



October 23, 2020

PRESS RELEASE

ABFRL AND FLIPKART SIGN LANDMARK PACT

- **ABFRL to raise INR. 1500 Cr from Flipkart**
- **With this infusion, Flipkart Group will own 7.8% equity in ABFRL on a fully diluted basis**
- **Capital raise to further bolster ABFRL balance sheet and accelerate growth trajectory**
- **Partnership to transform apparel commerce in India and enable ABFRL to emerge as a strong omni-channel player**

Aditya Birla Fashion and Retail Limited (“ABFRL”) has today approved the raising of Rs. 1500 Cr. by way of preferential issue to Flipkart Group. The equity capital will be raised at Rs.205 per share. With this infusion, Flipkart Group will own 7.8% equity stake in ABFRL on a fully diluted basis. The promoter and promoter group companies of ABFRL will hold about 55.13% upon completion of the issuance.

Mr. Kumar Mangalam Birla, Chairman Aditya Birla Group said, “This partnership is an emphatic endorsement of the growth potential of India. It also reflects our strong conviction in the future of the apparel industry in India, which is poised to touch \$100bn in the next 5 years. Fashion retail in India is set for robust long-term growth due to strong fundamentals of a large and growing middle class, favorable demographics, rising disposable incomes and aspiration for brands. Rapid growth of technology infrastructure will further accelerate this process. Over the years, we have shaped ABFRL into a strong platform to capture future growth opportunities in India. This partnership is a critical component of that strategy.”

ABFRL plans to use this capital to strengthen its balance sheet and accelerate its growth trajectory. The company plans to aggressively scale-up its existing businesses where it holds strong, market leading positions while increasing presence in emerging high-growth categories such as innerwear, athleisure, casualwear and ethnic wear, establishing these as the new engines of growth for the company.



Furthermore, ABFRL will aggressively accelerate execution of its large-scale digital transformation strategy that will deepen the consumer connect of its brands, expand reach of its diverse brand portfolio, build strong omni-channel functionalities and augment its backend capabilities; positioning it amongst the most comprehensive Omni-channel fashion players in the country.

Commenting on the deal, **Mr. Ashish Dikshit, MD of ABFRL** said, *“We look forward to this partnership with Flipkart Group, and our collective journey to delight customers of a young and aspirational India. Given the complementary strengths of ABFRL and Flipkart Group, this partnership has the potential to dramatically accelerate the growth of the apparel industry in India and reshape apparel commerce. This deal also provides a tremendous opportunity to build scale of existing brands and expand its brand portfolio into emerging consumer segments.”*

Flipkart Group will strengthen the range of brands offered on its e-commerce platforms Flipkart and Myntra, deepening its partnership with ABFRL, and enhancing the range of premium international and Indian brands on offer. Flipkart’s technology prowess will enhance ABFRL’s omni-channel capabilities, enriching customer experiences while continuing to provide access to premium loyalty programs and affordability constructs for which Flipkart is known.

Mr. Kalyan Krishnamurthy, CEO of Flipkart Group said, *“At the Flipkart Group, we are focused on building new partnerships that will help us meet the demands of the discerning Indian consumer who seek quality and value. Through this transaction with ABFRL, we will work towards making available a wide range of products for fashion-conscious consumers across different retail formats across the country. We look forward to working with ABFRL and its well established and comprehensive fashion and retail infrastructure as we address the promising opportunity of the apparel industry in India.”*

On completion of this transaction, ABFRL would have successfully executed a capital raise of Rs. 2500 Cr since 01 April 2020, despite the challenging macroeconomic conditions since the onset of COVID 19. This is a testament to the Company’s bouquet of strong brands, well established operating model, respectable parentage, credible leadership and attractive business potential.

The transaction is subject to regulatory and other customary approvals.

About Aditya Birla Fashion and Retail Limited

Aditya Birla Fashion and Retail Limited is India’s largest pure-play fashion and lifestyle company with a strong bouquet of leading fashion brands and retail formats. The Company has a network of 3,004 stores, presence across approximately 23,700 multi-brand outlets with 6,700+ point of sales in department stores across India.



About Flipkart Group

The Flipkart Group is one of India's leading digital commerce entities and includes group companies Flipkart, Myntra, and PhonePe. Started in 2007, Flipkart has enabled millions of consumers, sellers, merchants, and small businesses to be a part of India's e-commerce revolution, with a registered customer base of over 250 million, offering over 150 million products across 80+ categories. Our efforts to democratize e-commerce in India, drive access and affordability, delight customers, create lakhs of jobs in the ecosystem and empower generations of entrepreneurs and MSMEs has inspired us to innovate on many industry firsts. The recent launch of Flipkart Wholesale, our new digital marketplace, is a testament to our commitment to accelerate the growth of kiranas and MSMEs in India. Flipkart is known for pioneering services such as Cash on Delivery, No Cost EMI and easy returns – customer-centric innovations that have made online shopping more accessible and affordable for millions of Indians. Together with Myntra, which holds a prominent position in the online fashion market, PhonePe, India's fastest growing digital payments platform, and now Flipkart Wholesale, the Flipkart Group will continue to steer the transformation of commerce in India through technology.

CIN: : L18101MH2007PLC233901
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
Website : www.abfrl.com

Disclaimer : Certain statements in this "Press Release" 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 & strategy of the Company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. 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. This "Press Release" 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 shares. The financial figures in this "Press Release" have been rounded off to the nearest INR One Crore. The financial results are consolidated financials unless otherwise specified.