



Item No.	Resolution	Type of Resolution	Method of Voting	Result
6	Introduction of the "Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017"	Special	Remote E-voting and	Passed with requisite Majority
7	Extension of benefits of the "Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017" to the Employees of Holding and the Subsidiary Companies of the Company	Special	E-voting at the AGM	

Mr. Dilip Bharadiya, Proprietor of M/s. Dilip Bharadiya & Associates, Company Secretaries was appointed as the Scrutinizer to scrutinize the entire E-voting process (i.e. Remote E-voting and E-voting at the said AGM).

Results of the voting will be intimated to you separately alongwith the report of the Scrutinizer.

Further, please note that, a copy of the Annual Report of the Company for Financial Year 2016-2017, duly approved and adopted by the Members at the said AGM as per the provisions of the Companies Act, 2013, is enclosed herewith in terms of the provisions of Regulation 34(1) of the SEBI Listing Regulations.

The above is for your information and record.

Thanking You,
For Aditya Birla Fashion and Retail Limited

Geetika Anand
Asst. Vice President & Company Secretary



CC:
Central Depository Services (India) Ltd.
16th & 17th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 023.

National Securities Depository Ltd.
Tradeworld , 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai - 400 013.

Aditya Birla Fashion and Retail Limited (formerly known as Pantaloons Fashion & Retail Limited)

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ANNUAL REPORT

2016-17

ADITYA BIRLA FASHION AND RETAIL LIMITED



BIG ON MILESTONES



Mr. Aditya Vikram Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.



Dear Shareholder,

Global Economy

The global economy continued to be subdued in 2016. The slowdown in the advanced economies of the West adversely impacted growth levels, resulting in the slowing of the world economic growth to 3.1% from 3.4% in the earlier year. The growth in emerging markets and developing economies was encouraging. However, China and India experienced a deceleration. Financial markets reflected a broad uptrend, notwithstanding Brexit and the rate hikes by the US Fed.

Recent data reveals that the global economy is gaining momentum. PMIs (Purchasing Managers' Indexes), accelerating trade flows and better business and consumer confidence are the key pointers. The IMF has projected global growth to notch up to 3.5% in 2017 from 3.1% last year. Growth in the advanced economies is estimated at 2%, with US growth at 2.3%, the Euro area at 1.7% and Japan at 1.2%. Growth in the emerging markets is pegged at 4.5%, driven largely by China, India and the ASEAN region. Latin America is expected to grow only 1.1%, affected by the weak trend in Brazil.

Indian Economy

India is on a roll. There is a buzz about India, as it blazes forth as the fastest growing economy in the world at 7.1%. The trade deficit in 2016-17 was USD 106 billion, lower by 11% over the previous year. The current account deficit has been significantly pared. India's foreign exchange reserves as at March end 2017 were USD 370 billion. Investors are bullish. Foreign investment flows, which were at over USD 60 billion in FY-17 are scaling new records. Markets are buoyant. Stock index is at a historic peak. India's global ranking has jumped up in competitiveness and on the innovation index.

The various initiatives and reforms of the Modi Government have built the platform for a quantum leap ahead. High impact national projects, coming to grips with structural issues, which were holding back the country's progress, innovative approaches in policy making – have collectively contributed in driving India on a high growth trajectory. Going forward, the abiding sense is one of immense optimism and confidence in the future with the nation slated to grow at 7.5% to 8%. India's narrative is unmatched.

That said, if there is one subject that needs greater attention on the government's radar for the ensuing years, it is the revival of investment activity and creation of quality jobs in large measure. The Government is seized of these issues. The Government has taken many steps, including a sharp focus on improving ease of doing business, speeding of green clearances and stepping up public sector outlays for infrastructure. I believe, it is a matter of time before the private sector investments pick up – as NPAs are resolved and corporate balance sheets are deleveraged.

Your Company's Performance

Your company clocked a turnover of Rs. 6,633 Crores in FY17, making it India's first billion dollar pure play fashion company. This was a growth of 9.9% over the previous year. EBITDA at

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Rs. 476 Crores recorded an upsurge of 17.5% over the previous year (Rs. 405 Crores). Most importantly, your Company turned profitable in FY17 with a Profit after tax of Rs. 54 Crores as against a loss of Rs. 110 Crores in FY16. A laudable feat.

The Lifestyle Brands sustained their leadership position in the premium segment with strong brand equity and a growing consumer base. Pantaloons, has been growing from strength to strength. Today, with 209 stores spread over 3.2 million sqft, it is amongst the leading players in the Value Fashion segment.

Your Company further fortified its position as a leading Apparel Player with the acquisition of the rights of the global fast fashion brand, Forever 21 and signing licensing arrangements with iconic British brands Ted Baker and Simon Carter. These partnerships will help address the fast growing segments of Women's Fast Fashion and Super Premium menswear.

With the launch of men's innerwear under the Brand Van Heusen your Company entered the large and growing innerwear market. Within eight months of the launch, it has rapidly expanded distribution in the Southern region and is now poised to expand to the rest of India. It has received a very positive response from consumers and retailers. Your Company is confident of steadily building this into a large and profitable business over the coming years.

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Outlook

The growth in the economy, the reforms initiated by the Government and the increased outlay on infrastructure spend will lead to greater prosperity and rise in income levels. This will drive growth in discretionary spends. This bodes well for the branded apparel business. ABFRL with its investment in key segments, strong brands and distribution network is well equipped to grow strongly in the years ahead.

A big thank you to all of our employees

Organisational agility, excellence in execution, customer centricity and cost optimization are a given. I believe to drive business growth in a sustainable manner, the criticality of our people – our intellectual capital, is beyond expression. We deeply value our employees' engagement and their commitment to our culture of innovation and performance accountability.

Aditya Birla Group: In perspective

At the Group level our performance both in terms of revenue and earnings has been growing. In fact our EBIDTA has been the highest ever. In line with our people focus, we have strengthened the capacity of our leadership bench as well as employees across levels. Our Group's HR agenda is even more sharper and defining of our future. Our HR function has collectively developed and clearly articulated the HR 2020 strategy across the organization. It has clear actionables and review mechanisms, focused on talent, technology, productivity and employer brand.

On the people front it has truly been an exciting year of development, building on the strong foundations of the earlier years.

As I had shared with you earlier, we have 3 accelerated leadership programs. First - The Turning Point, which prepares high potential leaders for P&L roles.

Second - Step Up which infuses a ready pipeline for Functional Head roles, and

Third - Springboard designed especially for high caliber women leaders.

These have enabled us set up the requisite bench strength of leaders.

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The hiring freeze came into effect in January 2016. This, coupled with our leadership development actions, has resulted in extremely encouraging people moves. Over the last year, we witnessed 5,500+ career movements across the Group. Of these, 600+ were inter-business movements, 150% higher than the previous year.

The Aditya Birla Group Leadership Program (ABGLP) is another strong source of building leaders. It has gained greater traction this year with 67% higher intake. From the earlier batches, 95 participants, have over the last 2 years, been given cross business and function exposures grooming them for a holistic perspective. I am happy to share that we continue to be an employer of choice amongst the top B schools in India. Our Group features among the formidable Top-5 in the A C Nielsen – CRI Campus Recruitment India Index 2016 as well.

Additionally to accelerate opportunities for our talent we have set up Talent Councils led by Business Heads and Directors at the business and Group levels. Up until now more than a 100 Talent Councils meetings have happened across the Group where the development plans of approximately 3,000 colleagues have been discussed and actions taken.

Project Vega is yet another initiative launched this year. Its basic objective is to review the agility of decision making in the organization, keeping in view end-customer impact. This has yielded significant changes to internal processes, delegation of authority and speed of decision making, in turn empowering teams and freeing up leadership bandwidth. This, along with our focus on technology enabled processes, I believe, will keep us sharp and nimble.

Furthermore, to hone and enhance our functional expertise, Gyanodaya, the Aditya Birla Global Centre for Leadership & Learning, launched Functional Academies last year. The Sales, Marketing & Customer Centricity Academy and HR Academy enabled 1,150 leaders build deeper expertise in

their domain areas. Gyanodaya continues to deliver superior learning programs with over 1,583 managers enrolled last year.

Additionally, the Gyanodaya Virtual Campus hosts more than 500 e-learning modules in multiple languages. During the year, over 31,664 employees accessed these e-learning programs.

I am happy to update you that we are doubling our capacity in Gyanodaya, through upcoming expansion plans.

In sum,

Our Group's solid reputation, robust financials, the quality and commitment of our talent, our leadership positions in our businesses, our operational excellence and our CSR engagement, are our strengths that I believe, will see us ride the wave of success.

Your's sincerely,



Kumar Mangalam Birla
Chairman, Aditya Birla Group

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FY2016-17 HIGHLIGHTS

₹6633 Crore

REVENUE

₹476 Crore

EBITDA

\$1.8 Billion

MARKET CAPITALISATION*

19000+

EMPLOYEES

750+

CITIES

2261

STORES

6.2 Million sq ft

RETAIL SPACE

