



June 6, 2023

BSE Limited
Scrip code: 535755 & 961915

National Stock Exchange of India Limited
Symbol: ABFRL

Sub.: Clarification on Postal Ballot Notice of Aditya Birla Fashion and Retail Limited ("the Company")

Ref.: 1. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")
2. ISIN: INE647O01011 & INE647O13016
3. Our intimation dated May 9, 2023

Dear Sir/ Madam,

We would like to clarify the following w.r.t. the Postal Ballot Notice sent to the shareholders.

Clarification

Pursuant to Section 186 of the Companies Act, 2013, "*No Company shall acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty per cent. of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more...unless previously authorised by a special resolution*"

Basis the above provision the Investment limit for the Company is ~ ₹ 2,400 Cr [being 60% of Paid-up share capital + Free Reserves + Securities Premium]

Out of the above, the Company has already invested ₹ 1400 crore by way of investments to our subsidiaries and JV companies. All these companies are our new growth drivers including ethnic businesses and direct to consumer (D2C) brands.

Furthermore, in line with its strategy to build a comprehensive portfolio of brands across segments, categories and price points in ethnic business, the Company has also announced to acquire up to 51% equity stake in TCNS Clothing Co. Limited ("*TCNS*"). In its announcement dated May 5, 2023, the Company proposes to acquire:

- from the Promoters of TCNS between 22% - 30.81% stake and
- conditional open offer from the public shareholders of TCNS between 20.19% - 29.00% stake.
- Total acquisition of 51% stake amounting to ~ ₹ 1655 Cr.

We are seeking shareholders' approval for additional limit of Rs. 1500 crores over and above the permissible limits. That will allow company to invest further up to Rs. 2500 Crore, which will be used primarily for investments into TCNS Rs. 1655 Crore, post receipt of necessary regulatory approvals and remaining balance of Rs. 850 Crore will be invested in subsidiary companies which house our new growth businesses in ethnic, direct to consumer (D2C) space and luxury business viz. Indivinity (TASVA), Jaypore, Finesse (Shantanu & Nikhil), Masaba, Sabyasachi and Aditya Birla Digital Ventures Limited (TMRW).

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
Tel.: +91 86529 05000
Fax: +91 86529 05400

Website: www.abfrl.com
E-mail: secretarial@abfrl.adityabirla.com



Please appreciate that while we have clear plans for each one of these businesses, they are in early stage of growth and investments phase and exact need for capital in each business will evolve over time, hence seeking an omnibus approval with the overall limit.

Hence, this proposal will help the Company to adequately fund its growth businesses to be able to build scale in each of them in line with our stated growth strategy.

Kindly note that this proposed increase in investment limit is in compliance with the Companies Act, 2013 and SEBI LODR. For any increase in limits beyond this, the Company proposes to come back to its shareholders for their necessary approval, at the relevant point in time.

Thanking you,

Sincerely,

For **Aditya Birla Fashion and Retail Limited**

Anil Malik

President & Company Secretary

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