



PANTALOONS FASHION & RETAIL LIMITED
PERFORMANCE UPDATE
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2014

Dear Shareholder,

I am pleased to share with you the half yearly performance update on your Company.

Industry Scenario

The macro-economic environment remained challenging this year, with high inflation impacting customer footfalls and spending. The branded apparel sector also saw the aggressive entry of several e-commerce players in this year.

Performance Highlights

- For half year ended 30th September 2014, your Company posted a net Revenue of Rs. 940 Crore, a 13% year on year growth over Rs. 832 Crore attained in the half year ended 30th September 2013
- Your Company posted Rs. 27 Crore of Earnings Before Tax, Depreciation and Amortization (EBITDA) level, against Rs. 0.2 Crore in the same period last year.
- Same store sales in your Company's flagship format of Pantaloons stores saw strong growth at 8.2%, against 3.2% growth in the same period last year. Overall growth in this format was at a very healthy 16%.
- During the half year, your Company opened 6 new stores – 1 each in Ahmedabad, Chennai, Mangalore, Vijayawada, Mohali and Meerut, as well as one Factory Outlet in Vasai, Mumbai. Pantaloons has a large pan India retail presence, with 87 stores and 27 Factory Outlets spanning across 2 million square feet.

Key Highlights

- All geographic zones across the network, as well as all categories of apparel, have seen strong positive Like To Like (L2L) growth
- Sales from Private Labels have been robust and contributed 52% of overall net sales, against 49% in the comparable period last year
- Execution of our portfolio strategy, along with superior merchandising enabled us to expand our Gross Margin by 400 basis points from about 40% to 44%.
- Store renovation and refurbishments continue to be an area of focus for the Company to provide its customers a superior shopping experience. Your Company has completed renovation of 10 stores in this half year.

Growth strategy

Keeping fresh fashion and value conscious youth customers at its centre, your Company has laid out its growth strategy for the next few years which includes

- Pan India retail space expansion with a focus on Tier II/III cities
- Improving product mix of private labels leading to increased profitability
- Leveraging multiple channels including digital as well as offline to reach the customer

Outlook

The outlook for the domestic branded apparels sector remains challenging in the short run, but the medium to long term outlook is positive based on favourable demographics, and increasing shift towards branded apparel.

Driven by aforementioned strategic initiatives, your Company aims to accelerate the pace of growth and enhance shareholders' returns.

Wishing you a prosperous New Year ahead.

Yours Truly,

Pranab Barua
Managing Director

Date: November 4, 2014
Place: Mumbai

Pantaloons Fashion & Retail Ltd

Regd. Office: 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off. A K Road, Marol Village, Andheri (E), Mumbai - 400059, India
CIN: L18101MH2007PLC233901 E - mail: pfrl@pantaloons.adityabirla.com Website: www.pantaloons.com



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FOR THE HALF YEAR ENDED SEPTEMBER 30, 2014

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED SEPTEMBER 30, 2014

In Rupee Lakhs

	Particulars	Quarter Ended			Six Months Ended		Year Ended
		September 30, 2014 (Unaudited)	June 30, 2014 (Unaudited)	September 30, 2013 (Unaudited)	September 30, 2014 (Unaudited)	September 30, 2013 (Unaudited)	March 31, 2014 (Audited)
1	Income from Operations						
	(a) Net Sales / Income from Operations	54,393	38,130	48,122	92,523	81,726	162,862
	(b) Other Operating Income	1,048	472	663	1,520	1,491	3,259
	Total Income from Operations (Net)	55,441	38,602	48,785	94,043	83,217	166,121
2	Expenses						
	(a) Purchases of Stock-In-Trade	40,556	16,959	31,631	57,515	49,620	98,976
	(b) Change in Inventories of Stock-In-Trade	(8,652)	3,003	(1,282)	(5,649)	(524)	(3,750)
	(c) Employee Benefit Expense	4,652	4,483	3,893	9,135	6,988	14,971
	(d) Depreciation and Amortisation Expense (Refer Note 5)	4,548	4,555	2,042	9,103	3,717	10,900
	(e) Rent	7,204	6,829	6,223	14,033	12,204	25,032
	(f) Other Expenses	8,614	7,763	7,901	16,377	15,217	27,553
	Total Expenses	56,922	43,592	50,408	100,514	87,222	173,682
3	Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)	(1,481)	(4,990)	(1,623)	(6,471)	(4,005)	(7,561)
4	Other Income	54	11	100	65	305	513
5	Profit/(Loss) before Finance Costs and Exceptional Items (3 ± 4)	(1,427)	(4,979)	(1,523)	(6,406)	(3,700)	(7,048)
6	Finance Costs	2,922	2,830	2,827	5,752	6,432	11,725
7	Profit/(Loss) after Finance Costs but before Exceptional Items (5 ± 6)	(4,349)	(7,809)	(4,350)	(12,158)	(10,132)	(18,773)
8	Exceptional Items	-	-	-	-	-	-
9	Profit/(Loss) before Tax (7 ± 8)	(4,349)	(7,809)	(4,350)	(12,158)	(10,132)	(18,773)
10	Tax Expense	-	-	-	-	-	-
11	Net Profit/(Loss) after tax (9 ± 10)	(4,349)	(7,809)	(4,350)	(12,158)	(10,132)	(18,773)
12	Paid Up Equity Share Capital (Face Value of Rs 10 each)	9,279	9,279	9,279	9,279	9,279	9,279
13	Reserve excluding Revaluation Reserves as per Balance sheet of Accounting year	-	-	-	-	-	48,617
14	Earning per Share of Rs 10 each (not annualised)						
	(a) Basic - Rs	(4.69)	(8.42)	(4.69)	(13.10)	(10.92)	(20.24)
	(b) Diluted - Rs	(4.69)	(8.42)	(4.69)	(13.10)	(10.92)	(20.24)
15	Debt Equity Ratio	-	-	-	2.530	1.516	1.806
16	Debt Service Coverage Ratio	-	-	-	0.354	0.002	0.328
17	Interest Service Coverage Ratio	-	-	-	0.469	0.002	0.328
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of Shares	25,402,747	29,737,333	29,737,333	25,402,747	29,737,333	29,737,333
	- Percentage of Shareholding	27.38%	32.05%	32.05%	27.38%	32.05%	32.05%
2	Promoters and Promoter Group Shareholding						
	(a) Pledged/ Encumbered						
	- Number of Shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total Shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total Share Capital of the Company)	-	-	-	-	-	-
	(b) Non - encumbered						
	- Number of Shares	67,390,782	63,056,196	63,056,196	67,390,782	63,056,196	63,056,196
	- Percentage of shares (as a % of the total Shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total Share Capital of the Company)	72.62%	67.95%	67.95%	72.62%	67.95%	67.95%
B	INVESTOR COMPLAINTS	3 months ended September 30, 2014					
	Pending at the beginning of the quarter				-		
	Received during the quarter				9		
	Disposed of during the quarter				9		
	Remaining unresolved at the end of the quarter				-		

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Notes:

1 Statement of Assets and Liabilities:

		In Rupee Lakhs	
	Particulars	As at	
		September 30, 2014 (Unaudited)	March 31, 2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds:		
	(a) Share Capital	9,330	9,330
	(b) Reserves & Surplus	35,852	48,617
	Sub Total - Shareholders' Fund	45,182	57,947
2	Non-current Liabilities		
	(a) Long-term Borrowings	97,499	101,500
	(b) Other Long-term Liabilities	4,785	4,279
	(c) Long-term Provisions	1,806	568
	Sub Total - Non-current Liabilities	104,090	106,347
3	Current Liabilities		
	(a) Short-term Borrowings	11,049	46
	(b) Trade Payables	42,242	37,558
	(c) Other Current Liabilities*	12,664	12,455
	(d) Short-term Provisions	277	970
	Sub Total - Current Liabilities	66,232	51,029
	TOTAL - EQUITY AND LIABILITIES	215,504	215,323
B	ASSETS		
1	Non-current Assets		
	(a) Fixed Assets	160,506	165,802
	(b) Long-term Loans and Advances	7,317	7,695
	Sub Total - Non-current Assets	167,823	173,497
2	Current Assets		
	(a) Current Investments	-	599
	(b) Inventories	41,504	35,835
	(c) Trade Receivables	1,523	1,700
	(d) Cash & Bank Balance	1,292	1,082
	(e) Short-term Loans and Advances	2,933	1,670
	(f) Other Current Assets	429	940
	Sub Total - Current Assets	47,681	41,826
	TOTAL - ASSETS	215,504	215,323
	* Other Current Liabilities includes current maturities of long term borrowings	5,626	3,500

- 2 The Company is operating in a single segment "Retail" and hence no segment disclosures have been made.
- 3 The above unaudited financial results have been reviewed & recommended by the Audit Committee and have been approved & taken on record by the Board of Directors at its meeting held on November 4, 2014.
- 4 The limited review as required under clause 41 of Listing Agreement has been completed by the Auditors of the Company and the related report is being submitted to the concerned Stock Exchanges.
- 5 Depreciation for the year ended March 31, 2014 includes prior period depreciation of Rs. 1,302 Lakhs.
- 6 Ratios have been computed as follows :-
 Debt comprises Long-Term borrowings, Short-Term borrowings and Current maturities of Long Term borrowings
 Debt Service Coverage Ratio = Earnings before Depreciation and Amortization, Interest and Tax / (Finance Cost + Principal Repayments of Long term borrowings) (excluding prepayments of Rs. 73,188 Lakhs during the half year ended September 31, 2013)
 Interest Service Coverage Ratio = Earnings before Depreciation and Amortization, Interest and Tax/Finance cost
 Debt Equity Ratio = Debt / Net Worth ; (Net Worth : Equity Share Capital + Reserves and Surplus + Share Suspense Account)
- 7 Previous periods/years figures have been regrouped or rearranged wherever necessary.
- 8 On September 29, 2014, our promoter i.e. Indigold Trade and Services Limited, acquired 4,334,586 Shares (i.e. 4.67% of total paid up capital of the Company). However, due to the rolling settlement cycle of the Stock Exchanges, the transaction could only get effectuated on October 1, 2014.

Place: Mumbai
 Date: November 4, 2014

Pranab Barua
 Managing Director