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● **INTERVIEW: ASHISH DIXIT**, MD, Aditya Birla Fashion & Retail

'Current conditions are slightly more subdued than what we would like'

ABFRL POSTED considerable surge in its Q1FY20 net profits. Ashish Dixit, managing director, told Shashank Dipankar that present conditions are slightly more subdued than what the firm would like to see in the consumption sector. Excerpts:

How do you see the consumer sentiment and state of demand?

The current conditions are slightly more subdued than what we would like in the consumption sector. There is still a large part of markets and product categories where the consumer is upgrading from unbranded to branded, and there is a constant journey of new consumers flowing into this category.

Can you share details on your same store sales growth and explain where the demand is coming from?

Our premium bands and Pantaloons cover roughly all of India. I don't think that demand is dramatically different; we still



are not in the segments which sell in rural markets. Ours is largely an urban market play and within the urban market, it is fairly distributed.

What about rentals? Are they increasing or do you expect them to remain modest given the small town mix?

Rentals will remain where they are. I don't think there is a reason to believe that they will go up in the short term. In these conditions, people are relatively careful in terms of expansion and look for right rental

opportunities.

What about new stores? How many do you expect to open?

In Madura segment, we look to open in excess of 400 stores while Pantaloons will look to open between 60-70 stores.

Are you expecting marketing spends to rise further? Will that impact your margins in the coming quarters?

We can't talk specifically for a quarter. Generally speaking, our biggest assets are our brands and they require consistent communication with consumers. Our marketing spends have been growing since last year and we continue to keep it up as these are long-term properties and do not change from quarter to quarter.

Do you expect sales growth to plummet to single digits in FY20?

I don't think so. At this stage, we still continue to look at double digit sales growth.