



October 23, 2020

BSE Limited  
Scrip code: **535755 & 890148**

National Stock Exchange of India Limited  
Symbol: **ABFRL & ABFRLPP**

**Sub.: Outcome of the meeting of the Board of Directors of Aditya Birla Fashion and Retail Limited**  
(*"the Company"*)

- Ref.: 1. **Disclosure in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 and**  
2. **Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018** (*"said Regulations"*)  
3. **Our intimation dated October 20, 2020**  
4. **ISIN: INE647O01011 & IN9647O01019**

Dear Sir/ Madam,

Pursuant to the above referred, we wish to inform you that the Board of Directors of the Company, at its meeting (*"said meeting"*) held today have *inter alia* approved issuance of equity shares on a preferential basis to Flipkart Investments Private Limited, a foreign portfolio investor, duly registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, aggregating to ₹ 1500 Crore (*"Preferential Issue"*). The Company has also, in furtherance of the existing B2B arrangements with Flipkart India Private Limited, entered into a commercial agreement in relation to the sale and distribution of various brands of the Company.

The Preferential Issue is subject to shareholders' approval (*by way of postal ballot*), regulatory approval(s) and other customary conditions.

Further, please find enclosed herewith:

- a) Details of the Preferential Issue and Investment Agreement in **Annexure A**; and
- b) Press Release in **Annexure B**.

The said meeting concluded at 9.51 a.m.

The above is for your information. Trust you will find the same in order.

Yours faithfully,

For **Aditya Birla Fashion and Retail Limited**

**Geetika Anand**  
**VP, Company Secretary & Compliance Officer**

Encl.: As above

**ADITYA BIRLA FASHION AND RETAIL LIMITED**

**Registered Office:**

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

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## Annexure A

### 1) DETAILS OF PREFERENTIAL ISSUE

Particulars	Details
Type of securities proposed to be issued ( <i>viz. equity shares, convertibles etc.</i> )	Fully paid-up Equity Shares
Type of issuance ( <i>further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment, etc.</i> )	Preferential Issue
Total number of securities proposed to be issued or the total amount for which the securities will be issued	7,31,70,732 fully paid-up equity shares, at a price of ₹ 205 per share (face value of ₹ 10 (ten) each) aggregating to ₹ 1500 Crore, ranking <i>pari passu</i> to the existing fully paid-up equity shares
Name of the Investor	Flipkart Investments Private Limited
Post allotment of securities - outcome of the subscription, issue price, number of investor(s)	<ul style="list-style-type: none"> <li>Number of Investor(s): 1 (One)</li> <li>Percentage of post allotment shareholding: 7.8%</li> <li>Issue price: ₹ 205 per equity share</li> </ul>
In case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument	N.A.
Relevant Date as prescribed under SEBI ICDR	October 23, 2020 (being 30 days prior to the last date for e-voting on the Postal Ballot dated October 23, 2020.)

### 2) DETAILS OF INVESTMENT AGREEMENT

Particulars	Details
Name of the parties with whom the agreement is entered	Flipkart Investments Private Limited
Purpose of entering into agreement	The Company has entered into the Agreement for the purpose of issuing equity shares to the Investor on a preferential basis, subject to customary approvals including approval of the shareholders' of the Company and such regulatory approvals as maybe required.
Shareholding, if any, in the entity with whom the agreement is executed	Nil
Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure, etc.	The Investment Agreement <i>inter-alia</i> provides for some rights such as preemption rights and right of first refusal which are for a limited period of between 1-5 years from the date of allotment of equity shares or if the equity shareholding of the Investor falls below a certain threshold.
Whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship.	No

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Particulars	Details
Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arm's length"	No
Details of issue price, class of shares issued	The securities will be issued at a price of ₹ 205 per equity share.
Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	The Investor is entitled to appoint an observer as an invitee to the Board, subject to defined shareholding threshold.

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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.

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