



May 27, 2020

**BSE Limited**  
**Scrip code: 535755**

**National Stock Exchange of India Limited**  
**Symbol: ABFRL**

**Sub.: Outcome [2 of 2] of the Board Meeting of Aditya Birla Fashion and Retail Limited [“the Company”]**

**Ref.: 1. Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and**  
**2. ISIN: INE647001011.**

Dear Sir/ Madam,

Kindly note that the Board of Directors of the Company at its meeting held today *inter alia* considered and approved the Audited Standalone & Consolidated Financial Results for the quarter and year ended March 31, 2020 [“Audited Financial Results”].

In this regard, please find enclosed herewith:

- 1) Audited Financial Results;
- 2) Auditors’ Reports with unmodified opinion thereon;
- 3) Press Release;
- 4) Investor Presentation.

A detailed update on impact of Covid-19 on the operations of the Company pursuant to SEBI’s advisory circular dated May 20, 2020 is also enclosed herewith.

Further, please note that:

- The said meeting commenced at 1 p.m. and concluded at 3:03 p.m.;
- The signed copies of the Audited Financial Results were received from the Auditors at 3:34 p.m.;
- The Trading Window for dealing in its securities shall remain closed until 48 hours from this announcement. The same is being duly communicated to all the Designated Persons; and
- The above is being made available on the Company’s website i.e. [www.abfrl.com](http://www.abfrl.com).

Thanking you.

Yours faithfully,  
For **Aditya Birla Fashion and Retail Limited**

**Geetika Anand**  
**Vice President & Company Secretary**

Encl.: As above

**ADITYA BIRLA FASHION AND RETAIL LIMITED**

**Registered Office:**

Piramal Agastya Corporate Park, Building ‘A’,  
4<sup>th</sup> and 5<sup>th</sup> Floor, Unit No. 401, 403, 501, 502,  
L.B.S. Road, Kurla, Mumbai - 400 070

**CIN:** L18101MH2007PLC233901  
**Tel.:** +91 86529 05000  
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Aditya Birla Fashion and Retail Limited

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

₹ in Crore

| Sr. No. | Particulars  | Quarter ended                                 |                                  |   | Year ended                  |                             |
|---------|--|---|----------------------------------|---|-----------------------------|-----------------------------|
|         |  | March 31, 2020<br>(Audited)<br>(Refer note 4) | December 31, 2019<br>(Unaudited) | March 31, 2019<br>(Audited)<br>(Refer note 4) | March 31, 2020<br>(Audited) | March 31, 2019<br>(Audited) |
| I       | Revenue from operations  | 1,817.43                                      | 2,562.46                         | 1,915.31                                      | 8,742.53                    | 8,117.72                    |
| II      | Other income   | 16.88   | 14.48                            | 24.24   | 65.09                       | 64.78                       |
| III     | <b>Total income (I + II)</b>   | <b>1,834.31</b>                               | <b>2,576.94</b>                  | <b>1,939.55</b>                               | <b>8,807.62</b>             | <b>8,182.50</b>             |
| IV      | <b>Expenses</b>  |   |                                  |   |                             |                             |
|         | (a) Cost of materials consumed   | 222.60  | 169.87                           | 227.95  | 783.03                      | 604.21                      |
|         | (b) Purchases of stock-in-trade  | 803.27  | 910.98                           | 851.74  | 3,781.52                    | 3,549.26                    |
|         | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade      | (140.28)                                      | 149.27                           | (179.92)                                      | (353.79)                    | (228.50)                    |
|         | (d) Employee benefits expense  | 274.87  | 275.74                           | 235.14  | 1,058.40                    | 913.02                      |
|         | (e) Finance costs  | 118.63  | 104.69                           | 45.30   | 422.73                      | 187.42                      |
|         | (f) Depreciation and amortisation expense  | 232.47  | 220.78                           | 72.92   | 876.82                      | 282.33                      |
|         | (g) Rent expense   | 106.16  | 156.53                           | 279.37  | 486.92                      | 1,110.35                    |
|         | (h) Other expenses   | 394.76  | 490.97                           | 376.53  | 1,766.08                    | 1,615.31                    |
|         | <b>Total expenses</b>  | <b>2,012.48</b>                               | <b>2,478.83</b>                  | <b>1,909.03</b>                               | <b>8,816.71</b>             | <b>8,033.40</b>             |
| V       | <b>Profit/ (loss) before tax (III - IV)</b>  | <b>(178.17)</b>                               | <b>98.11</b>                     | <b>30.52</b>                                  | <b>(9.09)</b>               | <b>149.10</b>               |
| VI      | Income tax expense   |   |                                  |   |                             |                             |
|         | (a) Current tax (Refer note 8)   | -   | (11.68)                          | 21.84   | -                           | 21.84                       |
|         | (b) Deferred tax (Refer note 8)  | (37.88)                                       | 143.15                           | (193.96)                                      | 136.10                      | (193.96)                    |
| VII     | <b>Net profit/ (loss) after tax (V - VI)</b>   | <b>(140.29)</b>                               | <b>(33.36)</b>                   | <b>202.64</b>                                 | <b>(145.19)</b>             | <b>321.22</b>               |
| VIII    | <b>Other comprehensive income</b>  |   |                                  |   |                             |                             |
|         | Items that will not be reclassified to profit or loss                                  |   |                                  |   |                             |                             |
|         | (a) Re-measurement gains/ (losses) on defined benefit plans                            | (2.07)  | (0.49)                           | 1.32  | 4.55                        | (1.72)                      |
|         | Income tax effect on above   | 0.52  | 0.66                             | 0.60  | (1.31)                      | 0.60                        |
|         | (b) Fair value gains/ (losses) on equity instruments                                   | -   | -                                | -   | 2.95                        | -                           |
|         | Income tax effect on above   | -   | 0.29                             | -   | (0.74)                      | -                           |
|         | <b>Total other comprehensive income</b>  | <b>(1.55)</b>                                 | <b>0.46</b>                      | <b>1.92</b>                                   | <b>5.45</b>                 | <b>(1.12)</b>               |
| IX      | <b>Total comprehensive income (VII + VIII)</b>   | <b>(141.84)</b>                               | <b>(32.90)</b>                   | <b>204.56</b>                                 | <b>(139.74)</b>             | <b>320.10</b>               |
| X       | Paid-up equity share capital<br>(Face value of ₹ 10/- each)                            | 773.95  | 773.66                           | 773.48  | 773.95                      | 773.48                      |
| XI      | Other equity (excluding share suspense)  | -   | -                                | -   | 311.90                      | 655.38                      |
| XII     | Earnings per equity share (of ₹ 10/- each) (not annualised) (including share suspense) |   |                                  |   |                             |                             |
|         | (a) Basic (₹)  | (1.82)  | (0.43)                           | 2.62  | (1.88)                      | 4.15                        |
|         | (b) Diluted (₹)  | (1.81)  | (0.43)                           | 2.61  | (1.87)                      | 4.15                        |



SIGNED FOR IDENTIFICATION  
BY *d*  
S R B C & CO LLP  
MUMBAI

Notes:

1 Standalone Balance Sheet

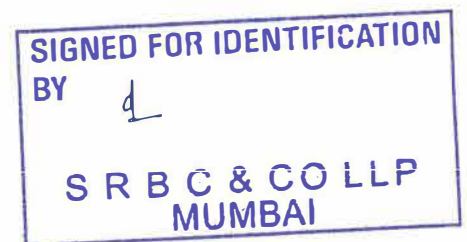
|             |  | ₹ in Crore                           |                                      |
|-------------|--|--------------------------------------|--------------------------------------|
| Particulars |  | As at<br>March 31, 2020<br>(Audited) | As at<br>March 31, 2019<br>(Audited) |
| <b>A</b>    | <b>ASSETS</b>  |                                      |                                      |
| <b>I</b>    | <b>Non-current assets</b>  |                                      |                                      |
|             | (a) Property, plant and equipment  | 638.10                               | 636.37                               |
|             | (b) Capital work-in-progress   | 40.06                                | 22.39                                |
|             | (c) Right-of-use assets  | 2,174.43                             | -                                    |
|             | (d) Goodwill   | 1,859.60                             | 1,859.60                             |
|             | (e) Other intangible assets  | 56.22                                | 59.51                                |
|             | (f) Intangible assets under development  | 3.54                                 | -                                    |
|             | (g) Financial assets   |                                      |                                      |
|             | (i) Investments  | 170.01                               | 4.21                                 |
|             | (ii) Loans   | 3.43                                 | 3.08                                 |
|             | (iii) Security deposits  | 298.99                               | 271.26                               |
|             | (iv) Other financial assets  | 0.34                                 | 1.06                                 |
|             | (h) Deferred tax assets (net)  | 194.96                               | 263.38                               |
|             | (i) Non-current tax assets (net)   | 22.25                                | 16.20                                |
|             | (j) Other non-current assets   | 76.14                                | 114.85                               |
|             | <b>Total - Non-current assets</b>  | <b>5,538.07</b>                      | <b>3,251.91</b>                      |
| <b>II</b>   | <b>Current assets</b>  |                                      |                                      |
|             | (a) Inventories  | 2,349.40                             | 1,921.28                             |
|             | (b) Financial assets   |                                      |                                      |
|             | (i) Loans  | 7.12                                 | 5.42                                 |
|             | (ii) Security deposits   | 107.69                               | 80.19                                |
|             | (iii) Trade receivables  | 840.19                               | 780.81                               |
|             | (iv) Cash and cash equivalents   | 264.91                               | 57.19                                |
|             | (v) Bank balance other than above  | 0.14                                 | 0.22                                 |
|             | (vi) Other financial assets  | 130.31                               | 139.59                               |
|             | (c) Other current assets   | 391.10                               | 384.46                               |
|             | <b>Total - Current assets</b>  | <b>4,150.86</b>                      | <b>3,369.16</b>                      |
|             | <b>TOTAL - ASSETS</b>  | <b>9,688.93</b>                      | <b>6,621.07</b>                      |
| <b>B</b>    | <b>EQUITY AND LIABILITIES</b>  |                                      |                                      |
| <b>I</b>    | <b>Equity</b>  |                                      |                                      |
|             | (a) Equity share capital   | 773.95                               | 773.48                               |
|             | (b) Other equity   | 311.92                               | 655.40                               |
|             | <b>Total - Equity</b>  | <b>1,085.87</b>                      | <b>1,428.88</b>                      |
| <b>II</b>   | <b>Non-current liabilities</b>   |                                      |                                      |
|             | (a) Financial liabilities  |                                      |                                      |
|             | (i) Borrowings   | 855.02                               | 723.78                               |
|             | (ii) Lease liabilities   | 1,791.67                             | -                                    |
|             | (iii) Deposits   | 109.78                               | 81.22                                |
|             | (iv) Other financial liabilities   | 60.13                                | 101.66                               |
|             | (b) Provisions   | 97.04                                | 115.21                               |
|             | (c) Other non-current liabilities  | 12.29                                | 92.46                                |
|             | <b>Total - Non-current liabilities</b>   | <b>2,925.93</b>                      | <b>1,114.33</b>                      |
| <b>III</b>  | <b>Current liabilities</b>   |                                      |                                      |
|             | (a) Financial liabilities  |                                      |                                      |
|             | (i) Borrowings   | 1,507.78                             | 474.45                               |
|             | (ii) Lease liabilities   | 675.68                               | -                                    |
|             | (iii) Trade payables   |                                      |                                      |
|             | (a) Total outstanding dues of micro enterprises and small enterprises                      | 97.73                                | 105.58                               |
|             | (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,175.51                             | 2,291.84                             |
|             | (iv) Deposits  | 153.40                               | 111.34                               |
|             | (v) Other financial liabilities #  | 877.11                               | 923.31                               |
|             | (b) Provisions   | 87.91                                | 87.04                                |
|             | (c) Other current liabilities  | 101.91                               | 84.30                                |
|             | <b>Total - Current liabilities</b>   | <b>5,677.13</b>                      | <b>4,077.86</b>                      |
|             | <b>TOTAL - EQUITY AND LIABILITIES</b>  | <b>9,688.93</b>                      | <b>6,621.07</b>                      |

# Includes Current maturities of long-term debt - ₹ 413.52 (March 31, 2019 - ₹ 504.63)



## 2 Standalone Statement of Cash Flows

|             |   | ₹ in Crore                                |   |
|-------------|---|---|---|
| Particulars |   | Year ended<br>March 31, 2020<br>(Audited) | Year ended<br>March 31, 2019<br>(Audited) |
| <b>I</b>    | <b>Cash flows from operating activities</b>   |   |   |
|             | Profit/ (loss) before tax   | (9.09)                                    | 149.10                                    |
|             | Adjustments for:  |   |   |
|             | Depreciation and amortisation expense   | 876.82                                    | 282.33                                    |
|             | Finance costs   | 419.98                                    | 184.63                                    |
|             | Gain on retirement of right-of-use assets   | (12.93)                                   | -   |
|             | Loss on sale/ discard of property, plant and equipment  | 2.92                                      | 1.36                                      |
|             | Share-based payment to employees  | 19.86                                     | 14.74                                     |
|             | Interest income   | (0.77)                                    | (0.41)                                    |
|             | Net gain on sale of current investments   | (4.71)                                    | (2.22)                                    |
|             | Net unrealised exchange gain  | (2.64)                                    | (0.44)                                    |
|             | Expense/ (income) on financial assets/ liabilities that is designated as at fair value through profit or loss | (24.28)                                   | 1.21                                      |
|             | Provision for doubtful debts, deposits and advances   | 10.81                                     | 6.94                                      |
|             | Bad debts written off   | -   | 3.67                                      |
|             | <b>Operating profit before working capital changes</b>  | <b>1,275.97</b>                           | <b>640.91</b>                             |
|             | Changes in working capital:   |   |   |
|             | (Increase)/ decrease in trade and other receivables   | (67.12)                                   | 5.42                                      |
|             | (Increase)/ decrease in inventories   | (428.12)                                  | (353.43)                                  |
|             | (Increase)/ decrease in other assets  | (112.62)                                  | (171.64)                                  |
|             | Increase/ (decrease) in trade and other payables  | (132.59)                                  | 392.46                                    |
|             | Increase/ (decrease) in provisions  | (12.99)                                   | 8.52                                      |
|             | Increase/ (decrease) in other liabilities   | 145.28                                    | 24.96                                     |
|             | <b>Cash generated from operations</b>   | <b>667.81</b>                             | <b>547.20</b>                             |
|             | Income taxes paid (net of refund)   | 6.13                                      | (19.59)                                   |
|             | <b>Net cash flow from operating activities</b>  | <b>661.68</b>                             | <b>527.61</b>                             |
| <b>II</b>   | <b>Cash flows from investing activities</b>   |   |   |
|             | Purchase of property, plant and equipment, intangible assets and capital advance                              | (313.46)                                  | (286.72)                                  |
|             | Consideration paid for acquisition of/ investment in subsidiaries   | (159.30)                                  | -   |
|             | Purchase of current investments   | (6,811.30)                                | (960.61)                                  |
|             | Inter-corporate deposits to subsidiaries  | (14.99)                                   | -   |
|             | Investment in treasury shares held by ESOP trust  | (100.49)                                  | -   |
|             | Proceeds from sale of property, plant and equipment and intangible assets                                     | 6.00                                      | 7.54                                      |
|             | Proceeds from sale/ maturity of current investments   | 5,816.01                                  | 962.83                                    |
|             | Repayment of Inter-corporate deposits by subsidiaries   | 2.83                                      | -   |
|             | Interest received   | 0.57                                      | 0.41                                      |
|             | <b>Net cash flow used in investing activities</b>   | <b>(574.13)</b>                           | <b>(276.55)</b>                           |
| <b>III</b>  | <b>Cash flows from financing activities</b>   |   |   |
|             | Proceeds from issue of equity shares  | 7.23                                      | 0.93                                      |
|             | Proceeds from non-current borrowings (net off charges)  | 1,044.77                                  | 300.00                                    |
|             | Proceeds from sale of property, plant and equipment under sale and leaseback arrangement                      | 47.93                                     | -   |
|             | Proceeds/ (repayments) of current borrowings (net)  | 1,032.34                                  | (95.01)                                   |
|             | Repayment of non-current borrowings   | (1,004.64)                                | (362.59)                                  |
|             | Repayment of lease liabilities  | (584.90)                                  | -   |
|             | Interest paid   | (422.56)                                  | (109.76)                                  |
|             | <b>Net cash flow from/ (used in) financing activities</b>   | <b>120.17</b>                             | <b>(266.43)</b>                           |
|             | <b>Net increase/ (decrease) in cash and cash equivalents</b>  | <b>207.72</b>                             | <b>(15.37)</b>                            |
|             | Cash and cash equivalents at the beginning of the year  | 57.19                                     | 72.56                                     |
|             | <b>Cash and cash equivalents at the end of the year</b>   | <b>264.91</b>                             | <b>57.19</b>                              |
|             | <b>Components of Cash and cash equivalents</b>  |   |   |
|             | Balances with banks - on current account  | 157.76                                    | 10.14                                     |
|             | Balances with banks - on deposit account  | 100.00                                    | -   |
|             | Balances with credit card companies   | 0.05                                      | 28.64                                     |
|             | Balances with e-wallet companies  | 0.05                                      | 0.01                                      |
|             | Cash on hand  | 7.05                                      | 18.40                                     |
|             | <b>Total Cash and cash equivalents</b>  | <b>264.91</b>                             | <b>57.19</b>                              |



- 3 The above standalone financial results, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors at its meeting held on May 27, 2020.
- 4 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 and the unaudited published year-to-date figures upto December 31, 2019 and December 31, 2018 being the date of the end of the third quarter of the financial year which was subjected to limited review.
- 5 During the quarter ended September 30, 2019, the Company has completed the acquisition of its subsidiaries. Accordingly, the Company publishes audited standalone financial results along with the audited consolidated financial results. In accordance with Ind AS 108 "Operating segments", the Company has disclosed the segment information on a consolidated basis as part of the audited consolidated financial results.
- 6 The audit as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the Auditors of the Company and the related report is being submitted to the concerned Stock Exchanges.
- 7 The Company has adopted Ind AS 116 "Leases" effective April 01, 2019 using modified retrospective method as a result of which comparative information are not required to be restated. The Company has recognised on April 01, 2019, right-of-use assets of ₹ 1,815.77 Crore and lease liabilities of ₹ 2,109.42 Crore, and the adjustment (i.e. charge) to the retained earnings as at April 01, 2019 is ₹ 129.82 Crore (net of straight lining of lease rentals of ₹ 94.10 Crore and deferred tax of ₹ 69.73 Crore). Therefore, rent expense, finance costs, depreciation and amortisation expense, other income and profit for the quarter and year ended March 31, 2019 are not comparable with quarter and year ended March 31, 2020. Also, total assets and total liabilities as at March 31, 2019 are not comparable with balances as at March 31, 2020.

Impact of Ind AS 116 on the standalone financial results for the quarter and year ended March 31, 2020 is as follows:

| Particulars                           | Quarter ended                  | Quarter ended                         | Change due to                         | Year ended                     | Year ended                            | Change due to                         |
|---------------------------------------|--------------------------------|---------------------------------------|---------------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
|                                       | March 31, 2020<br>(Comparable) | March 31, 2019<br>(As per Ind AS 116) | Ind AS 116<br>Increase<br>/(Decrease) | March 31, 2020<br>(Comparable) | March 31, 2019<br>(As per Ind AS 116) | Ind AS 116<br>Increase<br>/(Decrease) |
|                                       | (Audited)                      | (Audited)                             | (Audited)                             | (Audited)                      | (Audited)                             | (Audited)                             |
| Rent expense                          | 319.15                         | 106.16                                | (212.99)                              | 1,246.84                       | 486.92                                | (759.92)                              |
| Finance costs                         | 64.32                          | 118.63                                | 54.31                                 | 212.31                         | 422.73                                | 210.42                                |
| Depreciation and amortisation expense | 59.21                          | 232.47                                | 173.26                                | 248.77                         | 876.82                                | 628.05                                |
| Other income                          | 13.96                          | 16.88                                 | 2.92                                  | 52.16                          | 65.09                                 | 12.93                                 |
| Profit/ (loss) before tax             | (166.51)                       | (178.17)                              | 11.66                                 | 56.53                          | (9.09)                                | (65.62)                               |

- 8 During the quarter ended December 31, 2019, after a detailed evaluation, the Company decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income taxes for quarter and year ended March 31, 2020 based on the rate prescribed in the aforesaid section. Further, management has reviewed the components of deferred tax assets/liabilities leading to a reassessment of its estimates compared to earlier periods. The impact of such reassessment and of the change in rate of tax is given below:

| Particulars  | Quarter ended               | Quarter ended                    | Year ended                  |
|--|-----------------------------|----------------------------------|-----------------------------|
|  | March 31, 2020<br>(Audited) | December 31, 2019<br>(Unaudited) | March 31, 2020<br>(Audited) |
| Net loss after tax (as reported)                                     | (140.29)                    | (33.36)                          | (145.19)                    |
| Tax impact of the aforementioned                                     | -                           | 106.34                           | 130.38                      |
| Net profit/ (loss) after tax (without the im. act of aforementioned) | (140.29)                    | 72.98                            | (14.81)                     |

- 9 During the quarter ended March 31, 2020, the Stakeholders Relationship Committee of the Board of Directors has allotted 2,91,163 Equity Shares of ₹ 10/- each pursuant to the exercise of Stock Options by an eligible employee in terms of Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017.

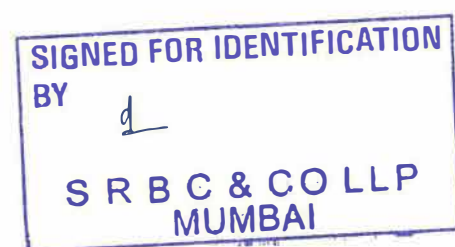
During the year ended March 31, 2020, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee of the Board of Directors have allotted 1,26,742 Equity Shares of ₹ 10/- each, pursuant to the exercise of Stock Options by eligible employees in terms of Employee Stock Option Scheme - 2013 and 3,39,785 Equity Shares of ₹ 10/- each pursuant to the exercise of Stock Options by eligible employees in terms of Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017.

- 10 The Company, pursuant to the approval of Board of Directors and the shareholders dated July 26, 2019 and August 21, 2019, respectively, introduced the 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019' ("Scheme 2019") to issue stock options, comprising options and/ or restricted stock units ("RSUs"), as the case may be, to the eligible employees of the Company and of its holding and subsidiary companies, not exceeding 60,53,000 equity shares. The Scheme is being implemented through a trust, viz. ABFRL Employee Welfare Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEBS Regulations") and involves secondary acquisition of the Company's equity shares by the Trust through recognised stock exchanges in compliance with SEBI SBEBS Regulations and other applicable laws. The Company, as on date granted 44,61,261 stock options to the eligible employees.

- 11 On effectiveness of the Composite Scheme of Arrangement amongst the Company, erstwhile Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956, the Company had issued 67,98,19,778 Equity Shares to the Shareholders of ABNL and MGLRCL ("said Shares"). Out of the said Shares, 67,60,37,600 Equity Shares were allotted to the Shareholders of ABNL and MGLRCL on January 27, 2016. However, pursuant to Clause 21 of the Composite Scheme, allotment of 37,82,178 Equity Shares to 3,475 Non-Resident Shareholders, including 4 Overseas Corporate Bodies ("OCBs") of ABNL ("NRE Shareholders") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 37,65,325 Equity Shares to 3,471 NRE Shareholders in terms of applicable laws. Accordingly, out of the said Shares, 16,853 Equity Shares held by 4 OCBs shall remain pending for allotment until receipt of Regulatory approvals.

- 12 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, other intangible assets and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed its business activities by reopening its factories and retail stores on a gradual basis in line with the guidelines issued by the Government authorities.

- 13 Previous periods' figures have been regrouped/ rearranged wherever necessary to conform to the current period's classification(s).



| Particulars  | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Debt: equity ratio (times) <sup>1</sup>              | 2.31           | 1.15           |
| Debt: service coverage ratio (times) <sup>2</sup>    | 0.37           | 0.61           |
| Interest service coverage ratio (times) <sup>3</sup> | 1.27           | 1.80           |
| Net worth (₹ in Crore)                               | 1,085.87       | 1,428.88       |
| Net profit/ (loss) after tax (₹ in Crore)            | (145.19)       | 321.22         |

Ratios have been computed as follows:

- Debt: equity ratio = Debt/ Net worth; (Net worth: Equity share capital + Other equity)  
Debt comprises Non-current borrowings, Current borrowings, Current maturities of long-term borrowings net off Cash and cash equivalents
- Debt service coverage ratio = Earnings before interest and tax (adjusted for Ind AS 116) / [Finance cost (excluding Interest accounted as per Ind AS 116) + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]
- Interest service coverage ratio = Earnings before interest and tax (adjusted for Ind AS 116) / Finance cost (excluding Interest accounted as per Ind AS 116)

Details w.r.t. the unsecured, rated, redeemable, Non-Convertible Debentures ("NCDs") issued by the Company are as follows:

- The credit rating by CRISIL for the NCDs continues to be AA (Stable).
- The non-convertible debt securities of the Company are unsecured.
- The previous due date(s) for payment of interest and repayment of principal:  
Redemption of Series 1 NCDs issued by the Company in the year 2016 was due on April 12, 2019. Accordingly, the redemption amount has been duly paid.  
Redemption of Series 2 NCDs issued by the Company in the year 2016 was due on May 31, 2019. Accordingly, the redemption amount has been duly paid.
- The next due dates for the payment of interest and repayment of principal:  
NCDs issued by the Company in the year 2018, under Series 3, are Zero Coupon and payment of the redemption amount is due on April 20, 2020;  
NCDs issued by the Company in the year 2018, under Series 5, are Zero Coupon and payment of the redemption amount is due on August 14, 2021;  
NCDs issued by the Company in the year 2019, under Series 6, are Zero Coupon and payment of the redemption amount is due on November 10, 2022;

The Company has accumulated losses of the previous periods, therefore the Company is not required to transfer any amount to the Debenture Redemption Reserve as per provisions of section 71 of the Companies Act, 2013.

Details of the outstanding redeemable preference shares are as under:

- 500,000, 8% Cumulative redeemable preference shares of ₹ 10/- each, redeemable at any time after completion of 15 years from March 31, 2009; and
- 500, 6% Cumulative redeemable preference shares of ₹ 100/- each, redeemable at any time after completion of 15 years from October 14, 2009.

Place : Bengaluru  
Date : May 27, 2020



Ashish Dikshit  
Managing Director

Aditya Birla Fashion and Retail Limited

Registered Office: Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor,

Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070

CIN: L18101MH2007PLC233901 E-mail: secretarial.abfirl@adityabirla.com

Tel: (+91) 86529 05000 | Fax: (+91) 86529 05400 Website: www.abfirl.com



**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Aditya Birla Fashion and Retail Limited

**Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Aditya Birla Fashion and Retail Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and of the net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 12 of the Statement which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the Company. Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income/(loss) of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and



application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





# **S R B C & CO LLP**

**Chartered Accountants**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Aditya Vikram Bhauwala  
Partner

Membership No.: 208282



UDIN: 20208382AAAAAV6353

Bengaluru

May 27, 2020



Aditya Birla Fashion and Retail Limited

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

| Sr. No. | Particulars  | Quarter ended                                      |                                  |  | Year ended                                     |  |
|---------|--|--|----------------------------------|--|--|--|
|         |  | March 31, 2020<br>(Audited)<br>(Refer note 4 & 15) | December 31, 2019<br>(Unaudited) | March 31, 2019<br>(Audited)<br>(Refer note 4 & 15) | March 31, 2020<br>(Audited)<br>(Refer note 15) | March 31, 2019<br>(Audited)<br>(Refer note 15) |
|         |  |  |                                  |  |  | ₹ in Crore                                     |
| I       | Revenue from operations  | 1,831.88   | 2,582.74                         | 1,915.31   | 8,787.86                                       | 8,117.72                                       |
| II      | Other income   | 16.62  | 14.60                            | 24.24  | 65.30  | 64.78  |
| III     | <b>Total income (I + II)</b>   | <b>1,848.50</b>                                    | <b>2,597.34</b>                  | <b>1,939.55</b>                                    | <b>8,853.16</b>                                | <b>8,182.50</b>                                |
| V       | <b>Expenses</b>  |  |                                  |  |  |  |
|         | (a) Cost of materials consumed   | 222.71   | 171.26                           | 227.95   | 785.59   | 604.21   |
|         | (b) Purchases of stock-in-trade  | 806.75   | 921.02                           | 851.74   | 3,800.77                                       | 3,549.26                                       |
|         | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade      | (137.53)   | 144.24                           | (179.92)   | (362.21)                                       | (228.50)                                       |
|         | (d) Employee benefits expense  | 282.17   | 284.27                           | 235.14   | 1,080.53                                       | 913.02   |
|         | (e) Finance costs  | 119.46   | 105.36                           | 45.30  | 424.71   | 187.42   |
|         | (f) Depreciation and amortisation expense  | 233.24   | 225.03                           | 72.92  | 885.31   | 282.33   |
|         | (g) Rent expense   | 105.95   | 156.67                           | 279.37   | 437.02   | 1,110.35                                       |
|         | (h) Other expenses   | 400.57   | 496.97                           | 376.53   | 1,784.33                                       | 1,515.31                                       |
|         | <b>Total expenses</b>  | <b>2,034.32</b>                                    | <b>2,504.84</b>                  | <b>1,909.03</b>                                    | <b>8,886.05</b>                                | <b>8,033.40</b>                                |
| V       | <b>Profit/ (loss) before tax (III - IV)</b>  | <b>(185.82)</b>                                    | <b>92.50</b>                     | <b>30.52</b>                                       | <b>(32.89)</b>                                 | <b>149.10</b>                                  |
| VI      | Income tax expense   |  |                                  |  |  |  |
|         | (a) Current tax (Refer note 9)   | 0.01   | (11.68)                          | 21.84  | 0.01   | 21.84  |
|         | (b) Deferred tax (Refer note 8)  | (39.24)  | 141.82                           | (193.96)   | 132.12   | (192.96)                                       |
| VII     | <b>Net profit/ (loss) after tax (V - VI)</b>   | <b>(146.59)</b>                                    | <b>(37.64)</b>                   | <b>202.64</b>                                      | <b>(165.02)</b>                                | <b>321.22</b>                                  |
| VIII    | <b>Other comprehensive income</b>  |  |                                  |  |  |  |
|         | Items that will not be reclassified to profit or loss                                  |  |                                  |  |  |  |
|         | (a) Re-measurement gain/ (losses) on defined benefit plans                             | (2.27)   | (0.55)                           | 1.32   | 4.37   | (1.72)   |
|         | Income tax effect on above   | 0.47   | 0.75                             | 0.60   | (1.27)   | 0.60   |
|         | (b) Fair value gain on equity instruments  | -  | -                                | -  | 2.95   | -  |
|         | Income tax effect on above   | -  | 0.29                             | -  | (0.74)   | -  |
|         | Items that will be reclassified to profit or loss                                      |  |                                  |  |  |  |
|         | (a) Exchange differences on translation of foreign operations                          | (0.03)   | (0.01)                           | -  | (0.06)   | -  |
|         | Income tax effect on above   | -  | -                                | -  | 0.01   | -  |
|         | <b>Total other comprehensive income</b>  | <b>(1.83)</b>                                      | <b>0.48</b>                      | <b>1.92</b>  | <b>5.26</b>                                    | <b>(1.12)</b>                                  |
| IX      | <b>Total comprehensive income (VII + VIII)</b>   | <b>(148.42)</b>                                    | <b>(37.16)</b>                   | <b>204.56</b>                                      | <b>(159.76)</b>                                | <b>320.10</b>                                  |
| X       | <b>Profit/ (loss) attributable to</b>  |  |                                  |  |  |  |
|         | - Owners of the Company  | (146.08)   | (37.65)                          | 202.64   | (163.01)                                       | 321.22   |
|         | - Non-controlling interest   | (0.51)   | 0.01                             | -  | (2.01)   | -  |
|         |  | <b>(146.59)</b>                                    | <b>(37.64)</b>                   | <b>202.64</b>                                      | <b>(165.02)</b>                                | <b>321.22</b>                                  |
| XI      | <b>Other comprehensive income attributable to</b>                                      |  |                                  |  |  |  |
|         | - Owners of the Company  | (1.74)   | 0.45                             | 1.92   | 5.29   | (1.12)   |
|         | - Non-controlling interest   | (0.09)   | 0.03                             | -  | (0.03)   | -  |
|         |  | <b>(1.83)</b>                                      | <b>0.48</b>                      | <b>1.92</b>  | <b>5.26</b>                                    | <b>(1.12)</b>                                  |
| XII     | <b>Total comprehensive income attributable to</b>                                      |  |                                  |  |  |  |
|         | - Owners of the Company  | (147.82)   | (37.20)                          | 204.56   | (157.72)                                       | 320.10   |
|         | - Non-controlling interest   | (0.60)   | 0.04                             | -  | (2.04)   | -  |
|         |  | <b>(148.42)</b>                                    | <b>(37.16)</b>                   | <b>204.56</b>                                      | <b>(159.76)</b>                                | <b>320.10</b>                                  |
| XIII    | Paid-up equity share capital<br>(Face value of ₹ 10/- each)                            | 773.95   | 773.66                           | 773.48   | 773.95   | 773.48   |
| XIV     | Other equity (excluding share suspense)  | -  | -                                | -  | 293.92   | 655.38   |
| XV      | Earnings per equity share (of ₹ 10/- each) (not annualised) (including share suspense) |  |                                  |  |  |  |
|         | (a) Basic (₹)  | (1.90)   | (0.49)                           | 2.62   | (2.11)   | 4.15   |
|         | (b) Diluted (₹)  | (1.89)   | (0.49)                           | 2.61   | (2.10)   | 4.15   |



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MUMBAI

**AUDITED CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

₹ in Crore

| Sr. No.    | Particulars  | Quarter ended                    |                            |                                  | Year ended                   |                              |
|------------|--|----------------------------------|----------------------------|----------------------------------|------------------------------|------------------------------|
|            |  | March 31, 2020                   | December 31, 2019          | March 31, 2019                   | March 31, 2020               | March 31, 2019               |
|            |  | (Audited)<br>(Refer note 4 & 15) | (Unaudited)                | (Audited)<br>(Refer note 4 & 15) | (Audited)<br>(Refer note 15) | (Audited)<br>(Refer note 15) |
| <b>I</b>   | <b>Segment revenue</b>   |                                  |                            |                                  |                              |                              |
|            | Madura Fashion & Lifestyle   | 1,243.77                         | 1,552.12                   | 1,319.88                         | 5,479.58                     | 5,031.54                     |
|            | Pantaloons   | 526.01                           | 1,082.92                   | 633.17                           | 3,513.51                     | 3,194.01                     |
|            | <b>Total segment revenue</b>   | <b>1,869.78</b>                  | <b>2,635.04</b>            | <b>1,953.05</b>                  | <b>8,993.09</b>              | <b>8,225.55</b>              |
|            | Less: Inter-segment revenue  | 37.50                            | 52.30                      | 37.74                            | 205.23                       | 107.83                       |
|            | <b>Revenue from operations</b>                                       | <b>1,831.88</b>                  | <b>2,582.74</b>            | <b>1,915.31</b>                  | <b>8,787.86</b>              | <b>8,117.72</b>              |
| <b>II</b>  | <b>Segment results [Profit/ (loss) before finance costs and tax]</b> |                                  |                            |                                  |                              |                              |
|            | Madura Fashion & Lifestyle   | (22.70)                          | 94.73                      | 99.37                            | 225.92                       | 263.44                       |
|            | Pantaloons   | (39.37)                          | 99.77                      | (19.32)                          | 184.49                       | 86.78                        |
|            | <b>Total segment results</b>   | <b>(62.07)</b>                   | <b>194.50</b>              | <b>80.05</b>                     | <b>410.41</b>                | <b>350.22</b>                |
|            | Inter-segment results adjustments                                    | 5.05                             | (1.48)                     | 4.94                             | 22.65                        | 15.44                        |
|            | <b>Net segment results</b>   | <b>(67.12)</b>                   | <b>195.98</b>              | <b>75.11</b>                     | <b>387.76</b>                | <b>334.78</b>                |
|            | Less: i) Finance costs   | 119.46                           | 105.36                     | 45.30                            | 424.71                       | 187.42                       |
|            | ii) Other unallocable expenditure/ (income) - net                    | (0.76)                           | (1.88)                     | (0.71)                           | (4.06)                       | (1.74)                       |
|            | <b>Profit/ (loss) before tax</b>                                     | <b>(185.82)</b>                  | <b>92.50</b>               | <b>30.52</b>                     | <b>(32.89)</b>               | <b>149.10</b>                |
| <b>III</b> | <b>Segment assets</b>  |                                  |                            |                                  |                              |                              |
|            |  | As at<br>March 31, 2020          | As at<br>December 31, 2019 | As at<br>March 31, 2019          | As at<br>March 31, 2020      | As at<br>March 31, 2019      |
|            |  | (Audited)<br>(Refer note 15)     | (Unaudited)                | (Audited)<br>(Refer note 15)     | (Audited)<br>(Refer note 15) | (Audited)<br>(Refer note 15) |
|            | Madura Fashion & Lifestyle   | 5,679.87                         | 5,943.93                   | 3,732.93                         | 5,679.87                     | 3,732.93                     |
|            | Pantaloons   | 3,769.05                         | 3,655.11                   | 2,694.30                         | 3,769.05                     | 2,694.30                     |
|            | <b>Total segment assets</b>  | <b>9,448.92</b>                  | <b>9,599.04</b>            | <b>6,427.23</b>                  | <b>9,448.92</b>              | <b>6,427.23</b>              |
|            | Inter-segment eliminations   | (157.60)                         | (158.60)                   | (90.14)                          | (157.60)                     | (90.14)                      |
|            | Unallocated corporate assets   | 474.24                           | 473.69                     | 283.98                           | 474.24                       | 283.98                       |
|            | <b>Total assets</b>  | <b>9,765.56</b>                  | <b>9,914.13</b>            | <b>6,621.07</b>                  | <b>9,765.56</b>              | <b>6,621.07</b>              |
| <b>IV</b>  | <b>Segment liabilities</b>   |                                  |                            |                                  |                              |                              |
|            |  | As at<br>March 31, 2020          | As at<br>December 31, 2019 | As at<br>March 31, 2019          | As at<br>March 31, 2020      | As at<br>March 31, 2019      |
|            |  | (Audited)<br>(Refer note 15)     | (Unaudited)                | (Audited)<br>(Refer note 15)     | (Audited)<br>(Refer note 15) | (Audited)<br>(Refer note 15) |
|            | Madura Fashion & Lifestyle   | 3,674.45                         | 3,775.71                   | 2,114.61                         | 3,674.45                     | 2,114.61                     |
|            | Pantaloons   | 2,117.50                         | 2,189.73                   | 1,187.22                         | 2,117.50                     | 1,187.22                     |
|            | <b>Total segment liabilities</b>                                     | <b>5,791.95</b>                  | <b>5,964.94</b>            | <b>3,301.83</b>                  | <b>5,791.95</b>              | <b>3,301.83</b>              |
|            | Inter-segment eliminations   | (98.11)                          | (104.16)                   | (53.30)                          | (98.11)                      | (53.30)                      |
|            | Unallocated corporate liabilities (including borrowings)             | 2,983.93                         | 2,792.55                   | 1,943.66                         | 2,983.93                     | 1,943.66                     |
|            | <b>Total liabilities</b>   | <b>8,677.77</b>                  | <b>8,653.33</b>            | <b>5,192.19</b>                  | <b>8,677.77</b>              | <b>5,192.19</b>              |

**Note:**

The business of the Company is divided into two business segments – Madura Fashion & Lifestyle and Pantaloons. These segments are the basis for management decision and hence the basis for reporting.



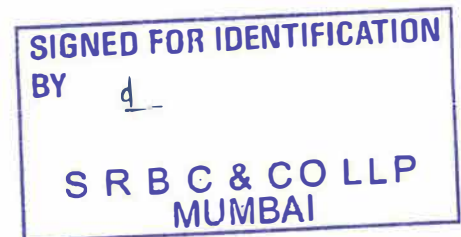
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BY             
**S R B C & CO LLP**  
**MUMBAI**

## Notes:

## 1 Consolidated Balance Sheet

| Particulars  | ₹ in Crore                                     |  |
|--|--|--|
|  | As at  | As at  |
|  | March 31, 2020<br>(Audited)<br>(Refer note 15) | March 31, 2019<br>(Audited)<br>(Refer note 15) |
| <b>A ASSETS</b>  |  |  |
| <b>I Non-current assets</b>  |  |  |
| (a) Property, plant and equipment  | 542.89   | 636.37   |
| (b) Capital work-in-progress   | 44.08  | 22.39  |
| (c) Right-of-use assets  | 2,206.95                                       | -  |
| (d) Goodwill   | 1,983.06                                       | 1,959.60                                       |
| (e) Other intangible assets  | 107.20   | 59.51  |
| (f) Intangible assets under development  | 3.54   | -  |
| (g) Financial assets   |  |  |
| (i) Investments  | 7.16   | 4.21   |
| (ii) Loans   | 3.43   | 3.06   |
| (iii) Security deposits  | 300.89   | 271.26   |
| (iv) Other financial assets  | 0.39   | 1.06   |
| (h) Deferred tax assets  | 194.96   | 263.38   |
| (i) Non-current tax assets (net)   | 22.48  | 16.20  |
| (j) Other non-current assets   | 77.75  | 114.85   |
| <b>Total - Non-current assets</b>  | <b>5,594.68</b>                                | <b>3,251.91</b>                                |
| <b>II Current assets</b>   |  |  |
| (a) Inventories  | 2,366.78                                       | 1,921.28                                       |
| (b) Financial assets   |  |  |
| (i) Current Investments  | 7.04   | -  |
| (ii) Loans   | 7.13   | 5.42   |
| (iii) Security deposits  | 102.33   | 20.19  |
| (iv) Trade receivables   | 840.46   | 780.81   |
| (v) Cash and cash equivalents  | 266.80   | 57.19  |
| (vi) Bank balance other than above   | 0.14   | 0.22   |
| (vii) Other financial assets   | 177.97   | 139.59   |
| (c) Other current assets   | 396.23   | 384.46   |
| <b>Total - Current assets</b>  | <b>4,170.88</b>                                | <b>3,369.16</b>                                |
| <b>TOTAL - ASSETS</b>  | <b>9,765.56</b>                                | <b>6,621.07</b>                                |
| <b>B EQUITY AND LIABILITIES</b>  |  |  |
| <b>I Equity</b>  |  |  |
| (a) Equity share capital   | 773.95   | 773.42   |
| (b) Other equity   | 293.94   | 655.40   |
| <b>Equity attributable to owners of the Company</b>  | <b>1,067.89</b>                                | <b>1,428.88</b>                                |
| (c) Non-controlling interest   | 19.90  | -  |
| <b>Total - Equity</b>  | <b>1,087.79</b>                                | <b>1,428.88</b>                                |
| <b>II Non-current liabilities</b>  |  |  |
| (a) Financial liabilities  |  |  |
| (i) Borrowings   | 856.93   | 723.78   |
| (ii) Lease liabilities   | 1,820.83                                       | -  |
| (iii) Deposits   | 109.78   | 81.22  |
| (iv) Other financial liabilities   | 60.13  | 101.65   |
| (b) Deferred tax liabilities   | 7.25   | -  |
| (c) Provisions   | 100.10   | 115.21   |
| (d) Other non-current liabilities  | 12.29  | 92.46  |
| <b>Total - Non-current liabilities</b>   | <b>2,967.31</b>                                | <b>1,114.33</b>                                |
| <b>III Current liabilities</b>   |  |  |
| (a) Financial liabilities  |  |  |
| (i) Borrowings   | 1,511.88                                       | 474.45   |
| (ii) Lease liabilities   | 680.97   | -  |
| (iii) Trade payables   |  |  |
| (a) Total outstanding dues of micro enterprises and small enterprises                      | 95.39  | 105.58   |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,190.53                                       | 2,291.84                                       |
| (iv) Deposits  | 153.40   | 111.34   |
| (v) Other financial liabilities #  | 879.38   | 923.31   |
| (b) Provisions   | 88.73  | 87.04  |
| (c) Other current liabilities  | 106.18   | 84.30  |
| <b>Total - Current liabilities</b>   | <b>5,710.46</b>                                | <b>4,077.86</b>                                |
| <b>TOTAL - EQUITY AND LIABILITIES</b>  | <b>9,765.56</b>                                | <b>6,621.07</b>                                |

# Includes current maturities of long-term debt - ₹ 414.22 (March 31, 2019 - ₹ 504.63)





- 3 The above consolidated financial results, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors at its meeting held on May 27, 2020.
- 4 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 and the unaudited published year-to-date figures upto December 31, 2019 and December 31, 2018 being the date of the end of the third quarter of the financial year which was subjected to limited review.
- 5 During the quarter ended September 30, 2019, the Company has completed the acquisition of its subsidiaries. Accordingly, the Company publishes audited standalone financial results along with the audited consolidated financial results. In accordance with Ind AS 108 "Operating segments", the Company has disclosed the segment information on a consolidated basis as part of the audited consolidated financial results.
- 6 The audit as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the Auditors of the Company and the related report is being submitted to the concerned Stock Exchanges.
- 7 The Group has adopted Ind AS 116 "Leases" effective April 01, 2019 using modified retrospective method as a result of which comparative information are not required to be restated.

The Group has recognised on April 01, 2019, right-of-use assets of ₹ 1,815.77 Crore and lease liabilities of ₹ 2,109.42 Crore, and the adjustment (i.e. charge) to the retained earnings as at April 1, 2019 is ₹ 129.82 Crore (net of straight lining of lease rentals of ₹ 94.10 Crore and deferred tax of ₹ 69.73 Crore). Therefore, rent expense, finance costs, depreciation and amortisation expense, other income and profit for the quarter and year ended March 31, 2019 are not comparable with quarter and year ended March 31, 2020. Also, total assets and total liabilities as at March 31, 2019 are not comparable with balances as at March 31, 2020.

Impact of Ind AS 116 on the consolidated financial results for the quarter and year ended March 31, 2020 is as follows:

| Particulars                           | Quarter ended                               | Quarter ended                                      | Change due to                                      | Year ended                                  | Year ended   | Change due to                                      |
|---------------------------------------|---|--|--|---|--|--|
|                                       | March 31, 2020<br>(Comparable)<br>(Audited) | March 31, 2020<br>(As per Ind AS 116)<br>(Audited) | Ind AS 116<br>Increase<br>/(Decrease)<br>(Audited) | March 31, 2020<br>(Comparable)<br>(Audited) | March 31, 2020<br>(As per Ind AS 116)<br>(Audited) | Ind AS 116<br>Increase<br>/(Decrease)<br>(Audited) |
| Rent expense                          | 320.97                                      | 105.95   | (215.02)   | 1,251.40                                    | 487.02   | (764.38)   |
| Finance costs                         | 64.51                                       | 119.45   | 54.95  | 212.72                                      | 424.71   | 211.99   |
| Depreciation and amortisation expense | 58.45                                       | 233.24   | 174.79   | 253.67                                      | 885.31   | 631.64   |
| Other Income                          | 13.70                                       | 16.62  | 2.92   | 52.37                                       | 65.30  | 12.93  |
| Profit/(loss) before tax              | (174.02)                                    | (183.82)   | (11.80)  | 33.43                                       | (32.89)  | (66.32)  |

- 8 During the quarter ended December 31, 2019, after a detailed evaluation, the Group decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for income taxes for quarter and year ended March 31, 2020 based on the rate prescribed in the aforesaid section. Further, management has reviewed the components of deferred tax assets/liabilities leading to a reassessment of its estimates compared to earlier periods. The impact of such reassessment and of the change in rate of tax is given below.

| Particulars  | Quarter ended               | Quarter ended                    | Year ended                  |
|--|-----------------------------|----------------------------------|-----------------------------|
|  | March 31, 2020<br>(Audited) | December 31, 2019<br>(Unaudited) | March 31, 2020<br>(Audited) |
| Net loss after tax (as reported)                                   | (146.59)                    | (37.64)                          | (165.02)                    |
| Tax impact of the aforementioned                                   | -                           | 105.51                           | 129.59                      |
| Net profit/(loss) after tax (without the impact of aforementioned) | (146.59)                    | 67.87                            | (35.43)                     |

- 9 During the quarter ended March 31, 2020, the Stakeholders Relationship Committee of the Board of Directors has allotted 2,91,163 Equity Shares of ₹ 10/- each pursuant to the exercise of Stock Options by an eligible employee in terms of Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017.

During the year ended March 31, 2020, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee of the Board of Directors have allotted 1,26,742 Equity Shares of ₹ 10/- each, pursuant to the exercise of Stock Options by eligible employees in terms of Employee Stock Option Scheme - 2013 and 3,39,785 Equity Shares of ₹ 10/- each pursuant to the exercise of Stock Options by eligible employees in terms of Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017.

- 10 The Company, pursuant to the approval of Board of Directors and the shareholders dated July 26, 2019 and August 21, 2019, respectively, introduced the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") to issue stock options, comprising options and/or restricted stock units ("RSUs"), as the case may be, to the eligible employees of the Company and of its holding and subsidiary companies, not exceeding 60,53,000 equity shares. The Scheme is being implemented through a trust, viz. ABFRI Employee Welfare Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and involves secondary acquisition of the Company's equity shares by the Trust through recognised stock exchanges in compliance with SEBI SBEB Regulations and other applicable laws. The Company, as on date granted 44,61,261 stock options to the eligible employees.
- 11 On effectiveness of the Composite Scheme of Arrangement amongst the Company, erstwhile Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956, the Company had issued 67,98,19,778 Equity Shares to the Shareholders of ABNL and MGLRCL ("said Shares"). Out of the said Shares, 67,60,37,600 Equity Shares were allotted to the Shareholders of ABNL and MGLRCL on January 27, 2016. However, pursuant to Clause 21 of the Composite Scheme, allotment of 37,82,178 Equity Shares to 3,475 Non-Resident Shareholders, including 4 Overseas Corporate Bodies ("OCBs") of ABNL ("NRE Shareholders") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 37,55,325 Equity Shares to 3,471 NRE Shareholders in terms of applicable laws. Accordingly, out of the said Shares, 16,853 Equity Shares held by 4 OCBs shall remain pending for allotment until receipt of Regulatory approvals.
- 12 On July 02, 2019, Jaypore E-Commerce Private Limited, TG Apparel & Decor Private Limited and Jaypore Inc., USA became wholly owned subsidiaries of the Company. The Company also acquired 51% stake in Finesse International Design Private Limited, consequent to the acquisition, the aforesaid company became a subsidiary of the Company w.e.f. July 26, 2019.
- 13 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Group. The Group has been taking various precautionary measures to protect employees and their families from COVID-19. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, other intangible assets and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Group's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions. The Group has resumed its business activities by reopening its factories and retail stores on a gradual basis in line with the guidelines issued by the Government authorities.
- 14 Previous periods' figures have been regrouped/ rearranged wherever necessary to conform to the current period's classification(s).
- 15 The consolidated financial results for the quarter and year ended March 31, 2019 are not comparable with quarter and year ended March 31, 2020, in view of the matter stated in note 12 above.

Place : Bengaluru  
Date : May 27, 2020



*Ashish Dikshit*  
Managing Director

Aditya Birla Fashion and Retail Limited  
Registered Office: Piramal Agastya Corporate Park, Building 'A', 4th and 5th floor,  
Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070  
CIN: L18101MH2007PLC233901 E-mail: secretarial.abfrl@adityabirla.com  
Tel: (+91) 86529 05000 | Fax: (+91) 86529 05400 Website: www.abfrl.com

SIGNED FOR IDENTIFICATION  
BY *d*  
S R B C & CO LLP  
MUMBAI

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Aditya Birla Fashion and Retail Limited

**Report on the audit of the Consolidated Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Aditya Birla Fashion and Retail Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/financial information of the subsidiaries, the Statement:

- i. includes the results of the following entities:  
Holding Company  
(i) Aditya Birla Fashion and Retail Limited  
  
Subsidiaries  
(ii) Jaypore E-commerce Private Limited  
(iii) Jaypore Inc.  
(iv) TG Apparel & Décor Private Limited  
(v) Finesse International Design Private Limited
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and of the consolidated net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



## Emphasis of Matter

We draw attention to Note 13 of the Statement which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the Group. Our opinion is not modified in respect of this matter.

## Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and other comprehensive income/(loss) and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

## Other Matter

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of three subsidiaries, whose financial results/statements include total assets of Rs. 32.51 Crores as at March 31, 2020, total revenues of Rs. 12.67 Crores and Rs. 43.19 Crores, total net loss after tax of Rs. 6.15 Crores and Rs. 14.15 Crores, total comprehensive loss of Rs. 6.25 Crores and Rs. 14.28 Crores, for the quarter and for the period from date of acquisition to March 31, 2020, respectively, and net cash outflows of Rs. 0.09 Crores for the period from date of acquisition to March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

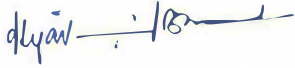


# S R B C & CO LLP

Chartered Accountants

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Aditya Vikram Bhauwala  
Partner  
Membership No.: 208382



UDIN: 20208382AAAAAW8422

Bengaluru  
May 27, 2020



### Key Highlights of Q4 and FY20 Performance

- Full year revenue records 8% growth at Rs.8743 Cr.; EBITDA (Ind AS Adj.) at Rs.1290 Cr.
- Company expands retail footprint; adds close to 400 retail stores through FY20.
- Strong growth momentum seen across business segments pre-COVID.
- COVID-19 induced economic standstill impacted quarterly performance; Operations have now resumed at all manufacturing facilities; More than 1/3<sup>rd</sup> of stores have now reopened.
- Board approves Rs.1000 Cr. rights issue. Move to strengthen balance sheet in line with long term growth aspirations.

### Standalone Financials

| <i>In Rs. Cr.</i> | FY19 | FY20<br>(Comp.) | FY20<br>(Ind AS Adj.) |
|-------------------|------|-----------------|-----------------------|
| Revenue           | 8118 | 8743            | 8743                  |
| EBITDA            | 619  | 518             | 1290                  |
| PBT               | 149  | 57              | -9                    |

| <i>In Rs. Cr.</i> | Q4 FY19 | Q4 FY20<br>(Comp.) | Q4 FY20<br>(Ind AS Adj.) |
|-------------------|---------|--------------------|--------------------------|
| Revenue           | 1915    | 1817               | 1817                     |
| EBITDA            | 149     | -43                | 173                      |
| PBT               | 31      | -167               | -178                     |

### BUSINESS UPDATE

ABFRL had a strong Financial Year 19-20 as it crossed some key growth milestones. For the first 9 months of the fiscal, the business grew its revenue by 12% and EBITDA by 19% basis strong performance in the festive season.

The business continued to grow strongly in the months of January and February led by weddings and an extremely successful EOSS.

## **COVID-19 IMPACT**

However, as the country was struck by the COVID-19 pandemic early March leading to movement restrictions and heightened sense of insecurity among people, consumers started to stay away from all non-essential shopping. This dramatically reduced the footfalls at stores across the country leading to a steep decline in sales from the second week of March. Eventually, the Company had to shut down its entire retail network through the month in line with the nationwide lockdown announced by the Government of India. This unprecedented disruption had an adverse impact on the quarterly performance, and led to a decline in sales and profits for the fourth quarter over the same period last year.

During this period, the Company took every possible precaution to ensure safety of its staff across the country. The Company has started to slowly resume its operations across the country in line with guidance issued by MHA and local authorities. The Company has managed to resume operations at all manufacturing facilities and most warehouses. As of today, out of a total network of 3041 stores, more than 1300 stores have started operations. Each store is being opened with utmost precautions, implementing the highest standards and protocols on safety and hygiene to make them absolutely safe for employees and consumers.

The business is also focused on accelerating its digital transformation journey across various parts of the value chain. E-commerce, as a route to market, is being scaled aggressively and the Company is also looking to introduce new omni-channel offerings.

Rising to the occasion, as part of The Aditya Birla Group's multi-pronged response to the crisis, the Company worked closely with government authorities to convert its manufacturing facilities for producing personal protective equipment (PPE) to meet the sudden large requirement of PPEs for frontline COVID warriors. As on date, the Company has already supplied more than 500,000 PPEs; contributing to India's fight against COVID-19.

## **Performance Summary**

The Board of Directors of the Company at its meeting today have approved the results for the quarter ended 31st Mar 2020. These financials are post factoring in necessary adjustments under Ind AS 116.

For the financial year 2020, the Company recorded sales growth of 8% at Rs. 8743 Cr. The comparable EBITDA for the period dropped by 16% to Rs. 518 Cr. During the period, the Company posted comparable PBT of Rs. 57 Cr. vs Rs. 149 Cr. last year. The Company also aggressively expanded its retail footprint by adding close to 400 stores across its brands.

In Q4 FY20, the Company posted a decline of 5% in sales to Rs. 1817 Cr. and EBITDA loss of Rs. 43 Cr., on a comparable basis. At the same time, reported EBITDA (post Ind AS 116) for the quarter was at Rs. 173 Cr.

## **Business Segment Highlights**

### **Madura Segment:**

Madura business segment consists of **Lifestyle brands** – Louis Philippe, Van Heusen, Allen Solly and Peter England, **Fast Fashion brands** – Forever 21 and **Other businesses** that include Global brands, Innerwear and newly invested business in Ethnic, viz. Jaypore and Shantanu & Nikhil. The consolidated financials include the financials of both these new businesses.

Madura segment recorded 7% decline in revenue in Q4 FY20 at Rs. 1229 Cr. as compared to Rs. 1320 Cr. in the same period last year. In a normalized scenario, this segment would have seen a growth of 10%.

- **Lifestyle brands** reported 5% drop in sales in Q4 FY20. The revenue for the period was Rs. 1072 Cr. as compared to Rs. 1132 Cr. in the same period last year. The segment witnessed a decline in EBITDA owing to the drop in sales in the month of March due to COVID related disruptions.  
For FY20, the reported revenues grew 7% YoY to Rs. 4626 Cr.
- **Fast Fashion** segment continued with its focus around improving operating performance. 'People' got fully transitioned into Pantaloons while Forever 21 restructured the commercial arrangement with its parent.
- **Other Businesses** portfolio has been growing rapidly driven by consistent performance of its constituent sub-segments viz. innerwear and global brands.
- For the financial year 2020, the segment recorded a robust 42% growth in sales to Rs. 523 Cr. In Q4FY20, this segment reported an 8% revenue growth to Rs. 116 Cr.
  - Innerwear continued with its aggressive scale up by expanding the distribution footprint to 20,000 trade outlets.
  - Global brands portfolio consisting of the Collective and international super premium brands continued its steady performance

### **Pantaloons Segment:**

In line with the strong growth momentum seen in the first 9 months of this fiscal year, Pantaloons posted an outstanding growth of 13% in the first two months of the fourth quarter. However, due to impact of COVID in the month of March, the reported revenue for the quarter fell by 1% to Rs. 626 Cr. This was accompanied by an EBITDA loss of Rs. 38 Cr. in this quarter.

For the full year, Pantaloons delivered a 10% growth in sales to Rs. 3514 Cr., with EBITDA margins at 6.3% this year.

### **Corporate action**

The Board of Directors of Aditya Birla Fashion and Retail Limited (*“the Company”*) approved the raising of funds by way of Rights Issue for an amount not exceeding Rs. 1000 Cr. (*the “said Issue”*), subject to such approvals, as may be required under applicable laws. The Company evaluated various options and is of the view that rights issue would be an equitable mode of fund raising as it gives its shareholders an equal opportunity to participate in the growth of the Company. The Board has constituted a Committee to evaluate and finalize all other terms and conditions of the said Issue. The Company intends to complete the said issue at the earliest, subject to market conditions and other factors, including receipt of any regulatory approvals.

### **Outlook**

Aditya Birla Fashion and Retail Ltd. is one of India’s leading apparel companies and is home to some of India’s most iconic apparel brands. Spread across varied segments, price points and wearing occasions, the Company operates a well-diversified portfolio which now covers some exciting growth areas. As the market reopens post a lockdown, the Company is set to resume its full operations at the earliest. With leadership across brands, wide and deep distribution, enhanced digital capabilities and its skilled talent pool, ABFRL is poised to continue with its consistent performance.

### **About Aditya Birla Fashion and Retail Limited**

Aditya Birla Fashion and Retail Limited is India’s largest pure-play fashion and lifestyle company with a strong bouquet of leading fashion brands and retail formats. The Company has a network of 3,041 stores, presence across approximately 25,000 multi-brand outlets with 6,500+ point of sales in department stores across India.

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**Disclaimer :** *Certain statements in this “Press Release” may not be based on historical information or facts and may be “forward looking statements” within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy of the Company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. This “Press Release” does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The financial figures in this “Press Release” have been rounded off to the nearest Rs. one Crore. The financial results are consolidated financials unless otherwise specified.*

Spring  
2020



# Performance Highlights

Q4  
FY20



**1** COVID-19 Response

**2** Distribution Network

**3** Market Update

**4** Q4 & FY Highlights

**5** Performance of Key Portfolios

**6** Way Forward

**7** Company Financials

**COVID-19 Response**





## Collaboration

Coordinated efforts with government authorities, NGOs, peers to support the community



## Our People

Safeguarded employees through regular health interventions, remote working provisions and prescribing highest levels of sanitization



## Values

Dedicated facilities to produce PPE and coveralls for our frontline warriors



## Digital

Leveraged technology to allow remote working, employee training and digital marketing



## Innovation

Displayed tremendous agility and created product lines around essential items

# Our response to COVID-19

1 COVID-19  
Response

2 Distribution  
Network

3 Market  
Update

4 Q4 & FY  
Highlights

5 Performance  
of Key Portfolios

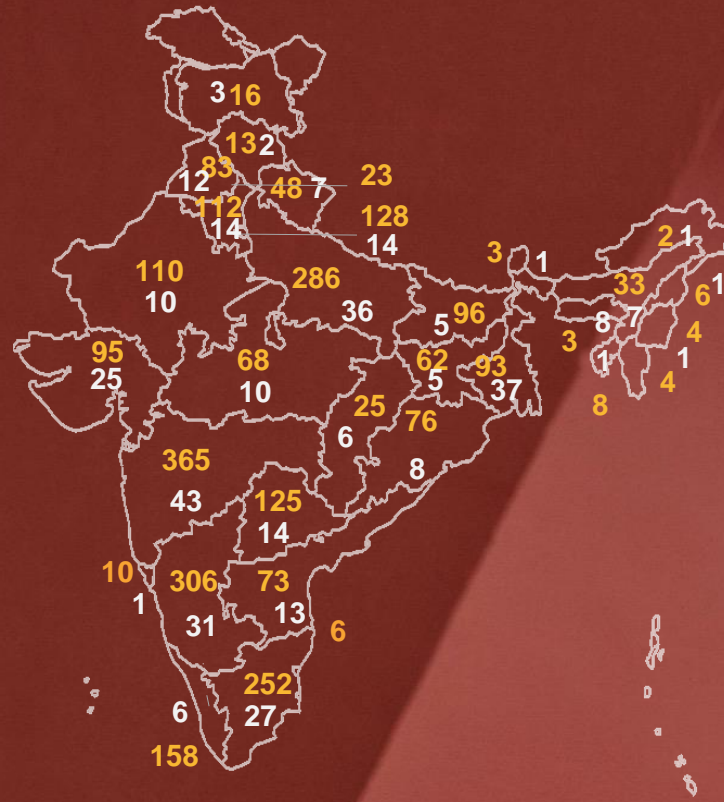
6 Way  
Forward

7 Company  
Financials

# Distribution Network



# India's widest distribution network



**8.1** Q4 FY20

**Footprint**  
(million sq. ft.)

**7.5** Q4 FY19

**2,699**

Brand Stores

**342**

Pantaloon  
Stores

**25,000**

Multi-brand  
Outlets

**6,514**

SIs across  
Dept stores

1 COVID-19  
Response

2 Distribution  
Network

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Highlights

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of Key Portfolios

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Forward

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Financials

# Market Update



# Market Update

## Strong early momentum

The year 2020 started with a bang; strong EOSS recorded, with positive start to fresh season



## COVID-19 Mayhem

Muted sales through March as pandemic spread resulting in nationwide lockdown



## Renewed Safety Outlook

Response to pandemic required disproportionate focus on employee and customer safety



## Nation First

Apparel players collaborate with authorities to produce essential PPE kits for COVID warriors



1 COVID-19  
Response

2 Distribution  
Network

3 Market  
Update

4 Q4 & FY  
Highlights

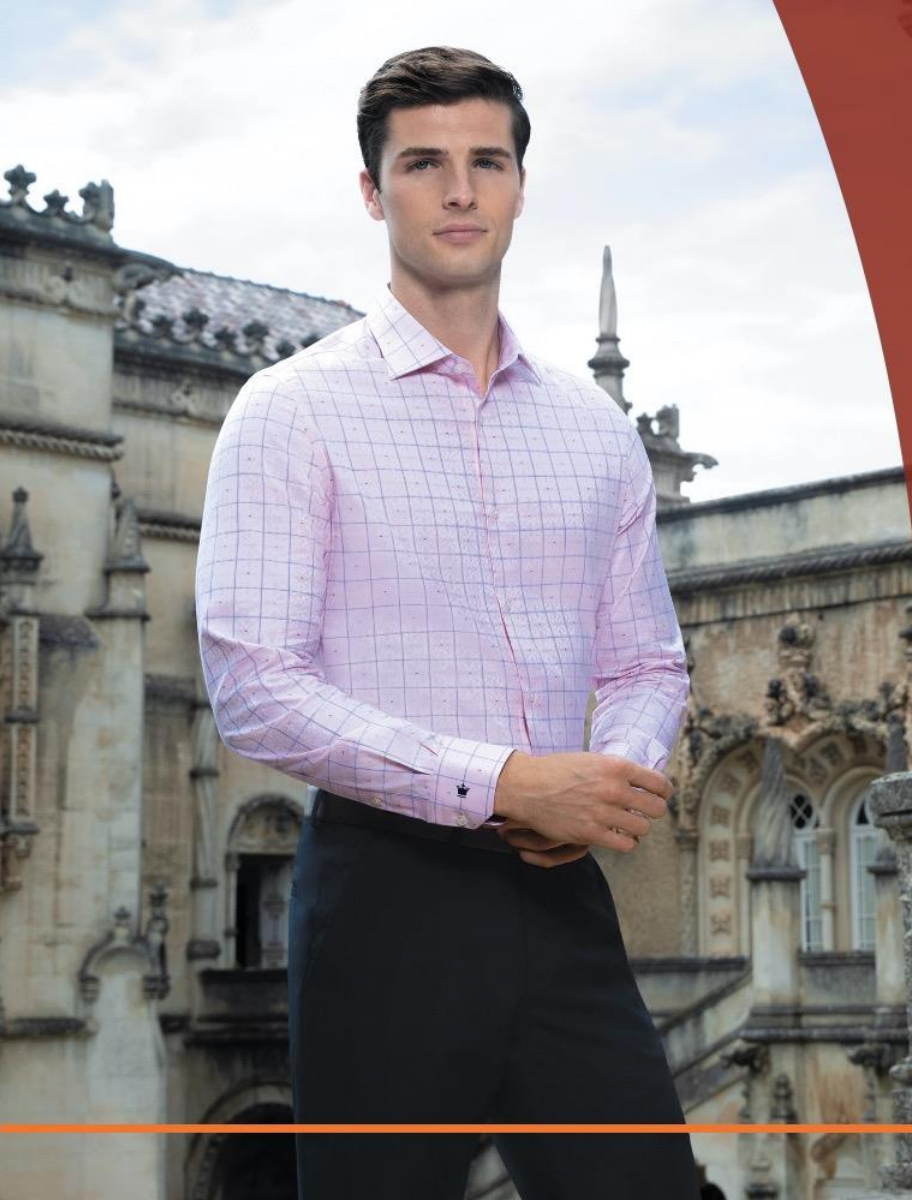
5 Performance  
of Key Portfolios

6 Way  
Forward

7 Company  
Financials

# Q4 & FY Highlights





# Q4 Highlights

## Sustained Growth

Robust LTLs recorded in Jan-Feb across businesses; Lifestyle Brands (10%), Pantaloons (9.5%)

## On-track expansion

As of Feb, ABFRL opened over 400 stores across brands

## Comprehensive Pandemic Response

Handled the COVID outbreak crisis with agility and empathy

## Cash Focus

Singular focus on cash conservation; Swiftly moved on Sellex and overheads optimization

## Geared up Digitization

Crisis validated our Omni channel strategy – Set up for a larger play



# Strong Performance Trajectory

Trends of the nine month results over the last three years testament to a consistent performance

| Period YTD DEC | Revenue | EBITDA | EBITDA% | Rev Growth | EBITDA Growth |
|----------------|---------|--------|---------|------------|---------------|
| FY18           | 5428    | 327    | 6.0%    | 8.4%       | -5%*          |
| FY19           | 6202    | 470    | 7.6%    | 14%        | 44%           |
| FY20           | 6925    | 561    | 8.1%    | 12%        | 19%           |
| CAGR           |         |        |         | 13%        | 31%           |

- Revenues grew by CAGR of 13%
- EBITDA grew from Rs. 327 Cr. to Rs. 560 Cr. – CAGR of 31%
- EBITDA Margin grew from 6.0% to 8.1%

\*GST impact, adjusted growth of 4%

## Robust performance by Key Businesses Segments

### Lifestyle

Revenue CAGR 12%  
EBITDA CAGR 17%

### Pantaloons

Revenue CAGR 14%  
EBITDA CAGR 34%

### Innerwear

Revenue CAGR 92%

# ABFRL | Q4 Performance in two parts

- Growth momentum continued in January & February
- With this trajectory, under a normalized scenario, ABFRL would have posted a 13% growth in Q4 FY20

| Period     | Revenue | EBITDA | EBITDA% | Revenue Growth | EBITDA Growth |
|------------|---------|--------|---------|----------------|---------------|
| Q4 FY19    | 1915    | 149    | 7.8%    | 9%             | -14%          |
| Q4 FY20 N^ | 2157    | 151*   | 7.0%    | 13%            | 1%            |
| Q4 FY20 A  | 1817    | -43*   | -2.4%   | -5%            | -129%         |

Normalized financials are based on management estimates that have been computed on the basis of actual operational data for months of January and February, 2020 and with March 2020 estimated as per YTD February run rate.

\* Q4 EBITDA (both normalized and actuals) includes one time transition cost for People of Rs. 28 Cr.

- The sales Loss due to COVID impact was ~ Rs. 339 Cr. leading to gross margin loss of ~ Rs. 200 Cr.
- Given the fixed cost structure and a fairly short period to correct, the entire GM loss flowed into EBITDA
- The loss in sales led to a higher inventory of ~Rs. 170 Cr.
- In normalized scenario, the net borrowing would have been ~ Rs. 2100 Cr.

^ Normalized financials above are management estimates which are only indicative in nature and are based on certain assumptions. Normalized financials above have been provided for better disclosure and comparison purposes only and there is no certainty of having achieved such normalized financials if COVID-19 had not happened. Normalized financials are not indicative of future performance of the Company and any reliance on this data should be limited to the context set out above.

# ABFRL | Q4 Financials

| <i>In Rs. Cr.</i>         | Q4 FY19      | Q4 FY20<br>Actual | Q4 FY20<br>Normalised |
|---------------------------|--------------|-------------------|-----------------------|
| Revenue from Operations   | 1,915        | 1,817             | 2,157                 |
| Other Income              | 24           | 14                | 14                    |
| <b>Total Income</b>       | <b>1,940</b> | <b>1,831</b>      | <b>2,170</b>          |
| <b>COGS</b>               | <b>900</b>   | <b>886</b>        | <b>1,025</b>          |
| Employee Benefits Expense | 235          | 275               | 275                   |
| Rent Expense              | 279          | 319               | 326                   |
| Other Expenses            | 377          | 395               | 394                   |
| <b>Total Expenses</b>     | <b>1,791</b> | <b>1,874</b>      | <b>2,020</b>          |
| <b>EBITDA</b>             | <b>149</b>   | <b>(43)</b>       | <b>151</b>            |

Unabsorbed factory costs

'Fixed' Cost in short term

# ABFRL | Q4 Highlights

| <i>Standalone Financials</i><br>(In Rs. Cr.) | Q4 FY19 | Q4 FY20<br>Actual | Q4 FY20<br>Normalised | Growth<br>Actual | Growth<br>Normalised | Q4 FY20<br>(Ind AS<br>Adj.) |
|--|---------|-------------------|-----------------------|------------------|----------------------|-----------------------------|
| <b>Revenue</b>                               | 1915    | 1817              | 2157                  | -5%              | 13%                  | 1817                        |
| <b>EBITDA</b>                                | 149     | -43               | 151                   | -129%            | 1%                   | 173                         |
| <b>EBITDA Margin</b>                         | 7.8%    | -2.4%             | 7.0%                  |                  |                      | 9.5%                        |
| <b>EBIT</b>                                  | 76      | -102              | 92                    | -235%            | 21%                  | -60                         |
| <b>PBT</b>                                   | 31      | -167              | 27                    | -646%            | -10%                 | -178                        |
| <b>PAT</b>                                   | 203     | -129              | 20                    |                  |                      | -140                        |

*Actual Q4 EBITDA Loss owing to*

- *Loss in sales in March due to COVID-19*
- *One time cost of Rs. 28 Cr. pertaining to PEOPLE transition. The same is included in normalized Q4 EBITDA loss as well*

# Key Segments | Q4 Highlights

| Standalone Financials<br>(In Rs. Cr.) | NSV         |                   |                       |                  |                      |
|---------------------------------------|-------------|-------------------|-----------------------|------------------|----------------------|
|                                       | Q4 FY19     | Q4 FY20<br>Actual | Q4 FY20<br>Normalised | Growth<br>Actual | Growth<br>Normalised |
| <b>Madura</b>                         |             |                   |                       |                  |                      |
| Lifestyle Brands                      | 1132        | 1072              | 1267                  | -5%              | 12%                  |
| Fast Fashion                          | 80          | 41                | 51                    | -49%             | -36%                 |
| Other Businesses *                    | 107         | 116               | 140                   | 8%               | 30%                  |
| <b>Madura Segment</b>                 | <b>1320</b> | <b>1229</b>       | <b>1458</b>           | <b>-7%</b>       | <b>10%</b>           |
| <b>Pantaloons Segment</b>             | <b>633</b>  | <b>626</b>        | <b>759</b>            | <b>-1%</b>       | <b>20%</b>           |
| Elimination                           | -38         | -38               | -61                   |                  |                      |
| <b>ABFRL</b>                          | <b>1915</b> | <b>1817</b>       | <b>2157</b>           | <b>-5%</b>       | <b>13%</b>           |

\* Standalone Financials does not include Revenue of Rs. 14 Cr. for Jaypore and Shantanu & Nikhil

# Key Segments | Q4 Highlights

| Standalone Financials<br>(In Rs. Cr.) | EBITDA     |                   |                       |                  |                      | EBITDA %     |                   |                       |
|---------------------------------------|------------|-------------------|-----------------------|------------------|----------------------|--------------|-------------------|-----------------------|
|                                       | Q4 FY19    | Q4 FY20<br>Actual | Q4 FY20<br>Normalised | Growth<br>Actual | Growth<br>Normalised | Q4 FY19      | Q4 FY20<br>Actual | Q4 FY20<br>Normalised |
| <b>Madura</b>                         |            |                   |                       |                  |                      |              |                   |                       |
| Lifestyle Brands                      | 169        | 66                | 161                   | -61%             | -5%                  | 14.9%        | 6.2%              | 12.7%                 |
| Fast Fashion                          | -5         | -34               | -23                   |                  |                      | -6.4%        | -83.4%            | -45.6%                |
| Other Businesses *                    | -24        | -32               | -9                    |                  |                      | -22.2%       | -27.9%            | -6.2%                 |
| <b>Madura Segment</b>                 | <b>140</b> | <b>-1</b>         | <b>129</b>            | <b>-100%</b>     | <b>-8%</b>           | <b>10.6%</b> | <b>0.0%</b>       | <b>8.9%</b>           |
| <b>Pantaloons Segment</b>             | <b>13</b>  | <b>-38</b>        | <b>31</b>             | <b>-394%</b>     | <b>135%</b>          | <b>2.1%</b>  | <b>-6.1%</b>      | <b>4.0%</b>           |
| Elimination                           | -4         | -4                | -9                    |                  |                      |              |                   |                       |
| <b>ABFRL</b>                          | <b>149</b> | <b>-43</b>        | <b>151</b>            | <b>-129%</b>     | <b>1%</b>            | <b>7.8%</b>  | <b>-2.4%</b>      | <b>7.0%</b>           |

\* Standalone Financials does not include EBITDA loss of Rs. 8 Cr for Jaypore and Shantanu & Nikhil.

# ABFRL | FY20 Highlights

## A near perfect year.....

- Lifestyle brands
  - Aggressively expanded network; opened 400+ stores
  - Moved to 12 month design to market cycle
  - Doubled Women's wear and Junior's business
  - Peter England's small town format piloted successfully with over 200 stores in its first year
- Pantaloons
  - Strong and consistent LTL performance
  - Revitalized brand through focused marketing campaigns
  - Significantly improved sell-through backed by continued product improvement
  - Introduction of new brands and categories (Home, Saris)
- Innerwear business grew by 40%, over the year
- Took big strategic leaps – forayed into Branded Ethnic wear through two investments

# ABFRL | FY20 Highlights

| <i>Standalone Financials</i><br>(In Rs. Cr.) | FY19 | FY20<br>Actual | FY20<br>Normalised | Growth<br>Actual | Growth<br>Normalised | FY20<br>(Ind AS<br>Adj.) |
|--|------|----------------|--------------------|------------------|----------------------|--------------------------|
| <b>Revenue</b>                               | 8118 | 8743           | 9082               | 8%               | 12%                  | 8743                     |
| <b>EBITDA</b>                                | 619  | 518            | 711                | -16%             | 15%                  | 1290                     |
| <b>EBITDA Margin</b>                         | 7.6% | 5.9%           | 7.8%               |                  |                      | 14.8%                    |
| <b>EBIT</b>                                  | 337  | 269            | 463                | -20%             | 37%                  | 414                      |
| <b>PBT</b>                                   | 149  | 57             | 250                | -62%             | 68%                  | -9                       |
| <b>PAT</b>                                   | 321  | -80            | 70                 |                  |                      | -145                     |

*Actual FY EBITDA Loss owing to*

- Loss in sales in March due to COVID-19
- One time cost of Rs. 28 Cr. related to PEOPLE transition. The same is included in normalized FY EBITDA loss as well

*Note: Tax used for PAT computation includes one time charge of Rs. 130 Cr due to change over to new corporate income tax rate in Q3 FY20*



# Key Segments | FY20 Highlights

| <b>Standalone Financials</b> | <b>NSV</b>  |                    |                        |                      |                          |
|------------------------------|-------------|--------------------|------------------------|----------------------|--------------------------|
|                              | <b>FY19</b> | <b>FY20 Actual</b> | <b>FY20 Normalised</b> | <b>Growth Actual</b> | <b>Growth Normalised</b> |
| <i>(In Rs. Cr.)</i>          |             |                    |                        |                      |                          |
| <b>Madura</b>                |             |                    |                        |                      |                          |
| Lifestyle Brands             | 4304        | 4626               | 4821                   | 7%                   | 12%                      |
| Fast Fashion                 | 358         | 285                | 295                    | -20%                 | -18%                     |
| Other Businesses *           | 369         | 523                | 547                    | 42%                  | 48%                      |
| <b>Madura Segment</b>        | <b>5032</b> | <b>5434</b>        | <b>5663</b>            | <b>8%</b>            | <b>13%</b>               |
| <b>Pantaloon Segment</b>     | <b>3194</b> | <b>3514</b>        | <b>3647</b>            | <b>10%</b>           | <b>14%</b>               |
| Elimination                  | -108        | -205               | -229                   |                      |                          |
| <b>ABFRL</b>                 | <b>8118</b> | <b>8743</b>        | <b>9082</b>            | <b>8%</b>            | <b>12%</b>               |

\* Standalone Financials does not include Revenue of Rs. 45 Cr. for Jaypore and Shantanu & Nikhil

# Key Segments | FY20 Highlights

| Standalone Financials<br>(In Rs. Cr.) | EBITDA     |                |                    |                  |                      | EBITDA %    |                |                    |
|---------------------------------------|------------|----------------|--------------------|------------------|----------------------|-------------|----------------|--------------------|
|                                       | FY19       | FY20<br>Actual | FY20<br>Normalised | Growth<br>Actual | Growth<br>Normalised | FY19        | FY20<br>Actual | FY20<br>Normalised |
| <b>Madura</b>                         |            |                |                    |                  |                      |             |                |                    |
| Lifestyle Brands                      | 519        | 456            | 551                | -12%             | 6%                   | 12.0%       | 9.9%           | 11.4%              |
| Fast Fashion                          | -32        | -47            | -36                |                  |                      | -9.1%       | -16.6%         | -12.2%             |
| Other Businesses *                    | -85        | -95            | -71                |                  |                      | -23.0%      | -18.2%         | -13.1%             |
| <b>Madura Segment</b>                 | <b>401</b> | <b>314</b>     | <b>443</b>         | <b>-22%</b>      | <b>11%</b>           | <b>8.0%</b> | <b>5.8%</b>    | <b>7.8%</b>        |
| <b>Pantaloon Segment</b>              | <b>231</b> | <b>222</b>     | <b>291</b>         | <b>-4%</b>       | <b>26%</b>           | <b>7.2%</b> | <b>6.3%</b>    | <b>8.0%</b>        |
| Elimination                           | -14        | -18            | -23                |                  |                      |             |                |                    |
| <b>ABFRL</b>                          | <b>619</b> | <b>518</b>     | <b>711</b>         | <b>-16%</b>      | <b>15%</b>           | <b>7.6%</b> | <b>5.9%</b>    | <b>7.8%</b>        |

\* Standalone Financials does not include EBITDA loss of Rs. 18 Cr. for Jaypore and Shantanu & Nikhil

1 COVID-19  
Response

2 Distribution  
Network

3 Market  
Update

4 Q4 & FY  
Highlights

5 Performance  
of Key Portfolios

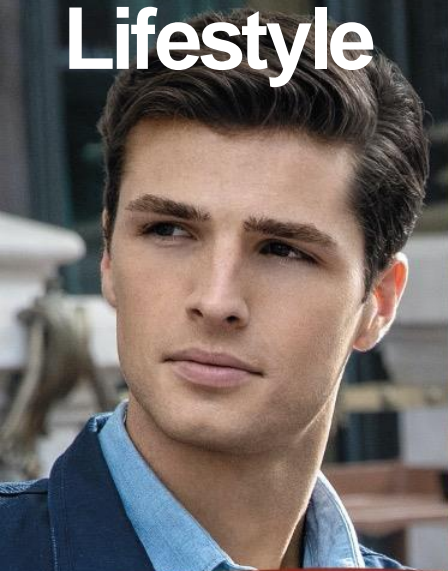
6 Way  
Forward

7 Company  
Financials

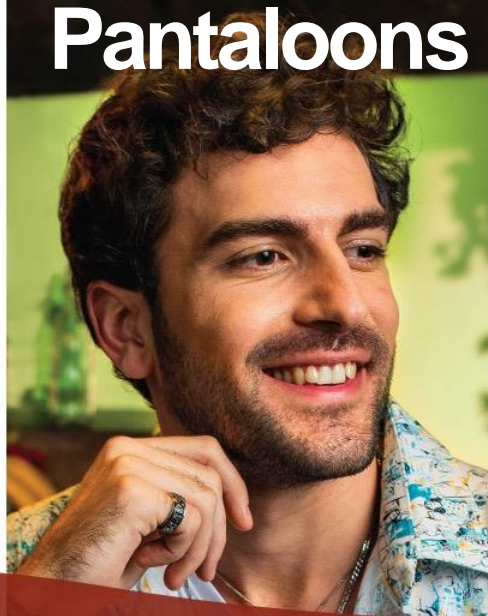
# Performance of Key Portfolios



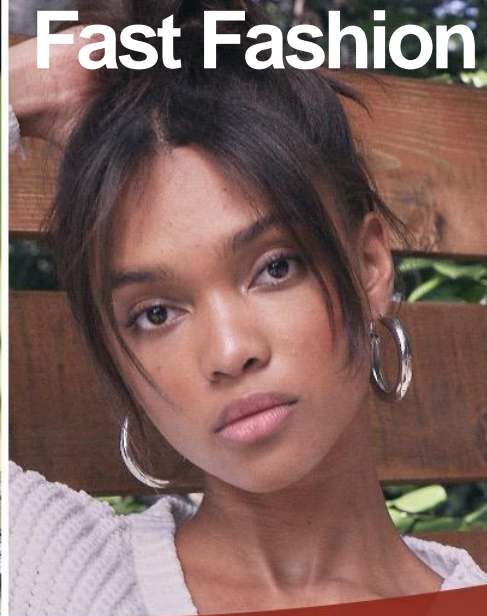
# Lifestyle



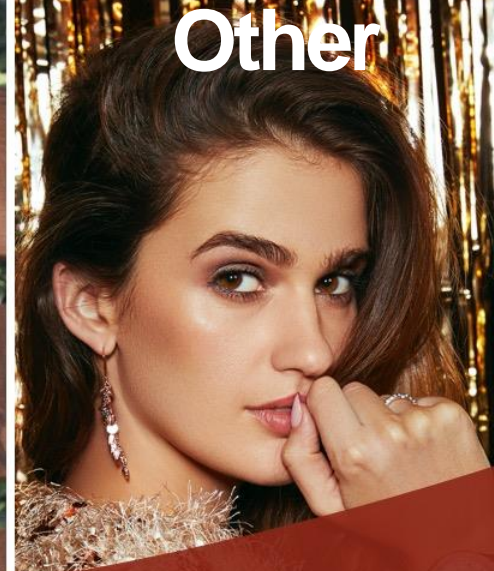
# Pantaloons



# Fast Fashion



# Other



**Sustained growth** as the new initiatives continue to fire; exhibited exemplary agility in a disrupted market

**Consistent growth** on the back of innovative products and revamped brand imagery

**Profitability focus** driving business model alignment


**Portfolio expansion** continued through scale up across brands

Performance of Key Portfolios

# LIFESTYLE BRANDS

  
LOUIS PHILIPPE

 VAN HEUSEN  
POWER DRESSING

 Allen Solly™

 PETER ENGLAND



ADITYA BIRLA



FASHION & RETAIL

# LIFESTYLE BRANDS

## Q4 Update



LOUIS PHILIPPE

VAN HEUSEN  
POWER DRESSING

PETER ENGLAND

Allen Solly

- Continued with its strong growth momentum in Jan & Feb
  - Posted 10% LTL and 7% total growth, 60+ stores added
  - Women's wear grew 23%
  - New initiatives lived up to their promises – PE Red crossed 200 store milestone, LP Maharaja launch received positively
- Most of Jan-Feb progress was wiped out in March due to COVID19
  - Lost half of March sales due to lockdown
  - Fixed cost model hit profitability; Rental negotiations initiated
  - Displayed extraordinary agility and leadership traits -
    - Collaborated with government for producing PPEs
    - Launched new line of fashion masks in 20 days flat; sold over 3.5 lakh packs so far

## Retail Network

|                       | Q4 FY19 | Q4 FY20 |
|-----------------------|---------|---------|
| Area<br>(,000 sq.ft.) | 2557    | 2832    |
| Stores                | 1980    | 2253    |

# LIFESTYLE BRANDS

## FY20 Update



- Despite a tough market, Lifestyle Brands was poised to deliver a remarkable performance
  - Till Feb, Lifestyle brands was growing at double digit (11%) on revenue, with comparable EBITDA growth of 8%
  - Aggressive retail expansion saw addition of over 400 new retail stores
  - Through Peter England small town format, managed to recruit new customers from previously unpenetrated towns
  - New growth engines: women's and kid's wear gained significant market traction
  - Ramped up wedding wear play through brand extension of LP - Maharaja
- Impact of COVID-19 in March affected full year performance, however sustained momentum helped business to report -
  - Revenue growth of 7% over last year
  - EBITDA was impacted due to high fixed cost structure

# Q4

## Channel-wise Revenue (in Rs. crore)



|           | Q4 FY19 | Q4 FY20 |
|-----------|---------|---------|
| Wholesale | 493     | 411     |
| Retail    | 430     | 458     |
| Others    | 209     | 203     |

# FY

## Channel-wise Revenue (in Rs. crore)

|           | FY19 | FY20 |
|-----------|------|------|
| Wholesale | 1782 | 1749 |
| Retail    | 1690 | 1953 |
| Others    | 832  | 924  |

## Loyalty Base (lakhs)

|         |   |     |
|---------|---|-----|
| Q4 FY20 |  | 183 |
| Q4 FY19 |  | 150 |



# 49%

of revenues from  
loyal customers



Performance of Key Portfolios

**PANTALOONS**

pantaløons



# PANTALOONS

## Q4 Update



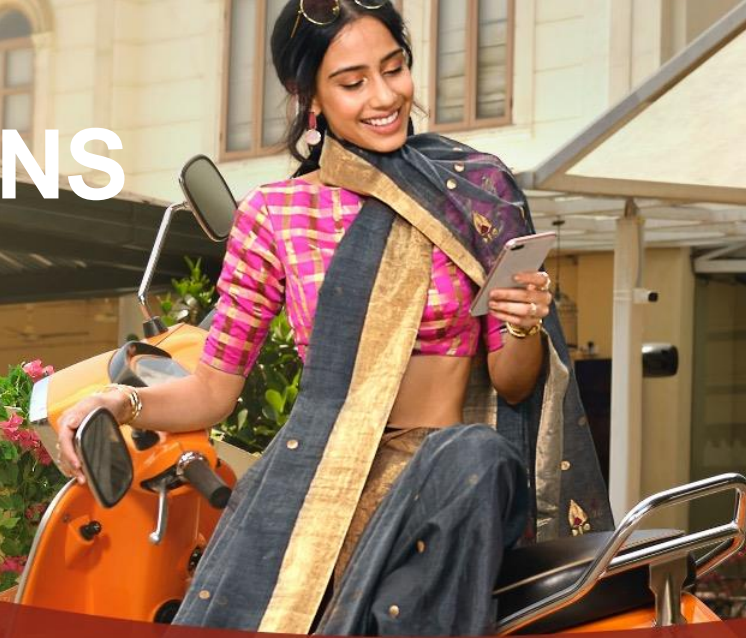
- Posted exceptional performance during Jan & Feb
  - 19% overall growth in sales with 9.5% LTL
  - Strong EOSS performance led by clear pricing architecture
  - Excellent response to SS20 merchandise
  - Encouraging acceptance to new launches – PEOPLE & Saris
  - Continued to strengthen salience for brand Pantaloons
- COVID-19 outbreak and subsequent lockdown impacted Q4 results
  - Revenue grew by -1.1% @ LTL of -11.7%
  - EBITDA of Rs. -38 Cr vs Rs. 13 Cr LY
  - New Store commissioning got delayed due to lockdown

## Retail Network

|                              | Q4 FY19     | Q4 FY20     |
|------------------------------|-------------|-------------|
| <b>Area</b><br>(,000 sq.ft.) | <b>4016</b> | <b>4363</b> |
| <b>Stores</b>                | <b>308</b>  | <b>342</b>  |

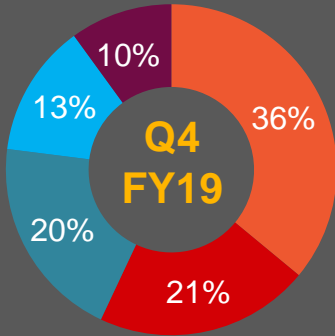
# PANTALOONS

## FY20 Update

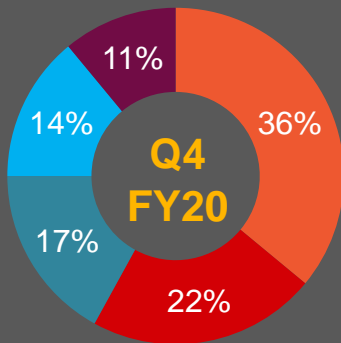


- Posted sales of Rs. 3514 Cr. up 10% vs LY; LTL growth at 2.7%
  - YTD Feb sales grew at 14.6% with LTL of 6.8%
  - Improved product aesthetics across all apparel categories
  - Strengthened private label proposition in Young Fast Fashion (PEOPLE, Candies), Ethnic (Saris) and Non Apparels (Living Scapes)
  - Improvements in planning processes resulting in better sell-through
  - Accelerated RBD strategy saw Pantaloons opening 44 stores; 11 more in pipeline
- EBITDA stood at Rs 222 Cr vs Rs 231 Cr LY; EBITDA margin at 6.3%
  - Reduction in EBITDA due to loss of sale in Mar'20
  - YTD Feb EBITDA margin at 7.4%

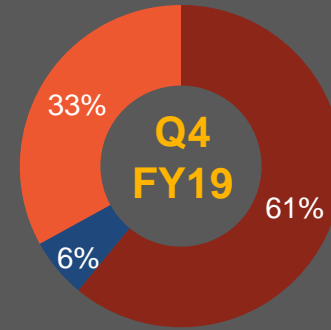
# Category Mix



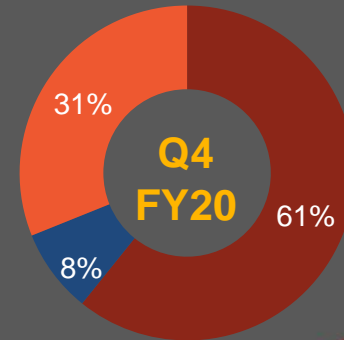
- Men
- Women's Western
- Women's Ethnic
- Kids
- Non Apps



# Ownership Mix

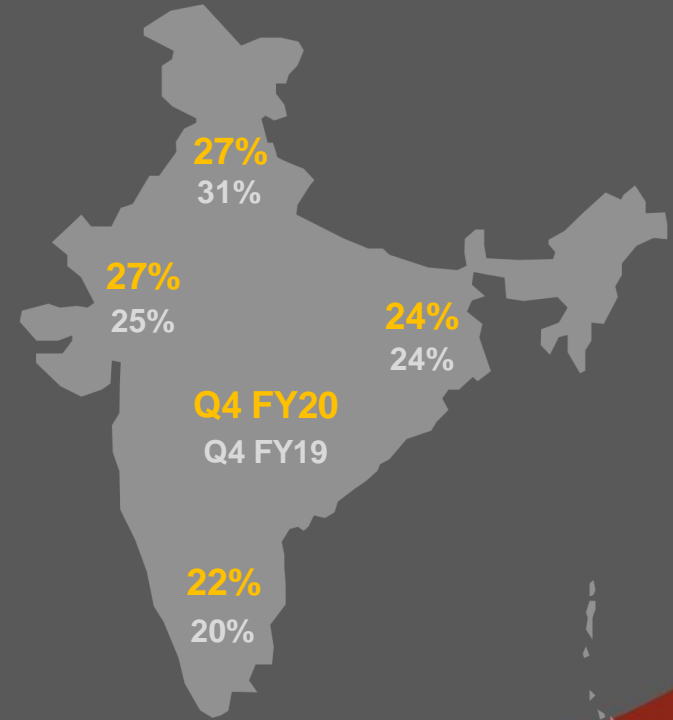


- Own Brands
- MFL
- Others



# Regional Mix

## Loyalty Base (lakhs)



\*Madhya Pradesh comprising of 2% of sales has been reclassified from North to West

Performance of Key Portfolios

# OTHER BUSINESS SEGMENTS

- Fast Fashion
- Innerwear/Athleisure
- Global Brands
- Ethnic



ADITYA BIRLA



FASHION & RETAIL

# FAST FASHION

## Q4 Update

FOREVER 21

*People*  
FASHION & ACCESSORIES

## Restructuring model for profitability

- Commercial renegotiation with new owners on track
- Expected to get significantly more favorable deal
- Optimistic outlook towards business profitability

# INNERWEAR & ATHLEISURE

## Q4 Update

 VANHEUSEN®  
INNERWEAR | ATHLEISURE

 VANHEUSEN®  
WOMAN  
INTIMATES

- Innerwear business grew by ~40% for full year; now selling across 20,000 outlets
- Men's innerwear continues to expand distribution, though Q4 was impacted by March
- Women's innerwear business finding greater acceptance and customer traction
- Market leading product innovations in both men's and women's segments continue to be the brand differentiators
- Accelerated adoption of Athleisure segment in post COVID environment set to drive further growth momentum





# GLOBAL BRANDS

## Q4 Update

- The Collective format continues to post strong LTL numbers
- Mono brand portfolio (Hackett, Fred Perry, Ted Baker, PRL) delivered consistent performance
- American Eagle on the path to be a formidable denim wear brand on salience and product excellence; ending the year with 15 stores

THE COLLECTIVE



# Ethnic

JAYPORE

SHANTANU & NIKHIL

- Strengthened the organizations
- Laid out long term strategy
- Store launches postponed due to COVID pandemic



1 Distribution Network

2 Market Update

3 Q4 & FY Highlights

4 Performance of Key Portfolios

5 Way Forward

6 Company Financials

# Way Forward



# Reopening for a better tomorrow

## Immediate Priorities

Restoration of operations ensuring:

1. Safe shopping destination for our customers
2. Secured environment for our people to work in

Exchanged/Returned garments to be quarantined



Deep Cleaning and Disinfection



Frequently disinfection of common surfaces



Mandatory Thermal Screening



Ground markers for social distancing



Face masks mandatory



Contactless billing



Sanitized Shopping Bags

## Safe Shopping Destination

# Secure Working Environment



Frequently disinfection of common surfaces



Mandatory Thermal Screening



Virtual Meetings prescribed



Flexi seating/Regulated aisle usage for social distancing



Shop floor restructuring for social distancing



Face masks mandatory



Cafeteria/Office Transport restricted



No Visitors Allowed

# Immediate Focus

## Safety & Health

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- Safe shopping
  - Sanitization, rigorous social distancing norms, masks, contactless shopping and payment
- Health & Safety of all employees across stores, offices, warehouses & factories

## Cost reduction

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- Work with Landlords on aligning occupancy costs with business reality
- Optimization of Overheads
- Curtail all discretionary spends
- Tighter material vendor negotiations

## Focus on Cash

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- Maintain liquidity
- Optimizing Working Capital
  - Improve inventory turns
- Rationalize Capital Expenditure

# Emerging imperatives

## Digital Commerce

- Collaborate deeper with leading 3<sup>rd</sup> party E Com players
- Accelerate growth of Brand.com
- Roll out Omni channel functionalities
  - Buy online Ship from Store
  - Video / digital catalogue based assisted shopping

## Agile Mind-to-market

- Shorter & more frequent design cycles
- Analytics based merchandising
- Redesigned Planning process
- Automated planning & allocation system
- Increased supplier coordination

## Business Model Reset

- Reshuffle product mix in line with current context - casual, athleisure, WFH, fashion masks, sustainable apparel
- Revisit fashion cycle – Season-less buying, markdown strategies



# Long term Advantages

## Diversified play in all key market segments

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- Business Models: Brand and Retail
- Price Points: Super Premium to Value
- Consumers: Men, women, Kids
- Categories: Casual, formal, ethnic, innerwear, Athleisure
- Channels: Own retail, Department stores, MBOs, Online – Own and partnered

## Governance & Best People

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- Highest level of Governance systems
- Strong processes & IT systems
- Aditya Birla Group Values
- Strong Employee Value Proposition

## Rich Brand Portfolio

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- Owner of Four largest apparel fashion brands – Louis Philippe, Van Heusen, Allen Solly, Peter England
- Leading Fashion retailer – Pantaloons
- Consistent brand investment & one of the largest loyalty base of consumers
- Partnership with best Global brands to augment portfolio

## Strong Enablers

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- Cutting edge Design, merchandising & Supply Chain infrastructure
- Deep investment in Digital – Technology, Analytics, CRM, E Com, Omni channel
- Innovation Culture

# We have a consistent track record of strong financial performance

|               | FY 16 | FY 17 | FY 18 | FY 19 | FY 20N | FY20A |
|---------------|-------|-------|-------|-------|--------|-------|
| Revenue       | 6035  | 6633  | 7181  | 8118  | 9082   | 8743  |
| <i>Growth</i> |       | 10%   | 8%    | 13%   | 12%    | 8%    |
| EBITDA        | 405   | 476   | 501   | 619   | 711    | 518   |
| EBITDA%       | 6.7%  | 7.2%  | 7.0%  | 7.6%  | 7.8%   | 5.9%  |
| ROCE          | 3%    | 7%    | 7%    | 10%   | 12%    | 7%    |

***Well placed to emerge even stronger post this crisis***

# Strengthening the Balance Sheet

## Corporate action – Proposed Rights Issue Key Contours

### Issue Size

- ❑ INR 1,000 Crs

### Type of Instrument, Issue Price & other terms

- ❑ To be decided at subsequent stage

### Usage of Funds

- ❑ Largely towards repayment of existing debt and interest cost, optimizing capital structure and funding working capital requirements

### Extent of Promoter & Promoter Group participation

- ❑ Full extent of their rights entitlement and
- ❑ Reserved subscription towards additional equity shares, in the event of any under-subscription.

### Timelines

- ❑ ~80-90 days

**1** Distribution Network

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# Company Financials



# Reported Financials

| In Rs. Cr.                                 | Q4 FY19      | Q4 FY20<br>(Comp.) | Q4 FY20<br>(Reported) |  | FY19         | FY20<br>(Comp.) | FY20<br>(Reported) |
|--|--------------|--------------------|-----------------------|--|--------------|-----------------|--------------------|
| <b>Revenue from Operations</b>             | <b>1,915</b> | <b>1,832</b>       | <b>1,832</b>          |  | <b>8,118</b> | <b>8,788</b>    | <b>8,788</b>       |
| Other Income                               | 24           | 14                 | 17                    |  | 65           | 52              | 65                 |
| <b>Total Income</b>                        | <b>1,940</b> | <b>1,846</b>       | <b>1,849</b>          |  | <b>8,183</b> | <b>8,840</b>    | <b>8,853</b>       |
| <b>EXPENSES</b>                            |              |                    |                       |  |              |                 |                    |
| Cost of Materials Consumed                 | 228          | 223                | 223                   |  | 604          | 786             | 786                |
| Purchases of Stock-in-Trade                | 852          | 807                | 807                   |  | 3,549        | 3,801           | 3,801              |
| Changes in Inventories                     | (180)        | (138)              | (138)                 |  | (229)        | (362)           | (362)              |
| Employee Benefits Expense                  | 235          | 283                | 283                   |  | 913          | 1,081           | 1,081              |
| Finance Costs                              | 45           | 65                 | 119                   |  | 187          | 213             | 425                |
| Depreciation & Amortisation                | 73           | 58                 | 233                   |  | 282          | 254             | 885                |
| Rent Expense                               | 279          | 321                | 106                   |  | 1,110        | 1,251           | 487                |
| Other Expenses                             | 377          | 401                | 401                   |  | 1,615        | 1,784           | 1,784              |
| <b>Total Expenses</b>                      | <b>1,909</b> | <b>2,020</b>       | <b>2,034</b>          |  | <b>8,033</b> | <b>8,807</b>    | <b>8,886</b>       |
| <b>Profit before Tax</b>                   | <b>31</b>    | <b>(174)</b>       | <b>(186)</b>          |  | <b>149</b>   | <b>33</b>       | <b>(33)</b>        |
| Tax Expenses                               | (172)        | (39)               | (39)                  |  | (172)        | 3               | 132                |
| <b>Net Profit after Tax</b>                | <b>203</b>   | <b>(135)</b>       | <b>(147)</b>          |  | <b>321</b>   | <b>(99)</b>     | <b>(165)</b>       |
| Other Comprehensive Income                 | 2            | (2)                | (2)                   |  | (1)          | 5               | 5                  |
| <b>Total Comprehensive Income</b>          | <b>205</b>   | <b>(137)</b>       | <b>(148)</b>          |  | <b>320</b>   | <b>(93)</b>     | <b>(160)</b>       |
| Non-Controlling Interest                   | -            | (1)                | (1)                   |  | -            | (2)             | (2)                |
| <b>Total Comprehensive Income (Owners)</b> | <b>205</b>   | <b>(136)</b>       | <b>(148)</b>          |  | <b>320</b>   | <b>(91)</b>     | <b>(158)</b>       |

| In Rs. Cr.              | FY19         | FY20         |
|-------------------------|--------------|--------------|
| Networth                | 1,429        | 1,088        |
| Net Debt                | 1,646        | 2,509        |
| Lease Liability         | -            | 2,502        |
| <b>Capital Employed</b> | <b>3,075</b> | <b>6,099</b> |
| <hr/>                   |              |              |
| Net Block (incl CWIP)   | 718          | 794          |
| Goodwill                | 1,860        | 1,983        |
| Right to Use Assets     | -            | 2,207        |
| Investments             | 4            | 7            |
| Deferred Tax Assets     | 263          | 195          |
| Net Working Capital     | 229          | 913          |
| <b>Capital Employed</b> | <b>3,075</b> | <b>6,099</b> |

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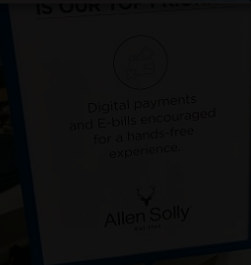
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# Welcome back to your safe shopping destination



Click on the logos to watch videos





## **COVID Update**

Aditya Birla Fashion and Retail Limited is India's largest pure-play fashion and lifestyle company with a strong bouquet of leading fashion brands and retail formats. The Company has a network of 3,041 stores, presence across approximately 25,000 multi-brand outlets with 6,500+ point of sales in department stores across India. The company sells a bouquet of product offerings in men's, women's and kids fashion across formal, casual, athleisure and intimate wear.

ABFRL had a commendable performance for the most part of FY20. Fueled by extremely successful weddings and EOSS season, the business grew strongly between January and February 2020, as against the same period last financial year.

With the outbreak of COVID 19 during early part of March, followed by gradual and systemic closure of state borders, public spaces and eventual lockdown of the country, the business got significantly impacted. The shutdown of store operations gradually, followed by closure of all factories and warehouses post lockdown brought the business to a complete halt. Additionally, with the apparel business getting classified as non-essential during the lockdown period, sales were fully and severely impacted.

Faced with an unprecedented crisis, the company took immediate and proactive steps towards ensuring safety of our customers and people. While the store operations moved to heightened safety norms during that phase, ABFRL also quickly transitioned the staff to work from home with clear protocols on health monitoring, technology enablement and assistance.

In parallel, rising to the occasion and responding to the dearth of PPEs in our country, the company collaborated seamlessly with the government authorities and utilized its manufacturing facilities for producing and selling masks and coveralls. As of date, the company has already supplied over 500,000 PPE's.

### **Interim Period observations**

- As store operations shut down for almost half of the month, our revenues in March were approximately 50% lower than the same period last year, which led to a similar erosion of gross margins, and also flowed down to EBITDA due to a predominantly fixed cost structure.
- All our employees (except front end staff) moved swiftly to a mandatory work from home and stayed connected through technology. The teams also worked relentlessly, preparing for restart of operations, as soon as normalcy sets in.
- While working remotely, teams worked to streamline business processes and ensured adherence to stringent systems and controls.
- The Company invested significant time and efforts towards employee's physical, mental and emotional wellbeing through an array of digital interventions on fitness, counselling and management sessions.



- Comprehensive training was imparted to our managerial and leadership staff in areas of functional expertise and leadership. We also leveraged Aditya Birla Group's online resources for running programs around competency building and capability enhancement for our people
- Understanding the economic severity of this crisis and standing together with our vendor partners, we worked with our vendors and real estate partners to chalk out a fair and equitable commercial arrangement to operate in this unprecedented challenging environment.
- Our leadership team is continuously monitoring the situation and is collaborating well within the group and external ecosystem to respond to this unprecedented crisis together

## **Outlook**

As the lockdown measures gradually eased across states in the first half of May, under guidance issued by MHA, Health ministry and local authorities, our operations gradually opened up albeit with an enhanced degree of focus around safety and hygiene for our customers and staff.

We expect the economic activity to pick up gradually over the coming weeks in line with the guidance issued by government bodies and expect normalcy to set in over next few quarters. Our view regarding the future is as follows –

1. As the lockdown is eased, the restoration of normalcy of business will depend on the pace of economic revival and mitigation of health concerns. It is early to assess the impact on consumer behavior.
2. ABFRL is a diversified portfolio of brands and products across segments and price points. Our brands have consistently aligned their product portfolio and strategies with evolving consumer needs. In the current situation too, the versatility of our brands will hold us in good stead. In the current context, our brands are also exploring new product opportunities such as fashion masks and protective apparels to capture the newly created demand for these.
3. We expect promising consumer traction for our Omni channel and ecommerce plays. The Company with its significant and early investments in information technology and digital infrastructure is well positioned to leverage from this shift.
4. In order to drive significant cost reductions and cash preservation, our focus will be around optimizing capex, opex and working capital.
5. The Company has proactively taken adequate liquidity measures to ensure availability of financial resources to sustain the imminent phase of below normal operations. We have firming banking lines with reputed banks and have accumulated sufficient cash reserves to tide over any abrupt liquidity risks in the market.
6. In addition to the above, in order to strengthen its balance sheet, the Company is evaluating various options to raise external capital
7. We are also working jointly with our larger ecosystem i.e. vendor partners, franchisees to be ready to operate at full scale of operations, as the situation evolves
8. We are fully mindful of many profitable business opportunities that may present themselves in terms of availability of premium retail space at attractive prices that could be potentially strong growth enablers.
9. As we are allowed to resume our operations, we are opening each store with utmost precautions, implementing highest standards and protocols on safety and hygiene to make them absolutely safe for our consumers. As of today, out of a total network of 3041 stores, more than 1300 stores are operational as on today.
10. We have also been able to resume the operations at all our manufacturing facilities and most of our warehouses, in order to work seamlessly and be prepared for swift transition to a higher scale of business

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