

# Aditya Birla Retail seeks more bang for buck

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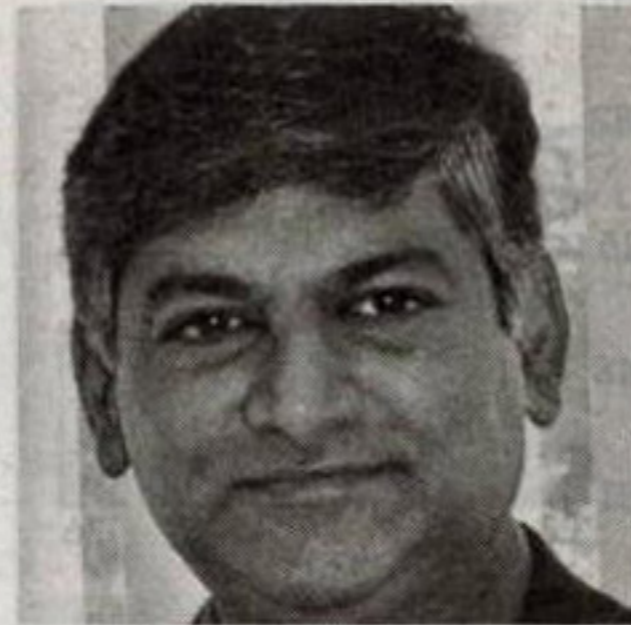
Aditya Birla Retail Ltd is looking to consolidate its retail business by focussing on revenue and margin growth. Besides shutting down unviable stores, the company is ramping up its hypermarket brand — More Megastore.

“The focus clearly for us is to make the business profitable. In the past, we have closed and re-sized unviable stores and are now looking at boosting our revenues by improving on our margins,” Mr Thomas Varghese, CEO, Aditya Birla Retail, told *Business Line*.

## **MORE STORES**

The company, which opened its first hypermarket in Delhi, said it will be adding 10 such stores in the current fiscal. Currently, there are seven hypermarket outlets pan-India. “The hyper stores can accommodate larger number of SKUs and will be available to consumers at a highly discounted rate. This also helps us build margins in the long run,” he said, adding the store will house 25,000 stock-keeping units across various categories.

The hypermarkets segment in the country is dom-



**Mr Thomas Varghese**

inated by players such as the Future Group's Big Bazaar and the Raheja-promoted Hypercity.

He said ABRL is putting a lot of thrust on private la-

bels. “Private labels are margin enhancers and we would be like to present in more categories in the near-term. At least 17 per cent of our sales comes from our private brands. The share is growing by 50 per cent in the foods category, and by 20 per cent in the FMCG category.” The company is also looking at collaborations with vendors to create products for its More outlets.

ABRL plans to ramp up its total mall area to 10 million sq ft over the next five-six years. “We hope that in five-six years, we will be a company with 10 million sq ft. At

the moment, we have 1.85 million sq feet,” said Mr Varghese.

For the current fiscal, the company has earmarked Rs 200 crore as capital expenditure for store expansion as well as investments in information technology.

Asked about when the company hopes to be profitable in the business, Mr Varghese said the company hopes to be EBIDTA positive by 2012. The company, which clocked a turnover of Rs 1,450 crore in March 31, 2010, said it is eyeing a growth of 30-35 per cent for the current year.