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Expansion, private labels to drive biz, says Pantaloons

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BANGALORE, DHNS: To improve and increase visibility in the highly-evolving apparel retail business, Pantaloons Fashion & Retail plans to open more stores and spruce up the existing ones entailing an expenditure of Rs 100 crore in the next financial year.

The apparel retail chain is also strengthening its portfolio of private label to improve profit margins.

"We will be opening about 17 stores in financial year 2014-15 across India, apart from three more this month. By March 2015, we will have about 100 stores," the CEO of the company Shital Mehta said.

Each new store has a capital



Shital Mehta, DH PHOTO

outlay of about Rs 5 crore and renovation of old stores would cost another Rs 25 crore, he added. Besides, each store carries merchandise worth about Rs 2 crore at cost level (Rs 5 crore at retail level).

Mehta spoke on Saturday after the launch of the chain's 80th store in India and sixth in Bangalore. It plans to open three more in the country in this month, Mehta said.

The company also launched three private brands for men, kids and plus size individuals.

Pantaloons Fashion & Retail, which was acquired by Aditya Birla Group last April also plans to grow its private brands that yield high margins apart from improving revenues. "We will be driving growth and profit margins through exclusive brands, fashionable merchandise and affordable pricing," Mehta said.

The effect of these measures will be reflected in the next financial year, he said.

For the quarter ended December 2013, the company reported revenues of Rs 410.75 crore, down 2.92 per cent from Rs 423.11 crore in the corresponding period in 2012-13.