



April 19, 2024

BSE Limited
Scrip code: 535755

National Stock Exchange of India Limited
Symbol: ABFRL

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

Ref.: 1. Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")
2. Our Intimations dated April 1, 2024 and April 9, 2024

Dear Sir/ Madam,

Further to our letters dated April 1, 2024 and April 9, 2024, kindly note that the Board of Directors of the Company, after considering the recommendation of the Audit Committee and the committee of Independent Directors, at its meeting held today, April 19, 2024, have considered and approved the Scheme of Arrangement amongst the Company ("Demerged Company") and Aditya Birla Lifestyle Brands Limited ("Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"), subject to necessary statutory and regulatory approvals.

The Scheme, *inter alia*, provides for demerger, transfer and vesting of the Madura Fashion and Lifestyle Business ("MFL Business") from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof.

Brief details in accordance with Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 are annexed herewith as **Annexure A**.

The Board Meeting commenced at 4:00 p.m. and concluded at 5:10 p.m.

The above is for your information.

Thanking you.

Sincerely,
For Aditya Birla Fashion and Retail Limited

Anil Malik
President & Company Secretary

Encl.: As above

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

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Annexure A

Sr no	Particulars	Details
a)	Brief details of the division(s) to be demerged	The MFL Business of the Demerged Company is engaged in the business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under four lifestyle brands viz Louis Phillippe, Van Heusen, Allen Solly and Peter England along with casual wear brands viz. American Eagle and Forever 21, sports wear brand Reebok and the innerwear business under the Van Heusen brand.
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;	The turnover of the MFL Business of the Demerged Company as on March 31, 2023, was Rs. 7,607 crores and forms 64.81 % of the total standalone turnover of the Demerged Company as on March 31, 2023.
c)	Rationale for demerger;	<p>(i) The Company runs a diverse portfolio of fashion brands and retail formats with key business segments comprising of Madura Fashion and Lifestyle and Pantaloons, Ethnic portfolio along with other new growth platforms.</p> <p>(ii) The MFL Business has built a leadership position over a long period of time and has a proven track record of delivering consistent revenue growth, profitability, strong free cash flows and high return on capital. The Remaining Business of the Demerged Company (<i>as defined in the Scheme</i>) comprises portfolio of multiple businesses.</p> <p>(iii) The Scheme is being proposed to separate MFL Business from the Remaining Business of the Demerged Company and demerge it into the Resulting Company. The proposed Scheme would be in the best interests of the Demerged Company, Resulting Company and, their respective shareholders, employees, creditors and other stakeholders for the below reasons:</p> <p>(a) The distinctive profile and established business model of the MFL Business makes it suitable to be housed in a separately listed entity, allowing sharper strategic focus in pursuit of its independent value creation trajectory;</p> <p>(b) Result in better and efficient control and management for the segregated businesses, operational rationalization, organization efficiency and optimum utilization of various resources;</p>

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		<p>(c) The Scheme would unlock value for the overall-business portfolio through price-discovery of the individual entities for existing shareholders;</p> <p>(d) The Demerged Company will house multiple growth platforms across value and masstige retail, branded ethnic business, super premium and luxury retail formats and portfolio of digital brands and will chart its own growth journey;</p> <p>(e) The Scheme could lead to the right operating architecture for both companies with sharper focus on their individual business strategies and clear capital allocation, in alignment with their respective value creation journeys and</p> <p>(f) Separately listed companies to attract specific set of investors for their business profile, and consequently, encourage stronger capital market outcomes.</p>
d)	Brief details of change in shareholding pattern (if any) of all entities;	<ul style="list-style-type: none"> The equity shareholding pattern of the Demerged Company will not undergo any change as a consequence of the effectiveness of the Scheme. Upon effectiveness of the Scheme, the entire existing equity share capital of the Resulting Company shall stand cancelled and new equity shares (as mentioned in point (e) below) shall be allotted by the Resulting Company to the equity shareholders of the Demerged Company on the Record Date in accordance with the Scheme. Thus, the equity shareholding in the Resulting Company would mirror the shareholding of the Demerged Company.
e)	In case of cash consideration – amount or otherwise share exchange ratio;	<p>No cash consideration is payable under the Scheme.</p> <p>The consideration for demerger shall be discharged by issue of equity shares by the Resulting Company as follows:</p> <p>1 (one) fully paid-up equity share of ₹ 10/- (Rupees Ten) each of Resulting Company for every 1 (one) fully paid-up equity share of ₹ 10/- (Rupees Ten) each of Demerged Company.</p>
f)	Whether listing would be sought for the resulting entity.	Yes, the Resulting Company is proposed to be listed on the BSE Limited and the National Stock Exchange of India Limited.

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