



April 19, 2024

BSE Limited
Scrip code: 535755

National Stock Exchange of India Limited
Symbol: ABFRL

Sub.: Press Release 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,

Pursuant to the above referred, kindly note that the Board of Directors of the Company at its meeting held today have *inter alia* considered and approved the Scheme of Arrangement among 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”).

Enclosed is the press release in this regard.

The above is being made available on the Company's website i.e. www.abfrl.com.

Thanking you.

Sincerely,
For **Aditya Birla Fashion and Retail Limited**

Anil Malik
President & Company Secretary

Encl.: As above

ADITYA BIRLA FASHION AND RETAIL LIMITED

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Aditya Birla Fashion and Retail Ltd. (ABFRL) Board approves demerger of Madura business into a separate listed entity

- *Move to accelerate growth and value creation through two listed entities with clear structure & sharp capital allocation strategy*
- *ABFRL plans to raise ~ Rs. 2500 Cr equity capital within 12 months of demerger with promoter participation*

Mumbai, April 19, 2024: Pursuant to the announcement on 01 April 2024, The Board of Directors of ABFRL, at its meeting today, has approved the proposal of vertical demerger of Madura Fashion and Lifestyle business (MFL Business) from ABFRL into a newly incorporated company named as Aditya Birla Lifestyle Brands Ltd. (ABLBL), which will be listed separately on completion of the demerger.

The demerger is expected to unlock significant value for the shareholders of ABFRL as each of the listed entities will have their own distinct capital structures, independent growth trajectories and value creation opportunities.

The demerger will be implemented through an NCLT scheme of arrangement and upon its completion, all shareholders of ABFRL will have identical shareholdings in both the companies.

Post demerger, the two listed companies will be as follows:

Aditya Birla Lifestyle Brands Ltd. (ABLBL)

Will house the Business consisting of -

- **Lifestyle brands** - Louis Phillippe, Van Heusen, Allen Solly & Peter England
- **Casual wear brands** - viz. American Eagle & Forever 21
- **Sportswear brand** - Reebok
- **Innerwear business** under Van Heusen brand

Aditya Birla Fashion and Retail Ltd. (ABFRL)

Remaining businesses in ABFRL will be a portfolio of multiple growth platforms -

- **Value Retail** - Value & masstige fashion retail play under Pantaloons & Style Up
- **Ethnic Portfolio** - One of India's most comprehensive ethnic wear portfolio covering multiple occasions, price points and consumer segments, including designer wear partnerships and recently acquired portfolio of TCNS brands

- **Luxury** - A fast-growing bridge to luxury & luxury platform of The Collective, Galleries Lafayette and select luxury brands
- **Digital brands** - TMRW – a leading portfolio of digital first fashion brands

Upon completion of the demerger, as per the share entitlement ratio approved by the Board and recommended by the independent valuer, the shareholders of ABFRL will get one share of ABLBL for every one share in ABFRL, in addition to their existing shareholding in ABFRL.

The business assets and liabilities will be split between the two companies in accordance with the prescribed regulatory provisions. In line with this, the overall ABFRL borrowing, which is estimated to be ~ Rs. 3000 Cr. as of 31st March 2024, will be split between the two companies. The estimated debt to be transferred to ABLBL will be ~Rs. 1000 Cr., and the balance will continue to stay with ABFRL.

Within 12 months after the completion of the demerger, ABFRL plans to raise ~ Rs. 2,500 Cr. equity capital to strengthen its balance sheet and fund the growth of the remaining businesses. The company's promoter group will fully support the proposed equity raise.

The proposed demerger will be subjected to necessary approvals from shareholders, creditors, regulators, along with other customary approvals.

Price Waterhouse & Co Chartered Accountants LLP are the statutory auditors of the Company and AZB & Partners are the legal counsels for the transaction. Bansi S Mehta Valuers LLP were the independent valuers to the transaction and INGA Ventures Pvt. Ltd. provided the fairness opinion.

About ABFRL

ABFRL is part of a leading Indian conglomerate, The Aditya Birla Group. With revenue of Rs. 12,418 Cr. spanning retail space of 10.8 million sq. ft. (as on March 31, 2023), it is India's first billion-dollar pure-play fashion powerhouse with an elegant bouquet of leading fashion brands and retail formats.

The Company has a network of 4,753 stores across approximately 37,106 multi-brand outlets with 9,781 points of sales in department stores across India (as on December 31, 2023).

It has a repertoire of India's largest brands in **Louis Philippe, Van Heusen, Allen Solly** and **Peter England**, established over 25 years. **Pantaloons** is one of India's leading fashion retailer.

Company's international Brands portfolio includes - **The Collective**, amongst India's largest multi-brand retailers of international brands and has long term exclusive partnerships with select brands such as **Ralph Lauren, Hackett London, Ted Baker, Fred Perry, Forever 21, American Eagle, Simon Carter, Reebok and Galeries Lafayette**.

The Company's foray into branded ethnic wear business includes brands such as **Jaypore, Tasva & Marigold Lane**. The Company has strategic partnerships with Designers '**Shantnu & Nikhil**', '**Tarun Tahiliani**', '**Sabyasachi**' and '**House of Masaba**'.

In addition, to cater to the needs of digitally native consumers, ABFRL is building a portfolio of Digital-first brands under its technology led 'House of D2C Brands' venture **TMRW**. **TMRW** is on a path to building a portfolio of Digital First brands in partnership with founders of emerging brands in the E-Commerce market.

The Company in September 2023 completed the acquisition of 51% stake in TCNS Clothing Co. Ltd. TCNS is India's leading women's branded ethnic apparel company that designs, markets and retails portfolio of women's branded apparel across brands **W, Aurelia, Wishful, Elleven & Folksong**.

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, based on 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 Rs. one Crore. The financial results are consolidated financials unless otherwise specified.