

Aditya Birla Retail to launch its white goods' labels soon

Consumer durables and electronics will be the target segments in 2-3 yrs

By **Anuradha Shukla**
in New Delhi

AFTER consolidating its presence in the retail business, Aditya Birla group is planning to launch its own private labels in the electronics and consumer goods space in the next two to three years, Thomas Varghese, chief executive officer (CEO) of Aditya Birla Retail Ltd (ABRL), told MAIL TODAY.

Currently, the company has its private labels in selected consumer goods, apparel and fruit & beverages, all of which accounts for about one-fifth of total sales.

"Our stores already sell our own private labels. But these are available in only our hypermarkets and supermarkets. In the next two to three years we are looking to launch our own private labels in consumer durables as well as electronic goods. We are already working on the plans," Varghese said.

An engineering graduate from IIT, Delhi and an alumnus of Harvard Business School, Varghese joined the group 11 years back and was responsible for spearheading the pulp and fibre business of the group. In 2008, he moved on to head the group's retail business. For Varghese, the two-and-a-half year journey since then has been challenging but exciting.

The company started its retail venture in 2007 with the acquisition of Trinethra Super Retail with more than 170 stores across four south Indian states. Currently, the group's

retail business has 600 mega stores and six hyper markets operating under the brand name 'More'.

Varghese is bullish about the future of organised retail in India, which is growing at 8-10 per cent annually. He is targeting to get ABRL counted among the top five retailers by 2015.

Post-slowdown the company is back into the expansion mode. So far, the group has invested a modest Rs 2,700 crore in its retail venture, Varghese said. ABRL expects revenue of Rs 1,450-1,500 crore this fiscal. The group opened its seventh hypermarket under the brand name 'More' in Rohini in Delhi this week and will open seven more hypermarkets and 100 supermarkets this fiscal in cities, such as Hyderabad, Surat, Pune and Nashik, among others.

"After Delhi, next month we will open a hypermarket in Hyderabad and then seven more hypermarkets will follow this year. Each hypermarket has an investment of about Rs 16 crore, including the stocks. For the supermarkets, we are putting in Rs 40 lakh each," Varghese said. Though he accepts that the expansion target

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- Following the best biz model — stores are designed by Fitch

is aggressive, he points out that it is carefully planned. "We are on an expansion spree but it is all well worked out. After investing about Rs 2,700 crore in the retail venture we want it to be profitable. If it is not profitable we will not hesitate to close it," Varghese said, adding that the group has already closed about 38 of its supermarkets in the last eight months as high rentals had rendered them unprofitable.

Varghese supports the opening of the retail sector to foreign direct investment. However, he added ABRL is not looking at 'any partnership in the retail venture.



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