<table>
<thead>
<tr>
<th>Brand</th>
<th>Date</th>
<th>Publication</th>
<th>Edition</th>
<th>Headline</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABFRL</td>
<td>8.05.2023</td>
<td>Financial Express</td>
<td>Delhi, Ahmedabad, Chandigarh, Pune</td>
<td>‘We want to rapidly grow our business in ethnic wear’</td>
</tr>
</tbody>
</table>

## ASHISH DIKSHIT, MD, ADITYA BIRLA FASHION AND RETAIL

**‘We want to rapidly grow our business in ethnic wear’**

Aditya Birla Fashion and Retail (ABFRL) on Friday night announced that it is acquiring a 51% stake in ethnic wear maker TCNS Clothing for $1,650 crore, making it one of the largest deals in the domestic fashion space. The transaction, which will involve buying the founding promoter’s stake as well as making a conditional open offer, will be completed in next three to four months, ABFRL managing director Ashish Dikshit said in an interview to Viveat Susan Pinto, Tulsiani. Mr. Dikshit highlighted the strategic intent behind the acquisition and the company’s future roadmap. Excerpts:

You have opted to go for a 51% acquisition of stake and then a merger of TCNS Clothing with ABFRL. Why did you decide to do this?

The structure was thought through carefully. This is a part-cash, part-equity deal. Part cash will involve buying the 51% stake in TCNS Clothing and the rest of the acquisition will happen through the merger of the two companies. The first phase, which is the acquisition of 51% stake, will take about three to four months. The merger, however, will take longer. Having said that, if we had gone for an all-cash deal, it would have been an excessive burden on ABFRL’s balance sheet, which we did not want. Had it been a pure merger scheme, there would have been a concern around the extent of dilution for ABFRL shareholders. We did not want that either. So, the prudent way to handle this was to do a part-cash, part-equity deal, which takes care of all our requirements.

How does this acquisition fit into your overall scheme of things?

If you have seen our actions over the last five years, we have traversed

---

Over the last few years, the acquisition of TCNS Clothing is one more step in this direction. We believe this acquisition is an catalyzing factor to grow our presence in ethnic wear. From here on, we want to rapidly grow our business in ethnic wear and focus on building the portfolio on scaling up the business.

Will you look at more acquisitions in future?

There may be small acquisitions of digital brands or within categories such as active wear, youth wear and athleisure, but nothing will compare with the effort we put to grow our presence in ethnic wear, which is a third of the total apparel market in India. That was a big and significant step we took. And having built a portfolio of brands, both organically and inorganically, over the last few years, it is time to grow it.

How do you see the post-pandemic retail market evolving in India? Is it different from the past?

From a retail perspective, footfalls are back into stores and the Covid-era restrictions on movement and social distancing are no longer there. That is a good sign. From a consumer behaviour point of view, out-of-home activity is back. So, people want to dress up for the occasion, whether it is when going to work or dressing up for a party, get together or events. It is back to normal for consumers. This means that business is looking up for retailers.

With normalcy back, what is your outlook on store expansion?

We remain bullish as far as network store expansion is concerned. We have accelerated our pace of store additions across brands in FY23. We had over 3,400 stores at the end of the nine months ended December 31, 2022 and will continue to keep an aggressive pace in terms of store additions.