Early Warning System

IFC-48520

Aditya Birla Fashion & Retail Limited

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2023-08-22
Borrower	Aditya Birla Fashion And Retail Limited
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.31 million
Loan Amount (USD)	$ 100.31 million
Project Cost (USD)	$ 200.00 million

Project Description

As stated by the IFC, the proposed transaction entails an investment of up to INR7.5 billion (approximately US$91 million) in the form of subscription to Non-Convertible Debt securities (NCDs) issued by Aditya Birla Fashion and Retail Limited (ABFRL). The NCDs will be rated, listed, unsecured, redeemable, and denominated in Indian Rupees. In May 2023, ABFRL entered into definitive agreements to acquire TCNS Clothing Co. Limited (TCNS). The proposed investment will be utilized towards the acquisition of TCNS and the long-term working capital needs of the Company.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

As stated by the IFC, Aditya Birla Fashion and Retail Limited (ABFRL), is one of India's leading branded apparel retailers. ABFRL (https://www.abfrl.com/) operations include nine (9) manufacturing units (7 units in Bengaluru, 1 each in Tamilnadu and Odisha); seven (7) warehouses; and a retail network of stores offering a cumulative total retail space of around 9.2 million sq. ft. spread across India (retail network comprise of 3,977 brand stores, 33,535 multi-brand outlets and 6,723 point of sales in department stores). ABFRL is a part of the Aditya Birla Group, a global conglomerate (https://www.adityabirla.com/about-us), in the league of Fortune 500, with business interests spanning from metals, pulp and fibre, chemicals, textiles, carbon black, telecom, cement, financial services, fashion retail and renewable energy.

The Aditya Birla Group family with 55.47% shareholdings is the sponsor of ABFRL. Being a listed company, the balance shares are held by financial institutional investors and the public.

TCNS Clothing began its operations in 2001 with a capability to design, manufacture, market and retail a diverse portfolio of women's branded apparel and ethnic wear across multiple categories of product lines. TCNS product portfolio includes top-wear, bottom-wear, drapes, combination-sets, and accessories including every-day wear, casual wear, work wear and occasion wear. TCNS has grown its brand portfolio to four brands (W, Elleven, Aurelia and Wishful). Evolving from being an apparel-only brand to a lifestyle brand, TCNS has introduced new categories like footwear, jewelry, and cosmetics in the recent years. As on date, TCNS operations include 50+ staff in its in-house design team in its Corporate Office in New Delhi; four (4) warehouses in New Delhi and about 4000+ points of retail sales. The retail store network includes: 675 Exclusive Business Outlets (EBO) across India and six EBOs in Nepal, Mauritius, and Sri Lanka markets; 1098 Multi Brand Outlets (MBO); Online Partners; 2298 Large Format Stores; and about 44 Shop-in-Shop stores. TCNS does not own any kind of garment manufacturing facilities and instead engages job workers (Ready Made Garment manufacturing units/garment finishing units) for manufacturing all its products with a significant majority located in the National Capital Region of New Delhi. There are about 250+ job workers (ranging from artisanal groups to large mills) and raw material suppliers as part of its supply chain. TCNS does not own any parcel of land or buildings and spaces for offices, warehouses and retail stores operation are located on leased or rented buildings.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Aditya Birla Group	Parent Company	Industry and Trade	owns	Aditya Birla Fashion and Retail Limited	Client	Industry and Trade

Contact Information

General IFC Inquiries - IFC Communications:

Address: 2121 Pennsylvania Avenue, NW, Washington DC 20433
Telephone: +1 202-473-3800
Fax: +1 202-974-4384

Client - Aditya Birla Fashion and Retail Limited:

Rajesh Annamalai - Head, Treasury
Email: rajesh.a@abfrl.adityabirla.com
Address: Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070
Website: https://www.abfrl.com/

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary