Kasaba Hobli, Ramanagara Taluk and District - 562 159, Karnataka

7. Madura Clothing (*Alpha Garments*)

No. 10/1, Byatarayanapura Jakkur Layout, Bellary Main Road, Bengaluru - 560 064, Karnataka

8. Madura Clothing (Little England Apparels)

Survey No.#569/1,569/2B,570,606,853/1, Kurbarapalli village Doddaubanur Post, Denkanikotte Taluk, Thally - 635 118, Tamil Nadu

9. Bilteek Fashion

Plot No. A-4, A-5, A-6, Apparel Park Industrial Area, Sy.No. 29 and 31, Arehalliguddadahalli, Kasaba Hobli, Doddaballapur Taluk, Bengaluru - 561 203

10. Aditya Birla Fashion and Retail Limited - Odisha

IDCO Plot No. H2, H3, H4, H5, H5(P) and H6 Bomikhal, Mancheswar Industrial Estate, Bhubaneswar, Odisha - 751 010

(xx) Store locations of the Company

Your Company also has multiple stores spread across India. You may please refer the back inner cover page of this Annual Report for the city-wise break-up of stores of the Company plotted on the map of India.

(xxi) Address for correspondence

- All shareholders correspondence should be forwarded to Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company or to the Company Secretary at the registered office of the Company at the addresses mentioned below.
- The Company's dedicated e-mail address for shareholders complaints and other communications is secretarial.abfrrl@adityabirla.com.
- As stated in the SEBI circular dated March 26, 2018, whereby SEBI has issued new policy measures with respect to SEBI Complaints Redress System (SCORES), shareholders are requested to approach the Company directly at the first instance for their grievances.

Registrar and Share Transfer Agent**Link Intime India Private Limited****Unit: Aditya Birla Fashion and Retail Limited**

C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083

Phone : +91 22 4918 6270

Fax : +91 22 4918 6060

E-mail : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

Registered office**Aditya Birla Fashion and Retail Limited**

701-704, 7th Floor, Skyline Icon Business Park,
86-92, Off A. K. Road, Marol Village,
Andheri East, Mumbai - 400 059, Maharashtra

Phone : +91 86529 05000

Fax : +91 86529 05400

E-mail : secretarial.abfrrl@adityabirla.com

Website : www.abfrrl.com

(xxii) Feedback

Your feedback is valuable to us to help us serve you better. Shareholders are requested to give us their valuable suggestions, if any, for enhancement of our investor services by writing to RTA/ Company at the address provided hereinabove.

SUSTAINABILITY AND BUSINESS RESPONSIBILITY REPORT

BUILDING SUSTAINABLE BUSINESSES AT THE ADITYA BIRLA GROUP

At the Aditya Birla Group, we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations. We define a “Sustainable Business” as one that can continue to survive and thrive within the growing needs and tightening legal and resource constraints of a “Sustainable World”. We believe that this means that as we go forward towards the constrained operating environments of 2030 and 2050, that for a continued “Sustainable World”, it can increasingly only contain “Sustainable Businesses”.

To achieve our Group vision, we are innovating away from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the next three decades. It is in our own interests to mitigate our own impact in every way we can, as this is a direct assistance to creating a sustainable planet. It also prepares us for further mitigation and the need to adapt to a world that is a full two degrees or even three or four hotter than today.

We began our quest with the question, “If everyone and every business followed the law as written today, is the planet sustainable?” We quickly concluded that around the year 2050, when the Earth’s population reaches an estimated 9 Billion, climate change, water scarcity, pollution, biodiversity loss and an overload of waste, if left unchecked, would set the planet on a possibly irreversible unsustainable course. It is, therefore, intuitive that leaders must find ways to transform industries such that international bodies can codify and governments can legislate over time to reduce the damage, and it is imperative that the Aditya Birla Group remains ahead of the curve.

The first step of our programme to build sustainable businesses is focused on increasing the capability of our business management systems. Under this programme called “Responsible Stewardship”, we try to move from merely complying with current legal standards to conforming to the international standards set by the global bodies of the International Finance Corporation (*IFC*), the Organisation for Economic Cooperation and Development (*OECD*), the International Standards Organisation (*ISO*), Occupational Health and Safety Assessment Series (*OHSAS*), the Global Reporting Initiative (*GRI*), the Forestry Stewardship Council and others. To support our businesses in this endeavour, we have created the Aditya Birla Group’s Sustainable Business Framework of Policies, Technical Standards, and Guidance Notes to give our leaders, managers, employees and contract employees the chance to train, learn, understand, and apply improvement techniques to help our businesses reach higher standards of performance. Our Group Sustainable Business Framework is currently certified to 14 international standards (<http://sustainability.adityabirla.com/>). So far, we have had much success with respect to reductions in accidents, energy use, water use, and have implemented our first biodiversity plans. Our programme to achieve the World Business Council for Sustainable Development’s Water and Sanitation and Hygiene pledge (*WASH*) to ensure that we provide safe drinking water, sanitation and hygiene in all our operations has resulted in our building over 600 new bathrooms, many for women and differently abled people. Each of these achievements helps reduce and mitigate our impact on the planet, and are imperative to building the sustainable business platform for our future.

If we are to create fully sustainable business models and systems for the future, then “Responsible Stewardship” by itself is not enough. We need other components to help us with a greater transformation. We need to understand the global mega-trends and their effect on us; geographically, physically, technologically and how the legal system (*including regulations and tax*) will need to change in order to motivate business to create a sustainable world. Our performance will need to be improved further to meet the changes needed to mitigate and adapt to these external factors. By talking to our strategic stakeholders knowledgeable in these issues, we can scan the horizon to better understand their likely risk to our business. With this information, we enhance our business models, strategies and risk profiles in order to “Future Proof” them and our value chains in the medium to long term. Since only “Sustainable” business can exist in a Sustainable World then a Sustainable Value Chain can also only contain these businesses, and so, it becomes imperative to map our value chains to look for vulnerabilities. Our goal is to create not only Sustainable Businesses but Sustainable Value Chains, of which we can be a key member. We are helping our leaders to understand which external changes might heavily influence our value chains and business models in the future and what might be expected of our products and brands. For example, the world will need businesses that are able to mitigate and adapt to climate change, with robust and sustainable supply chains that are also

impervious to all external forces that will inevitably begin to affect us in the future. To build sustainable businesses will take time, particularly when we consider some of our very complex value chains, but by pushing to be a leader today, we are giving our businesses the best possible chance of achieving long-term success, not only for ourselves but also for our value chains and, hence, for our planet.

Business Sustainability Initiatives

We, at ABFRL, are putting seamless efforts in revolutionising the fashion space in India, by thinking differently. For us, sustainable business is “one that can continue to survive and thrive within the growing needs and tightening legal and resource constraints of a sustainable world”. We believe that a successful sustainability strategy requires participation of all business partners, suppliers, employees, customers, external sector experts, etc., and their active involvements to bring sustainability in their respective areas of business operations. Hence, we adopted a value chain approach to engage with all the stakeholders, and streamline our efforts to minimise social and environmental impacts.

Yesterday

Beginning with the launch of ReEarth in 2012, we initiated our journey with an operational efficiency approach, wherein we focused on our own operations across manufacturing units, warehouses, retail stores and corporate offices. We believed in gaining complete understanding on the current scenario of ABFRL's environmental and social performances. The ten missions (*under the ReEarth mission*) were formulated to firstly arrive at a baseline, followed by targets to be achieved by 2017. While the missions made progress, with measuring, baselining, enhancing, we also extended our actions to our suppliers, through collaborations and assessments. Our own operations were stepped up with resource efficiency measures including renewable power, energy efficiency, rain water harvesting, recycle and reuse of treated water, zero waste to landfill, green building certifications, sustainable packaging, etc. Simultaneously, the ABFRL vendor code of conduct, the Higg Index was adopted for supplier sustainability. In addition, we also created milestones with innovative sustainable product creations. We also launched our maiden sustainability report in the year 2016-17, earmarking our public sustainability disclosure. ‘Yesterday’ was to achieve operational efficiency.



Today

Moving ahead, we think it is time to adopt an inclusive approach in our sustainability strategy. The transition will be from an operational efficiency approach to a life cycle approach, which will require complete transparency of the product value chain to understand hotspots and areas of red flags. While, we will continue to make progress and measure our energy, carbon, water, waste, safety, CSR, sustainable product and packaging; we will also create a synergy for upstream and downstream stakeholders to be integrated into our strategy. ‘Today’ is transitioning to a product-centric life-cycle approach.

Tomorrow

Going forward, we are striving towards shifting from value-chain approach to product-centric approach, where product will be the fulcrum of our sustainability strategy. Product-life-cycle approach will help us in identifying key focus areas for improvement, developing interventions for each life cycle stage of the product and incorporating overall product sustainability; including upstream and downstream operations. 'Tomorrow' will be product centricity.

Summary of the missions, respective targets and status for the financial year 2018-19 is provided below. Detailed disclosures on the activities under these missions are covered in the Annual Sustainability Report, financial year 2018-19.

Energy

At ABFRL, in our pursuit is to enhance energy productivity and inject more green energy in our energy utilisation, we have devised strategy covering two focus areas, i.e., Energy Efficiency and Renewable Energy.

The target for **energy efficiency in FY 2018-19 was to reduce 5% in the consumption of grid electricity**, against which **we have achieved a saving of 9.27% i.e. 51.40 Lakh units (KWh), which resulted in reduction of 4215 tCO₂ emissions (PFRL Division)** through installation of energy efficient fixtures, upgradation of existing facilities and environment friendly designing of new facilities and retail stores. The **second target for FY19 was to reduce 15% in the consumption of grid electricity through renewable energy**, against which **we have achieved 12% i.e. 11.34 Lakh units (KWh) through the solar rooftop generation, across 4 factories and 1 warehouse which resulted in reduction of 930 tCO₂ emissions.**

In addition to the ongoing initiatives, in line with our vision to become an environmentally responsible company, we are exploring a solar group captive model under renewable energy and remote energy management systems under energy efficiency to increase share of renewable energy and enhance energy efficiency, respectively.

We have invested ~ ₹ 4 Crore in the energy mission, which has enhanced energy productivity and also enabled a shift towards renewable energy. **By 2020, we aim to reduce purchase of grid electricity by 12% through energy efficiency and by 25% through renewable energy.**

Water

The apparel industry is highly water intensive, and we believe in playing a proactive lead role in adopting **Water Stewardship** as a key focus area. At ABFRL, we are implementing sustainable solutions to address water consumption needs and to capture as much rain water as feasible. In the journey of moving towards achieving water-neutrality status across our own operations by 2020, we have devised a strategy and action plan.

In addition to the Goal 2020, we have also adopted year-on-year targets i.e. a) **Recycle and reuse** and b) **Renewable water**. For the year 2018-19, the **first target was to recycle and reuse 80% of water, against which we have achieved 73% i.e. 85.37 '000 m³ of water (MFL division)**, through initiatives such as strengthening waste water recycling systems, installation and expansion of sewage treatment plants, across our own facilities. Our second target for the **FY 2018-19 was to withdraw 50% of water from renewable sources, against which we have achieved 37% i.e. 43.26 '000 m³, (MFL division)** through installation of rainwater harvesting with artificial recharge systems, across our own facilities.

We invested ~ ₹ 0.77 Crore in the water mission to mitigate our risk associated with water scarcity, and we have also improved our water management performance, in the process.

Waste

At ABFRL, for waste management, we follow a **two-pronged strategy, i.e. firstly, to reduce overall waste and encourage circularity and secondly, to encourage safe disposal**. By 2020, we aim to achieve **'Zero Waste to Landfill across our own operations'**.

We perceive waste management as an opportunity of value creation, not only for the business but also for the stakeholders associated with. With this objective, **we have carry forwarded pilot programme 'Zero Waste Retail Stores', which was initiated in January 2018, across 100+ retail stores in Bangalore.** The aim of the pilot was to quantify the waste generated, establish waste traceability, source segregation and enhancing the scope of recycling in across our operations. Through this initiative, **64 tons of waste was collected and diverted from the landfill.** Through this pilot we were also able to establish an ecosystem for responsible waste management and employment opportunities. Also, through our streamlined waste management approach we continue to ensure **'Zero Waste to Landfill across all our own facilities'.**

WASH

Our commitment in creating and promoting safe, sustainable drinking water and sanitation, and hygiene at work and beyond has been reaffirmed by signing WBSCD WASH Pledge. **By 2020, ABFRL aims to enhance employee morale and productivity by providing safe and hygienic workplaces and maintaining 100 per cent compliance to WASH pledge.**

We are compliant to the WASH standards and have monitoring and reviewing mechanisms in place to ensure compliance. Annually, we conduct a deep dive exercise assessing current compliance to WASH pledge and addressing gaps, if any. In the FY 2018-19, our facilities have been assessed by the Group Sustainability Cell, and attained **93% compliance to WASH pledge guidelines.**

Green building

ABFRL's focus on green buildings is in synergy with its energy, carbon, waste and water missions. Green buildings are those that have been built and operated in an environmentally conscious manner throughout its life by reducing or eliminating negative impacts and amplifying its positive impacts on the climate and natural environment.

In FY 2018-19, two of our manufacturing facilities, spread across 4.21 Lakh square feet, were certified 'SILVER' by the Indian Green Building Council under the Green Factory rating system.

At ABFRL, we look forward to developing retail stores that will have minimum environmental footprints. A pilot will be conducted with select stores developed as model stores, and the learnings will be implemented across all our stores. **By 2020, ABFRL aims to achieve Green Building Certification for more than 15 Lakh square feet area of its built footprint.**

Sustainable products and packaging

At ABFRL, **we are committed to deliver responsible products to our consumers**, which is being developed sustainably at each stage of the product life cycle. Our commitment to give back more than what we take from the earth drives and guides sustainability performance of our products. Our products are designed and developed with a dedication to conserve and rejuvenate the environment through their entire life-cycle, and, at the same time, are good for our customers' health and safety, and for the society.

Product design and development is a comprehensive approach towards analysing the design from the perspective of sustainability and taking informed decisions while selecting the components of the product, based on their sustainability performance. ABFRL uses "Sustainable Attributes" concept as a measuring tool for product sustainability. Sustainable attributes are of five categories i.e. sustainable raw materials, sustainable production, sustainable packaging, sustainable factories and people. **We aim to produce '100% products by volume to have at least one sustainability attribute'.**

Our sustainable packaging strategy takes into consideration components such as **packaging design, quality, elimination of pollutant packaging, reduction of waste and substituting through recyclable/reusable material** for both - products as well as transport packaging. **By 2020, ABFRL aims to use 100% sustainable packaging.**

We continuously engage and collaborate with our vendors to establish a culture where we all are driven by the ethos - **‘exceeding the expectation of the customer’**. To assess vendor sustainability performances and compliance a vendor code of conduct is in place and this year, it has been extended across the business ensuring 100% coverage. This structured code of conduct which is aligned with the ABG framework, globally established sustainability, legal and statutory requirements, law of the land and requisite compliances of the sectors. It serves as a document for suppliers to lay down the guidelines for their environmental and social management action plans. It is also utilised to assess our supplier’s compliance with environmental, social and legal provisions. **We aim to establish 100% traceable and transparent supply chain in the near future.**

While the sustainability agenda was being developed, product responsibility was being implemented using a mission approach. However, going forward, keeping our future sustainability strategy in mind, **product will become our prime focus and all sustainability initiatives will revolve around it.**

Safety

Safety has always been one of our key focus areas, and our goal is to achieve ‘zero severity level 5 incidents at workplace’ by the year 2020. In our effort towards instituting organisation-wide culture of safety in our business operations, this financial year i.e. 2018-19, we have released ABFRL Safety Policy. This policy will assist our organisation in taking collaborative efforts towards achieving our safety goals and targets.

From ensuring safe operations, we are striving towards bringing a behavioural change across operation, and thereby establishing a conducive environment, which is healthy and safe, from ensuring safe operations. This financial year, we have carried out safety assessments across our retail space and facilities, both through internal and external teams. To enhance safety management systems, we have reviewed the existing ‘Incident Reporting Structure’ and also rolled out ‘Incident Reporting Policy’ across our own operations. This year, we have initiated ‘Safe Model Stores’ concept, where the stores are assessed on all essential safety aspects as per the statutory requirements. National Safety week has been celebrated across ABFRL business to bring safety awareness and positive safety culture among employees. Various activities like Safety Quiz were organised for retail; and ‘Facilities, Safety’ pledge was taken by store and facilities employees.

Work environment assessment for noise level, illumination and dust level have been conducted across our Facilities. Based on this assessment, engineering controls and personal protective equipment are provided to eliminate and/or mitigate the dust and noise exposure levels to employees and also adequate lights have been provided in all the operation areas as per the standards.

Continuing our efforts in capacity building, we have conducted safety workshops, covering topics such as emergency preparedness, fire safety and also mock drills, across our retail operations and facilities. Emergency Response Team across operations have been formed and trained on handling emergencies and first aid for injuries, identifying unsafe conditions and reporting.

In FY 2018-19, there were ‘6’ lost time injuries with 0.30 LTIFR and no fatalities in operations under our control.

Corporate Social Responsibility

ABFRL follows the Aditya Birla Group’s CSR Policy, which aims at reaching out to under-served communities and a firm conviction in the Trusteeship concept, which entails transcending business interests and working towards making a meaningful difference to those communities. Our vision is “to actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better and sustainable way of life for the weaker sections of society, and raise the country’s human development index”. ABFRL has put in robust systems to ensure effective and ethical implementation.

BUSINESS RESPONSIBILITY REPORT

ABFRL is committed to becoming a leading sustainable apparel company in Asia by 2020. At ABFRL, sustainability is integrated across the entire value chain, from our own operations to our vendors, and final retailers and customers.

The ABG Sustainability framework built on three broad pillars i.e. Responsible Stewardship, Stakeholder Engagement and Future Proofing, guiding us to plan and act on ever shifting and resource constraint value chain.

Under the aegis of the Aditya Birla Group's sustainability vision, we have developed our 'Re-Earth' programme, to design a roadmap that will align with the Group level sustainability policies and international frameworks. The Re-Earth movement focuses on creating a future-ready organisation, which can pre-empt imminent challenges and address the needs of all stakeholders.

Re-Earth Vision Statement:

'We are committed to give back more than what we take from our ecosystem'

We present our third Business Responsibility Report (BRR) in line with the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business as released by the Ministry of Corporate Affairs in July 2011. This Report is prepared as per regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the circular bearing ref. no. CIR/CFD/CMD/10/2015 dated November 4, 2015 issued by the Securities and Exchange Board of India (SEBI) and showcases the sustainability efforts taken by the Company during the financial year 2018-19.

Section A: General information about the Company

1	Corporate Identity Number (CIN)	:	L18101MH2007PLC233901
2	Name of the Company	:	Aditya Birla Fashion and Retail Limited
3	Registered address	:	701-704, 7 th Floor, Skyline Icon Business Park, 86-92 Off A. K. Road, Marol Village, Andheri (East), Mumbai - 400059
4	Website	:	www.abfirl.com
5	E-mail ID	:	secretarial.abfirl@adityabirla.com
6	Financial Year reported	:	2018-2019
7	Sector(s) that the Company is engaged in (<i>industrial activity code-wise</i>)	:	Apparel and retail
8	List three key products that the Company manufactures/provides (<i>as in the Balance Sheet</i>)	:	Apparel and accessories - Menswear, womenswear and kidswear
9	Total number of locations where business activity is undertaken by the Company	:	More than 375 cities across 26 states
10	Markets served by the Company: State, National, International	:	26 states across India and the Middle East

Section B: Financial details of the Company

- Paid-up capital: ₹ 7,73,48,14,600
- Total turnover: ₹ 8,117.72 (*Amount in Crore*)
- Total profit after taxes: ₹ 321.22 (*Amount in Crore*)
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: 0.62% (₹ 1,99,70,849)
- List of Activities in which expenditure (*in point 4 above*) has been incurred:
 - Education: 19,098 beneficiaries through various initiatives that include School Transformation Project (*Panvel*), Academic Support Centres (*Focus/Model Villages*), career guidance programme for students, notebooks, computers and other education aids support, special coaching classes for rural girls and support to continuing education for rural dropout girls.

- Health and sanitation: 1,32,624 beneficiaries through - pulse polio immunization, eye camps, school health camps, dental camps, specialised health camps such as cancer awareness and screening camps, WASH programmes, awareness on disease prevention like malaria, dengue, typhoid, etc.
- Sustainable livelihood: 406 youth were coached at a skills training centre as part of the Kaushalya initiative.
- Water and watershed: 25,473 beneficiaries through - water purifier plant, rain-water harvesting at government schools, construction/renovation of community ponds, bore well recharge pits and water campaigns.
- Digitisation: 9,692 beneficiaries through – computer literacy training centres and smart classrooms at government schools and village information centre.

Section C: Other details

1. Does the Company have any subsidiary company/companies?
No.
2. Do the subsidiary company/companies participate in the BR initiatives of the parent Company?
Not applicable.
3. Do any other entity/entities that the Company does business with participate in the BR initiatives of the Company?
Not applicable.

Section D: BR information

1. Details of director/directors responsible for BR

- a) Details of the director/directors responsible for implementation of the BR policy/policies:

DIN Number : 01842066

Name : Mr. Ashish Dikshit

Designation : Managing Director

- b) Details of the BR head:

Sr. no.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Dr. Naresh Tyagi
3	Designation	Chief Sustainability Officer
4	Telephone number	080-67271000
5	E-mail ID	naresh.tyagi@abfirl.adityabirla.com

2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

- a) Details of compliance (Reply in Y/N)

Sr. no.	Questions	Business ethics	Product life responsibility	Employee well-being	Stakeholder engagement	Human rights	Environment	Policy advocacy	Inclusive growth	Customer value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	N

Sr. no.	Questions	Business ethics	Product life responsibility	Employee well-being	Stakeholder engagement	Human rights	Environment	Policy advocacy	Inclusive growth	Customer value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	N	Y	N
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	N
5.	Does the Company have a specified committee of the Board / Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	N
6.	Indicate the link for the policy to be viewed online?	http://www.abfirl.com/#investors (Codes & Policies)	NA	http://www.abfirl.com/#investors (Codes & Policies)	http://www.abfirl.com/#investors (Codes & Policies)	NA	NA	NA	http://www.abfirl.com/#investors (Codes & Policies)	NA
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	The policy has been communicated to relevant internal stakeholders, and to external stakeholders on a need basis.	Y	Y	The policy has been communicated to relevant internal stakeholders, and to external stakeholders on a need basis.	The ABG Policies on Environment, Health and Water Stewardship have been communicated to relevant internal stakeholders, and to external stakeholders on a need basis. Also, in this financial year Sustainability Policy and Safety Policy have been released, and communicated to all relevant stakeholders.	NA	Y	The policy has been communicated to relevant internal stakeholders, and to external stakeholders on a need basis.
8.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	N	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	NA	N	N

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)

Sr. no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principle	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-

Sr. no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	It is planned to be done within the next six months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next one year	-	-	-	-	-	-	-	-	-
6.	Any other reasons (please specify)							While ABFRL does not have a stated policy on Policy Advocacy; as part of the Aditya Birla Group, we actively undertake need-based advocacy on issues pertaining to the industry through our membership of relevant industry bodies, such as Retail Association of India (RAI) and Clothing Manufacturers Association of India (CMAI).	-	While ABFRL does not have a stated policy on Customer Value, aspects such as overall well-being of the customers and the society at large, product labelling, safe use of product, impact of use of product on the environment and grievance resolution are captured in our other policies, such as Product Stewardship Policy, Safety Policy, Health Policy, Environment Policy and Human Rights Policy

3. Governance related to BR

- i. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company - within 3 months, 3-6 months, annually or more than 1 year:**
Annually
- ii. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
Yes, since 2016 ABFRL publishes BRR report.
We are working on publishing the Sustainability Report for FY 2018-19.

Link to FY 18 BRR:

http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2018.pdf

Section E: Principle-wise performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

Good governance is the common underlying principle for all successful organisations. To ensure transparent communication and ethical conduct at all levels of the value chain, we adhere to three policies which form the cornerstone of our operations and ensure business continuity in a responsible manner. All policies are communicated to ABFRL's employees upon joining and are displayed on the Company website as well. There are regular policy refreshers being conducted for employees around the year.

- **Anti-Fraud Policy:** Frauds can be detected, prevented and deterred in the day-to-day business of the Company.
- **Whistle Blowers Policy:** Adopted at the ABG level, this policy is a provision for disclosures or demonstration of evidence of an unethical activity or any conduct that may constitute breach of the Group's/Group Company's Code of Conduct or Group Values.
- **Company Code of Conduct:** Signed by the board members and senior managers of the Company, it requires every employee to observe the highest standards of ethical conduct and integrity, and work to the best of their ability and judgement.

The above described policies also extend to the Shareholders, Consultants, Vendors, Suppliers, Service Providers, Contractors, Lenders, Borrowers, Outside Agencies and other parties having a business relationship with the Company.

The Whistle Blowers Policy ensures adherence to ABFRL's Value Framework and Code of Conduct. This covers value violations, violation of the Code of Conduct and fraud. Some typical categories of cases that get reported include - Pilferage, Manipulation in Gift Voucher Redemption, Misuse of Employee Discount Card/Payback Card, Inappropriate

Behaviour, Misrepresentation of Information, Conflict of Interest and other types of fraud. The designated Value Committee Members conduct the investigation as defined in the Whistle Blowers Policy.

Of 166 cases reported in FY 2018-19, all cases have been investigated and resolved.

Sustainability Digital Dashboard

To provide a digital platform for data collection and data management, across business operations, enabling real time dashboard/report to the management for all sustainability missions with a holistic view, we have kick-started digitalisation process of sustainability data. As part of this project, we have mapped all relevant data sources and stakeholders covering the entire spectrum of sustainability i.e. all 10 sustainability missions along with regulatory and global reporting requirements. Following is the approach adopted for efficient deployment of digital dashboard.

1	As-is analysis	5	Deliberation on technical specification
2	Indicator and stakeholder mapping	6	Development of Digital Dashboard
3	Define organization structures with access controls	7	SOP development
4	Functional design	8	User acceptance test
		9	Roll-out of Digital Dashboard

Digital dashboard will enable us to disclose our real-time performance data with utmost transparency and reliability to our key stakeholders. The dashboard will constitute one-stop reporting, in depth analysis, facility-wise data break-up and built-in check and balance of sustainability data.

One-stop for information and reporting	Date transparency and accuracy
Real-time reporting	Streamlining retail date
Comparative analysis of historic data	Customised stakeholder report
Online interactive charts and reports	Built-in checks and balances

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

To create a sustainable product, **a process which is environmentally conscious, socially responsible, economically profitable and creates fair value for all stakeholders**, should be established. This enables adoption of product sustainability, since inception of the product. It does not only mean the adoption of new technology, processes and material but rethinking of the entire design and development process to reduce negative impacts of the product, across its life cycle.

As indicated earlier in this Report, going forward, we will transit to a product-centric approach for sustainability in its entirety. This transition will help us achieve our intent of creating sustainable fashion in its truest sense. The shift in focus will align all sustainability missions to the product, which is our central business focus as well. This shift will not only help us measure where we stand from a life cycle approach but will also help us identify key areas of focus for intervention.

Listed below are some of our key sustainability initiatives as part of product sustainability.

Higg Index

As the founding members of the Sustainable Apparel Coalition (SAC), Higg Index assessments are now a part of our key sustainability initiatives. Started in 2013, this year marks our sixth year of self-assessment for Brand and Facility Modules. The assessments include bringing together cross functional teams such as product, quality, sourcing, logistics, human resources, manufacturing and jointly discussing and identifying focus areas for improvement.

We have included People and Van Heusen innerwear brands as part of brand environment module assessment. Going forward, we intend to include all our fast fashion brands, as part of the Brand Environment Assessment. In FY 19, we pilot tested the Brand Retail Module with Brand Louis Philippe and shared our inputs with SAC for consideration and improvement.

Sustainability attributes

We continued to measure our product sustainability through sustainability attributes across raw materials, production, factories, people and packaging. We started with the intent to develop a measurement tool for product sustainability and arrived at a baseline in the previous years. In the financial year 2018-19, we have extended the concept to People and Van Heusen. Along with the extension, we worked on strengthening the accuracy and measurement system. Going forward, we aim to revisit our methodology and upgrade based on the global sustainability trends.

Sustainable products

Resonating with our sustainability agenda, we continued to make products that are sustainable in nature, both in the environment and social front. Earth Chinos, a product developed by Peter England, was selected as a case study by UN Environment. We voluntarily applied 'Guidelines' on product sustainability, developed by 'The One Planet Network' to present our case study and our sustainability claim about the product. The principles cover the following areas:

Reliability | Transparency | Relevance | Accessibility | Clarity | Behaviour Change and Longer-term Impact | Three - dimension of Sustainability | Collaboration | Multi-channel and Innovative Approach | Comparability

Packaging

Continuing our efforts to move towards 100% sustainable packaging by 2020, in the financial year 2018-19 benchmarking study on nine brands packaging material was conducted, which was followed by a detailed assessment of our packaging process for identification of hotspots or improvement areas. Also, as mentioned earlier, packaging assessment has also been extended to People and Van Heusen Innerwear brands in this financial year. We are in plan to assess the packaging consumption and material used in each phase of the product life-cycle to eliminate or substitute the plastic consumption.

Supply chain sustainability

We, at ABFRL, are committed towards integrating sustainability in our entire value chain. Our aim to become a leading sustainable brand in Asia, and to deliver sustainable products to our consumers is a major driver for taking an inclusive approach in revolutionising our value chain. Vendors are our key value chain partners and are a crucial part of our sustainability journey. We have moved beyond an audit-based approach, and our supplier development

activities involve sustainable collaboration, cooperation and engagement between ABFRL and our suppliers to ascertain responsible sourcing. The ABFRL Vendor Code of Conduct, Joint/Quality Improvement Programmes, Green Channel Partnership, Higg Index are some of the supply chain related initiatives.

Higg Index (Facility)

In the financial year 2018-19, we have extended Higg Index assessment to our new factory Little England Apparels. Also, in continuation to the efforts laid in previous years, we continued extension of the Higg Index Facility Module assessments to outsourced suppliers (*garment and textile*). In this year, we carried out site visits and documentation assessment for the strategic suppliers. The suppliers have appreciated the effort and have also implemented the recommendations provided for improving sustainability performance at their respective facilities. Both in-house and outsourced factories are assessed on Facility Environment Module (*FEM*) 3.0 in the online SAC portal this year. Going ahead, we plan to increase the number of suppliers to be assessed using the Higg Index.

Vendor Code of Conduct (COC)

The ABFRL Vendor Code of Conduct, which is based on Indian Factories Act, International Labour Organization (*ILO*) and SA 8000 standards, continues to be our sustainability vendor evaluation tool. While the COC is an audit, we do not stop with the evaluation process, we take it to the next level, where the vendors are provided support by identifying improvement areas and how it can be implemented. This way, it is a collaborative approach in bringing on board suppliers, on our sustainability journey and contribute to the same.

Quality/joint implementation programme

This year we continued with our quality/joint implementation programme being managed by the Vendor Development Cell and Product Development, Quality Assurance & Technical team. This year 5S, Six Sigma, Kaizen and other productivity improvement tools were on the focus to improve quality and productivity at the supplier's end.

Green Channel Partnership

The Green Channel Partnership, which is another initiative, where we work with key fabric suppliers to reduce lead-time, cost and improve efficiency. This helps us to procure fabric responsibly and establish long-term relationships with vendors.

Principle 3: Business should promote the well-being of all employees

Employees are the key asset of any company. It is our constant endeavour to provide a **safe, productive and positive environment** for our employees, thus supporting them, so that they are able to maintain a healthy work-life balance, and develop their professional as well as personal skills.

Professional work environment

Our 'Policy on Prevention of Sexual Harassment' (POSH) has been adopted across the organisation to ensure a work environment that is professional and mature, free from animosity, and one that reinforces the Company's value of integrity, that includes respect for the individuals.

POSH is applicable to all employees of ABFRL, as well as third parties or clients and vendors of the Company. The key features are:

- The policy adheres to the '**Vishakha**' guidelines, which entails the chairperson to be a woman, and the complaints committee to include majority women members.
- Guidelines for communication and redressal are clearly outlined.
- The policy is visible through the Company intranet, communicated via e-mail and posters, that have been placed across all offices and stores.

- Human Resources (HR) Department of the Company carries out awareness sessions, and ensures each new employee undergoes a training module on the same.
- All the POSH Committee Members undergo refresher training by external facilitator, once in a year.
- Cases reported under this policy include any form of unwelcome, sexually motivated behaviour (*whether directly or by implication*).
- Investigations are conducted by the designated POSH Committee Members as per the prescribed timelines.

All 33 cases reported in FY 18-19 have been investigated and resolved.

Work-life balance

In recognition of the importance, we place on work-life balance and ensuring a healthy workforce, we have undertaken **multiple initiatives for employees over FY 2018-19**. We provide an **Annual Health Check-ups** for headquarter employees. These are managed by a third party vendor, and focused on physicals, blood sugar, ECG, echocardiogram, x-ray, etc. A detailed health report is provided to all participants and a voluntary follow-up is carried out post-six months.

We have covered approximately **900+** employees in 2018-19. Post this, we carry out an analysis of the **Company Health Index (CHI)**, which is a consolidated report of all participants in the Health Check-ups Drive. This helps us finalise on areas that need attention and help us decide initiatives under each focus areas. Some of the initiatives include:

1. Wellness:

- Preventive health check-up for all employees including of contract workers.
- Eye camp - Mumbai and Bengaluru.
- Session by psychologist on mental health.
- Wellness talks on women's health, heart diseases, nutrition and fitness, etc.
- Stress management - Delhi and Mumbai.
- Yoga at work and zumba sessions.
- Art of Living session in factories.
- 'Santulan': ABG's employee online counselling service.

2. Diversity:

- Conducted diversity diagnostics at ABFRL through survey and focused group discussions.
- Launching a structured diversity agenda for ABFRL focusing on career sponsorships, career mentoring, resource groups, reviewed policy and infrastructural support for aiding the diversity at workplace.
- Refreshed maternity policy with support programmes like healthy pregnancy, phase back, transition guidance and career management support.
- Empanelment with crèche facility.
- Structured leadership development programme for high potential women "Springboard" catering to mid-senior level women to land them in senior level roles.
- Onus programme.

3. Fun at work initiatives:

- Madura Olympics: A three-month-long employee engagement event encompassing 32 events catering to sports and entertainment categories, witnessed a participation from 2,300+ employees.

4. Flexible work arrangements:

- Reviewed work from home options and promotion of initiatives by tweaking in the policy.
- Celebrated days like “Bring your Kids to Work” for parents to feel comfortable to get kids to work.

Beyond these, we also run creative campaigns and events that encourage our employees to live a healthier life, some of which are:

- We have a strict no smoking/tobacco policy within our premises.
- Vitamin H: Online portal run by ABG that keeps employees informed/educated about health tips and awareness campaigns.
- Conducted various talk sessions by senior doctors and nutritionists on health and wellness.

We also organise year-end programmes like EKO focused on bringing the team together and celebrating our journey through the year.

Continuous learning

Enhancing employee skills and optimising productivity has been one of our major focus areas and ABFRL has a comprehensive training framework to address the same. A need-based analysis is carried out to align training goals to business objectives and is finalised with top management as well as functional heads. Based on the analysis, a formative training calendar for the financial year is chalked out.

We believe in investing **strategically towards employee development**. Here are some of the initiatives:

- Introducing employees to global brands and their best practices. This has resulted in a motivated and inspired senior-mid level management team.
- In order to integrate growth and developmental opportunities for identified talent, the Company has set up talent management councils at three distinct organisation levels.
- We have defined talent management processes covering various levels. Many of the processes are driven by leadership through talent councils.
- Launch of ABFRL University that offers a plethora of training solutions to employees ranging from functional, behavioural and leadership trainings, etc.
- Specific training content has been developed for store managers.

These sustained efforts have borne favourable results. Succession readiness has gone up for mid-management employee levels during the FY 2018-19, due to hiring of Leadership Associate Programme (*LEAP*), STRIDE Programme (*NIFT and Business School*), Leadership Programme for the Experienced (*LEAD*), and mapping of external and group successors. Also, the effectiveness of formal classroom training being measured has shown improvement over the last two years.

Employee engagement

ABFRL has taken many initiatives for employee engagement and communication, some of which are:

- Madura Olympics, Retail Premier League and Year-end Knockout to improve on-ground employee engagement.
- Hosted a Carnival, catering to 2,500+ people, where employees were invited with families to enjoy the day.
- A structured communication framework and multiple forums for top-down, bottom-up and horizontal communication.

Freedom of association

An association of employees, which is for their betterment under the overall goals of the business, is given its due credit. At present, there is a management-recognised employee association in our factories, which covers 2.8% of our employee membership.

Workforce snapshot

Total number of employees (as of March 31, 2019)	:	23,269
Total number of employees hired on temporary/ contractual/ casual basis	:	15,393
Temporary/contractual	:	15,393
Casual basis	:	0
Number of permanent women employees	:	12,569
Number of permanent employees with disabilities	:	77

Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, etc.:

Sr. no.	Category	No. of complaints filed during the financial year 2018-19	No. of complaints pending as on March 31, 2019
1	Child labour, forced labour, involuntary labour	-	-
2	Sexual harassment	33	0
3	Discriminatory employment	-	-

Percentage of employees given safety and skill upgradation training during the year:

Sr. no.	Category	Skill upgradation
1	Permanent employees	83%
2	Permanent woman employees	93%
3	Casual/temporary/contractual employees	38%
4	Employees with disabilities	100%

On an average, **320 trainings** have been conducted on safety to create safety awareness. We conduct safety training every month, covering all our employees in factories, warehouses and retail stores. In FY 2018-19, we have conducted **7,410-man days** of safety training and topics covered in the trainings are listed below:

- Basic first aid
- Fire fighting
- Emergency preparedness
- Incident reporting
- Road safety awareness
- Personal protective equipment awareness

Sr. no.	Category	Safety
1	Total employees trained	7,621 no. / month

In view of enhancing our emergency preparedness, we have initiated training on basic first aid and fire fighting. We have identified personnel for ERT team across all facilities and retail stores, and provided them a professional “Basic First Aid” and “Fire Fighting” training.

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

A continuous and engaging dialogue leads to long-term, mutually enriching relationships. ABFRL invests in **engaging and cultivating these relationships** with its various stakeholders. We have also identified and mapped our internal and external stakeholders, which include:

- Shareholders
- Investors
- Employees
- Consumers
- Vendors
- Community
- Government and Regulators

As part of ABG as well as Aditya Birla Fashion and Retail Limited (ABFRL) community initiatives, the Company has also identified its **disadvantaged and vulnerable stakeholders**. Special initiatives taken by the Company to engage with these marginalised stakeholders are outlined in 'Principle 8' as part of the ABFRL's CSR initiatives.

Principle 5: Business should respect and promote human rights

ABFRL upholds the belief that all humans must be treated with dignity and respect. In order to ensure this, we protect human rights, not only within our premises but across our supply chains. Our policy on human rights is thus extended to vendors, suppliers and NGOs. Some of the steps that we have taken to safeguard human rights are:

- We prohibit child labour across all vendor sites. This is enforced and ensured through stringent and regular audit checks of vendors.
- Our '**Prevention of Sexual Harassment**' (POSH) Policy has been adopted on the Company-wide level to ensure the respect and dignity of all its employees. POSH is applicable not only to employees but also to third parties or clients and vendors of the Company.
- Going forward, the **implementation of the Code of Conduct (COC)** will lead to further strengthening of human rights protection across the value chain.

Principle 6: Business should respect, protect and make effort to restore the environment

At ABFRL, we are striving to provide every customer a sense of meaningful contribution in building a sustainable ecosystem, through resource neutral operations of closed-loop models, sustainable raw materials and enhanced transparency.

In line with this vision, we are consistently enhancing our environmental initiatives, some of which are:

- We closely monitor our operations to ensure adherence to environmental compliances and permissible limits and valid licences.
- We undertook benchmark assessment exercise against global players in apparel, leading companies in sustainability space and also government regulations to determine the need for strengthening current missions, and thereby ensure complete adherence to the policy. Insights from the analysis helped us in strategising in line with global trends.
- Our two manufacturing units have been recognised as Gold certified buildings by Indian Green Building Council rating system, this also fulfils the requirements of energy performance.
- Our risk management framework covers both business/financial risks (*managed by the management committee*) and Operational Risks (*managed by the risk steering committee*). This framework also captures environmental,

social and human risks. Risks are classified based on severity as well as probability of occurrence. They are reviewed on a quarterly basis, and an action and mitigation plan is developed accordingly.

- We have strengthened waste water recycling systems, installed rain water harvesting systems and water efficient fixtures across our own facilities.
- The Stack Emissions/Wastes Generated (*used oil, oil-soaked cotton waste*) and STP water generated by the Company are within the permissible limits stated by KSPCB and TNPCB.
- Along with our continuous efforts in energy conservations with initiatives like LED installations and enhancing operational efficiency, we have also made significant strides in the renewable energy space by commissioning solar rooftop plant across 4 factories and 1 warehouse.
- Other initiatives regarding the Company's efforts to lower environmental impacts in the value chain are mentioned in 'Principle 2' and details of some are provided in the summary of 'Business Sustainability Initiatives' section of this report.

No show cause/ legal notices have been received from Central Pollution Control Board/ State Pollution Control Board during the previous financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

In a continuously evolving world, it is imperative that we have a consistent dialogue with myriad stakeholders, who can have an impact on policy making. As we focus on excellence in clothing, we continue to **share our invaluable experience** to provide incisive insights and detailed inputs to key decision makers in planning better policies. We also learn from the **best practices of others**. Along with collaborations with various trade and industry associations, we are also members of Retail Association of India (RAI) and Clothing Manufacturers Association of India (CMAI).

While ABFRL does not have a stated policy on Policy Advocacy, as part of the ABG, we actively undertake need-based advocacy on issues pertaining to the industry through our membership of relevant industry bodies.

Principle 8: Business should support inclusive growth and equitable development

Our CSR spend was ₹ 2 Crore.

The CSR Committee of the Board sets the direction and focus areas for CSR Policies, Strategies, Programmes and initiatives. It also outlines the detail CSR budget and the CSR plan. This is presented and approved by the Board of Directors. The CSR Committee monitors the implementation of the initiatives that are approved by the Board.

ABFRL focuses its CSR initiatives under 5 pillars, i.e., Education, Health and Sanitation, Sustainable Livelihood, Water and Digitisation. ABFRL also strongly encourages voluntary employee participation in the CSR activities, and has a policy in place to facilitate this. Through employee volunteering, the expertise of individuals in the organisation helps enhance the scale, reach and effectiveness of our CSR initiatives. ABFRL undertakes CSR interventions in Karnataka, Tamil Nadu, Maharashtra and Odisha through its independent entity called Aditya Birla Fashion and Retail Jan Kalyan Trust (*ABFR Jan Kalyan Trust*). Some of the CSR initiatives we have undertaken are outlined below:

Education

School Transformation Project: The project started in June 2017 with a MoU signed with Panvel Municipal Corporation (PMC), to transform 11 Panvel Municipal Corporation Schools by improving the quality of Education (*access, retention and promotion rates*) and health. The programme ensures a quality learning environment for the students in the primary school to facilitate them to be at par with their age, appropriate academic skills and mobilise greater community participation to build strong linkages between community and the schools. Overall, in 2018-19, Project Panvel reached out to 8,072 beneficiaries.

As a part of this project, 11 support teachers were appointed in PMC schools. These support teachers, along with government teachers from the PMC schools, are provided with continuous trainings on activity-based teaching

techniques. Under extra-curricular activities, children's fairs were organised, in which over 1,970 children with their parents participated in different activities and 1,250 students were trained in self-defence in 11 schools.

Academic Support Centres: Academic Support Centres are run in 8 villages by trained community tutors for the underprivileged and mostly first generation learners of 1st to 7th standard. Classes are conducted every day to help the children reach the grade-specific competencies. 296 children have benefitted from the programme and have improved their academic performance. Before the intervention only 10 children were getting A+, and it has increased to 83, subsequent to our intervention.

In all the academic support centre, ABFR Jan Kalyan Trust has initiated Library programmes. Every Saturday community tutors distribute books and maintain a register in all 8 centres. 812 children are reading the books regularly and this has improved their reading habits.

Our initiative, "**Help Vidya Write**", has been ongoing over last 6 years. It is a notebook collection drive conducted by employee volunteers across ABFRL offices. In FY 2018-19, we supported 3,584 underprivileged students across 28 government schools.

"**Gyanarjan**" accords special coaching classes to the students of 10th to 12th Std., and prepares them for competitive exams, such as CET/ NEET. During the year, we engaged with two centres (*Channapattana Govt. Girl's PU College and Maharani Govt. Girl's Jr. College, Mysore*) covering 923 students. Up until now, this initiative has supported 3,493 rural girl students. Furthermore, personality development and career counselling programmes are also conducted for these students.

Through the "**Kasturba Gandhi Balika Vidyalaya**" (KGBV) programme, under the "Sarva Shiksha Abhiyan", we motivate underprivileged girls in continuing their education. At ABFRL, through the Aditya Birla Fashion and Retail Jan Kalyan Trust (*ABFR Jan Kalyan Trust*), we support 5 KGBV schools in Karnataka and Tamil Nadu. Here again, we organise special coaching classes for the core subjects (*Maths, Science and English*), benefitting 610 rural girl students. This was begun in 2011-12. As a result, the KGBV School, Byrapattana, is continuously achieving over 95% pass percentage in 10th exams.

We continued our support to 'Urban Poor Girls' in coordination with ROCKFUND (*a development organisation*), benefitting 73 students in FY 2018-19.

Health and Sanitation

The community health workers actively supported the Integrated Child Development Scheme (ICDS). They facilitated 88 mothers' meetings which benefitted 761 women. The topics covered in mothers' meetings were importance of institutional delivery, health and sanitation, etc.

ABFR Jan Kalyan Trust conducted several health camps for stakeholders belonging to different age groups.

Nine health camps in government schools of 8 villages were organised. The camps covered eye, dental and general check-ups. A total of 1,458 students got benefitted by the camps.

Specialised Health Camps (Cancer Awareness and Screening camps): During the year, 8 cancer awareness and screening camps for rural women were organised in collaboration with Cancer Care India. 642 women were benefitted from this initiative and 362 women underwent PAP test.

Nine eye camps were organised in villages; 2,029 beneficiaries from rural community attended these camps. 927 beneficiaries were supported with spectacles and 118 villagers went through cataract operation.

ABFR Jan Kalyan Trust supports the government officials in running Polio Vaccination drive in districts neighbouring Bangalore city. A total of 1,03,358 infants were immunised in 334 booths in Bangalore Urban and Ramanagara Districts.

Sustainable Livelihood**Kaushalya Project** (*The Skills Training Centre*)

This project aims to create and ensure sustainable livelihood opportunities to rural youths by providing them appropriate skills.

We continued to organise skill development programme in Data Entry Operator (DEO), Beauty and Haircare (BHC) and Retail operations and also introduced Basic Tailoring Course in FY 2018-19.

In 2018-19, 495 rural youth enrolled and underwent training in 25 batches, out of which 406 youth completed their training and certified and 329 students linked to sustainable livelihood opportunities.

Water and Watershed

Water purifying plant (*Water ATM*) was set up in Sollepura village during the year 2018-19. Previously, ABFR Jan Kalyan Trust has installed Water ATMs in Basavanapura and Rayasandra villages. Communities from neighbouring villages are also benefitted from these Water ATMs. 14,084 community members are currently the beneficiaries of these water ATMs.

Rain water harvesting support was established in 5 government schools at Rayasandra, Sollepura, Basavanapura, Hinnakki and Jakkur Layout ensuring the saving/recharge of approximately 75.03 kilo litres of water. Most of the schools are re-using water for hand wash, toilet use and kitchen garden.

In Sollepura and Marsur villages ABFR Jan Kalyan Trust renovated community ponds in cooperation with local panchayat and community members and ensured the saving/recharge of 2,545.2 kilo litres of water.

ABFR Jan Kalyan Trust constructed bore well recharge pits in Sollepura, Madiwala, Hinnakki and Billawaradahalli villages to save/recharge 7,200 kilo litres of water.

Digitisation

ABFR Jan Kalyan Trust has set up a Village Information Centre and Smart Classroom at Sollepura village. Basic computer education was introduced in Government primary schools of Basavanapura, Jakkur layout, Nyanapanahalli, Rayasandra and Sollepura villages.

The digitisation project reaches out to 9,692 beneficiaries.

Volunteering

Our volunteering initiatives have not only benefitted the communities in which they live and work, but also helped them build strong relationships. Employee volunteers have contributed 17,834 hours in FY 2018-19 in various activities like English teaching, blood donation, road safety awareness, tree plantation, flood relief, school painting, guest lectures, etc.

Our partners/collaborators include

- Gram Panchayats • Panvel Municipal Corporation • Sarva Shiksha Abhiyan • Government Schools and Anganwadis
- Cricket Association for the Blind in India • Cancer Care India • Narayan Netralaya • Edunet • MYRADA • ROCKFUND

Our investments

Our spending in CSR for the financial year 2018-19 was ₹ 2 Crore, reaching out to 1,87,293 beneficiaries through various initiatives.

Principle 9: Customer value

We believe that **customer-centricity** is key to long-term business sustainability. We strive to ensure that customer complaints (*if any*) are appropriately and promptly addressed to the satisfaction of our customers and consumers.

Our customer-centricity approach encompasses a gamut of **propositions**:

- We recognise our position as an influencer of public choice and values and therefore, ensure '**responsible advertising**', by eliminating bias, being political neutral and minimising ambiguity.
- We have created **strong competencies around brand building, product positioning and communicating** the brand USP to the potential customer segments.
- Beyond the label requirements mandated by local laws, all apparel product labels also **include information on raw materials utilised**. Further, instructions for wash and care are included to maintain durability of the products.
- '**Mission Happiness**' was launched to deliver a positive and uniform customer experience across all outlets and recently, has been extended to post-consumer use as well. Through an electronic interface, the consumer can provide a detailed feedback and rate their in-store experience, as well as provide their valuable insights on garment, post-usage. This feedback is rigorously monitored, and training is imparted to the employees to decode and respond to it. This initiative is supported by CRM initiatives such as loyalty programme, complaint resolution mechanism and training of retail sales staff.
- Through **Customer Voice Response System (CVRS)**, we handle customer complaints and transparency processes using the Online Complaints Management System. This encourages customers to share their experiences, feedback and complaints along with helping us identify opportunities of interventions in order to enhance customer satisfaction.
- For generating consumer feedback, we also use multiple data collection and research methodologies like **Top-down BEI and CVP**.
- ABFRL's '**Epic Centre**' has been started as a means of positively **leveraging social media** to manage brand image.

There have been no complaints received/ pending against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years as of March 31, 2019.

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Aditya Birla Fashion and Retail Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Goodwill: Impairment Evaluation (as described in Note 4 of the Ind AS financial statements)	
As disclosed in Note 4, goodwill amounts to ₹ 1,859.60 Crore as at March 31, 2019 and represents goodwill acquired through various business combinations and allocated to cash generating units of the Company. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when	Our audit procedures in respect of impairment evaluation of goodwill included the following: <ul style="list-style-type: none"> Obtained an understanding of the process followed by the management to determine the recoverable amounts of cash generating units to which the goodwill has been allocated.

Key audit matters	How our audit addressed the key audit matter
<p>there is an indication that the unit may be impaired. As disclosed in Note 4, impairment of goodwill is determined by assessing the recoverable amount of each cash generating unit to which the goodwill relates.</p> <p>The recoverable amount of the cash generating unit as at March 31, 2019 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a three-year period. Management of the Company has used an external specialist in assessing the recoverable amount of the cash generating unit based on value in use computation.</p> <p>We focused this area because of the judgmental factors involved in impairment assessment and the significant carrying value of the goodwill.</p>	<ul style="list-style-type: none"> Evaluated the objectivity and independence of the specialist engaged by the Company and reviewed the valuation reports issued by such specialist. Evaluated the model used in determining the value in use of the cash generating units. Evaluated the consistency of data used in the recoverable amount calculation with the financial budgets approved by senior management of the Company. Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units. Analysed the level of performance regards the business plan approved in the previous year, discussed with the management reasons for deviation as compared to such plan to and have assessed the assumptions used in the financial budgets for computation of value in use as at March 31, 2019. Involved valuation expert to assist in evaluating the assumptions around the key drivers of the cash flow projections including discount rates, expected growth rates and terminal growth rates used. Assessed the sensitivity analysis performed by the Company and the resultant change in the recoverable amount upon changes in assumptions. We also assessed the disclosures provided by the Company in relation to its annual impairment test in Note 4 to the financial statements.
Provision on inventories (as described in Note 11 and 38 of the Ind AS financial statements)	
<p>As at March 31, 2019, the Company held inventories of ₹ 1,921.28 Crore (net of provision of ₹ 270.91 Crore). Inventories are carried at lower of cost and net realisable value in accordance with the accounting policy of the Company.</p> <p>The Company makes provision for inventory based on policy, past experience, current trend and future expectations of these materials depending upon the category of goods.</p> <p>Significant judgement is required in assessing the appropriate level of the provision for slow moving and/or obsolete inventory. Accordingly, we have considered provision on inventories to be a key audit matter.</p>	<p>Our audit procedures to test the provision on inventories, included the following:</p> <ul style="list-style-type: none"> We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to inventory provision. We compared the methodology used to calculate the inventory provision and its consistency with prior periods and obtained an understanding of management justification for changes. We obtained inventory provision calculation from the Company and re-performed the calculation of the inventory provision as per the policy of the Company. For specific provisions made, on a sample basis we assessed the basis of such provision and also tested it with management approvals. For inventory on hand at the end of the period, we assessed on a sample basis, whether such inventory was recorded at the lower of cost and net realisable value by testing the cost for such sample inventory items to the most recent retail price.

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> We assessed the Company's disclosures concerning this in Note 38 on significant accounting judgements, estimates and assumptions and Note 11 Inventories to financial statements.
Provision for discount and sales returns (as described in Note 38 of the Ind AS financial statements)	
<p>Revenue from contracts with customer is recognized upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, based on contractually defined terms.</p> <p>In some cases, discounts estimated will be determined on sale of goods by the customers. Also, in certain cases the Company has contracts with customers which entitles them to right of return.</p> <p>At year end, amount of returns, and discounts that have been incurred and not yet settled with the customer are estimated and accrued.</p> <p>Estimating the amount of accrual at year-end is considered a key audit matter due to the judgements required to be made by management.</p>	<p>Our audit procedures to test the provision for discount and sales returns included the following:</p> <ul style="list-style-type: none"> Read and understood the Company's accounting policy for recognition and measurement of net sales revenue, including the policy for recording returns, and discounts by assessing compliance with Ind AS 115 'Revenue from Contracts with Customers'. Tested the estimate of returns and discounts related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable. Tested design and operating effectiveness of key controls for calculating, reviewing and approving returns and discounts. Analysed returns and discounts and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions. We assessed the Company's disclosures concerning this in Note 38 on significant accounting judgments, estimates and assumptions.
Recognition of Deferred tax assets, including Minimum Alternate Tax (MAT) credit entitlement (as described in Note 9 and 36 of the Ind AS financial statements)	
<p>Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.</p> <p>The Company's ability to recognise previously un-recognised deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the applicable tax laws.</p> <p>As at March 31, 2019 the Company has recognised total deferred tax assets of ₹ 194.56 Crore (including ₹ 21.84 Crore of Minimum Alternate Tax credit entitlement). The recognition of deferred tax asset is a key audit matter as its recoverability within the allowed time frame involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.</p>	<p>Our audit procedures to test the recognition of deferred tax assets (including MAT credit entitlement) included the following:</p> <ul style="list-style-type: none"> Read and understood the Company's accounting policies with respect to recognition of deferred taxes and for assessing compliance with Ind AS 12 "Income Taxes". Involved tax specialists who evaluated the Company's tax positions by assessing the prevalent tax laws and compared the current position with prior years, past precedents. Assessed the consistency of data used in the deferred tax assets amount calculation with the financial budgets approved by senior management of the Company. We compared the projections with past trends and enquired for the significant variations. We assessed the disclosures in Note 9 and 36 of the Ind AS financial statements in accordance with the requirements of Ind AS 12 "Income Taxes".

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report with respect to following sections but does not include the Ind AS financial statements and our auditor's report thereon.

- Letter to Shareholders from Chairman
- Report of the Board of Directors (includes Management Discussion and Analysis) only with respect to the following sections
 - o Business Overview
 - o Business Strategy
 - o Financial Performance and Analysis
 - o Risk Management
 - o Internal Control Systems and their Adequacy
 - o Share Capital
 - o Disclosure in terms of the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - o Corporate Governance Report

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 45 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vijay Maniar**

Partner

Membership Number: 36738

Place: Mumbai

Date: May 15, 2019

Annexure 1 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Aditya Birla Fashion and Retail Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (i) (b) All Property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (c) According to information and explanations given by the management, the title deeds of immovable properties, included in Property, plant and equipment are held in the name of the Company except for the following immovable properties other than self-constructed buildings aggregating to ₹ 6.05 crore which are held in the name of the demerged companies and is in the process of being transferred to the Company:

Total number of cases	Asset category	Amount as at March 31, 2019 (₹ in Crores)	Remarks
12	Freehold Land	5.92	Title deeds are in names of the companies whose divisions got merged with the Company and are pending to be transferred in the name of the Company.
1	Building (Flat)	0.13	

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/ services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues as applicable, have generally been regularly deposited with the appropriate authorities.
- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues were outstanding as applicable, at the year end, for a period of more than six months from the date they became payable.

- (vii) (c) According to the records of the Company, the dues of income-tax, service tax, sales-tax, custom duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Statute	Nature of dues	Unpaid Amount involved (₹ in Crores)*	Period to which the amount relates	Forum Where dispute is pending
Central Excise Act	Excise duty	1.86	May, 2001 to April, 2003	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Central Sales Tax Act	Central sales tax	0.01	2006-07	The Appellate Deputy Commissioner (CT), Secunderabad
Customs Act	Custom duty	2.04	1998-99	Supreme Court
Customs Act	Custom duty	0.50	2010	Commissioner - Appeal, Chennai
Gujarat Commercial Tax Act	Sales tax	2.26	2011-12	Joint Commissioner - JCCT(A), Ahmedabad
Central Excise Act	Excise duty	24.10	June – July, 2013	Commissioner of Central Tax, Bengaluru
Karnataka Sales Tax Act	Sales tax	0.01	2005-07	Joint Commissioner of Commercial Taxes - Appeal, Bengaluru
Karnataka Sales Tax Act	Sales tax	6.78	2012-13 to 2014-15	Joint Commissioner of Commercial Taxes - Appeal, Bengaluru
Karnataka Tax on Entry of Goods Act	Entry tax	0.02	2002-03 to 2004-05	Joint Commissioner of Commercial Taxes - Appeal- 1, Bengaluru
Kerala Commercial Tax Act	Surcharge	2.44	April, 2008 to June, 2017	Kerala High Court, Ernakulum
Kerala General Sales Tax Act	Kerala sales Tax	0.01	2004-05	Kerala Sales Tax Appellate Tribunal, Ernakulum
Kerala Commercial Tax Act	Goods and service tax	0.59	2017-18	Assistant Commissioner (Appeals) of State Goods and Service Tax Department, Kozhikode
Odisha Sales tax Act	Sales tax	0.74	2014-15	Joint Commissioner of Commercial Tax, Bhubaneswar
Odisha Sales tax Act	Sales tax	0.005	2002-03	Assistant Commissioner of Commercial Taxes, Bhubaneswar
Odisha Entry tax	Entry tax	0.001	2002-03	Assistant Commissioner of Commercial Taxes, Bhubaneswar
Textile Committee Act	Textile cess	0.59	1999-2005	Hon'ble High Court – Karnataka
Uttar Pradesh Commercial Tax	Value added tax	2.15	2009-10 to 2010-11	Deputy Commissioner of Commercial Taxes, Lucknow
Uttar Pradesh Commercial Tax	Value added tax	5.07	2011-12 to 2012-13	Additional Commissioner – Appeal, Lucknow
Uttarakhand Commercial Tax	Value added tax	0.92	2012-13 to 2014-15	Deputy Commissioner of Commercial Taxes, Dehradun
West Bengal Commercial Tax	Sales tax	0.05	2005-06 & 2013-14	Joint Commissioner Appeal - JCCT (A), Kolkata
West Bengal Commercial Tax	Sales tax	0.20	2011-12	Appellate and Revisional Board, Kolkata
West Bengal Commercial Tax	Sales tax	0.28	2015-16	Sr. Joint Commissioner, Kolkata
Madhya Pradesh Commercial Tax	Sales tax	0.24	2013-14 & 2015-16	Deputy Commissioner of Commercial Taxes, Indore
Income tax Act, 1961	Withholding tax	0.24	2011-12	Commissioner of Income Tax (Appeals), Mumbai

* The unpaid amount mentioned above is net of ₹ 45.74 Crore paid under protest.

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The Company does not have any borrowing from the government during the year.
- (ix) In our opinion and according to the information and explanations given by the management, monies raised by way of term loans and debt instruments were applied for the purposes for which those were raised. The Company has not raised any money way of initial public offer/ further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vijay Maniar**

Partner

Membership Number: 36738

Place: Mumbai

Date: May 15, 2019

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Aditya Birla Fashion and Retail Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Aditya Birla Fashion and Retail Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vijay Maniar**

Partner

Membership Number: 36738

Place: Mumbai

Date: May 15, 2019

ADITYA BIRLA FASHION AND RETAIL LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

		₹ in Crores	
	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	636.37	646.45
(b) Capital work-in-progress		22.39	45.89
(c) Goodwill	4	1,859.60	1,859.60
(d) Other intangible assets	4	59.51	76.25
(e) Financial assets			
(i) Investments	5	4.21	4.21
(ii) Loans	6	3.08	2.90
(iii) Security deposits	7	271.26	251.53
(iv) Other financial assets	8	1.06	1.15
(f) Deferred tax assets (net)	9	263.38	68.82
(g) Non-current tax assets (net)		16.20	18.75
(h) Other non-current assets	10	114.85	107.99
Sub-Total – Non-current assets		3,251.91	3,083.54
II. Current assets			
(a) Inventories	11	1,921.28	1,691.20
(b) Financial assets			
(i) Loans	12	5.42	4.69
(ii) Security deposits	13	80.19	69.20
(iii) Trade receivables	14	786.59	551.84
(iv) Cash and cash equivalents	15	57.19	72.56
(v) Bank balance other than the above	16	0.22	0.23
(vi) Other financial assets	17	133.81	27.99
(c) Other current assets	18	384.46	232.59
Sub-Total – Current assets		3,369.16	2,650.30
TOTAL – ASSETS		6,621.07	5,733.84

ADITYA BIRLA FASHION AND RETAIL LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

₹ in Crores

	Notes	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	19	773.48	771.69
(b) Other equity	20	655.40	321.42
Sub-Total – Equity		1,428.88	1,093.11
II. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	723.78	1,187.91
(ii) Deposits		81.22	73.45
(b) Provisions	22	115.21	121.14
(c) Other non-current liabilities	23	92.46	87.21
Sub-Total – Non-current liabilities		1,012.67	1,469.71
III. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	474.45	570.45
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	105.58	14.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	2,293.03	1,995.11
(iii) Deposits		111.34	89.02
(iv) Other financial liabilities	26	1,023.78	336.70
(b) Provisions	27	87.04	70.87
(c) Other current liabilities	28	84.30	94.66
Sub-Total – Current liabilities		4,179.52	3,171.02
TOTAL – EQUITY AND LIABILITIES		6,621.07	5,733.84
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/ E300003

per VIJAY MANIAR
Partner
Membership No.: 36738

For and on behalf of the Board of Directors

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

SUKANYA KRIPALU
(Director)
(DIN: 06994202)

ARUN THIAGARAJAN
(Director)
(DIN: 00292757)

JAGDISH BAJAJ
(Chief Financial Officer)

GEETIKA ANAND
(Company Secretary)

Place: Mumbai
Date : May 15, 2019

Place: Mumbai
Date : May 15, 2019

ADITYA BIRLA FASHION AND RETAIL LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Crores

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	29	8,117.72	7,181.41
II. Other income	30	64.78	32.81
III. Total income (I + II)		8,182.50	7,214.22
IV. Expenses			
(a) Cost of materials consumed	31a	604.21	664.16
(b) Purchase of stock-in-trade	31b	3,549.26	2,971.99
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	31c	(228.50)	(246.07)
(d) Employee benefits expense	32	913.02	772.33
(e) Finance costs	33	187.42	171.60
(f) Depreciation and amortisation expense	34	282.33	280.52
(g) Excise duty on sale of goods		-	9.34
(h) Rent expense	44	1,110.35	1,042.87
(i) Other expenses	35	1,615.31	1,498.51
Total expenses		8,033.40	7,165.25
V. Profit before tax (III – IV)		149.10	48.97
VI. Income tax expense			
(a) Current tax	36	21.84	-
(b) Deferred tax	36	(193.96)	(68.82)
		(172.12)	(68.82)
VII. Profit for the year (V – VI)		321.22	117.79
VIII. Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement gains/ (losses) on defined benefit plans		(1.72)	4.26
Income tax effect		0.60	-
Total other comprehensive income for the year		(1.12)	4.26
IX. Total comprehensive income for the year (VII + VIII)		320.10	122.05
X. Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2018: ₹ 10)]	37		
Basic (₹)		4.15	1.52
Diluted (₹)		4.15	1.52
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/ E300003

per VIJAY MANIAR
Partner
Membership No.: 36738

For and on behalf of the Board of Directors

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

SUKANYA KRIPALU
(Director)
(DIN: 06994202)

ARUN THIAGARAJAN
(Director)
(DIN: 00292757)

JAGDISH BAJAJ
(Chief Financial Officer)

GEETIKA ANAND
(Company Secretary)

Place: Mumbai
Date : May 15, 2019

Place: Mumbai
Date : May 15, 2019

ADITYA BIRLA FASHION AND RETAIL LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity share capital

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares of ₹ 10 each issued				
As at the beginning of the year	77,34,04,897	773.40	77,32,72,596	773.27
Exercise of Options (Refer Note - 43)	93,416	0.09	132,301	0.13
As at the end of the year	77,34,98,313	773.49	77,34,04,897	773.40
	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares of ₹ 10 each subscribed and fully paid				
As at the beginning of the year	77,16,93,984	771.69	77,05,27,154	770.53
Allotment to NR shareholders (Refer Note - 20)	16,94,060	1.69	10,34,529	1.03
Exercise of Options (Refer Note - 43)	93,416	0.09	1,32,301	0.13
As at the end of the year	77,34,81,460	773.48	77,16,93,984	771.69

B. Other equity

	Share application money pending allotment (Refer Note - 20)	Share suspense account (Refer Note - 20)	Reserves and surplus				Other comprehensive income	Total other equity
			Securities premium (Refer Note - 20)	Retained earnings (Refer Note - 20)	Share options outstanding account (Refer Note - 20)	Capital reserve (Refer Note - 20)	Remeasurement gains / (losses) (Refer Note - 20)	
As at April 1, 2017	-	2.74	759.89	(591.10)	2.99	21.69	(8.58)	187.63
Profit for the year	-	-	-	117.79	-	-	-	117.79
Allotted to NR shareholders during the year	-	(1.03)	-	-	-	-	-	(1.03)
Premium on exercise of Options	-	-	2.01	-	-	-	-	2.01
Re-measurement gains/ (losses) on defined benefit plans	-	-	-	-	-	-	4.26	4.26
Gross compensation for Options granted during the year	-	-	-	-	11.72	-	-	11.72
Transfer to Securities Premium on exercise of Options	-	-	-	-	(1.11)	-	-	(1.11)
Share application money received/ (allotted) towards exercise of Options	0.15	-	-	-	-	-	-	0.15
As at March 31, 2018	0.15	1.71	761.90	(473.31)	13.60	21.69	(4.32)	321.42
As at April 1, 2018	0.15	1.71	761.90	(473.31)	13.60	21.69	(4.32)	321.42
Profit for the year	-	-	-	321.22	-	-	-	321.22
Allotted to NR shareholders during the year	-	(1.69)	-	-	-	-	-	(1.69)
Premium on exercise of Options	-	-	1.62	-	-	-	-	1.62
Re-measurement gains/ (losses) on defined benefit plans	-	-	-	-	-	-	(1.12)	(1.12)
Gross compensation for Options granted during the year	-	-	-	-	14.74	-	-	14.74
Transfer to Securities Premium on exercise of Options	-	-	-	-	(0.72)	-	-	(0.72)
Share application money received/ (allotted) towards exercise of Options	(0.07)	-	-	-	-	-	-	(0.07)
As at March 31, 2019	0.08	0.02	763.52	(152.09)	27.62	21.69	(5.44)	655.40

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/ E300003

per VIJAY MANIAR
Partner
Membership No.: 36738

For and on behalf of the Board of Directors

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

SUKANYA KRIPALU
(Director)
(DIN: 06994202)

ARUN THIAGARAJAN
(Director)
(DIN: 00292757)

JAGDISH BAJAJ
(Chief Financial Officer)

GEETIKA ANAND
(Company Secretary)

Place: Mumbai
Date : May 15, 2019

Place: Mumbai
Date : May 15, 2019

ADITYA BIRLA FASHION AND RETAIL LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

		₹ in Crores	
	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities			
Profit before tax		149.10	48.97
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	34	282.33	280.52
Finance costs	33	184.63	166.86
Loss/ (profit) on sale of property, plant and equipment	35	1.36	2.45
Share-based payment to employees	32	14.74	11.72
Interest income	30	(0.41)	(5.52)
Net gain on sale of investments	30	(2.22)	(0.61)
Unrealised exchange (gain)/ loss		(0.44)	(0.09)
Expense/ (income) on financial assets/ liabilities that is not designated as at fair value through profit or loss		1.21	1.26
Provision for doubtful debts, deposits and advances	35	6.94	14.25
Bad debts written off	35	3.67	0.28
Operating profit before working capital changes		640.91	520.09
Changes in working capital:			
(Increase)/ decrease in trade and other receivables		5.42	(105.03)
(Increase)/ decrease in inventories		(353.43)	(259.95)
(Increase)/ decrease in other assets		(171.64)	(170.98)
Increase/ (decrease) in trade and other payables		392.46	551.03
Increase/ (decrease) in provisions		8.52	3.34
Increase/ (decrease) in other liabilities		24.96	57.59
Cash generated from operations		547.20	596.09
Direct tax paid		(19.59)	(0.97)
Net cash flow from operating activities		527.61	595.12
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and capital advance		(286.72)	(339.09)
Proceeds from sale of property, plant and equipment and intangible assets		7.54	11.97
Purchase of current investments		(960.61)	(475.74)
Proceeds from sale/ maturity of current investments		962.83	476.35
Purchase of non-current investments		-	(4.21)
Interest income	30	0.41	5.52
Net cash flow used in investing activities		(276.55)	(325.20)

ADITYA BIRLA FASHION AND RETAIL LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

			₹ in Crores
	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from financing activities			
Proceeds from issuance of equity share capital		0.93	1.18
Proceeds from non-current borrowings		300.00	20.00
Repayment of non-current borrowings		(362.59)	(12.89)
Proceeds from current borrowings		22.28	212.52
Repayment of current borrowings		(117.29)	(402.80)
Interest paid		(109.76)	(64.90)
Net cash flow used in financing activities		(266.43)	(246.89)
Net increase/ (decrease) in cash and cash equivalents		(15.37)	23.03
Cash and cash equivalents at the beginning of the year		72.56	49.53
Cash and cash equivalents at the end of the year	15	57.19	72.56
Components of Cash and cash equivalents			
Balances with banks – on current account		10.14	47.24
Balances with credit card companies		28.64	8.15
Balances with e-wallet companies		0.01	0.01
Cash on hand (Refer Note - 15)		18.40	13.30
Cheques/ drafts on hand		-	3.86
Total Cash and cash equivalents		57.19	72.56

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/ E300003

per VIJAY MANIAR
Partner
Membership No.: 36738

For and on behalf of the Board of Directors

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

SUKANYA KRIPALU
(Director)
(DIN: 06994202)

ARUN THIAGARAJAN
(Director)
(DIN: 00292757)

JAGDISH BAJAJ
(Chief Financial Officer)

GEETIKA ANAND
(Company Secretary)

Place: Mumbai
Date : May 15, 2019

Place: Mumbai
Date : May 15, 2019

Aditya Birla Fashion and Retail Limited**Notes to the financial statements for the year ended March 31, 2019****1. Corporate information**

Aditya Birla Fashion and Retail Limited (the “Company”), a public company domiciled in India, is incorporated under the provisions of the Companies Act, 1956. Its Shares are listed on two recognised Stock Exchanges in India. The registered office of the Company is located at 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A.K. Road, Marol Village, Andheri East, Mumbai – 400 059.

The Company is engaged in the business of manufacturing and retailing of branded apparels and runs a chain of apparels and accessories retail stores in India.

The financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 15, 2019.

2. Significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2018, read with Section 133 of the Companies Act, 2013 (“the Act”) and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

The financial statements are presented in Indian Rupee (INR) and all values are rounded to the nearest Crore, except when otherwise indicated. (₹ 1 Crore is equal to ₹ 10 Million)

2.2 Summary of significant accounting policies**(I) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(II) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents income and expenses which relate to the Company as a whole, and are not allocated to the segments.

Refer Note - 47 for segment information presented.

Inter-segment transfers

The Company generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(III) Fair value measurements and hierarchy

The Company measures financial instruments, such as derivatives, at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The carrying amounts of trade receivables, trade payables, capital creditors, and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The carrying value of loans, security deposits and investments are considered to be reasonably the same as their fair values. These are classified as level 2 fair values in the fair value hierarchy, due to the inclusion of observable inputs, including counter-party credit risk.

Fair value for measurement and/ or disclosure purposes in this financial information is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to the fair value, but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

(IV) Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances:

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also reclassified in OCI or the Statement of Profit and Loss, respectively).

(V) Revenue recognition

Effective from April 1, 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with modified retrospective approach. The following are new and / or revised significant

accounting policies related to revenue recognition. Refer Note 2.2 “Significant Accounting Policies,” in the Company’s 2018 Annual Report for the policies in effect for the revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue from contracts with customer is recognised upon transfer of control of promised goods / services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The property in the merchandise of third party concession stores located within the main departmental store of the Company passes to the Company once a customer decides to purchase an item from the concession store. The Company, in turn, sells the item to the customer and is accordingly included under Retail sales.

The Company has contracts with customers which entitles them the unconditional right to return. The Company has reclassified its contract assets and contract liabilities as required under Ind AS 115 and presented in the financial statements.

Assets and liabilities arising from rights to return

Right to return assets

A return right gives an entity a contractual right to recover the goods from a customer (return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company has therefore recognized refund liabilities in respect of customer’s right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Gift voucher sales are recognised when the vouchers are redeemed and the goods are sold to the customer.

The Company operates a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them to discount on future purchases. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value

of points is determined by applying a statistical analysis based on the historical results of the Company.

Revenue related to award points are deferred and recognised when points are redeemed. The amount of revenue is based on the number of points redeemed.

Income from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Interest income on all debt instruments is measured either at amortised cost or at fair value through OCI. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options), but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms, and is included in revenue in the Statement of Profit and Loss due to its operating nature.

(VI) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

(VII) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(VIII) Taxes on Income

Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable

income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. Deferred tax assets include MAT paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax

liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

According to Section 115JAA of the Income tax Act, 1961, MAT paid over and above the normal Income tax in a subject year is eligible for carry forward for fifteen succeeding assessment year for set-off against normal Income tax liability. The MAT credit asset is assessed against the entity's normal income tax during the specified period.

The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Current tax and deferred tax relating to items recognised outside the Statement of Profit and Loss are recognised outside the Statement of Profit and Loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(IX) **Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss, during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has used the following rates to provide depreciation on its tangible fixed assets:

(a) Assets where useful life is same as Schedule II

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Factory buildings	30 years
Fences, wells, tube wells	5 years
Borewells (pipes, tubes and other fittings)	5 years
Other office equipment	5 years
Electrical installations and equipment (at factory)	10 years

(b) Assets where useful life differ from Schedule II

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	15 years	20 years
Plant and machinery – showroom	15 years	5 – 6 years
Furniture and fittings – showroom	10 years	5 – 6 years
Motor cycles, scooters and other mopeds	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	3 years for end user devices and 6 years for servers	4 years
Furniture and fittings (other than showroom)	10 years	7 years
Office electrical equipment	5 years	4 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	8 years	5 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	5 to 6 years or period of lease, whichever is shorter
Leasehold improvements other than stores	Period of lease

Items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains/ losses.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(X) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss, in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

Goodwill

Goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Amortisation methods and periods

A summary of amortisation policies applied to the Company's intangible assets is as below:

Intangible assets	Useful life	Amortisation method used
Computer software	3 years	Amortised on straight-line basis
Goodwill arising on acquisition of business division through demerger and business combination	-	No amortization, tested for impairment
Brands/ trademarks	10 years	Amortised on straight-line basis
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	12 years	Amortised on straight-line basis over the period of franchise agreement

(XI) Impairment of non-financial 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 impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the

risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or group of CGUs to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

(XII) Leases

The determination of whether an arrangement is/ or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is/ or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases, where substantial portion of risk and reward of ownership are retained by the lessor, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over 5-6 years or the lease period, whichever is shorter.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

(XIII) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Statement of Profit and Loss are recognised immediately in the Statement of Profit and Loss.

All purchases or sales of financial assets are recognised and de-recognised on a trade-date basis. Regular

way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Statement of Profit and Loss, and is included in the 'Other income' line item.

(ii) Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

For the impairment policy on financial assets measured at amortised cost, refer note below.

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss. Interest earned is recognised under the Effective Interest Rate (EIR) model.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iv) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets:

The Company applies simplified approach of expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example: prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI, and is not reduced from the carrying amount in the Balance Sheet.

(b) Non derivative financial liabilities

(i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(2) Compound financial instruments:

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

(3) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to the Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Statement of Profit and Loss as 'Finance costs'.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs, because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with the impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

(iv) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments, and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

De-recognition of financial assets and financial liabilities

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (for example: when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss, if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Company de-recognises financial liabilities only when the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(XIV) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Statement of Profit and Loss when the hedge item affects the Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

(XV) Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion

of manufacturing overheads based on the normal operating capacity, but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates (Refer Note - 38).

(XVI) Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Refer Note - 38).

(XVII) Retirement and other employee benefits

(a) Defined contribution plan

The Company makes defined contribution to the Government Employee Provident Fund, which are recognised in the Statement of Profit and Loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(b) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity fund maintained by an independent insurance company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

(c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Statement of Profit and Loss.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(XVIII) Share-based payment

Employees of the Company receive remuneration in the form of equity-settled instruments and stock appreciation rights for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability using a binomial method. At the end of each reporting period until the liability is settled and at the date of settlement, the fair value of the liability is re-measured, with any changes in the fair value recognised in 'Employee benefits expense' in the Statement of Profit and Loss for the year.

(XIX) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding, during the period and for all periods presented, is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(XX) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet and for the purpose of the Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(XXI) Rounding off amounts

All amounts disclosed in the financial statements and in the notes have been rounded off to the nearest crore, unless otherwise stated.

(XXII) Standards issued but not yet effective**Ind AS 116 - Leases**

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 - Leases and related amendments to other Ind AS. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors;
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application i.e. April 1, 2019. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

Amendment to Ind AS 19 – Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 - Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

The effect on adoption would be insignificant in the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income tax treatments, which is to be applied while performing the determination of taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing, which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/ tax loss, tax bases, unused tax losses, unused tax credits and tax rates determined by applying this Appendix.

The effective date for adoption of Ind AS 12 Appendix C is accounting periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 - Income Taxes

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 - Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company does not have any impact on account of this amendment.

NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

									₹ in Crores
	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 1, 2017	5.92	13.87	134.14	144.40	71.54	296.13	118.25	7.39	791.64
Additions	-	0.45	21.56	141.16	24.97	166.70	11.60	5.33	371.77
Disposals	-	-	5.41	33.19	9.55	27.17	2.03	3.01	80.36
As at March 31, 2018	5.92	14.32	150.29	252.37	86.96	435.66	127.82	9.71	1,083.05
As at April 1, 2018	5.92	14.32	150.29	252.37	86.96	435.66	127.82	9.71	1,083.05
Additions	-	24.79	49.45	42.20	17.32	113.84	4.39	6.94	258.93
Disposals	-	-	15.26	27.18	1.98	39.63	2.11	3.52	89.68
As at March 31, 2019	5.92	39.11	184.48	267.39	102.30	509.87	130.10	13.13	1,252.30
Depreciation									
As at April 1, 2017	-	1.03	17.39	39.24	23.04	115.39	49.05	0.26	245.40
Depreciation for the year (Refer Note - 34)	-	0.60	17.83	84.28	25.26	117.75	8.56	2.86	257.14
Disposals	-	-	4.67	29.01	4.98	24.13	1.57	1.58	65.94
As at March 31, 2018	-	1.63	30.55	94.51	43.32	209.01	56.04	1.54	436.60
As at April 1, 2018	-	1.63	30.55	94.51	43.32	209.01	56.04	1.54	436.60
Depreciation for the year (Refer Note - 34)	-	1.03	47.83	54.57	25.07	119.84	8.65	3.12	260.11
Disposals	-	-	13.63	24.74	1.67	36.91	1.91	1.92	80.78
As at March 31, 2019	-	2.66	64.75	124.34	66.72	291.94	62.78	2.74	615.93
Net book value as at:									
March 31, 2019	5.92	36.45	119.73	143.05	35.58	217.93	67.32	10.39	636.37
March 31, 2018	5.92	12.69	119.74	157.86	43.64	226.65	71.78	8.17	646.45

Net book value

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	636.37	646.45
Total	636.37	646.45

* The title deeds of immovable properties, included in Property, plant and equipment above are held in the name of the Company except for freehold land (12 Cases) and Freehold building (1 Case) amounting to ₹ 5.92 Crore and ₹ 0.13 Crore respectively, which are held in the name of the demerged Companies and is in the process of being transferred to the Company.

NOTE: 4**GOODWILL AND OTHER INTANGIBLE ASSETS**

						₹ in Crores
	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Total
Cost						
As at April 1, 2017	1,859.60	19.89	50.34	2.18	33.81	1,965.82
Additions	-	8.00	10.41	-	-	18.41
Disposals	-	-	0.59	-	-	0.59
As at March 31, 2018	1,859.60	27.89	60.16	2.18	33.81	1,983.64
As at April 1, 2018	1,859.60	27.89	60.16	2.18	33.81	1,983.64
Additions	-	-	5.48	-	-	5.48
Disposals	-	-	0.08	0.34	-	0.42
As at March 31, 2019	1,859.60	27.89	65.56	1.84	33.81	1,988.70
Amortisation						
As at April 1, 2017	-	4.58	17.63	0.68	2.11	25.00
Amortisation for the year (Refer Note - 34)	-	2.33	18.25	-	2.80	23.38
Disposals	-	-	0.59	-	-	0.59
As at March 31, 2018	-	6.91	35.29	0.68	4.91	47.79
As at April 1, 2018	-	6.91	35.29	0.68	4.91	47.79
Amortisation for the year (Refer Note - 34)	-	2.92	15.86	0.62	2.82	22.22
Disposals	-	-	0.08	0.34	-	0.42
As at March 31, 2019	-	9.83	51.07	0.96	7.73	69.59
Net book value as at:						
March 31, 2019	1,859.60	18.06	14.49	0.88	26.08	1,919.11
March 31, 2018	1,859.60	20.98	24.87	1.50	28.90	1,935.85

Net Book Value

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Goodwill	1,859.60	1,859.60
Other intangible assets	59.51	76.25
Total	1,919.11	1,935.85

NOTE: 4A IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations has been allocated to the three Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired the Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

Madura Fashion & Lifestyle CGU

Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 1, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'. Both these divisions jointly comprise the Madura Fashion & Lifestyle CGU.

Forever 21 CGU

Effective July 1, 2016, the Company has acquired exclusive franchise rights for the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

For the purpose of Segment reporting, Madura Fashion & Lifestyle and Forever 21 CGUs have been aggregated to form one segment in accordance with Ind AS 108.

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Pantaloons CGU	1,167.55	1,167.55
Madura Fashion & Lifestyle CGU	627.67	627.67
Forever 21 CGU	64.38	64.38
Total	1,859.60	1,859.60

Disclosures with respect to Goodwill allocated to the CGUs which is significant with the entity's total carrying amount of goodwill

Value in use calculation of CGUs

The recoverable amount of the CGUs as at March 31, 2019, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three year period. The pre-tax

discount rate is applied to cash flow projections for impairment testing during the current year. The Company has estimated Free Cash Flow for the year ending March 31, 2022, and then have considered that as a base to arrive at the value of perpetuity beyond March 31, 2022, based on the H model. It was concluded that the fair value less costs of disposal does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

	As at March 31, 2019			As at March 31, 2018		
	Pantaloon CGU	Madura Fashion & Lifestyle CGU	Forever 21 CGU	Pantaloon CGU	Madura Fashion & Lifestyle CGU	Forever 21 CGU
Pre-tax discount rate	15.24%	17.92%	19.37%	15.22%	18.94%	14.25%

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Company's projection of business and growth of the industry in which the Company is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU. The growth rate of Forever 21 CGU considers the Company's plan to launch new stores/ expected same store growth and change in merchandise.

NOTE: 5

NON-CURRENT FINANCIAL ASSETS – INVESTMENTS

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Investments at fair value through OCI		
Unquoted equity instruments		
7,000 fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited (March 31, 2018: 7,000 equity shares)	4.21	4.21
Total	4.21	4.21
Aggregate book value of unquoted investments	4.21	4.21
Aggregate amount of impairment in value of investments	-	-

NOTE: 6

NON-CURRENT FINANCIAL ASSETS – LOANS

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	3.08	2.90
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	3.08	2.90

NOTE: 7**NON-CURRENT FINANCIAL ASSETS – SECURITY DEPOSITS**

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Security deposits		
Unsecured, considered good	271.26	251.53
Unsecured, considered doubtful	1.40	7.67
Provision for doubtful deposits	(1.40)	(7.67)
Total	271.26	251.53

NOTE: 8**NON-CURRENT FINANCIAL ASSETS – OTHERS**

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	1.06	1.15
Total	1.06	1.15

NOTE: 9**DEFERRED TAX ASSETS (NET)**

Deferred tax relates to the following:

	₹ in Crores			
	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation	41.07	-	(41.07)	-
Disallowance under Section 43B and 40(a) (ia) of the Income tax Act, 1961	53.32	-	(53.32)	-
Lease equalisation charges	35.18	-	(35.18)	-
Provision for the share-based payments	9.62	-	(9.62)	-
Loss as per income tax computations available for offsetting against future taxable income	92.97	68.82	(24.15)	(68.82)
MAT credit entitlement	21.84	-	(21.84)	-
Others	9.38	-	(9.38)	-
Deferred tax (income)/ expense			(194.56)	(68.82)
Net deferred tax assets/ (liabilities)	263.38	68.82		

Reflected in the Balance Sheet as follows:

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	263.38	68.82
Deferred tax liabilities	-	-
Deferred tax assets/ (liabilities) (net)	263.38	68.82

Reconciliation of deferred tax assets/ (liabilities) (net):**₹ in Crores**

	As at March 31, 2019	As at March 31, 2018
As at the beginning of the year	68.82	-
Tax (income)/ expense during the year recognised in profit and loss	(193.96)	(68.82)
Tax (income)/ expense during the year recognised in OCI	(0.60)	-
As at the end of the year	263.38	68.82

NOTE: 10**OTHER NON-CURRENT ASSETS****₹ in Crores**

	As at March 31, 2019	As at March 31, 2018
Capital advances	10.39	8.32
Prepayments	49.29	42.27
Advances to suppliers	-	0.22
Balances with government authorities (other than income tax)	54.71	57.13
Other receivables	0.46	0.05
Total	114.85	107.99

NOTE: 11**INVENTORIES****₹ in Crores**

	As at March 31, 2019	As at March 31, 2018
Raw materials	125.12	125.12
Includes Goods-in-transit ₹ 24.23 Crore (March 31, 2018: ₹ 17.76 Crore)		
Work-in-progress	18.38	17.57
Finished goods*	146.64	295.00
Stock-in-trade	1,621.24	1,245.19
Includes Goods-in-transit ₹ 5.83 Crore (March 31, 2018: ₹ 5.31 Crore)		
Stores and spares	1.36	1.16
Packing materials	8.54	7.16
Total	1,921.28	1,691.20

* Includes net of right to return assets of ₹ 123.35 Crore (March 31, 2018: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers (Refer Note - 17).

During the year ended March 31, 2019 ₹ 18.53 Crore (March 31, 2018: ₹ 68.74 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTE: 12**CURRENT FINANCIAL ASSETS – LOANS****₹ in Crores**

	As at March 31, 2019	As at March 31, 2018
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	5.42	4.69
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	5.42	4.69

NOTE: 13**CURRENT FINANCIAL ASSETS – SECURITY DEPOSITS**

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Security deposits		
Unsecured, considered good	80.19	69.20
Unsecured, considered doubtful	2.50	4.64
Provision for doubtful deposits	(2.50)	(4.64)
Total	80.19	69.20

NOTE: 14**TRADE RECEIVABLES**

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Trade receivables*	786.59	548.66
Receivables from related parties (Refer Note - 46)	-	3.18
Total	786.59	551.84

Break-up for security details:

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Secured, considered good	73.41	38.19
Unsecured, considered good	713.18	513.65
Trade receivables, which have significant increase in credit risk	-	-
Credit impaired	10.44	9.89
	797.03	561.73
Impairment allowance		
Credit impaired	(10.44)	(9.89)
	(10.44)	(9.89)
Total	786.59	551.84

* Includes refund liabilities of ₹ 251.12 Crore (March 31, 2018: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers (Refer Note - 26).

No trade or other receivables is due from directors or other officers of the Company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer Note - 46.

Trade receivables are generally non-interest bearing and on terms of 30 to 180 days.

Based on the risk profiling for each category of customer, the Company has not evaluated credit risk where the risk is mitigated by collateral. The Company has therefore evaluated credit risk for departmental, depletion, e-commerce customers. Any customer related specific information has been factored over and above the probability of default (PD). The Company uses provision matrix to determine impairment loss allowance on its portfolio of receivables. The provision matrix takes into account historical credit loss experience over the expected life of the trade receivables and is adjusted for forward-looking estimates/ information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

	Expected credit loss (%)		
	Departmental stores	Depletion key accounts	E-commerce B2B
Not due	0.11%	1.93%	0.04%
0-90 days	0.21%	6.02%	0.12%
91-180 days	0.40%	6.64%	0.18%
181-270 days	0.51%	9.52%	0.19%
271 - 365 days	0.57%	10.67%	0.20%
1-2 years	0.57%	10.67%	0.20%

Ageing of receivables on which impairment allowance of doubtful debts is applied:

	As at March 31, 2019		
	Departmental stores	Depletion key accounts	E-commerce B2B
Not due	78.38	34.63	26.00
0-90 days	85.50	-	0.80
91-180 days	31.66	-	-
181-270 days	-	-	-
271 - 365 days	-	-	-
1-2 years	-	-	-
Total	195.54	34.63	26.80

Movement in the expected credit loss allowance

	As at	
	March 31, 2019	March 31, 2018
As at the beginning of the year	9.89	5.00
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	(1.73)	0.61
Specific provision made/ (reversed)	2.28	4.28
As at the end of the year*	10.44	9.89

* Includes expected credit loss allowance based on the provision matrix of ₹ 1.08 crore (March 31, 2018: ₹ 2.81 crore).

NOTE: 15

CASH AND CASH EQUIVALENTS

	As at	
	March 31, 2019	March 31, 2018
Balances with banks		
Current accounts	10.14	47.24
Balances with credit card companies	28.64	8.15
Balances with e-wallet companies	0.01	0.01
Cash on hand	18.40	13.30
Cheques/ drafts on hand	-	3.86
Total	57.19	72.56

As at March 31, 2019, the Company has available of ₹ 577.93 Crore (March 31, 2018: ₹ 481.22 Crore) of undrawn committed borrowing facilities.

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

	As at March 31, 2019	₹ in Crores As at March 31, 2018
Balances with banks		
Current accounts	10.14	47.24
Balances with credit card companies	28.64	8.15
Balances with e-wallet companies	0.01	0.01
Cash on hand	18.40	13.30
Cheques/ drafts on hand	-	3.86
Total	57.19	72.56

NOTE: 16**BANK BALANCE OTHER THAN THE ABOVE**

	As at March 31, 2019	₹ in Crores As at March 31, 2018
Earmarked deposits		
Current accounts	0.10	0.10
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	0.12	0.13
Total	0.22	0.23

Bank balances other than the above are held as margin money under lien to banks for assuring guarantees.

NOTE: 17**CURRENT FINANCIAL ASSETS – OTHERS**

	As at March 31, 2019	₹ in Crores As at March 31, 2018
Derivative contracts	-	0.08
Other receivables	10.46	27.91
Others*	123.35	-
Total	133.81	27.99

* Includes right to return assets of ₹ 123.35 Crore (March 31, 2018: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers (Refer Note - 11).

NOTE: 18**OTHER CURRENT ASSETS**

	As at March 31, 2019	₹ in Crores As at March 31, 2018
Prepayments	25.32	31.48
Advance to suppliers	128.26	47.77
Export incentives	1.13	5.39
Balances with government authorities (other than income tax)	190.76	133.47
Government grant receivables	0.73	0.80
Insurance claim receivables	34.64	0.01
Other receivables	3.62	13.67
Total	384.46	232.59

NOTE: 19**EQUITY SHARE CAPITAL****Authorised share capital**

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
As at the beginning of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Increase during the year	-	-	-	-
As at the end of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00

Issued equity share capital

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
As at the beginning of the year	77,34,04,897	773.40	77,32,72,596	773.27
Increase during the year towards:				
Exercise of Options (Refer Note - 43)	93,416	0.09	1,32,301	0.13
As at the end of the year	77,34,98,313	773.49	77,34,04,897	773.40

Subscribed and paid-up equity share capital

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
As at the beginning of the year	77,16,93,984	771.69	77,05,27,154	770.53
Increase during the year towards:				
Allotment to NR shareholders (Refer Note - 20)	16,94,060	1.69	10,34,529	1.03
Exercise of Options (Refer Note - 43)	93,416	0.09	1,32,301	0.13
As at the end of the year	77,34,81,460	773.48*	77,16,93,984	771.69

* The amount of share capital as at the end of the year has been rounded off in ₹ Crore.

(i) Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of the equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(ii) Details of shares held by each shareholder holding more than 5% shares

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital
Grasim Industries Limited	8,73,80,613	11.30%	8,73,80,613	11.32%
IGH Holdings Private Limited	8,50,30,930	10.99%	8,50,30,930	11.02%
TGS Investment and Trade Private Limited	7,02,35,027	9.08%	7,02,35,027	9.10%
Umang Commercial Company Private Limited	6,49,72,778	8.40%	6,49,72,778	8.42%
Trapti Trading and Investments Private Limited	4,90,04,462	6.34%	4,90,04,462	6.35%
Hindalco Industries Limited	4,49,82,142	5.82%	4,49,82,142	5.83%

(iii) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting year

On effectiveness of the Composite Scheme of Arrangement amongst the Company, erstwhile Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956, the Company had issued 67,98,19,778 Equity Shares to the Shareholders of ABNL and MGLRCL ("said Shares"). Out of the said Shares, 67,60,37,600 Equity Shares were allotted to the Shareholders of ABNL and MGLRCL on January 27, 2016. However, pursuant to Clause 21 of the Composite Scheme, allotment of 37,82,178 Equity Shares to 3,475 Non-Resident Shareholders, including 4 Overseas Corporate Bodies ("OCBs") of ABNL ("NRE Shareholders") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 20,71,265 Equity Shares to 1,407 NRE Shareholders, who held accounts in India on Non-repatriation basis and provided such valid details.

In view of the amended provisions of the "Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017" and the authority granted by the Board of Directors (on February 4, 2019), 16,94,060 Equity Shares were allotted to 2,064 NRE Shareholders of ABNL (excluding OCBs) on March 19, 2019. Post this allotment, out of the said Shares, 16,853 Equity Shares held by 4 OCBs shall remain pending for allotment until the receipt of Regulatory approvals.

Summary of Shares allotted pursuant to the Composite Scheme, as at the end of five years immediately preceding the reporting year:

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Equity shares allotted as fully paid-up pursuant to demerger contracts for consideration other than cash	72,61,19,443	72,44,25,383	72,33,90,854	72,23,54,118	4,63,16,518

(iv) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note - 43.

**NOTE: 20
OTHER EQUITY**

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment (Refer Note - 43)		
As at the beginning of the year	0.15	-
Share application money received/ (allotted) towards exercise of Options	(0.07)	0.15
As at the end of the year	0.08	0.15
Share suspense account (Refer Note - 19)		
As at the beginning of the year	1.71	2.74
Allotted to non-resident (NR) shareholders during the year - 16,94,060 equity shares (March 31, 2018: 10,34,529 equity shares)	(1.69)	(1.03)
As at the end of the year	0.02	1.71

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Capital reserve		
As at the beginning of the year	21.69	21.69
Changes during the year	-	-
As at the end of the year	21.69	21.69
Securities premium		
As at the beginning of the year	761.90	759.89
Premium on exercise of Options	1.62	2.01
As at the end of the year	763.52	761.90
Share options outstanding account		
As at the beginning of the year	13.60	2.99
Gross compensation for Options granted during the year	14.74	11.72
Transfer to Securities Premium on exercise of Options	(0.72)	(1.11)
As at the end of the year	27.62	13.60
Retained earnings		
As at the beginning of the year	(473.31)	(591.10)
Profit for the year	321.22	117.79
As at the end of the year	(152.09)	(473.31)
Other comprehensive income		
As at the beginning of the year	(4.32)	(8.58)
Re-measurement gains/ (losses) on defined benefit plans	(1.12)	4.26
As at the end of the year	(5.44)	(4.32)
Total	655.40	321.42
Other equity		
	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment (Refer Note - 43)	0.08	0.15
Share suspense account (Refer Note - 19)	0.02	1.71
Reserves and surplus		
Capital reserve	21.69	21.69
Securities premium	763.52	761.90
Other reserves		
Share options outstanding account	27.62	13.60
Retained earnings	(152.09)	(473.31)
Other comprehensive income	(5.44)	(4.32)
Total	655.40	321.42

The description of the nature and purpose of each reserve within other equity is as follows:

1. Share application money pending allotment (Refer Note - 43)

Share application money received towards exercise of Options and Restricted Stock Units (RSUs) pending allotment.

2. Share suspense account (Refer Note - 19)

As per the Scheme of Arrangement, the non-resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not issued on account of pending requisite approvals.

3. Capital reserve

Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement.

4. Securities premium

Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

5. Share options outstanding account (Refer Note - 43)

The share options outstanding account is used to record the value of equity-settled share-based payment transactions with employees. The amounts recorded in this account is transferred to securities premium on exercise of stock Options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.

6. Retained earnings

Retained earnings comprise of the Company's prior years undistributed profits/ (losses) after taxes.

7. Other comprehensive income

Items of other comprehensive income consist of re-measurement gains/ (losses) on defined benefit plans of the Company.

NOTE: 21**NON-CURRENT FINANCIAL LIABILITIES – BORROWINGS**

	Effective interest rate %	Maturity	As at March 31, 2019 ₹ in Crores	As at March 31, 2018 ₹ in Crores
Redeemable non-convertible debentures ¹				
Redeemable non-convertible debentures - Series 5 Zero coupon (Unsecured)	8.96%	August 14, 2021	300.00	-
Redeemable non-convertible debentures - Series 4 Zero coupon (Unsecured)*	7.70%	June 17, 2021	-	260.00
Redeemable non-convertible debentures - Series 3 Zero coupon (Unsecured)	8.20%	April 20, 2020	400.00	400.00
Redeemable non-convertible debentures - Series 2 Zero coupon (Unsecured)	8.73%	May 31, 2019	-	300.00
Redeemable non-convertible debentures - Series 1 Zero coupon (Unsecured)	8.84%	April 12, 2019	-	200.00
Term loans from banks				
Term loan from HDFC bank (TUF) (Unsecured) ³	9.45%	March 23, 2022	6.60	7.90
Term loan from HDFC bank (TUF) (Secured) ⁴	8.80%	March 15, 2025	16.67	20.00
Preference shares				
Cumulative redeemable preference shares ⁵	8.00%	March 31, 2024	0.50	-
Cumulative redeemable preference shares ⁶	6.00%	October 14, 2024	0.01	0.01
Total			723.78	1,187.91

* Pursuant to the exercise of put option by the holders of non-convertible debentures, the Company has made payment towards the redemption of debentures on the put date i.e. on September 17, 2018.

Current maturities of long-term borrowings (Refer Note - 26)

	Effective interest rate %	Maturity	As at March 31, 2019 ₹ in Crores	As at March 31, 2018 ₹ in Crores
Current maturities of long-term borrowings				
Redeemable non-convertible debentures - Series 2 (Unsecured) ¹	9.20%	May 22, 2018	-	100.00
Redeemable non-convertible debentures - Series 2 Zero coupon (Unsecured)	8.73%	May 31, 2019	300.00	-
Redeemable non-convertible debentures - Series 1 Zero coupon (Unsecured)	8.84%	April 12, 2019	200.00	-
Term loan from HDFC bank (TUF) (Unsecured) ²	9.66%	September 4, 2018	-	1.53
Term loan from HDFC bank (TUF) (Unsecured) ³	9.45%	March 23, 2022	1.30	1.06
Term loan from HDFC bank (TUF) (Secured) ⁴	8.80%	March 15, 2025	3.33	-
Cumulative redeemable preference shares ⁵	8.00%	March 31, 2024	-	0.50
Total			504.63	103.09
Aggregate secured borrowings			20.00	20.00
Aggregate unsecured borrowings			1,208.41	1,271.00

The Company has not defaulted on any loans payable, and there has been no breach of any loan covenants.

Details of security and terms of repayment

1. Redeemable non-convertible debentures are unsecured and are repayable at face value on maturity. The interest on zero coupon debentures is to be paid at the time of redemption, except Redeemable non-convertible debentures – Series 2, for which interest is paid annually.
2. Term loan from HDFC bank (TUF) secured by way of first pari passu charge created by hypothecation of movable plant and equipment of the Company's Madura Clothing plant at Marasur village, Karnataka. Upon satisfaction of charge during the previous financial year, the loan has been converted into unsecured borrowing. The repayment terms of term loan from HDFC bank (TUF) are 17 semi-annual instalments commencing from September 4, 2010. First four instalments of ₹ 0.12 Crore each, next four instalments of ₹ 0.24 Crore each, next four instalments of ₹ 0.72 Crore each and next 5 instalments of ₹ 1.53 Crore each.
3. Term loan from HDFC bank (TUF) secured by way of first pari passu charge created by hypothecation of movable assets of the units CCL and FCL of the Company's Madura Clothing plant at Marasur village, Karnataka. Upon satisfaction of charge during the previous financial year, the loan has been converted into unsecured borrowing. The repayment terms of term loan from HDFC bank (TUF) are 21 quarterly instalments commencing from March 23, 2017. First four instalments of ₹ 0.20 Crore each, next four instalments of ₹ 0.25 Crore each, next four instalments of ₹ 0.30 Crore each, next four instalments of ₹ 0.40 Crore each and next 5 instalments of ₹ 1.08 Crore each.
4. Term loan from HDFC bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.

Details of Cumulative redeemable preference shares

Subsequent to the Balance Sheet date, pursuant to the unanimous consent of the Preference Shareholders, Board of Directors, vide its Circular Resolution dated April 11, 2019, approved variation in terms relating to redemption of the Preference Shares. Basis the aforesaid resolution, the tenure of the preference shares was changed from 10 years to 15 years. The details of preference shares along with the terms of repayments are as below:

5. 5,00,000 8% Cumulative redeemable preference shares of ₹ 10/- each are entitled to a cumulative dividend @ 8% p.a. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. These preference shares are redeemable by the Company at any time after completion of 15 years from March 31, 2009, at face value. In the event of liquidation of the Company,

before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

6. 500 6% Cumulative redeemable preference shares of ₹ 100/- each are entitled to a cumulative dividend @ 6% p.a. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. These preference shares are redeemable by the Company at any time after completion of 15 years from October 14, 2009, at face value. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

TUF - Technology Upgradation Fund.

NOTE: 22

NON-CURRENT PROVISIONS

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Employee benefit obligation		
Provision for gratuity (Refer Note - 42)	14.22	12.06
Provision for pending litigations (Refer Note - 45)	100.99	109.08
Total	115.21	121.14

NOTE: 23

OTHER NON-CURRENT LIABILITIES

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Liability for rent straight-lining	82.84	80.06
Deferred income	9.62	7.15
Total	92.46	87.21

NOTE: 24

CURRENT FINANCIAL LIABILITIES – BORROWINGS

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand from banks		
Cash credit (Secured)	26.43	5.02
Cash credit (Unsecured)	0.28	-
Commercial paper (Unsecured)*	346.26	345.67
Buyers credit (Secured)	71.48	101.79
Buyers credit (Unsecured)	-	7.97
Working capital demand loan (Unsecured)	-	65.00
Loan repayable on demand (Secured)	30.00	45.00
Total current borrowings	474.45	570.45
Aggregate secured borrowings	127.91	151.81
Aggregate unsecured borrowings	346.54	418.64

Details of security

Current borrowings are secured by way of first pari passu charge on the current assets of the Company and second pari passu charge on the movable and immovable assets of the Company.

* Commercial papers are shown net of unamortised discounting charges.

NOTE: 25
TRADE PAYABLES

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	105.58	14.21
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,293.03	1,995.11
Total	2,398.61	2,009.32

* Includes payable to related parties, for terms and conditions with related parties (Refer Note - 46).

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to Micro and Small Enterprises	105.58	14.21
Interest due on the above	0.42	-
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	2.70	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	3.12	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE: 26
CURRENT FINANCIAL LIABILITIES – OTHERS

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings (Refer Note - 21)	504.63	103.09
Interest accrued but not due on borrowings	238.83	164.26
Creditors for capital supplies/ services	25.04	68.79
Other financial liabilities*	251.22	0.10
Derivative contracts	4.06	0.46
Total	1,023.78	336.70

* Includes refund liabilities of ₹ 251.12 Crore (March 31, 2018: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers (Refer Note - 14).

NOTE: 27
CURRENT PROVISIONS

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Employee benefit obligation		
Provision for compensated absences	79.08	68.53
Provision for gratuity (Refer Note - 42)	7.85	2.06
Stock Appreciation Rights (SAR)	0.11	0.28
Total	87.04	70.87

NOTE: 28
OTHER CURRENT LIABILITIES

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Liability for rent straight lining	17.84	15.92
Advances received from customers	13.08	23.47
Deferred revenue*	22.94	28.76
Other advances received	1.90	2.82
Statutory dues (other than income tax)	28.50	23.65
Deferred income	0.04	0.04
Total	84.30	94.66

Other current liabilities are non-interest bearing and have an average of 3-month terms.
Undisputed statutory dues are generally settled in the next month.

*** Deferred revenue**

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
As at the beginning of the year	28.76	17.78
Deferred during the year	136.75	129.85
Released to the Statement of Profit and Loss	(142.57)	(118.87)
As at the end of the year	22.94	28.76

The deferred revenue relates to the accrual and release of customer loyalty points, according to the loyalty programme of respective businesses. As at March 31, 2019, the estimated liability towards unredeemed points amounts to ₹ 22.94 Crore (March 31, 2018: ₹ 28.76 Crore).

NOTE: 29**REVENUE FROM OPERATIONS**

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from sale of goods (including excise duty)		
Sale of goods	7,897.59	7,036.68
Revenue from redemption of loyalty points (Refer Note - 28)	142.57	118.87
Total revenue from sale of goods	8,040.16	7,155.55
Revenue from rendering of services	3.02	2.29
Other operating income		
Scrap sales	5.77	4.67
Export incentives	9.94	11.41
Licence fees and royalties	2.35	1.57
Space on hire	0.68	1.29
Commission income	53.69	2.39
Miscellaneous other operating income	2.11	2.24
Total	8,117.72	7,181.41

Revenue from sale of goods includes excise duty collected from customers of ₹ Nil (March 31, 2018: ₹ 9.34 Crore).

Revenue from sale of goods net of excise duty is ₹ 8,040.16 Crore (March 31, 2018: ₹ 7,146.21 Crore).

Effective July 1, 2017, sales are recorded net of GST whereas earlier the same was recorded gross of excise duty, which formed part of expenses. Hence, Revenue from operations for the year ended March 31, 2019, are not comparable with previous period corresponding figures of March 31, 2018.

During the current year, the Company has implemented the Ind AS 115 – “Revenue from Contracts with Customers”. Accordingly, the Company has applied the modified retrospective approach and therefore, the revenue for the year ended March 31, 2018 is not comparable with the revenue for the year ended March 31, 2019. There are no adjustments required to the retained earnings as at April 1, 2018. Further, due to the application of Ind AS 115, revenue from operations and cost of goods sold are lower by ₹ 83.83 Crore for the year ended March 31, 2019, on account of impact of purchases on ‘sales or return basis’ arrangements. However, this does not have any impact on the profit for the year ended March 31, 2019.

(a) Right to return assets and refund liabilities:

	₹ in Crores
	Year ended March 31, 2019
Right to return assets	123.35
Refund liabilities	251.12

(b) Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price:

	₹ in Crores
	Year ended March 31, 2019
Revenue as per contract price	9,346.09
Less:	
Sales return	482.35
Discount	609.27
Loyalty points	136.75
Revenue as per the Statement of Profit and Loss	8,117.72

(c) Disclosure of disaggregated revenue recognised in the Statement of Profit and Loss:

	₹ in Crores
	Year ended March 31, 2019
Madura Fashion & Lifestyle	
Revenue from retail operations	2,187.92
Revenue from non-retail operations	2,735.79
	4,923.71
Pantaloon	
Revenue from retail operations	3,101.08
Revenue from non-retail operations	92.93
	3,194.01
Revenue as per the Statement of Profit and Loss	8,117.72

**NOTE: 30
OTHER INCOME**

	₹ in Crores	₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
Interest income	4.89	5.52
Net gain on sale of investments	2.22	0.61
Foreign exchange gain (net)	8.89	2.27
Miscellaneous income*	28.72	6.02
Fair value gain on financial instruments at FVTPL	20.06	18.39
Total	64.78	32.81

* Includes ₹ Nil (March 31, 2018: ₹ 1.41 Crore) received towards Government incentives under Integrated Skill Development Scheme (ISDS).

**NOTE: 31
COST OF MATERIALS CONSUMED**

	₹ in Crores	₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Raw materials consumed		
Inventories at the beginning of the year	125.12	105.49
Add: Purchases	604.21	683.79
	729.33	789.28
Less: Inventories at the end of the year	125.12	125.12
Total	604.21	664.16

	₹ in Crores	₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	3,549.26	2,971.99
Total	3,549.26	2,971.99

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening inventories		
Finished goods	295.00	272.29
Stock-in-trade	1,245.19	1,023.17
Work-in-progress	17.57	16.23
	1,557.76	1,311.69
Less:		
Closing inventories		
Finished goods	146.64	295.00
Stock-in-trade	1,621.24	1,245.19
Work-in-progress	18.38	17.57
	1,786.26	1,557.76
(Increase)/ decrease in inventories	(228.50)	(246.07)

NOTE: 32
EMPLOYEE BENEFITS EXPENSE

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	788.50	656.73
Contribution to provident and other funds (Refer Note - 42)	45.66	42.84
Share-based payment to employees (Refer Note - 43)	14.74	11.72
Gratuity expense (Refer Note - 42)	12.75	12.26
Staff welfare expenses	51.37	48.78
Total	913.02	772.33

NOTE: 33
FINANCE COSTS

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense	184.61	166.60
Other borrowing costs	0.02	0.26
Fair value impact on financial instruments at FVTPL	2.79	4.74
Total	187.42	171.60

NOTE: 34
DEPRECIATION AND AMORTISATION EXPENSE

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on tangible assets (Refer Note - 3)	260.11	257.14
Amortisation on intangible assets (Refer Note - 4)	22.22	23.38
Total	282.33	280.52

NOTE: 35
OTHER EXPENSES

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	4.56	3.88
Power and fuel	11.69	10.90
Electricity charges	117.78	110.17
Repairs and maintenance		
Buildings	0.52	0.71
Plant and machinery	12.95	11.12
Others	169.46	168.68
Insurance	5.94	5.23
Rates and taxes	10.24	17.77
Processing charges	50.31	74.46
Commission to selling agents	53.38	36.86
Brokerage and discounts	0.61	0.66
Advertisement and sales promotion	441.49	338.03
Transportation and handling charges	84.37	82.13
Royalty expenses	36.12	27.82
Legal and professional expenses	93.97	113.68
Bad debts written off	3.67	0.28
Provision for bad and doubtful debts	6.94	5.17
Provision for bad and doubtful deposits and advances	-	9.08
Printing and stationery	10.08	10.15
Travelling and conveyance	88.24	71.78
Communication expenses	7.38	7.72
Loss on sale/ discard of property, plant and equipment	1.36	2.45
Bank and credit card charges	37.25	40.25
Auditors' remuneration (Refer details below)	1.49	1.35
Donation	0.35	-
Postage expenses	4.19	4.05
Information technology expenses	62.49	51.06
Outsourcing, housekeeping and security expenses	262.72	237.40
Corporate Social Responsibility (CSR) expenses (Refer Note - 41)	2.00	1.82
Miscellaneous expenses	33.76	53.85
Total	1,615.31	1,498.51

Details of auditors' remuneration:

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Payments to statutory auditor:		
For audit fees (including Limited Review fees)	1.06	1.03
For tax audit fees	0.15	0.15
For other services	0.08	0.03
For reimbursement of expenses	0.20	0.14
Total	1.49	1.35

NOTE: 36**INCOME TAX EXPENSE**

The major components of income tax (income)/ expense are:

Statement of Profit and Loss:**Profit or loss section**

		₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax		
Current income tax charge	21.84	-
Adjustments in respect of current income tax of previous year	-	-
(A)	21.84	-
Deferred tax		
(Gains)/ losses relating to origination and reversal of temporary differences	(172.12)	(68.82)
MAT credit entitlement	(21.84)	-
(B)	(193.96)	(68.82)
Total (A + B)	(172.12)	(68.82)

OCI section**Deferred tax related to items recognised in OCI during the year**

		₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
Net (gains)/ losses on re-measurement of defined benefit plans	(0.60)	-
Total	(0.60)	-

Reconciliation of tax (income)/ expense and the accounting profit multiplied by India's domestic tax rate

		₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before income tax	149.10	48.97
At India's statutory income tax rate of 34.94% (March 31, 2018: 34.94%)	52.10	17.11
Disallowance under Section 43B of the Income tax Act, 1961	8.82	2.54
Expenses on which TDS has not been deducted under Section 40(a)(ia) of the Income tax Act, 1961	5.24	(0.33)
Preliminary expenses allowed under Section 35DD of the Income tax Act, 1961	(2.25)	(2.25)
Utilisation of previously unrecognised tax losses to the extent of available profits	(59.12)	(15.17)
Depreciation (net of books and tax)	(11.14)	(25.14)
Provision for gratuity	0.68	4.28
Non-deductible expenses for tax purposes:		
Loss on sale of assets	0.47	0.86
Other non-deductible expenses	5.20	18.10
	-	-
Current income tax charge*	21.84	-
Deferred tax		
(Gains)/ losses relating to origination and reversal of temporary differences	(172.12)	(68.82)
MAT credit entitlement	(21.84)	-
Total	(172.12)	(68.82)

* During the current year, the Company is not required to pay taxes under normal provision of Income tax Act, 1961 and is liable to pay Minimum Alternative Tax (MAT) as per Section 115 JB of Income tax Act, 1961.

NOTE: 37**EARNINGS PER SHARE (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and equity share data used in the basic and diluted EPS computations:

		₹ in Crores	
		As at March 31, 2019	As at March 31, 2018
Profit for calculation of EPS	(A)	321.22	117.79
Weighted average number of equity shares for calculation of Basic EPS	(B)	77,34,43,865	77,33,55,670
Basic EPS (₹)	(A / B)	4.15	1.52
Weighted average number of equity shares outstanding		77,34,43,865	77,33,55,670
Weighted average number of potential equity shares		13,50,269	15,204
Weighted average number of equity shares for calculation of Diluted EPS		77,47,94,134	77,33,70,874
Diluted EPS (₹)	(C)	4.15	1.52
Nominal value of shares (₹)		10.00	10.00

NOTE: 38**SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years, and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note - 4A.

Share-based payment

The Company initially measures the cost of cash-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions

requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Statement of Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 43.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

As at March 31, 2019, the Company has ₹ 1,035.27 Crore (March 31, 2018: ₹ 1,291.97 Crore) of tax losses carried forward. These losses relate to previous years, and shall expire in 8 years, except unabsorbed depreciation. Further details on taxes are disclosed in Notes - 9 and 36.

Employee benefit plans

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note - 42.

During the previous year ended March 31, 2018, based on a periodic review of the demographic assumptions, annual rate of leave availment was re-assessed from 10% per annum to 5% per annum. For the purpose of assessing the leave availment rate, the Company considered the past leave availment history of the employees. The change in assumption resulted in a reduction of ₹ 16.32 Crore of the closing liability related to provision for compensated absences.

Revenue recognition – Loyalty points

The Company operates a loyalty programme where customers accumulate points for purchases made, which entitle them to discount on future purchases. The Company estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rate basis the Company's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty. As at March 31, 2019, the estimated liability towards unredeemed points amounts to ₹ 22.94 Crore (March 31, 2018: ₹ 28.76 Crore).

Provision on inventories

The Company has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods, raw materials and trims. The Company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

During the current year ended March 31, 2019, the Company with respect to its “Madura Fashion & Lifestyle” and “Pantaloons” segments changed its estimate of providing provision on inventories. Had the segments continued to use the earlier provisioning policy, its cost of raw materials consumed for the current year would have been lower by ₹ 6.67 Crore and ₹ 11.42 Crore, respectively. Correspondingly, profits for the current year would have been higher by ₹ 6.67 Crore and ₹ 11.42 Crore, respectively and inventory value as at March 31, 2019, would have been higher by ₹ 6.67 Crore and ₹ 11.42 Crore, respectively.

During the previous year ended March 31, 2018, the Company with respect to its “Madura Fashion & Lifestyle” segment changed its estimate of providing provision on inventories. Had the segment continued to use the earlier provisioning policy, its cost of raw materials consumed for the previous year would have been higher by ₹ 1.32 Crore. Correspondingly, profits for the previous year would have been lower by ₹ 1.32 Crore and inventory value as at March 31, 2018, would have been lower by ₹ 1.32 Crore.

Provision for discount and sales return

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario. Provision is created based on the management’s assessment of market conditions.

Impairment allowance for doubtful debts

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when the management deems them not to be collectible. The carrying amount of allowance for doubtful debts under ECL model is ₹ 10.44 Crore (March 31, 2018: ₹ 9.89 Crore).

Going concern

During the current year ended March 31, 2019, management has performed an assessment of the entity’s ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on going concern basis.

NOTE: 39

DERIVATIVE INSTRUMENTS

Derivatives: Outstanding at the Balance Sheet date:

As at March 31, 2019

	Currency	Foreign Currency in Crores	₹ in Crores
Forward contracts to buy (Hedge of payables)	USD	1.82	129.59

As at March 31, 2018

	Currency	Foreign Currency in Crores	₹ in Crores
Forward contracts to buy (Hedge of payables)	USD	1.76	114.26

NOTE: 40**UNHEDGED FOREIGN CURRENCY EXPOSURE**

Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

As at March 31, 2019

	Currency	Foreign Currency in Crores	₹ in Crores
Trade payables (net of advances)	USD	1.37	95.00
	EURO	0.03	2.00
	GBP	0.05	4.11
	HKD	0.11	1.01
Trade receivables	USD	0.33	22.70
	EURO	0.03	2.38
	GBP	0.11	9.71
Bank balances	CNY	0.01	0.15

As at March 31, 2018

	Currency	Foreign Currency in Crores	₹ in Crores
Trade payables (net of advances)	USD	1.27	82.72
	EURO	0.06	4.61
	GBP	0.03	2.62
	HKD	0.02	0.20
Trade receivables	USD	0.28	18.26
	EURO	0.02	1.73
	GBP	0.04	3.65
Bank balances	CNY	0.02	0.17

NOTE: 41**DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON**

The Company is required to spend ₹ Nil (March 31, 2018: ₹ Nil) on the corporate social responsibility activities.

Amount spent during the year:

	In Cash	Yet to be paid in Cash	₹ in Crores Total
March 31, 2019			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.00	-	2.00
March 31, 2018			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1.82	-	1.82

NOTE: 42**GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

The Company operates gratuity plan through a Trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A part of the gratuity plan is funded and managed within the Company, hence the liability has been bifurcated into funded and unfunded.

The Company contributes to the Fund based on the actuarial valuation report. The Company has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets. Based on which, the Company is not exposed to any market risk.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Unfunded defined benefit plan**Net benefit expense recognised through the Statement of Profit and Loss**

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	2.76	2.42
Interest cost on defined benefit obligation	1.03	0.90
Total	3.79	3.32

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	13.12	12.37
Current service cost	2.76	2.42
Interest cost on defined benefit obligation	1.03	0.90
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	0.27	0.05
Changes in financial assumptions	0.21	(1.10)
Experience adjustments	0.39	0.61
Actuarial (gain)/ loss recognised in OCI	0.87	(0.44)
Benefits paid	(2.06)	(1.89)
Liabilities assumed/ (settled)*	(0.18)	(0.24)
Closing defined benefit obligation	15.54	13.12

Funded defined benefit plan**Net benefit expense recognised through the Statement of Profit and Loss**

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	8.89	8.45
Interest cost on defined benefit obligation	3.87	3.28
Interest on plan assets	(3.80)	(2.79)
Total	8.96	8.94

Changes in the defined benefit obligation and fair value of plan assets are as follows:

Changes in the present value of the Defined Benefit Obligations (DBO):

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	49.69	45.52
Current service cost	8.89	8.45
Interest cost on defined benefit obligation	3.87	3.28
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	0.82	(4.44)
Experience adjustments	(0.13)	0.99
Actuarial (gain)/ loss recognised in OCI	0.69	(3.45)
Benefits paid	(5.34)	(3.71)
Liabilities assumed/ (settled)*	1.17	(0.40)
Closing defined benefit obligation	58.97	49.69

Change in fair value of plan assets

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Opening fair value of the plan assets	48.69	38.73
Contributions by the employer	-	6.80
Interest income on plan assets	3.80	2.79
Actuarial gain/ (loss) on account of:		
Actual return on plan assets less interest cost on plan assets	(0.16)	0.37
Actuarial gain/ (loss) recognised in OCI	(0.16)	0.37
Benefits paid	-	-
Asset acquired/ (settled)*	0.11	-
Closing fair value of the plan assets	52.44	48.69

* On account of inter-company transfer.

Amounts recognised in the Balance Sheet

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Present value of the defined benefit obligation at the end of the year:		
Funded	58.97	49.69
Unfunded	15.54	13.12
	74.51	62.81
Fair value of plan assets	52.44	48.69
Net liability/ (asset)	22.07	14.12
Net liability is classified as follows:		
Current	7.85	2.06
Non-current	14.22	12.06
Net liability	22.07	14.12

The Investment pattern of plan assets are as follows:

	As at March 31, 2019	₹ in Crores As at March 31, 2018
Government of India securities	62%	62%
Corporate bonds	31%	31%
Insurer managed funds	7%	7%
	100%	100%

The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Company are shown below:

	As at March 31, 2019	As at March 31, 2018
Discount rate		
Funded plan	7.70%	7.80%
Unfunded plan	7.70%	7.80%
Salary escalation rate		
Funded plan		
Management	8.00%	8.00%
Staff	7.00%	7.00%
Workers	5.00%	5.00%
Unfunded plan		
Stores	7.00%	7.00%
HO and Zones	8.00%	8.00%

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

The overall expected rate of return on plan assets is determined based on the market prices prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2019		As at March 31, 2018	
Sensitivity level				
Discount rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on DBO (₹ in Crores)				
Funded plan	(3.97)	4.36	(3.33)	3.67
Unfunded plan	(0.95)	1.05	(0.85)	0.94
Salary escalation rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on DBO (₹ in Crores)				
Funded plan	4.35	(3.99)	3.63	(3.34)
Unfunded plan	1.00	(0.93)	0.84	(0.79)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

There has been no change from the previous period in the method and assumptions used in preparing the sensitivity analysis.

The maturity profile of the defined benefit obligation are as follows:

	₹ in Crores	
	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	3.39	2.69
Between 2 and 5 years	12.49	10.79
Between 6 and 10 years	20.35	14.00
Beyond 10 years	239.21	210.57
Total	275.44	238.05

The Company is expected to contribute ₹ 16.85 Crore to the gratuity fund during the next year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 13 to 15 years (March 31, 2018: 14 to 18 years).

Defined benefit and contribution plans

Amount recognised as an expense and included in Note - 32 as "Contribution to provident and other funds"

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Government provident fund	29.32	28.15
Contribution to superannuation fund	1.11	1.16
Contribution to Employee Pension Scheme (EPS)	4.46	3.67
Contribution to Employee State Insurance (ESI)	10.39	9.19
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	0.07	0.16
Contribution to Labour Welfare Fund (LWF)	0.10	0.09
Contribution to National Pension Scheme (NPS)	0.21	0.42
Total	45.66	42.84

NOTE: 43

SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Expense arising from equity-settled share-based payment transactions	14.74	12.40
Expense arising from cash-settled share-based payment transactions	-	(0.68)
Total	14.74	11.72

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 4, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, vide a resolution passed by the Committee at its meeting held on October 25, 2013, the Scheme 2013 was finalised.

i) Details of the grants under the Scheme 2013

	Options		RSUs		
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 3
No. of Options/ RSUs	8,30,382	11,686	2,59,849	5,000	2,79,544
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting – 25% every year	Graded vesting – 25% every year	Bullet vesting at the end of 3 rd year	Bullet vesting at the end of 3 rd year	Bullet vesting on December 7, 2016
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	October 25, 2013	June 10, 2014	October 25, 2013	June 10, 2014	May 11, 2016
Grant/ exercise price (₹ per share)	102.10	118.20	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE – 104.10 NSE – 103.55	BSE – 116.85 NSE – 117.40	BSE – 104.10 NSE – 103.55	BSE – 116.85 NSE – 117.40	BSE – 152.10 NSE – 152.10
Method of settlement	Equity	Equity	Equity	Equity	Equity

Note:

RSUs – Tranche 3 were granted to employees of Madura Fashion & Lifestyle division of the Company, who were grantees of RSUs of Aditya Birla Nuvo Limited (“ABNL”) and had become employees of the Company pursuant to the effectiveness of the Composite Scheme of Arrangement between the Company, ABNL, Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956. Accordingly, as per the terms and conditions of the grant, these RSUs vested as per the original vesting schedule of ABNL RSUs, i.e., on December 7, 2016.

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	No. of Options	As at March 31, 2019		
		Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	1,42,087	102.10	2,627	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year [#]	(5,843)	102.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,36,244	102.10	2,627	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	1,36,244	102.10	2,627	10.00
Tranche 2				
Outstanding at the beginning of the financial year	5,843	118.20	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(5,843)	118.20	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-

	As at March 31, 2019			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 3				
Outstanding at the beginning of the financial year	N.A.	N.A.	60,600	10.00
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year [#]	N.A.	N.A.	(22,760)	10.00
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	N.A.	N.A.	37,840	10.00
Unvested at the end of the financial year	N.A.	N.A.	-	-
Exercisable at the end of the financial year	N.A.	N.A.	37,840	10.00

The weighted average share price at the date of exercise of these Options was ₹ 150.95.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2018			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	2,69,657	102.10	23,991	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year*	(98,799)	102.10	(21,364)	10.00
Lapsed during the financial year	(28,771)	102.10	-	-
Outstanding at the end of the financial year	1,42,087	102.10	2,627	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	1,42,087	102.10	2,627	10.00
Tranche 2				
Outstanding at the beginning of the financial year	11,686	118.20	5,000	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year*	(5,843)	118.20	(5,000)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	5,843	118.20	-	-
Unvested at the end of the financial year	2,922	118.20	-	-
Exercisable at the end of the financial year	2,921	118.20	-	-
Tranche 3				
Outstanding at the beginning of the financial year	N.A.	N.A.	84,727	10.00
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year*	N.A.	N.A.	(24,127)	10.00
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	N.A.	N.A.	60,600	10.00
Unvested at the end of the financial year	N.A.	N.A.	-	-
Exercisable at the end of the financial year	N.A.	N.A.	60,600	10.00

* The weighted average share price at the date of exercise of these Options was ₹ 163.62.

13,623 Options (Tranche 1) and 9,209 RSUs (Tranche 3) were exercised during the year ended March 31, 2018. However, the consequent allotment of 22,832 Equity Shares was pending as at March 31, 2018 (Refer Note - 20). The said allotment was done on April 23, 2018.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2019, was 4 years (March 31, 2018: 5 years) and for RSUs outstanding as at March 31, 2019, is 3 years (March 31, 2018: 4 years).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options		RSU		
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 3
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%) *	45.93	44.77	45.93	44.77	37.41
Risk-free interest rate (%)	8.58	7.91	8.58	7.91	7.37
Weighted average fair value per Option/ RSU (₹)	52.96	59.32	95.90	111.75	142.63
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

* Expected volatility of the Company's stock price is based on the comparable peer company's stock price on NSE based on the price data of the last three years up to the date of grant as the Company was listed only for a few months prior to the date of grant.

II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

During the previous year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of another Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, vide the resolution passed by the NRC at its meeting held on September 8, 2017, the Scheme 2017 was finalised.

i) Details of the grants under Scheme 2017

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	14,406	2,88,122	90,039	13,04,558	14,568	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3 rd year	Bullet vesting at the end of 3 rd year	Bullet vesting at the end of 3 rd year	Bullet vesting at the end of 3 rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 8, 2017	October 27, 2017	February 2, 2018	April 18, 2018	September 8, 2017	October 27, 2017	February 2, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	148.10	163.60	150.80	10.00	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	No. of Options	As at March 31, 2019		
		Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	34,63,187	178.30	12,11,842	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year [^]	(46,483)	178.30	-	-
Lapsed during the financial year	(4,36,460)	178.30	(1,57,205)	10.00
Outstanding at the end of the financial year	29,80,244	178.30	10,54,637	10.00
Unvested at the end of the financial year	22,58,383	178.30	10,54,637	10.00
Exercisable at the end of the financial year	7,21,861	178.30	-	-
Tranche 2				
Outstanding at the beginning of the financial year	14,406	148.10	14,568	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(7,203)	148.10	(7,284)	10.00
Outstanding at the end of the financial year	7,203	148.10	7,284	10.00
Unvested at the end of the financial year	5,402	148.10	7,284	10.00
Exercisable at the end of the financial year	1,801	148.10	-	-
Tranche 3				
Outstanding at the beginning of the financial year	2,88,122	163.60	1,17,144	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(36,015)	163.60	(32,166)	10.00
Outstanding at the end of the financial year	2,52,107	163.60	84,978	10.00
Unvested at the end of the financial year	1,89,079	163.60	84,978	10.00
Exercisable at the end of the financial year	63,028	163.60	-	-
Tranche 4				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	90,039	150.80	30,349	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	90,039	150.80	30,349	10.00
Unvested at the end of the financial year	90,039	150.80	30,349	10.00
Exercisable at the end of the financial year	-	-	-	-

[^] The weighted average share price at the date of exercise of these Options was ₹ 199.57.

4,502 Options (Tranche 1) were exercised during the year ended March 31, 2019. However, the consequent allotment of 4,502 Equity Shares was pending as at March 31, 2019 (Refer Note - 20). The said allotment was done on April 30, 2019.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2018			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	37,38,254	178.30	13,04,558	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(2,75,067)	178.30	(92,716)	10.00
Outstanding at the end of the financial year	34,63,187	178.30	12,11,842	10.00
Unvested at the end of the financial year	34,63,187	178.30	12,11,842	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 2				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	14,406	148.10	14,568	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	14,406	148.10	14,568	10.00
Unvested at the end of the financial year	14,406	148.10	14,568	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 3				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	2,88,122	163.60	1,17,144	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	2,88,122	163.60	1,17,144	10.00
Unvested at the end of the financial year	2,88,122	163.60	1,17,144	10.00
Exercisable at the end of the financial year	-	-	-	-

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2019, is 6 years (March 31, 2018: 7 years) and for RSUs outstanding as at March 31, 2019, is 6 years (March 31, 2018: 7 years).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	36.28	35.32	35.28	36.57	36.28	35.32	35.28
Risk-free interest rate (%)	6.70	6.75	7.43	7.43	6.77	6.98	7.54	7.54
Weighted average fair value per Option / RSU (₹)	77.04	63.85	71.56	65.93	171.41	141.29	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ Nil (March 31, 2018: ₹ 0.68 Crore gain) has been taken to the Statement of Profit and Loss.

I. Plan for Stock Appreciation Rights, 2013

On October 25, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 4, 2014) approved a plan, viz. named as "Plan for Stock Appreciation Rights, 2013" ("Plan"), for granting Stock Appreciation Rights ("SARs") to the eligible employees of the Company.

i) The details of the Plan are as below:

	SARs	
	Tranche 1	Tranche 2
No. of SARs	3,08,295	10,225
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting- 25% every year	Graded vesting- 25% every year
Exercise period	3 years from the date of vesting or within six years from the date of grant, whichever is earlier	3 years from the date of vesting or within six years from the date of grant, whichever is earlier
Grant date	October 25, 2013	June 10, 2014
Grant/ exercise price (₹ per share)	102.10	118.20
Market price on the date of granting of SARs (₹ per share)	BSE - 104.10 NSE - 103.55	BSE - 116.85 NSE - 117.40
Method of settlement	Cash	Cash

ii) Movement of SARs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2019		As at March 31, 2018	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	47,409	102.10	1,60,812	102.10
Granted during the financial year	-	-	-	-
Exercised during the financial year	(34,239)	102.10	(94,038)	102.10
Lapsed during the financial year	(2,557)	102.10	(19,365)	102.10
Outstanding at the end of the financial year	10,613	102.10	47,409	102.10
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	10,613	102.10	-	-
Tranche 2				
Outstanding at the beginning of the financial year	10,225	118.20	10,225	118.20
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(10,225)	118.20	-	-
Outstanding at the end of the financial year	-	-	10,225	118.20
Unvested at the end of the financial year	-	-	2,557	118.20
Exercisable at the end of the financial year	-	-	7,668	118.20

The remaining contractual life for SARs outstanding as at March 31, 2019 is 1 year (March 31, 2018: 2 years).

iii) The following table lists the inputs to the model used for SARs:

	As at March 31, 2019		As at March 31, 2018	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	-	Nil	Nil
Expected volatility (%)*	27.50	-	30.93	31.81
Risk-free interest rate (%)	6.78	-	6.71	6.71
Weighted average fair value per SAR (₹)	102.10	-	50.18	38.53
Model used	Black-Scholes model	-	Black-Scholes model	Black-Scholes model

* Expected volatility of the Company's stock price is based on the comparable peer company's stock price on NSE based on the price data of the last three years upto the date of grant as the Company was listed only for a few months prior to the date of grant.

The expected life of the share Options, RSUs and SARs is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the share Options, RSUs and SARs is indicative of future trends, which may not necessarily be the actual outcome.

II. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

Pursuant to the enforcement of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in the event of "Transfer of employee to any Group Company" ("said Transfer"), all the Options and Restricted Stock Units ("RSUs") granted to an employee under the Employee Stock Option Scheme of the Company, if not exercised by such employee before the last working day in the Company shall lapse as on the date of said Transfer.

In view of the above, in order to compensate the loss to an employee due to the lapse of Options and RSUs in the event of said Transfer, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings held on February 4, 2019, had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), to grant 23,14,792 SARs in the form of "Option SARs" (in place of Options) and "RSU SARs" (in place of the RSUs), from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

NOTE: 44

COMMITMENTS AND CONTINGENCIES

a) Leases

Operating lease commitments as lessee

The Company has entered into agreements for taking on lease certain residential/ office/ store premises, warehouses, property, plant and equipment on lease and licence basis. The lease term is for a period ranging from 3 to 21 years, with escalation clauses in the lease agreements.

Expenses/ (income) recognised in the Statement of Profit and Loss:

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	678.94	652.25
Contingent rent*	431.41	390.62
Total	1,110.35	1,042.87
Sublease payments received (not shown separately in the Statement of Profit and Loss)	(1.76)	(1.90)

* The contingent rent varies basis the Net Sales Value (NSV).

Future minimum rentals payable under non-cancellable operating leases:

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Within one year	440.72	415.90
After one year but not more than five years	1,117.98	1,156.76
More than five years	103.92	110.62
Total	1,662.62	1,683.28

The initial non-cancellable period of the lease agreement is upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Company expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years has been considered as non-cancellable for the purpose of the above disclosure.

b) Capital and other commitments

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	61.19	93.15
Customs duty on capital goods and raw materials imported under advance licensing/ EPCG scheme, against which export obligation is to be fulfilled	2.61	2.61
Total	63.80	95.76

NOTE: 45
CONTINGENT LIABILITIES NOT PROVIDED FOR

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debt		
Commercial taxes	33.13	32.02
Excise duty	2.61	1.55
Customs duty	2.54	2.54
Textile committee cess	0.75	0.75
Labour laws - Minimum Wages Act	0.09	0.09
ESIC demand notice for which appeal has been filed	-	0.11
Others	5.95	60.93
Total	45.07	97.99

The contingent liabilities, if materialised, shall entirely be borne by the Company, as there is no likely reimbursement from any other party.

The Company's pending litigations comprise of claims against the Company primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods, reversal of credit on inputs used for manufacturing dutiable and exempted goods, etc., and for commercial taxes, comprising various cases in respect of short fall of Forms F, H, I and C, disallowance of input credit, etc.

The Company has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. Refer above Note for details on contingent liability. In respect of litigations, where the management's assessment of a financial outflow is probable, the Company has a provision of ₹ 100.99 Crore as at March 31, 2019 (March 31, 2018: ₹ 109.08 Crore).

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Various Litigants v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no adjustments has been made in the accounts.

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts has been made in the books of account.

NOTE: 46**RELATED PARTY TRANSACTIONS****Names of related parties and related party relationship with whom transactions have taken place:**

- Aditya Birla Retail Limited (ABRL), upto January 31, 2018 - by virtue of being a body corporate having common Managing Director;
- Aditya Birla Management Corporation Private Limited (ABMCPL), upto February 1, 2018 - by virtue of being a private company in which a director was a director;
- Aditya Birla Online Fashion Private Limited (ABOF) - by virtue of being a private company in which a director is a director;
- Jan Kalyan Trust- by virtue of Managing Director being Trustee;
- Aditya Birla Fashion and Retail Limited Employees Group Gratuity Fund Trust- by virtue of Managing Director being Trustee;
- Aditya Birla Fashion and Retail Limited Employees Group Superannuation Scheme Trust- by virtue of Managing Director being Trustee; and
- Grasim Premium Fabric Private Limited (Formerly known as Soktas India Private Limited), with effect from March 29, 2019 – by virtue of being a private company in which a director is a director.

Directors

- Mr. Arun Thiagarajan (Independent Director);
- Mr. Ashish Dikshit (Managing Director with effect from February 1, 2018) (previously Chief Executive Officer, being one of the Key Managerial Personnel upto January 31, 2018);
- Mr. Bharat Patel (Independent Director);
- Mr. Pranab Barua (Non-Executive Director with effect from February 1, 2018) (previously Managing Director upto January 31, 2018);
- Mr. Sanjeeb Chaudhuri (Independent Director);
- Ms. Sukanya Kripalu (Independent Director); and
- Mr. Sushil Agarwal (Non-Executive Director).

Key Managerial Personnel other than Managing Director

- Ms. Geetika Anand (Company Secretary);
- Mr. Shital Mehta (Chief Executive Officer - Pantaloons, upto September 15, 2017);
- Mr. S. Visvanathan (Chief Financial Officer upto February 28, 2018);
- Mr. Vishak Kumar (Chief Executive Officer - Madura Fashion & Lifestyle, upto May 11, 2018); and
- Mr. Jagdish Bajaj (Chief Financial Officer with effect from April 1, 2018).

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Aditya Birla Online Fashion Private Limited		
Sale of goods	-	0.01
Purchase of brands	-	8.96
Reimbursement of expenses (net recovered)	-	0.07
Purchase of property, plant and equipment	-	5.20
Payment of security deposit	-	1.09
Purchase of goods/ payment for other services	0.67	4.20
Post - employment liabilities transferred from ABOF	0.57	0.83

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Aditya Birla Retail Limited		
Sales of goods and services	N.A.	9.15
Purchase of goods	N.A.	0.54
Reimbursement of expenses (net paid)	N.A.	1.37
Post - employment liabilities transferred to ABRL	N.A.	0.03
Issue of gift vouchers to ABRL	N.A.	0.01
Aditya Birla Management Corporation Private Limited		
Reimbursement of expenses (net paid)	N.A.	22.06
Purchase of Property, plant and equipment	N.A.	0.01
Post - employment liabilities transferred from ABMCPL	N.A.	0.06
Issue of gift vouchers to ABMCPL	N.A.	0.12
Jan Kalyan Trust		
Contribution for Corporate Social Responsibility activities	2.00	N.A.

Balance outstanding at the year end

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Amounts owed to related parties		
Aditya Birla Management Corporation Private Limited	N.A.	4.79
Aditya Birla Online Fashion Private Limited	-	11.81
Amounts owed by related parties		
Aditya Birla Retail Limited	N.A.	3.18

The above amounts are classified as security deposit receivable, trade receivables and trade payables (Refer Notes - 7, 14 and 25 respectively).

No amounts in respect of the related parties have been written off/ back during the year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	8.76	18.48
Post-employment benefits	1.08	0.91
Other long-term benefits (net)	-	(6.14)
Share-based payment	2.49	3.69
Total	12.33	16.94

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

KMPs interests in the Employee Stock Options, RSUs and SARs schemes

Scheme	Grant date	Expiry date	Exercise price	As at March 31, 2019 Number outstanding	As at March 31, 2018 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 8, 2017	September 7, 2026	178.30	4,68,202	7,68,332
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	90,039	-
Total				5,58,241	7,68,332
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 8, 2017	September 7, 2025	10.00	97,118	1,57,817
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	30,349	-
Total				1,27,467	1,57,817
Plan for Stock Appreciation Rights 2013					
SARs - Tranche 1	October 25, 2013	October 24, 2019	102.10	-	4,881
Total				-	4,881

NOTE: 47**SEGMENT INFORMATION**

Based on the “management approach”, as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Company is divided into two business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories

The Forever 21 business has been included in Madura Fashion & Lifestyle segment, considering both the divisions, comprise of distribution of branded apparel, and is viewed as a branded business.

Inter-segment revenues are recognised at sales price.

Year ended March 31, 2019

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total segments	Adjustments and eliminations	₹ in Crores
					Total
Revenue					
External customers	4,923.71	3,194.01	8,117.72	-	8,117.72
Inter-segment	107.83	-	107.83	(107.83)	-
Total revenue	5,031.54	3,194.01	8,225.55	(107.83)	8,117.72

Year ended March 31, 2019 and as at March 31, 2019

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total segments	Adjustments and eliminations	₹ in Crores
					Total
Expenses/ (income)					
Depreciation and amortisation	137.71	144.62	282.33	-	282.33
Segment profit/ (loss)	263.44	86.78	350.22	(201.12)	149.10
Total assets	3,732.93	2,694.30	6,427.23	193.84	6,621.07
Total liabilities	2,114.61	1,187.22	3,301.83	(51.33)	3,250.50
Other disclosures					
Capital expenditure	171.90	69.01	240.91	-	240.91

Year ended March 31, 2018

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total segments	Adjustments and eliminations	₹ in Crores
					Total
Revenue					
External customers	4,316.54	2,864.87	7,181.41	-	7,181.41
Inter-segment	152.22	(3.36)	148.86	(148.86)	-
Total revenue	4,468.76	2,861.51	7,330.27	(148.86)	7,181.41

Year ended March 31, 2018 and As at March 31, 2018

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total segments	Adjustments and eliminations	₹ in Crores
					Total
Expenses/ (income)					
Depreciation and amortisation	132.03	148.49	280.52	-	280.52
Segment profit/ (loss)	211.97	22.34	234.31	(185.34)	48.97
Total assets	3,170.78	2,526.63	5,697.41	36.43	5,733.84
Total liabilities	1,725.77	940.87	2,666.64	(51.62)	2,615.02
Other disclosures					
Capital expenditure	199.18	211.85	411.03	-	411.03

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a Company basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Company basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Reconciliation of amounts reflected in the financial statements:

Reconciliation of profit

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Segment profit	350.22	234.31
Other unallocable (expenditure)/ income (net)	1.74	(3.98)
Finance costs (Refer Note -33)	(187.42)	(171.60)
Inter-segment (loss)/ profit on sale (elimination)	(15.44)	(9.76)
Profit before tax	149.10	48.97

Reconciliation of assets

	₹ in Crores	
	Year ended March 31, 2019	Year ended March 31, 2018
Segment operating assets	6,427.23	5,697.41
Unallocated corporate assets	283.98	112.18
Inter-segment eliminations	(90.14)	(75.75)
Total	6,621.07	5,733.84

Reconciliation of liabilities

		₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
Segment operating liabilities	3,301.83	2,666.64
Unallocated corporate liabilities	1.97	2.74
Inter-segment eliminations	(53.30)	(54.36)
Total	3,250.50	2,615.02

Geographical segment

		₹ in Crores
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from customers outside India	159.06	142.76
Revenue from customers within India	7,958.66	7,038.65
Total	8,117.72	7,181.41

NOTE: 48**HEDGING ACTIVITIES****Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposure. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months.

NOTE: 49**FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES****A. Accounting classification and fair values**

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 are as follows:

As at March 31, 2019

					₹ in Crores		
	FVTPL	FVTOCI	Amortised cost	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Note - 5)	-	4.21	-	4.21	-	4.21	-
Loans (Refer Notes - 6 and 12)	-	-	8.50	8.50	-	-	-
Security deposits (Refer Notes - 7 and 13)	-	-	351.45	351.45	-	-	-
Trade receivables (Refer Note - 14)	-	-	786.59	786.59	-	-	-
Cash and cash equivalents (Refer Note - 15)	-	-	57.19	57.19	-	-	-
Bank balance other than the above (Refer Note - 16)	-	-	0.22	0.22	-	-	-
Other financial assets (Refer Notes - 8 and 17)	-	-	134.87	134.87	-	-	-
Derivative contracts (Refer Note - 17)	-	-	-	-	-	-	-
Total	-	4.21	1,338.82	1,343.03	-	4.21	-

	FVTPL	FVTOCI	Amortised cost	Total carrying value	₹ in Crores		
					Fair value		
					Level 1	Level 2	Level 3
Financial liabilities							
Non-current borrowings (Refer Note - 21)	-	-	723.78	723.78	-	-	-
Current borrowings (Refer Note - 24)	-	-	474.45	474.45	-	-	-
Current maturities of long-term borrowings (Refer Note - 26)	-	-	504.63	504.63	-	-	-
Deposits	-	-	192.56	192.56	-	-	-
Trade payables (Refer Note - 25)	-	-	2,398.61	2,398.61	-	-	-
Other financial liabilities (Refer Note - 26)	-	-	515.09	515.09	-	-	-
Derivative contracts (Refer Note - 26)	4.06	-	-	4.06	4.06	-	-
Total	4.06	-	4,809.12	4,813.18	4.06	-	-

As at March 31, 2018

	FVTPL	FVTOCI	Amortised cost	Total carrying value	₹ in Crores		
					Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Note - 5)	-	4.21	-	4.21	-	4.21	-
Loans (Refer Notes - 6 and 12)	-	-	7.59	7.59	-	-	-
Security deposits (Refer Notes - 7 and 13)	-	-	320.73	320.73	-	-	-
Trade receivables (Refer Note - 14)	-	-	551.84	551.84	-	-	-
Cash and cash equivalents (Refer Note - 15)	-	-	72.56	72.56	-	-	-
Bank balance other than the above (Refer Note - 16)	-	-	0.23	0.23	-	-	-
Other financial assets (Refer Notes - 8 and 17)	-	-	29.06	29.06	-	-	-
Derivative contracts (Refer Note - 17)	0.08	-	-	0.08	0.08	-	-
Total	0.08	4.21	982.01	986.30	0.08	4.21	-
Financial liabilities							
Non-current borrowings (Refer Note - 21)	-	-	1,187.91	1,187.91	-	-	-
Current borrowings (Refer Note - 24)	-	-	570.45	570.45	-	-	-
Current maturities of long-term borrowings (Refer Note - 26)	-	-	103.09	103.09	-	-	-
Deposits	-	-	162.47	162.47	-	-	-
Trade payables (Refer Note - 25)	-	-	2,009.32	2,009.32	-	-	-
Other financial liabilities (Refer Note - 26)	-	-	233.15	233.15	-	-	-
Derivative contracts (Refer Note - 26)	0.46	-	-	0.46	0.46	-	-
Total	0.46	-	4,266.39	4,266.85	0.46	-	-

B. Risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative

purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2019.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2019, approximately 71% of the Company's borrowings are at a fixed rate of interest (March 31, 2018: 68%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Company's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2019		As at March 31, 2018	
Basis points (%) Increase/ (decrease) on profit before tax	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
₹ in Crores	(2.51)	2.51	(3.01)	3.01

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency.

The Company manages foreign currency risk by hedging its transactions using foreign currency forward contracts. As at March 31, 2019, the Company has hedged 0% (March 31, 2018: 0%) of its receivables in foreign currency and 57% (March 31, 2018: 56%) of its payables in foreign currency.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Company's profit/ (loss) before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	As at March 31, 2019		As at March 31, 2018	
Change in USD rate (%)	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on profit before tax				
₹ in Crores	(0.48)	0.48	(0.34)	0.34

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Statement of Profit and Loss.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

Trade receivables

Customer credit risk is managed by each business unit, subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2019, the Company has 12 customers (March 31, 2018: 13 customers) that owed the Company more than ₹ 5.00 Crore each and accounts for approximately 72% (March 31, 2018: 65%) of all the receivables outstanding. There are 90 customers (March 31, 2018: 95 customers) with balances greater than ₹ 0.50 Crore each and accounts for approximately 14% (March 31, 2018: 16%) of the total amounts receivable.

An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2019 and March 31, 2018, is the carrying amount as provided in Note - 14.

c) Liquidity risk

The Company monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 58% of the Company's debt will mature in less than one year as at March 31, 2019 (March 31, 2018: 36%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2019

	₹ in Crores			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)	979.08	719.94	3.33	1,702.35
Cumulative redeemable preference shares	-	0.50	0.01	0.51
Other financial liabilities	515.09	-	-	515.09
Deposits	111.34	81.22	-	192.56
Trade payables	2,398.61	-	-	2,398.61
Derivatives	4.06	-	-	4.06
Total	4,008.18	801.66	3.34	4,813.18

As at March 31, 2018

	₹ in Crores			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)	673.04	1,187.90	-	1,860.94
Cumulative redeemable preference shares	0.50	0.01	-	0.51
Other financial liabilities	233.15	-	-	233.15
Deposits	89.02	73.45	-	162.47
Trade payables	2,009.32	-	-	2,009.32
Derivatives	0.46	-	-	0.46
Total	3,005.49	1,261.36	-	4,266.85

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations, to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is leader in apparels in the country and has a diversified portfolio of brands.

NOTE: 50**CAPITAL MANAGEMENT**

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Company is to borrow through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Company:

	₹ in Crores	
	As at March 31, 2019	As at March 31, 2018
Short-term debts (including current maturities of long-term borrowings)	979.08	673.54
Long-term debts	723.78	1,187.91
Total borrowings	1,702.86	1,861.45
Equity	1,428.88	1,093.11

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

The Company has not defaulted on any loans payable, and there has been no breach of any loan covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

NOTE: 51**DEBENTURE REDEMPTION RESERVE**

The Company has made profits in the current financial year, however, considering the accumulated losses of the previous periods and the profit of the current year being inadequate to set off the accumulated losses, the Company has not transferred the required amount in the Debenture Redemption Reserve as per provisions of Section 71 of the Companies Act, 2013.

NOTE: 52**PREVIOUS YEAR FIGURES**

Previous periods' figures have been regrouped/ rearranged wherever necessary to conform to the current period's classification(s).

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/ E300003

per VIJAY MANIAR
Partner
Membership No.: 36738

Place: Mumbai
Date : May 15, 2019

For and on behalf of the Board of Directors

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 15, 2019

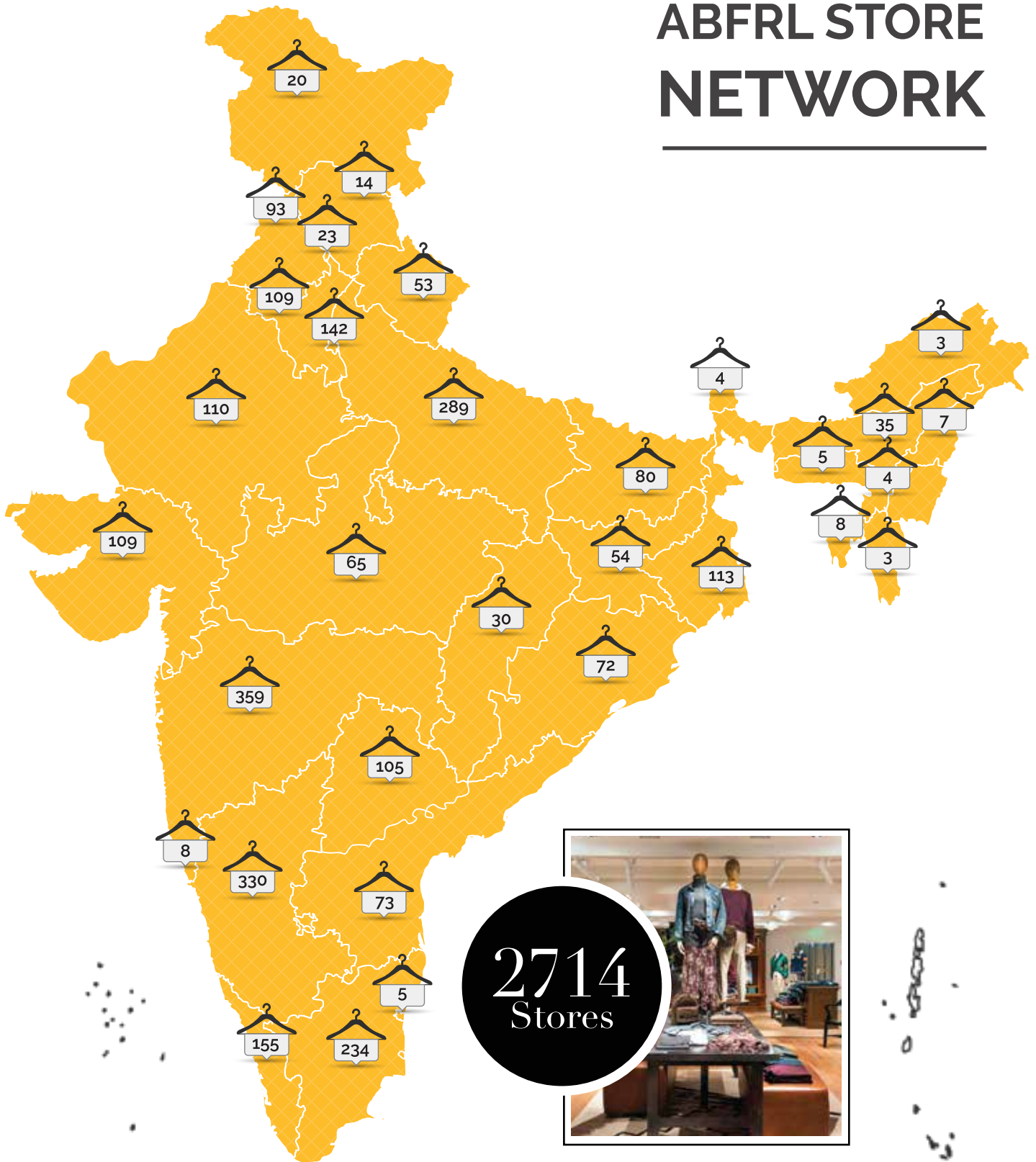
SUKANYA KRIPALU
(Director)
(DIN: 06994202)

GEETIKA ANAND
(Company Secretary)

ARUN THIAGARAJAN
(Director)
(DIN: 00292757)

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ABFRL STORE NETWORK



2714
Stores





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