



ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered office: Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor,
Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070

CIN: L18101MH2007PLC233901

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Notice of the 16th Annual General Meeting

NOTICE is hereby given that the 16th Annual General Meeting of the Members of Aditya Birla Fashion and Retail Limited ("the Company") will be held on Thursday, September 28, 2023 at 3:00 p.m. IST through Video Conferencing ("VC")/Other Audio - Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

- 1) Consider and adopt:
 - a) Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2023 and the Reports of the Directors and Auditors thereon and
 - b) Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2023 and the Reports of the Auditors thereon.
- 2) Appoint a director in place of Ms. Sangeeta Pendurkar (DIN: 03321646), who retires by rotation and being eligible, offers herself for re-appointment.
- 3) Appoint a director in place of Mr. Vishak Kumar (DIN: 09078653), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4) Remuneration for Ms. Sangeeta Pendurkar, Whole-time Director.

To consider and if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be necessary and as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, approval of the Members be and is hereby accorded for the payment of the remuneration to Ms. Sangeeta Pendurkar (DIN: 03321646), Whole-time Director, for the period of 2 (two) years viz., February 24, 2024

up to February 23, 2026 and upon the terms and conditions, including remuneration and perquisites, as set out hereunder:

A. Remuneration:

- a) Basic Salary: ₹ 1,85,90,250 (Rupees One Crore Eighty Five Lakh Ninety Thousand Two Hundred and Fifty Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,88,00,000 (Rupees Two Crore Eighty Eight Lakhs Only) per annum.
- b) Special Allowance: ₹ 1,77,09,603 (Rupees One Crore Seventy Seven Lakhs Nine Thousand Six Hundred and Three Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,52,00,000 (Rupees Two Crore Fifty Two Lakh Only) per annum. This allowance, however, will not be taken into account for the calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment.
- c) Annual Incentive Pay: Linked to the achievement of targets, as may be decided by the Board from time to time, subject to a maximum of ₹ 4,00,00,000 (Rupees Four Crore only) per annum.
- d) Long-term Incentive Compensation ("LTIC") including Employee Stock Option, Restricted Stock Units, Performance Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the Scheme applicable to the Executive Directors and/or Senior Executives of the Company and/or its Subsidiaries and/or any other Incentives applicable to Senior Executives of the Company/Aditya Birla Group, in such manner and with such provisions as may be decided by the Board of the Company and/or its Subsidiaries considering the above.

B. Perquisites:

- a) Housing: Company provided (furnished/unfurnished) accommodation and/or HRA in lieu of Company provided accommodation as per the policy of the Company.
- b) House Maintenance: At actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.
- c) Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actual (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per Company policy.
- d) Life Insurance: As per the policy of the Company.
- e) Personal accident Insurance: As per the policy of the Company.
- f) Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.
- g) Club fees: Fees of One Corporate Club in India (including admission and annual membership fee).
- h) Car: Two cars for use of the Company's Business as per Company Car policy.

- i) Other Expenses: Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per policy of the Company.
 - j) Leave and encashment of leave: As per the policy of the Company.
 - k) Contribution towards Provident Fund, Superannuation Fund, National Pension Scheme or Annuity Fund as per the policy of the Company.
 - l) Gratuity and/or contribution to the Gratuity Fund of Company: As per the policy of the Company.
 - m) Other Allowances/benefits, perquisites: Any other allowances, benefits and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board from time to time decide.
 - n) In case Ms. Sangeeta Pendurkar is elevated to the next higher level of the Company during the tenure of appointment, the allowances, perquisites and benefits applicable to the level, will also apply to the individual.
 - o) Annual remuneration review is effective July 1st each year, as per policy of the Company.
- C. Subject as aforesaid, Ms. Sangeeta Pendurkar, Whole-time Director, shall be governed by such other rules as are applicable to the Senior Executives of the Company from time to time.
 - D. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Ms. Sangeeta Pendurkar, Whole-time Director will be considered as continuous service with the Company from the date of her joining the Aditya Birla Group.
 - E. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197, 198 and other applicable provisions of the Act read with Schedule V thereto or otherwise as may be permissible at law.
 - F. Any revision/change in allowance/perquisite relating to the Company provided (furnished/unfurnished) accommodation and/or HRA in lieu of the Company provided accommodation/Car or other allowances/perquisites, will be adjusted from the existing Special Allowance, subject to the ceiling limit as approved by the Shareholders and as per the policy of the Company.
 - G. Though considering the provisions of Section 188 of the Act, and the applicable Rules framed thereunder, Ms. Sangeeta Pendurkar would not be holding any office or place of profit by her being a mere director of the Company's subsidiaries/Joint Ventures, approval be and is hereby granted by way of abundant caution for her to accept the sitting fees/commission paid/payable to other directors for attending meetings of Board of Directors/Committee(s) of subsidiaries/Joint Ventures of the Company or companies promoted by the Aditya Birla Group.
 - H. Ms. Sangeeta Pendurkar shall be subject to retirement by rotation during her tenure as the Whole-time Director of the Company. So long as Ms. Sangeeta Pendurkar functions as the Whole-time Director, she shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.
 - I. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Ms. Sangeeta Pendurkar in accordance with the applicable provisions of the Act and subject to such approvals as may be required.
 - J. Board shall review and approve the remuneration payable to Ms. Sangeeta Pendurkar, Whole-time Director during the tenure of her appointment, from time to time.

RESOLVED FURTHER THAT save and except as aforesaid, the resolution as approved by the Shareholders at the Fourteenth Annual General Meeting of the Company held on September 9, 2021 w.r.t. approving the appointment of Ms. Sangeeta Pendurkar as the Whole-time Director of the Company for a period of 5 years (w.e.f. February 24, 2021 to February 23, 2026) shall continue to remain in full force and effect until the completion of her tenure.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as 'the Board', which term shall deem to include any Committee constituted or to be constituted by the Board) be and is hereby authorized to revise, alter or modify the remuneration and perquisites payable to Ms. Sangeeta Pendurkar from time to time, subject to the limits approved by the Shareholders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board (including any Committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

5) Remuneration for Mr. Vishak Kumar, Whole-time Director.

To consider and if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be necessary and as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, approval of the Members be and is hereby accorded for the payment of the remuneration to Mr. Vishak Kumar (DIN: 09078653), Whole-time Director, for the period of 2 (two) years viz., February 24, 2024 up to February 23, 2026 and upon the terms and conditions, including remuneration and perquisites, as set out hereunder:

A. Remuneration:

- a) Basic Salary: ₹ 1,43,37,670 (Rupees One Crore Forty Three Lakh Thirty Seven Thousand Six Hundred and Seventy Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,04,00,000 (Rupees Two Crore Four Lakh Only) per annum.
- b) Special Allowance: ₹ 2,41,42,097 (Rupees Two Crore Forty One Lakh Forty Two Thousand and Ninety Seven Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 3,24,00,000 (Rupees Three Crore Twenty Four Lakh Only) per annum. This allowance, however, will not be taken into account for the calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment.
- c) Annual Incentive Pay: Linked to the achievement of targets, as may be decided by the Board from time to time, subject to a maximum of ₹ 4,50,00,000 (Rupees Four Crore Fifty Lakh Only) per annum.
- d) Long-term Incentive Compensation ("LTIC") including Employee Stock Option, Restricted Stock Units, Performance Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the Scheme applicable to the Executive Directors and/or Senior Executives of the Company and/or its Subsidiaries and/or any other Incentives applicable to Senior

Executives of the Company/Aditya Birla Group, in such manner and with such provisions as may be decided by the Board of the Company and/or its Subsidiaries considering the above.

B. Perquisites:

- a) Housing: Company provided (furnished/unfurnished) accommodation and/or HRA in lieu of Company provided accommodation as per the policy of the Company.
 - b) House Maintenance: At actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.
 - c) Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actual (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per Company policy.
 - d) Life Insurance: As per the policy of the Company.
 - e) Personal accident Insurance: As per the policy of the Company.
 - f) Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.
 - g) Club fees: Fees of One Corporate Club in India (including admission and annual membership fee).
 - h) Car: Two cars for use of the Company's Business as per Company Car policy.
 - i) Other Expenses: Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per policy of the Company.
 - j) Leave and encashment of leave: As per the policy of the Company.
 - k) Contribution towards Provident Fund, Superannuation Fund, National Pension Scheme or Annuity Fund as per the policy of the Company.
 - l) Gratuity and/or contribution to the Gratuity Fund of Company: As per the policy of the Company.
 - m) Other Allowances/benefits, perquisites: Any other allowances, benefits and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board from time to time decide.
 - n) In case Mr. Vishak Kumar is elevated to the next higher level of the Company during the tenure of appointment, the allowances, perquisites and benefits applicable to the level, will also apply to the individual.
 - o) Annual remuneration review is effective July 1st each year, as per policy of the Company.
- C. Subject as aforesaid, Mr. Vishak Kumar, Whole-time Director, shall be governed by such other rules as are applicable to the Senior Executives of the Company from time to time.
- D. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Mr. Vishak Kumar, Whole-time Director will be considered as continuous service with the Company from the date of his joining the Aditya Birla Group.

- E. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197, 198 and other applicable provisions of the Act read with Schedule V thereto or otherwise as may be permissible at law.
- F. Any revision/change in allowance/perquisite relating to the Company provided (furnished/unfurnished) accommodation and/or HRA in lieu of the Company provided accommodation/Car or other allowances/perquisites, will be adjusted from the existing Special Allowance, subject to the ceiling limit as approved by the Shareholders and as per the policy of the Company.
- G. Though considering the provisions of Section 188 of the Act, and the applicable Rules framed thereunder, Mr. Vishak Kumar would not be holding any office or place of profit by him being a mere director of the Company's subsidiaries/Joint Ventures, approval be and is hereby granted by way of abundant caution for him to accept the sitting fees/commission paid/payable to other directors for attending meetings of Board(s) of Directors/Committee(s) of subsidiaries/Joint Ventures of the Company or companies promoted by the Aditya Birla Group.
- H. Mr. Vishak Kumar shall be subject to retirement by rotation during his tenure as the Whole-time Director of the Company. So long as Mr. Vishak Kumar functions as the Whole-time Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.
- I. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Vishak Kumar in accordance with the applicable provisions of the Act and subject to such approvals as may be required.
- J. Board shall review and approve the remuneration payable to Mr. Vishak Kumar, Whole-time Director during the tenure of his appointment, from time to time.

RESOLVED FURTHER THAT save and except as aforesaid, the resolution as approved by the Shareholders at the Fourteenth Annual General Meeting of the Company held on September 9, 2021 w.r.t. approving the appointment of Mr. Vishak Kumar as the Whole-time Director of the Company for a period of 5 years (w.e.f. February 24, 2021 to February 23, 2026) shall continue to remain in full force and effect until the completion of his tenure.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as 'the Board', which term shall deem to include any Committee constituted or to be constituted by the Board) be and is hereby authorized to revise, alter or modify the remuneration and perquisites payable to Mr. Vishak Kumar from time to time, subject to the limits approved by the Shareholders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board (including any Committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

6) Alteration of Articles of Association of the Company.

To consider and if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the provisions of Regulation 23(6) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021, as amended, and subject to such other requisite approvals, if any, as may be required, approval of the Members

of the Company be and is hereby accorded to amend the Articles of Association of the Company by addition of the following new clause 109(c) providing for appointment of a person nominated by the debenture trustee(s) as a Director on its Board:

'109(c): To appoint a nominee director on the Board of the Company at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee(s) in the event of:

- (i) two consecutive defaults in payment of interest to the debenture holders; or*
- (ii) default in creation of security for debentures or*
- (iii) default in redemption of debentures.'*

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board and/or Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board

Sd/-

Anil Malik

President & Company Secretary

Membership No.: A11197

Place : Mumbai

Date : August 4, 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the special businesses mentioned in this Notice for the 16th Annual General Meeting ("AGM") of the Members of the Company:

4) Remuneration for Ms. Sangeeta Pendurkar, Whole-time Director.

At the 14th AGM held on September 9, 2021, the Members of the Company had appointed Ms. Sangeeta Pendurkar as the Whole-time Director of the Company for a tenure of 5 (five) years effective from February 24, 2021 to February 23, 2026, liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013 ("Act") and the Articles of Association of the Company, Ms. Sangeeta Pendurkar, Whole-time Director of the Company is retiring by rotation at the 16th AGM.

Further, pursuant to Section II of Part II of Schedule V of the Act the remuneration payable to Ms. Sangeeta Pendurkar was approved for a period of 3 (three) years w.e.f. February 24, 2021 up to February 23, 2024 at the 14th AGM.

The approval of the Members is now being sought for fixing the remuneration payable to her for the remaining period of 2 (two) years effective from February 24, 2024 to February 23, 2026, pursuant to Section 197(1) of the Act.

Various factors are considered while evaluating the remuneration such as, comparable with market and industry, fair & equitable, aligned to business context, performance and Aditya Birla Group Philosophy and should be competitive in the sector to attract & retain talent.

The Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company lays down criteria for Annual Incentive Pay including, but not limited to Business Performance, Individual performance and Group Performance etc. and Key Responsibility Area also includes certain ESG parameters. Further vesting of ESOP is based on the Company's achievement of specific performance and other criteria.

There is no change in the compensation ceiling limits as approved by the Shareholders at the 14th AGM held on September 9, 2021 for the period commencing from February 24, 2021 up to February 23, 2024.

Brief profile of Ms. Sangeeta Pendurkar and details pursuant to Schedule V of the Act is provided separately in **Annexure A** and **Annexure B** to this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, except Ms. Sangeeta Pendurkar and her relatives, are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution, except to the extent of their shareholding in the Company, if any.

The Board recommends the Special Resolution with respect to the remuneration for Ms. Sangeeta Pendurkar, Whole-time Director, as set out in item no. 4 of this Notice, for approval of the shareholders.

5) Remuneration for Mr. Vishak Kumar, Whole-time Director.

At the 14th AGM held on September 9, 2021, the Members of the Company had appointed Mr. Vishak Kumar as the Whole-time Director of the Company for a tenure of 5 (five) years effective from February 24, 2021 to February 23, 2026, liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013 ("Act") and the Articles of Association of the Company, Mr. Vishak Kumar, Whole-time Director of the Company is retiring by rotation at the 16th AGM.

Further, pursuant to Section II of Part II of Schedule V of the Act, the remuneration payable to Mr. Vishak Kumar was approved for a period of 3 (three) years w.e.f. February 24, 2021 up to February 23, 2024 at the 14th AGM.

The approval of the Members is now being sought for fixing the remuneration payable to him for the period of 2 (two) years effective from February 24, 2024 to February 23, 2026, pursuant to Section 197(1) of the Act.

Various factors are considered while evaluating the remuneration such as, comparable with market and industry, fair & equitable, aligned to business context, performance and ABG Group Philosophy and should be competitive in the sector to attract & retain talent.

The Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company lays down criteria for Annual Incentive Pay including, but not limited to Business Performance, Individual performance and Group Performance etc. and Key Responsibility Area also includes certain ESG parameters. Further vesting of ESOP is based on the Company's achievement of specific performance and other criteria.

There is no change in the compensation ceiling limits as approved by the Shareholders at the 14th AGM held on September 9, 2021 for the period commencing from February 24, 2021 up to February 23, 2024.

Brief profile of Mr. Vishak Kumar and details pursuant to Schedule V of the Act is provided separately in **Annexure A** and **Annexure B** to this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, except Mr. Vishak Kumar and his relatives, are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution, except to the extent of their shareholding in the Company, if any.

The Board recommends the Special Resolution with respect to the remuneration for Mr. Vishak Kumar, Whole-time Director, as set out in item no. 5 of this Notice, for approval of the shareholders.

6) Alteration of Articles of Association of the Company.

The Securities and Exchange Board of India *vide* its circular dated February 2, 2023 has amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in connection with the listed Non-Convertible Securities issued by the Company.

The amendments, among others provide that in cases where the issuer of Non-Convertible Securities is a company, the Articles of Association should provide for appointment of a Nominee Director on the Board of the company at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee in the event of:

- (i) two consecutive defaults in payment of interest to the debenture holders; or
- (ii) default in creation of security for debentures or
- (iii) default in redemption of debentures.

Companies whose debt securities are listed on the Stock Exchanges are mandated to amend their Articles of Association on or before September 30, 2023, so as to include the aforesaid provisions.

The Company's debt securities being listed on BSE Limited, will have to amend the Articles of Association in compliance with the above amendments.

Accordingly, consent of the Members is sought to amend the Articles of Association by addition of new Article 109(c), providing for appointment of a person nominated by the debenture trustee(s) as a director on its Board.

None of the Directors, Key Managerial Personnel and their relatives thereof are, in any way, concerned or interested in the proposed Special Resolution, except to the extent of their shareholding in the Company, if any.

The Board recommends the Special Resolution with respect to Alteration of Articles of Association of the Company, as set out in item no. 6 of this Notice, for approval of the shareholders.