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Aditya Birla Fashion to open 470 stores in FY20

FORUM GANDHI

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In a bid to expand its footprint across the country, Aditya Birla Fashion & Retail Ltd (ABFRL) plans to open around 470 stores in FY20. The company, which owns Madura Fashion and Pantaloons Fashion and Retail, currently has over 2,700 stores.

Ashish Dikshit, Managing Director, told *BusinessLine*: "We are looking at adding about 400 stores for Madura and 60-70 stores for Pantaloons this year."

Amid the market slowdown, the industry performance has been subdued, he said. Yet, the company posted a profit of ₹21.56 crore for Q1 FY20, which was 285 per cent higher YoY.

During the quarter, Madura added around 100 new stores but the net addition was 77-80 as some stores were closed. Seven Pantaloon stores were also added during the first quarter.

The Madura business segment comprises lifestyle brands Louis Phil-



Seven Pantaloons stores were added during the first quarter (file photo) BLOOMBERG

ippe, Van Heusen, Allen Solly and Peter England, and fast fashion labels Forever 21 and People. In Q1, Madura's revenue increased 9.62 per cent to ₹1,210.35 crore. Pantaloons reported a 9.5 per cent increase in revenue at ₹890 crore.

Rise in income

The company's total income was at ₹2,082.97, up ₹161 crore YoY. Net sales were 7.94 per cent higher at ₹2,065.46 crore.

"Sometimes, when the markets are not very good, wholesalers tend to lower the level of stock, which means primary purchase will come down," said Dikshit.

"But that shouldn't worry us because it will come back as soon as the consumers are back in the market."

The fast fashion segment witnessed a 10 per cent decline in revenues at ₹80 crore. The EBITDA loss was ₹9 crore against ₹6 crore in Q1 FY19.

"For Forever 21, we need to get a few elements of the business right in terms of store size and products. We have recently started to look at local production wherever possible to reduce the impact of import duty, and to look at margin improvements. After that it's scalable because the brand is very desirable," Dikshit said.