

**ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER
FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated June 28, 2020 (“**Letter of Offer**”) which is available on the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

Our Company has made available on the Registrar’s website at www.linkintime.co.in, the Abridged Letter of Offer along with the Rights Entitlement Letter and Application Form to the Eligible Equity Shareholders who have provided an Indian address to our Company. You may also download the Letter of Offer from the websites of the Company, the Securities and Exchange Board of India (“**SEBI**”), the stock exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”), the Lead Managers and the Registrar, i.e., at www.abfrl.com; www.sebi.gov.in, www.bseindia.com, www.nseindia.com, (1) ICICI Securities Limited at www.icicisecurities.com (2) SBI Capital Markets Limited at www.sbicaps.com (3) Axis Capital Limited at www.axiscapital.co.in (4) BNP Paribas at www.bnpparibas.co.in (5) CLSA India Private Limited at www.india.clsa.com and www.linkintime.co.in, respectively and at the Registrar’s web-based application platform at www.linkintime.co.in (“**R-WAP**”). The Application Form is available on the website of our Company respective websites of the Company, Lead Managers, Stock Exchanges and on the R-WAP.



ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered and Corporate 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

Telephone: +91 86529 05000; **Contact Persons:** Ms. Geetika Anand, Company Secretary and Compliance Officer

E-mail: secretarial.abfrl@adityabirla.com . **Website:** www.abfrl.com. **Corporate Identity Number:** L18101MH2007PLC233901

PROMOTER OF OUR COMPANY

BIRLA GROUP HOLDINGS PRIVATE LIMITED

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF 9,04,65,693 PARTLY PAID-UP SHARES# OF FACE VALUE OF ₹ 10 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ 110 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 100 PER RIGHTS EQUITY SHARE) AGGREGATING TO ₹ 9,95,12,26,230# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 9 (NINE) RIGHTS EQUITY SHARES FOR EVERY 77 (SEVENTY SEVEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS WEDNESDAY, JULY 1, 2020 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 210 OF THE LETTER OF OFFER.

#Assuming full subscription

PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES*

| Amount Payable per Rights Equity Share* | Face Value (₹) | Premium (₹) | Total (₹) |
|--|-----------------------|--------------------|------------------|
| On Application | 5.00 | 50.00 | 55.00 |
| First Call** (January 2021) | 2.50 | 25.00 | 27.50 |
| Final Call** (July 2021) | 2.50 | 25.00 | 27.50 |
| Total (₹) | 10.00 | 100.00 | 110.00 |

**For further details on Payment Schedule, see “Terms of the Issue – Payment Terms” on pages 227-228 of the Letter of Offer.*

*** Subject to modification as may be approved by our Board/ Rights Issue Committee – 2020 from time to time.*

The existing Equity Shares of our Company are listed on BSE and NSE. Our Company has received “in-principle” approvals from BSE and NSE for listing the Rights Equity Shares through its letter dated June 20, 2020, as revised by its letter dated June 25, 2020 and NSE through its letter dated June 22, 2020. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Right Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, designated stock exchange (“**DSE**”) is BSE.

Procedure: If you wish to know about processes and procedures applicable to rights issue, you may refer to the section titled “*Terms of the Issue*” beginning on page 210 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, SEBI, BSE, NSE, Registrar, the Lead Managers and on the R-WAP as stated above.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations. Our Company satisfies the conditions specified in Regulation 99 of the SEBI ICDR Regulations read with SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 and accordingly, our Company is eligible to undertake the Issue by way of a ‘fast track issue’.

Our Company filed an exemption application dated May 19, 2020 with SEBI seeking an exemption under Regulations 300(1)(a) and (b) of the SEBI ICDR Regulations from strict enforcement of Clause 3(b) of Part B of Schedule VI of the SEBI ICDR Regulations (“**Exemption Application**”) and enable our Company to make disclosures in the Letter of Offer under Part B of Schedule VI of the SEBI ICDR Regulations. On June 4, 2020, SEBI approved the Exemption Application and permitted our Company to make disclosures in the Letter of Offer under Part B of Schedule VI of SEBI ICDR Regulations for undertaking the Issue, subject to, among other things, inclusion of disclosures in relation to our business and industry in the Letter of Offer and compliance with the rules and regulations by SEBI (the “**SEBI Approval**”).

Whether the Company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers: Not Applicable, the Issue being a rights issue.

INDICATIVE TIMETABLE*

| | | | |
|---|--------------------------|--|-------------------------|
| Issue Opening Date | Wednesday, July 8, 2020 | Date of Allotment (on or about) | Monday, August 3, 2020 |
| Last Date for On Market Renunciation # | Friday, July 17, 2020 | Date of credit (on or about) | Tuesday, August 4, 2020 |
| Issue Closing Date* | Wednesday, July 22, 2020 | Date of listing (on or about) | Friday, August 7, 2020 |
| Finalisation of basis of Allotment (on or about) | Friday, July 31, 2020 | | |

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

NOTICE TO INVESTORS

All Eligible Equity Shareholders outside India should refer to the Letter of Offer together with the International Supplement. As used in this section, the Letter of Offer refers to the Letter of Offer together with the International Supplement.

This Abridged Letter of Offer has been made available to you in electronic form in accordance with the SEBI Relaxation Circular and MCA Circular. NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THE LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THE LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER “RESTRICTIONS ON PURCHASES AND REALES” ON PAGE 241 OF THE LETTER OF OFFER.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States, except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Shares referred to in this Abridged Letter of Offer and the Letter of Offer are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The offering to which this Abridged Letter of Offer and the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this Abridged Letter of Offer and the Letter of Offer in or into the United States at any time. The Rights Equity Shares are not transferable except in accordance with the restrictions described in the section entitled “*Restrictions on Purchases and Resales*” in the Letter of Offer.

The Letter of Offer, this Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The Company and the Lead Managers are not making, will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

Notwithstanding any other instructions herein, investors outside of India should access/download the Letter of Offer (together with the International Supplement) from the websites of our Company, the Registrar and the Lead Managers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Specific attention of the investors is invited to “Risk Factors” beginning on page 17 of the Letter of Offer. before making an investment in this Issue.

| Name of the Lead Managers and contact details | ICICI Securities Limited | SBI Capital Markets Limited | Axis Capital Limited |
|---|--|---|--|
| | ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai – 400 020 Telephone: +91 (22) 2288 2460 E-mail id: abfml.rights@icicisecurities.com Investor grievance e-mail id: customercare@icicisecurities.com Contact person: Shekher Asnani/Rishi Tiwari Website: www.icicisecurities.com SEBI registration number: INM000011179 | 202, Maker Tower ‘E’ Cuffe Parade, Mumbai 400 005 Telephone: +91 (22) 2217 8300 E-mail id: abfml.rights@sbicaps.com Investor grievance e-mail id: investor.relations@sbicaps.com Contact person: Sambit Rath/ Janardhan Wagle Website: www.sbicaps.com SEBI registration number: INM000003531 | 1st Floor, Axis House C-2, Wadia International Centre, P.B. Marg, Worli Mumbai 400 025 Telephone: +91 (22) 4325 2183 E-mail id: abfml.rights@axiscap.in Investor Grievance e-mail id: complaints@axiscap.in Contact Person: Sagar Jatakiya Website: www.axiscapital.co.in SEBI registration number: INM000012029 |

| | | | |
|---|--|--|--|
| | BNP Paribas BNP Paribas House, 1-North Avenue Maker Maxity, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Telephone: +91 (22) 3370 4000 E-mail id: dl.rights.abfrrl@asia.bnpparibas.com Investor Grievance E-mail id: indiainvestors.care@asia.bnpparibas.com Contact Person: Soumya Guha Website: www.bnpparibas.co.in SEBI registration number: INM000011534 | CLSA India Private Limited 8/F Dalamal House Nariman Point Mumbai 400 021 Telephone: +91 (22) 6650 5050 E-mail id: abfrrl.rights@clsa.com Investor Grievance E-mail: investor.helpdesk@clsa.com Contact Person: Prachi Chandgothia Website: www.india.clsa.com SEBI registration number: INM000010619 | |
| Name of Registrar to the Issue and contact details | Link Intime India Private Limited C-101, 247 Park L B S Marg Vikhroli (West) Mumbai 400 083 Telephone: +91 (22) 4918 6200/ 4918 6171 / 4918 6172 E-mail id: abfrrl.rights@linkintime.co.in Investor grievance e-mail id: abfrrl.rights@linkintime.co.in Contact person: Mr. Sumeet Deshpande Website: www.linkintime.co.in SEBI registration number: INR000004058 | | |
| Name of Statutory Auditors | S R B C & CO LLP, Chartered Accountants | | |
| Self-Certified Syndicate Banks (“SCSBs”) | The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link | | |
| Banker(s) to the Issue | Axis Bank Limited Sir P.M. Road Jeevan Prakash Building Fort, Mumbai 400 001 Telephone: 022 40867324 / 022 40867371/ 022 40867335 Email id: fort.operationshead@axisbank.com, fort.branchhead@axisbank.com Website: www.axisbank.com Contact person: Amit Retharekar / Ryan Moraes SEBI registration number: INBI00000017 | The Federal Bank Ltd The Federal Bank Ltd, Capital Market Operations Operations Department, Parackal Towers, Parur Junction, Thottakkatukara, Aluva, Kerala, 683102 Telephone: + 91- 99465 55367 E-mail id: dhanyad@federalbank.co.in Website: https://www.federalbank.co.in/ Contact person: Dhanya Dominic SEBI Registration No: INBI00000083 | State Bank of India Capital Market Branch Mumbai Main Branch Building 3rd floor, Samachar Marg Fort, Mumbai 400 023 Telephone: 022 22719102/ 022 22719112 Email id: sbi.11777@sbi.co.in / nib.11777@sbi.co.in Website: sbi.co.in Contact person: Indra Kant Chaurasia SEBI registration number: INBI00000038 |

| BOARD OF DIRECTORS | | | |
|--------------------|----------------------|--|--|
| Sr. No. | Name | Designation | Directorship positions held |
| 1 | Mr. Ashish Dikshit | Managing Director | <i>Indian companies</i> <ul style="list-style-type: none"> Finesse International Design Private Limited Jaypore E-Commerce Private Limited TG Apparel & Décor Private Limited |
| 2. | Mr. Himanshu Kapania | Additional non-executive Director and Vice Chairman ⁽¹⁾ | <i>Indian companies⁽²⁾</i> <ul style="list-style-type: none"> Aditya Birla Idea Payments Bank Limited (“ABIPBL”) ⁽³⁾ Aditya Birla Management Corporation Private Limited Vodafone Idea Limited (“VIL”) Vodafone Idea Manpower Services Limited <i>Foreign companies</i> Celcom Axiata BERHARD |
| 3. | Mr. Nish Bhutani | Additional Independent Director ⁽⁴⁾ | <i>Indian companies</i> Indiginus Learning Private Limited |
| 4. | Ms. Sukanya Kripalu | Independent Director | <i>Indian companies</i> <ul style="list-style-type: none"> Aditya Birla Health Insurance Co. Limited Colgate - Palmolive (India) Limited Entertainment Network (India) Limited Ultratech Cement Limited |

| BOARD OF DIRECTORS | | | |
|--------------------|-----------------------|--|--|
| 5. | Mr. Sunirmal Talukdar | Additional Independent Director ⁽⁵⁾ | <i>Indian companies</i> <ul style="list-style-type: none"> • Aris Capital Private Limited • Avia Insurance Brokers Private Limited • Clariant Chemicals (India) Limited • India Carbon Limited • Innvol Medical India Limited • Sasken Technologies Limited • Titagarh Capital Private Limited • Titagarh Wagons Limited |
| 6. | Mr. Sushil Agarwal | Non-Executive Director | Indian companies: <ul style="list-style-type: none"> • Aditya Birla Capital Limited • Aditya Birla Online Fashion Private Limited • Aditya Birla Health Insurance Co. Limited • Aditya Birla Management Corporation Private Limited • Aditya Birla Wellness Private Limited • Applause Entertainment Private Limited • Azure Jouel Private Limited • Birla TMT Holdings Private Limited • B G H Properties Private Limited • Finesse International Design Private Limited • Grasim Premium Fabric Private Limited⁽⁶⁾ • IGH Holdings Private Limited • Infocyper India Private Limited • Living Media India Limited • Naman Finance and Investment Private Limited Foreign companies: <ul style="list-style-type: none"> • AV Group NB Inc. • Birla Jingwei Fibres Company Limited • Indigold Carbon (Mauritius) Limited, Mauritius • Indigold Carbon Cooperatief U. A., Netherlands • Indigold Carbon USA Inc, Delaware |

⁽¹⁾He was appointed as additional non-executive Director and Vice Chairman with effect from January 1, 2020, subject to approval of our Shareholders, at the ensuing annual general meeting.

⁽²⁾In addition to the companies named above, Idea Mobile Commerce Services Limited (“IMCSL”) and Idea Telesystems Limited (“ITL”) which have been merged with ABIPBL (effective from February 22, 2018) and VIL (effective from March 1, 2020), respectively, appear as directorships of Mr. Himanshu Kapania on the MCA website. However, given the said mergers, IMCSL and ITL have been disregarded for the purposes of the directorships of Mr. Himanshu Kapania.

⁽³⁾Under voluntary winding-up

⁽⁴⁾He was appointed as additional Independent Director with effect from June 5, 2020, subject to approval of our Shareholders, at the ensuing annual general meeting.

⁽⁵⁾He was appointed as additional Independent Director with effect from March 11, 2020, subject to approval of our Shareholders, at the ensuing annual general meeting.

⁽⁶⁾Grasim Premium Fabric Private Limited will be merged with Grasim Industries Limited and an application has been filed on September 30, 2019 before the National Company Law Tribunal, Mumbai.

OBJECTS OF THE ISSUE

Requirement of funds and utilisation of Net Proceeds

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(In ₹ crore)

| Particulars | Estimated Amount [#] |
|--|-------------------------------|
| Repayment/ prepayment of all or a portion of certain borrowings availed by our Company | 745.00 |
| General corporate purposes* | 244.26 |
| Total Net Proceeds** | 989.26 |

* The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. In case subscription received in the Issue is less than 100% of the Issue but equal to or more 90% of the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds. However, in case, subscription received is less than 90% of the Issue but equal to or more than 75% of the Issue, then our Company shall utilise the amount allocated for repayment of certain borrowings of our Company in its entirety and the remaining Net Proceeds, if any, shall be utilised towards general corporate purposes.

** Assuming full subscription in the Issue, receipt of entire Call Monies with respect to the Rights Equity Shares in the Issue and subject to finalization of the Basis of Allotment.

[#] Rounded off to two decimal places

Our Company will utilise the Net Proceeds amounting to up to ₹ 745.00 crore to repay, either fully or partly, the facilities disclosed below in accordance with commercial considerations and other factors.

(in ₹ crore)

| Sr. No. | Name of the Lender/ ISIN Number | Nature of the borrowing | Principal amount outstanding as at May 31, 2020 ⁽¹⁾ | Purpose of the Facility ⁽²⁾ |
|---------|---------------------------------|-----------------------------|--|---|
| 1. | BNP Paribas ⁽³⁾ | Working capital demand loan | 250.00 | Financing working capital requirements |
| 2. | Federal Bank | Working capital demand loan | 240.00 | Financing working capital requirements |
| 3. | INE647O14DL5 | Commercial paper | 100.00 | Financing working capital including raw material, manufacturing, selling and distribution, establishment expenses |
| 4. | INE647O14DM3 | Commercial paper | 100.00 | |
| 5. | INE647O14DN1 | Commercial paper | 100.00 | |

⁽¹⁾These working capital demand loans and commercial papers are repayable during the Fiscal 2021 and could be repaid or rolled over or refinanced through short term borrowings and accordingly, in such an event such rolled over or refinanced borrowings would be repaid through Net Proceeds.

⁽²⁾As certified by Suresh Surana & Associates LLP, Chartered Accountants vide its certificate dated June 28, 2020. Further, Suresh Surana & Associates LLP, Chartered Accountants have confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.

⁽³⁾Our Company has availed a working capital demand facility of ₹ 250.00 crores from BNP Paribas, which is proposed to be repaid, partly or in full, out of the Net Proceeds. Further, BNP Paribas is also one of the Lead Managers to the Issue. However, BNP Paribas does not qualify as an associate of our Company in terms of Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 read with Regulation 69(3) of the SEBI ICDR Regulations on account of this relationship.

For further details, see “Objects of the Issue” on page 55 of the Letter of Offer.

Means of Finance

The funding requirements mentioned above are based on our Company’s internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Consequently, our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our management and may also be subject to the timing of making Calls in the future, as determined by our Board or Rights Issue Committee – 2020 in accordance with applicable laws.

If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws.

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation, Deployment of Funds and Utilization of Net Proceeds

As described earlier, our Company shall raise 50% of the Gross Proceeds on Application with balance monies being raised in two* subsequent Calls of ₹ 27.50 each* per Rights Equity Share, pursuant to the Payment Schedule, after payment of the Application Money

*Subject to modification as may be approved by our Board/ Rights Issue Committee – 2020 from time to time.

The utilisation of the Net Proceeds will be in accordance with the table set forth below:

(in ₹ crore)

| Particulars | Estimated amount payable in Fiscal 2021 and Fiscal 2022 [#] |
|--|--|
| Repayment of certain borrowings of our Company | 745.00 |
| General corporate purposes | 244.26 |
| Total | 989.26 |

Rounded off to two decimal places

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2021. However, if the Net Proceeds raised in Fiscal 2021 are not completely utilised for the objects stated above by Fiscal 2021 due to various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations and including any terms and conditions of our Company’s borrowings and other commercial considerations, the same would be utilised (in part or full) in Fiscal 2022. The deployment scheduled in Fiscal 2021 and Fiscal 2022 will be contingent upon Call Monies received, subject to 75% being utilized for repayment of borrowings.

As and when our Company makes the Calls for the balance monies with respect to the Rights Equity Shares, our Company shall endeavour to utilize the proceeds raised from such Calls within the same Fiscal as the receipt of the said Call Monies failing which our Company shall utilize the said Call Monies in the subsequent Fiscal.

Monitoring Agency: Axis Bank Limited

Terms of Issuance of Convertible Security, if any: Not Applicable, the Issue being an issue of Rights Equity Shares.

EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON MARCH 31, 2020

| Category of Shareholder | Number of Shareholders | Number of fully paid up Equity Shares held | Total number of shares held | Shareholding as a % of total number of shares (calculated as per SCRR) as a % of (A+B+C2) | Number of voting rights | Total as a % of total voting right | Number of Equity Shares held in dematerialized form |
|------------------------------------|------------------------|--|-----------------------------|---|-------------------------|------------------------------------|---|
| (A) Promoter & Promoter Group | 15 | 45,71,64,117 | 45,71,64,117 | 59.07 | 45,71,64,117 | 59.07 | 45,71,64,117 |
| (B) Public | 1,51,661 | 31,23,22,609 | 31,23,22,609 | 40.35 | 31,23,22,609 | 40.35 | 30,33,04,226 |
| (C1) Shares underlying DRs | - | - | - | - | - | - | - |
| (C2) Shares held by Employee Trust | 1 | 44,61,261 | 44,61,261 | 0.58 | 44,61,261 | 0.58 | 44,61,261 |
| (C) Non Promoter-Non Public | 1 | 44,61,261 | 44,61,261 | 0.58 | 44,61,261 | 0.58 | 44,61,261 |
| Grand Total | 1,51,677 | 77,39,47,987 | 77,39,47,987 | 100.00 | 77,39,47,987 | 100.00 | 76,49,29,604 |

Source: www.bseindia.com

AUDITED FINANCIAL STATEMENTS

A summary of our Company's audited financial information and other financial information derived from Audited Financial Statements and audited standalone financial statements of each of the respective years, is set out below:

(In ₹ crore except per share data)

| Particulars | As at and for the Fiscal | | |
|--|--------------------------|----------|----------|
| | 2020* | 2019* | 2018* |
| Equity Share capital | 773.95 | 773.48 | 771.69 |
| Net Worth | 1,067.89 | 1,428.88 | 1,093.11 |
| Revenue from operations | 8,787.86 | 8,117.72 | 7,181.41 |
| Net profit/ (loss) after tax / Profit for the year | (165.02) | 321.22 | 117.79 |
| Basic EPS (in ₹) | (2.11) | 4.15 | 1.52 |
| Diluted EPS (in ₹) | (2.11) | 4.15 | 1.52 |
| Net asset value per Equity Share (in ₹) | 13.80 | 18.47 | 14.17 |
| Total Borrowings [#] | 2,783.03 | 1,702.86 | 1,861.45 |

* The above information for Fiscal 2020, being consolidated figures are not comparable with the information for Fiscal 2019 and Fiscal 2018 which are on a standalone basis.

[#] does not include lease liability under Ind AS 116

INTERNAL RISK FACTORS

The below mentioned risks are the top 5 risk factors as per the Letter of Offer:

1. The recent novel coronavirus ("COVID-19") outbreak has impacted our business, results of the operations and financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.
2. The fashion and retail industry is highly competitive. If we do not respond to competition effectively, our cash flows, financial condition and results of operation may be adversely affected.
3. If we are unable to effectively implement our business and growth strategies, our results of operations may be adversely affected.
4. Our business depends on our ability to obtain and retain quality retail spaces.
5. Any deterioration in the public perception of the brands sold by us or failure to adequately protect our intellectual property rights could affect our customer footfall at stores and can materially and adversely impact our reputation, business, financial condition, cash flows and results of operations.

For further details, see the section "Risk Factors" on page 17 of the Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against our Company and the amount involved:

A summary of material outstanding legal proceedings involving our Company, as on the date of the Letter of Offer, is set out below:

(in ₹ crore, unless otherwise specified)

| Type of Proceedings | Number of cases | Amount to the extent quantifiable |
|--|-----------------|-----------------------------------|
| Litigation involving our Company | | |
| Matters involving issues of moral turpitude or criminal liability on the part of our Company | 3 | Non-quantifiable |
| Material cases | 4 | 223.15 |
| Total | 7 | 223.15 |

B. Brief details of top five material outstanding litigations against our Company and amount involved:

| Sr. No. | Particulars | Litigation filed by | Current Status | Amount involved |
|---------|--|--------------------------------|----------------|------------------|
| 1. | Sangeeta Bubna (“ Complainant ”), a director of M/s Isha Distribution House Private Limited (“ IDHPL ”), has filed first information report (“ FIR ”) before Bidhannagar police station, Kolkata against certain current and former officers of our Company alleging, <i>inter alia</i> , theft, illegal trespassing and dacoity of stocks from certain premises being operated by the Complainant in terms of the agency agreement entered between IDHL and our Company. Subsequently, a charge sheet has been filed against one former officer and one current officer of our Company (collectively, the “ Accused ”) in connection with the FIR before the Additional Court of Judicial Magistrate, Bidhannagar, Kolkata. | Sangeeta Bubna | Pending | Non-quantifiable |
| 2 | Arun Moorthy (“ Complainant ”), has filed a private complaint (“ Complaint ”) before the Additional Metropolitan Magistrate, Bangalore (“ Magistrate ”) against our Director Ashish Dikshit and certain officers of our Company (“ Accused ”) alleging, <i>inter alia</i> , criminal breach of trust and cheating. The Complainant further alleged that he was illegally terminated from his service and that the Accused withheld an amount of ₹ 1.5 crore payable to an entity owned by the father of the Complainant. The Complaint was subsequently dismissed by an order of the Magistrate. (“ Impugned Order ”). The Petitioner filed a criminal revision petition before the court of the District and Sessions Judge at Bangalore, praying that the Impugned Order be set aside. The matter is currently pending. | Arun Moorthy | Pending | Non-quantifiable |
| 3 | Bikash Agarwal, (“ Complainant ”) filed a first information report (“ FIR ”) against our Company and certain officers of our Company alleging cheating, criminal conspiracy and criminal breach of trust. The Complainant’s firm, Shree Krishna Ventures, was appointed as a franchisee of our Company for operating an exclusive brand outlet for ‘Allen Solly’ in Jorhat, Assam for which the space was procured on rental basis in the year 2013 till 2016. The Complainant’s firm had issued certain way-bills to our Company for shipments of goods to the Complainant’s store. The Complainant alleged that our Company had misused certain way-bills to deliver goods to a third party. The matter is currently pending. | Bikash Agarwal | Pending | Non-quantifiable |
| 4 | IDHPL filed a suit against our Company before the High Court of Calcutta, seeking, <i>inter alia</i> , declaring the termination of distributorship agreements for West Bengal and Bihar by our Company as void, claim of an amount aggregating to ₹ 177.75 crore for business loss, reputational damage along with interest of 18% per annum from March 2016. The matter was subsequently dismissed by the High Court of Calcutta for lack of jurisdiction. Pursuant to this, a special leave petition (“ SLP ”) was filed by IDHPL before the Supreme Court. The Supreme Court, by its order (“ Order ”), allowed the SLP and remanded the matter to the High Court of Calcutta. Our Company filed a review petition (“ Review Petition ”) before the Supreme Court against the Order, which was subsequently dismissed. The matter is currently pending before the High Court of Calcutta. In addition to the above, our Company and IDHPL have also initiated various civil proceedings against each other in relation to such agreements. These proceedings are pending at different levels of adjudication before various forums. Our Company had entered into certain distributorship agreements and agency agreements with IDHPL. In addition to the above, our Company and IDHPL have also initiated various civil proceedings against each other in relation to such agreements. These proceedings are pending at different levels of adjudication before various forums. | IDHPL | Pending | ₹ 177.75 crore |
| 5 | Retailers Association of India (“ RAI ”), on behalf of its members including our Company, filed a writ petition before the High Court of Bombay challenging the constitutional validity of the imposition of a service tax on renting of immoveable property with retrospective effect under sub-clause (zzzz) of clause (105) of section 65 read with section 66 of the Finance Act of 1994 as amended by Finance Act, 2010. The High Court of Bombay, by its order (“ Order ”), upheld the constitutional validity of levy of service tax on renting of immovable property and dismissed the writ petition. RAI filed a civil appeal before the Supreme Court (“ Civil Appeal ”) against the Order along with a prayer for interim relief to stay the Order. The Supreme Court by its order, (“ Stay Order ”) stayed the operation of the Order with regard to the arrears of service tax dues from members of the RAI, including our Company, subject to members of RAI depositing fifty percent of the arrears towards service tax in three equated instalments, amongst fulfilment of other conditions. Our Company deposited fifty percent of total service tax arrears as per the conditions mentioned in the Stay Order and paid the balance fifty percent of service tax dues under protest. Our Company thereafter filed an application before the Supreme Court to be impleaded as an appellant in the Civil Appeal and the Supreme Court, by its order, impleaded our Company as an appellant. The amount involved in the matter is of ₹ 24.15 crore. The matter is currently pending. | Retailers Association of India | Pending | ₹ 24.15 crore |

C. Brief details of pending matters involving moral turpitude or criminal liability and economic offences where proceedings have been initiated against the Company and Subsidiaries -

For further details in relation to the pending litigation involving our Company and our Subsidiaries, see section “*Outstanding Litigation and Defaults*” beginning on page 198 of the Letter of Offer.

ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGERS /COMPANY

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91 (22) 4918 6200/ 4918 6171 / 49186172. For details, see “Terms of the Issue” beginning on page 210 of the Letter of Offer.

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use either ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e. R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “Terms of the Issue- Making of an Application through the ASBA process” and “Terms of the Issue–Making of an Application through the Registrar’s Web-based Application Platform (“R-WAP”) process” on pages 213 and 214, respectively of the Letter of Offer

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. For further details, see “Terms of the Issue” beginning on page 210 of the Letter of Offer.

In accordance with the SEBI Relaxation Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- (i) the Eligible Equity Shareholders apply only through R-WAP;
- (ii) the Eligible Equity Shareholders are residents;
- (iii) the Eligible Equity Shareholders are not making payment from non-resident account;
- (iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- (v) the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company or the Registrar containing the name(s), Indian address, e-mail address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery by December 31, 2020 or any other date as the Board or Rights Issue Committee – 2020 may decide, to enable process of credit of Rights Equity Shares in such demat account.

Procedure for Application

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company. Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for delay in the receipt of the Letter of Offer, this Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addressees of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or Rights Entitlement Letter are delayed or misplaced in the transit.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should send an e-mail to abfrlupdation@linkintime.co.in or visit www.linkintime.co.in.

Investors can access the Letter of Offer, this Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at www.abfrl.com;
- (ii) the Registrar at www.linkintime.co.in;
- (iii) the Lead Managers, i.e., (a) ICICI Securities Limited at www.icicisecurities.com (b) SBI Capital Markets Limited at www.sbicaps.com (c) Axis Capital Limited at www.axiscapital.co.in (d) BNP Paribas at www.bnpparibas.co.in (e) CLSA India Private Limited at www.india.clsa.com
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
- (v) the R-WAP at www.linkintime.co.in

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.abfrl.com).

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “*Terms of the Issue - Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 217 of the Letter of Offer.

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Managers shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application on Plain Paper under ASBA process:

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. Please note that the Application on plain paper cannot be submitted through R-WAP.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Aditya Birla Fashion and Retail Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ 55 per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act, or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account

for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales".

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company and the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 9 (nine) Rights Equity Shares for every 77 (seventy seven) fully paid-up Equity Shares held as on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 9 (nine) Rights Equity Shares for every 77 (seventy seven) fully paid-up Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 77 (seventy seven) fully paid-up Equity Shares or is not in the multiple of 77 (seventy seven) fully paid-up Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 77 (seventy seven) fully paid-up Equity Shares, such Equity Shareholder will be entitled to 9 (nine) Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 9 (nine) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full.

Credit of Rights Entitlements in the demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) demat suspense escrow account (namely, "ABFRL RIGHTS ENTITLEMENT SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the

ownership of the Equity Shares currently under dispute, including any court proceedings or (f) the OCBs. For further details of the OCBs, see “Capital Structure” on page 48 of the Letter of Offer.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “Basis of Allotment” on beginning on page 232 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Allotment only in Dematerialized Form

Please note that the Rights Equity Shares applied for in this Issue can be Allotted only in dematerialized form and to the same depository account in which our Equity Shares are held by such Investor on the Record Date. For details, see “*Allotment Advice or Refund/ Unblocking of ASBA accounts*” beginning on page 233 of the Letter of Offer.

Intention and extent of participation by our Promoter and members of the Promoter Group in the Issue

Our Promoter and members of the Promoter Group have confirmed the following: (i) fully subscribe to the extent of their Rights Entitlement and do not intend to renounce such rights, except to the extent of renunciation within our Promoter and members of the Promoter Group; and (ii) subscribe to any additional Rights Equity Shares in the Issue, amongst themselves, for ensuring subscription to the extent of at least 90% of the Issue (in case of under-subscription below 90% in the Issue) and such subscription shall be subject to applicable laws.

Any participation by our Promoter and members of the Promoter Group, over and above their rights entitlement, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable Law.

DECLARATION BY OUR COMPANY

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in the Letter of Offer are true and correct.

Place: Mumbai

Date: June 28, 2020

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