



ITFL/SEC/2020-2021/FEB/05

16<sup>th</sup> February, 2021

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai- 400 051

Scrip Code - 533329

NSE Symbol: INDTERRAIN

Dear Sir/Madam,

**Sub: Investor Presentation for the quarter and nine months ended 31<sup>st</sup> December, 2020.**

We hereby enclose the Investor Presentation on the unaudited financial results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2020.

This is for your information and records. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For **INDIAN TERRAIN FASHIONS LIMITED**

**Ravi B.S.G**  
Company Secretary & Compliance Officer



Encl.: As above

**INDIAN TERRAIN FASHIONS LIMITED**

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**INDIAN TERRAIN**



 INDIAN  
TERRAIN

**‘makes  
you  
feel  
good’**

# PERFORMANCE HIGHLIGHTS

February 2021

Q3FY21

The information contained in this presentation is only current as of its date. Please note that the past performance of the company is not and should not be considered as, indicative of future results.

This presentation may contain certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial condition and growth prospects and future developments in our sector and our competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words ‘may’, ‘will’, ‘should’, ‘expects’, ‘plans’, ‘intends’, ‘anticipates’, ‘believes’, ‘estimates’, ‘predicts’, ‘potential’ or ‘continue’ and similar expressions identify forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results, performances or events to differ materially from the results contemplated by the relevant forward looking statement. The factors which may affect the results contemplated by the forward looking statements could include, amongst others, future changes or developments in (i) the Company’s business, (ii) the Company’s competitive environment, and (iii) political, economic, legal and social conditions in India.

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**A Turnaround  
Quarter**

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# A Turnaround Quarter



## Q1FY21

SALES: Rs 13.4 cr  
EBITDA: Rs -25.2 cr  
PAT: Rs -32.3 Cr

With the onset of Covid-19 ITFL's Sales/EBITDA and PAT witnessed a Sharp fall sequentially and YoY

Industry expectations and sentiments were dampened which would result in job cuts and a loss of Rs 12,000 cr

## Q2FY21

SALES: Rs 39.3 cr  
EBITDA: - Rs 9.2 cr  
PAT: Rs -17.5Cr

Unlocking 2.0 signalled signs of swift recovery with Sales in Q2FY21 marking an increase of 193.5% QoQ

ITFL's Adoption and implementation of IT levers to drive sales and improve sales mix assured a robust revenue and growth

The environment was marked with constrained investor sentiment and consumer's reluctance to visit stores

## Q3FY21

SALES: Rs 68.8 cr  
EBITDA: Rs 1.1cr  
PAT: Rs -7.8Cr

ITFL's Sales Trajectory continued with a 5-fold jump from Q1FY21 at Rs 69cr

Focused on better sales mix  
New store additions and  
Cost optimisation ways

ITFL's commitment towards delighting its customers with new product mix, unwavering focus towards cost minimisation, cash conservation and investments in tech can expect a better Q4 and Fiscal 2021

## Q3 – A Recovery and Rebuild Quarter

Remarkably Strong Recovery in Overall EBO Retail Revenue for this Quarter compared to Last Year (98%)

Strong Retail Expansion into the Hinterland

Tight Control on Overall Costs ensured we turned EBIDTA + for the quarter

E Commerce and IT.COM continue to grow as we pivot towards a more digital led business

Continued improvement in Gross & Net Working Capital even as we scale up the revenues

Strengthened the balance sheet with successful Preferential Allotment



## Q3FY21 Result Highlights

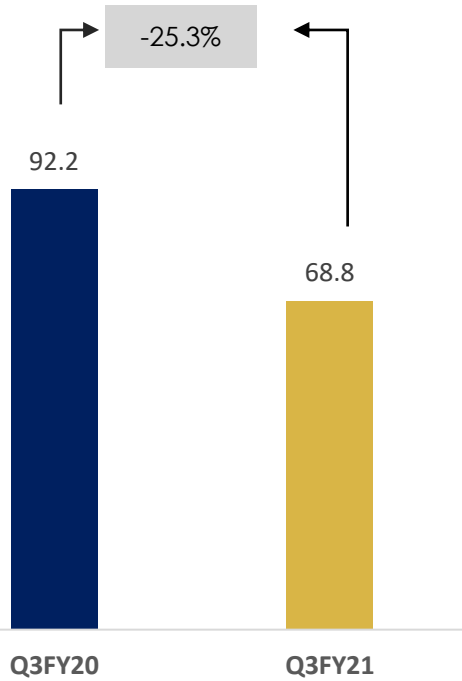


Particulars	Q3FY21	Q3FY20	Q2FY21
<b>Revenues (Rs cr)</b>	<b>68.79</b>	<b>92.15</b>	<b>39.32</b>
% QoQ	74.95		193.65
% YoY	-25.35		-66.17
<b>EBITDA (Rs cr)</b>	<b>1.08</b>	<b>12.30</b>	<b>-9.16</b>
% Margin	1.57	13.35	-23.30
<b>EBIT (Rs cr)</b>	<b>-4.81</b>	<b>6.58</b>	<b>-14.44</b>
<b>PAT (Rs cr)</b>	<b>-7.82</b>	<b>0.08</b>	<b>-17.49</b>

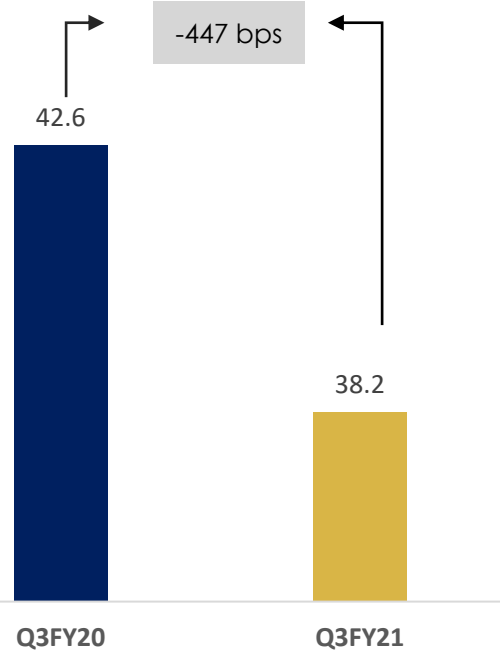
- ❖ Revenues for Q3FY21 have begun to show improvement at Rs 68.8 cr, as operations are gradually resuming to pre-covid levels
- ❖ Increase in COGS QoQ is due to change of product channel mix
- ❖ Employee expenses declined 11.7% YoY due to optimisation of manpower requirements
- ❖ Interest cost for the quarter came in at Rs 5.5 cr a decline of 4.2% YoY
- ❖ Other Income is the impact of Rent Waivers/ Reductions received during the quarter as per AS116

# Key Quarterly P&L numbers

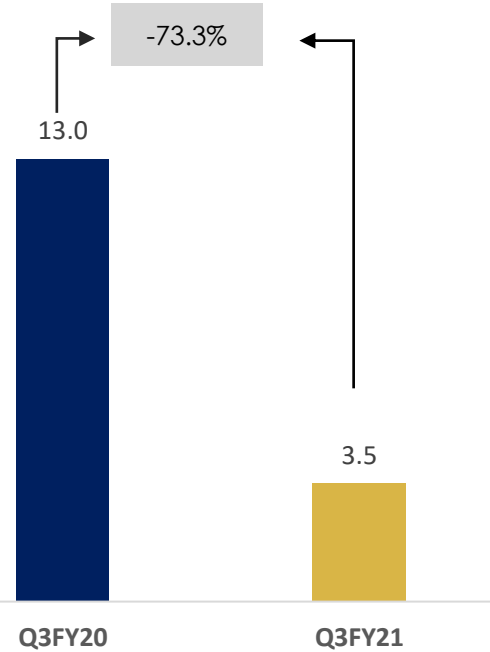
### Operating Revenue (₹ cr)



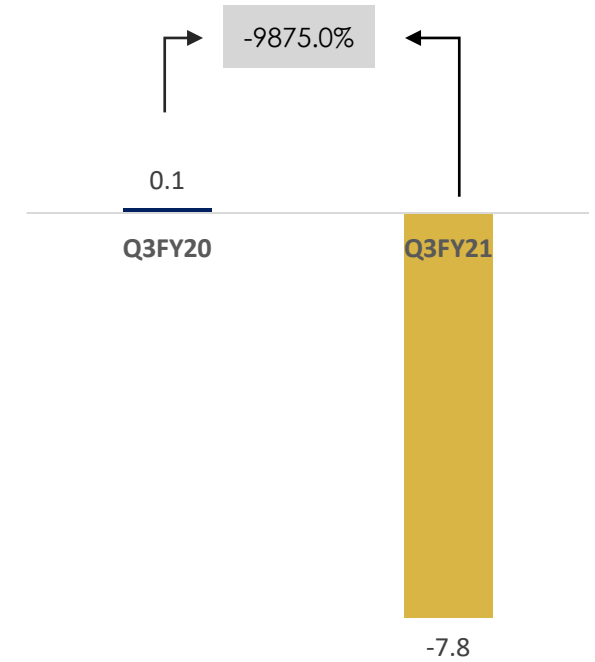
### Gross Margins (%)



### EBITDA (₹ cr)



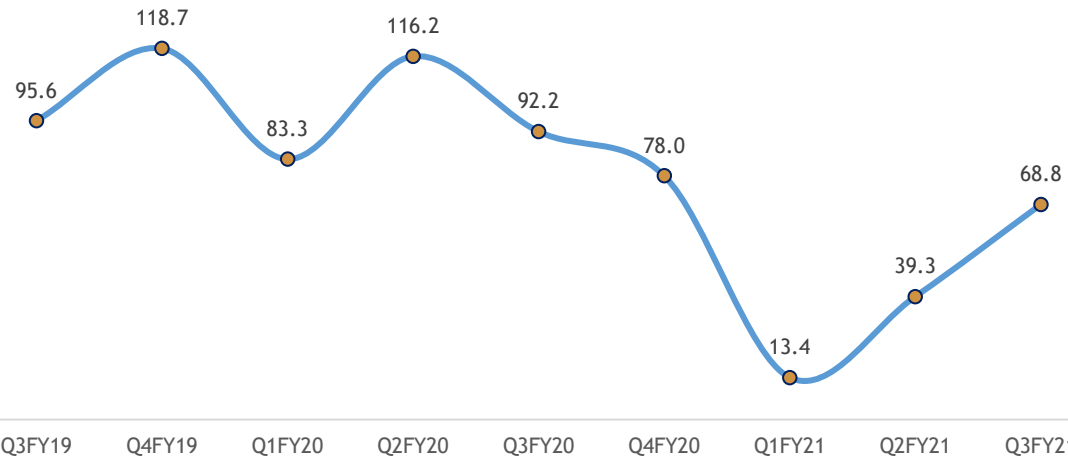
### PAT (₹ cr)



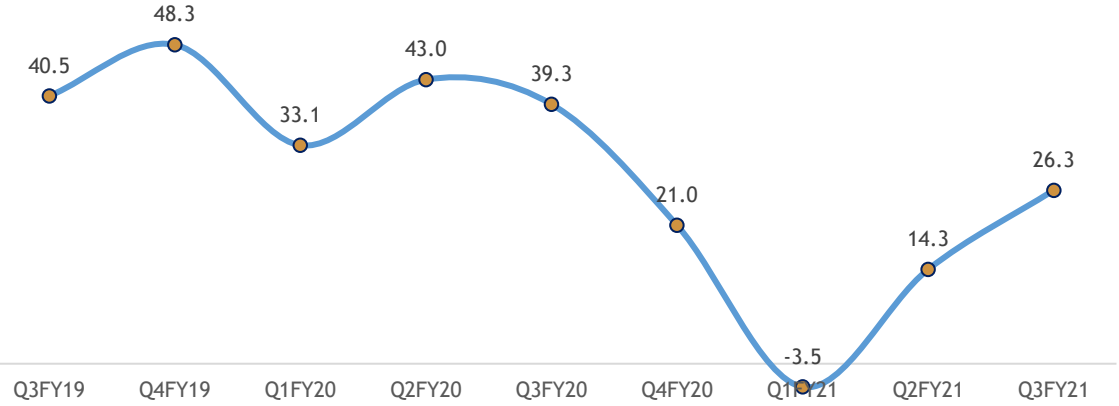
- Sales declined YoY by 25.3% as demand picks up gradually post the unlocking phase
- Gross Margins continue to remain healthy although low YoY at 38.2%
- Net loss of Rs 7.8cr in Q3FY21 as compared to a profit of Rs0.08 cr in Q3FY20

# Sequential Improvement across metrics the FY21 quarters

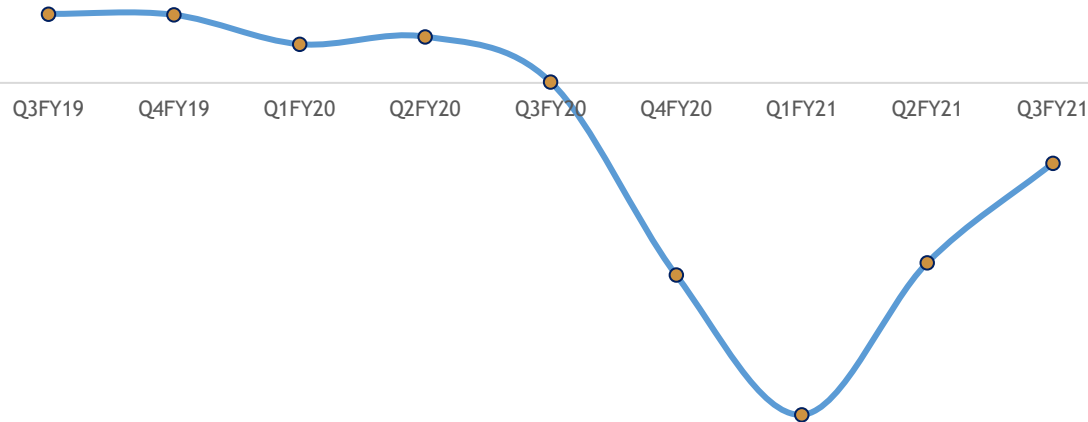
Sales (Rs. Cr)



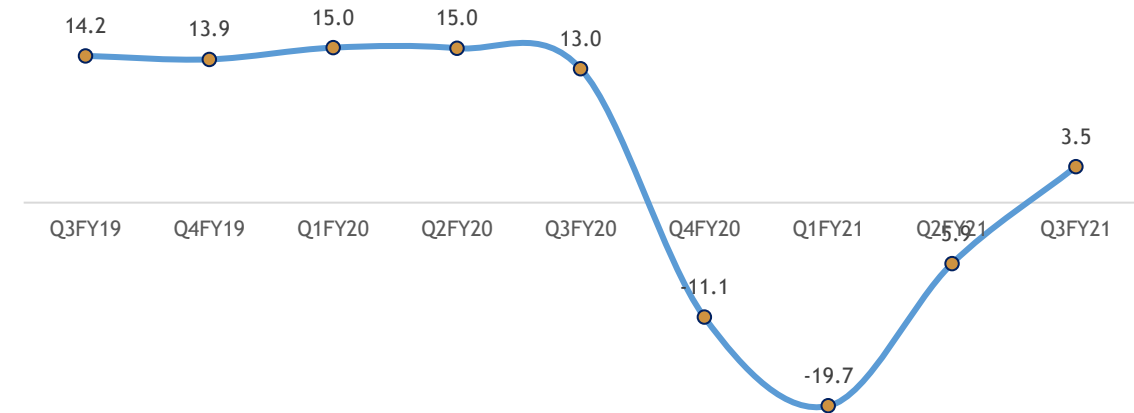
Gross Profit (Rs. Cr)



PAT (Rs. Cr)



EBIDTA (Rs. Cr)



# WIDER FOOTPRINT ACROSS ALL STATES

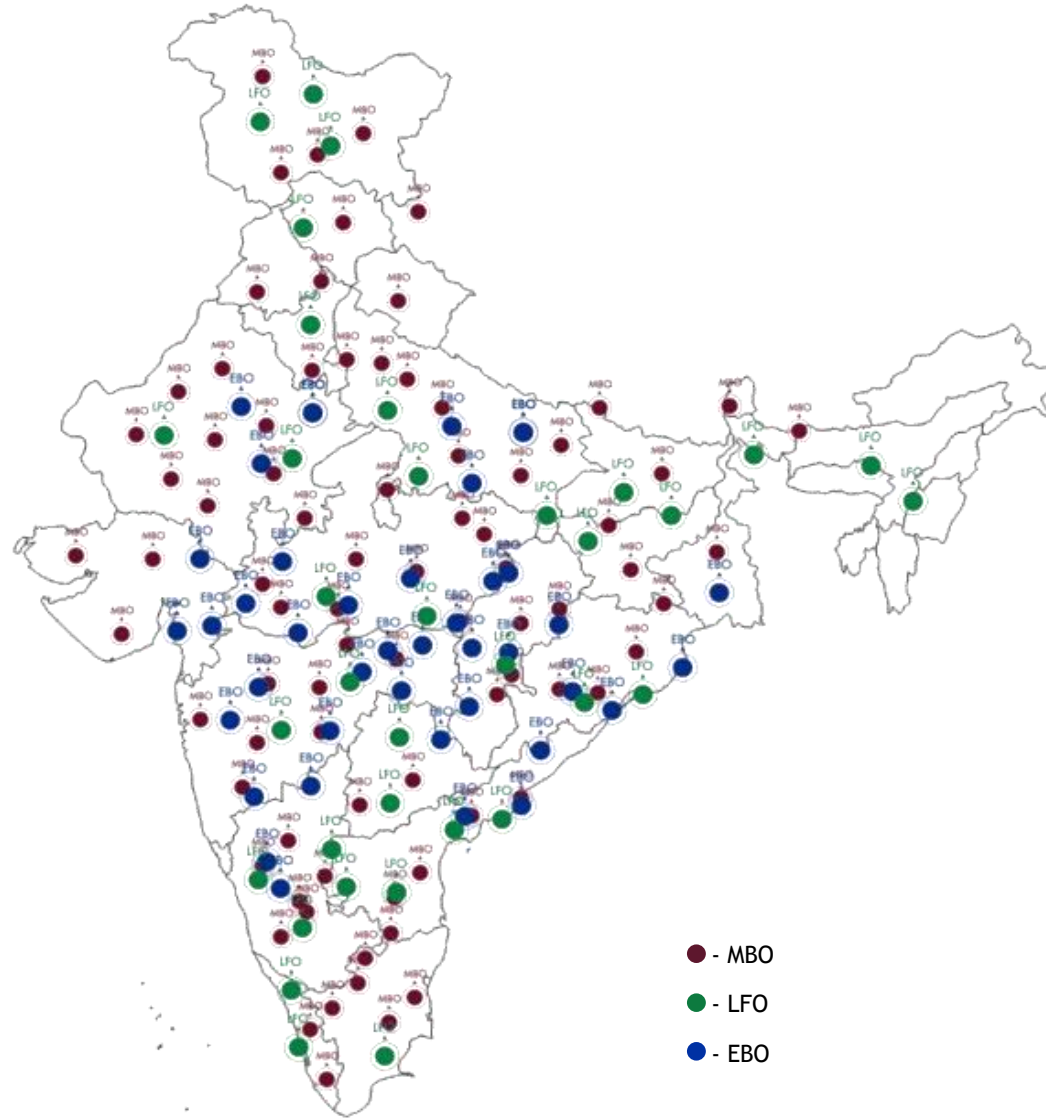
**215**

Exclusive Doors  
(inclusive of 27 EFO)



**+450**

Large Format  
Outlets



- - MBO
- - LFO
- - EBO



**1450+**

Doors under Multi  
Branded Outlets

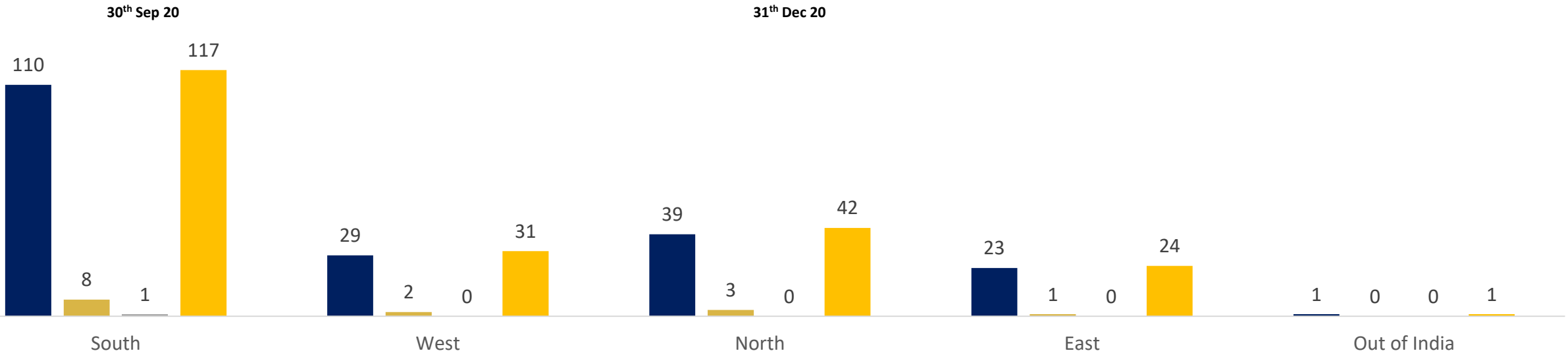


**9+**

E-commerce  
Partners

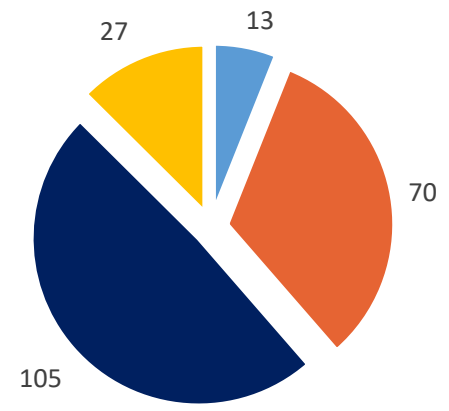
# Store Distribution Across Geographies

■ Opening - 202    ■ Additions - 14    ■ Closure / Converted - 1    ■ Closing - 215



## STORE FORMAT

- COCO
- COFO
- FOFO
- EFO



\*Store Count – 215 under direct management + 5 Stores under distributor management



## NEW STORE ADDTIONS

# STORE OPENINGS IN SMALLER TOWNS & CITIES

BILWARA



VAISHALI



TIRUNELVELI



NAMAKKAL



# STORE OPENINGS IN SMALLER TOWNS & CITIES

SIDDIPET



SURAT



INDORE – C21



SINGANALLUR





OUTLOOK

# The Iconic Khaki

Discover the Khaki that makes you feel good.

- ❖ Revenue recovery run rate likely to cross 100% compared to YoY
- ❖ Controlled fixed cost will result in significantly increased profitability
- ❖ Target to end March 2021 with 225 operational retail stores
- ❖ Departmental stores showing steady sales recovery



# Q4 - THE RESURGENCE QUARTER



Controlled Fixed Costs will result in significantly increased Profitability

### RETAIL



Strong Momentum Continues



10 more stores opening in Q4 (Will end Year at ~ 225 Stores)

### WHOLESALE



Distribution business seeing strong pick up



Department Stores showing steady Sales recovery

## FY'21 – WORKING CAPITAL



Consistent Reduction in Receivables and Inventory seen through tighter controls



Continued Pivot to D2C Channels ( Own Retail and E Comm) from Wholesale will further reduce GWC



Overall NWC will continue to drop in the coming quarters



REVENUE TARGET OF PRE COVID LEVELS



REDUCED and MAINTAINING FIXED COSTS LEADING TO HIGHER EBIDTA and PBT



MAINTAIN GWC (INVENTORY AND RECEIVABLES) AT CURRENT YEAR LEVELS

## EBO RETAIL

TARGET TO ADD 30-35 STORES

## BHARAT

EXPANSION INTO HINTERLAND with RETAIL and NEW TOWNS in WHOLESALE

## D2C PUSH

WITH IT.Com AND E-COMMERCE MARKETPLACE (FOR A NEW CUSTOMER BASE)

## SUSTAINABILITY

EXPAND FAIRTRADE ASSOCIATION and WIDEN PRODUCT PORTFOLIO

**SUSTAINABILITY  
STRATEGY**





- ❖ Have set a long term objective to be India's leading Sustainable Brand – **LOOK GOOD AND DO GOOD**
- ❖ Started the Journey in October with the launch of “**Fairtrade Collection**” becoming India's 1<sup>st</sup> High Street Brand to adapt the same
- ❖ Specific Goal to have more than 50% of products sourced from sustainable sources within the next 3 years – Fairtrade, Organic, Recycled, Natural Dyes, Green Denim
- ❖ Over the next few quarters increasing part of the Product range will be reflecting this initiative



**MAN**  
**2**  
**MAN**  
LOYALTY PROGRAM

*Loyalty pays. Make yours count.*

Know More

## Financial Statements

# PROFIT & LOSS STATEMENT

Standalone Profit & Loss (INR cr)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
<b>Income from Operations</b>	<b>95.6</b>	<b>118.7</b>	<b>83.3</b>	<b>116.2</b>	<b>92.2</b>	<b>78.0</b>	<b>13.4</b>	<b>39.3</b>	<b>68.8</b>
Other Income	0.5	1.3	0.7	0.8	0.7	1.7	4.4	3.2	2.4
<b>Total Income</b>	<b>96.0</b>	<b>120.0</b>	<b>84.0</b>	<b>117.0</b>	<b>92.8</b>	<b>79.7</b>	<b>17.8</b>	<b>42.6</b>	<b>71.2</b>
Operating Expenses	81.8	106.1	69.0	102.0	79.9	90.8	37.6	48.5	67.7
EBITDA	14.2	13.9	15.1	15.0	13.0	-11.1	-19.7	-5.9	3.5
<b>Margin %</b>	<b>14.9</b>	<b>11.7</b>	<b>18.1</b>	<b>12.9</b>	<b>14.1</b>	<b>-14.3</b>	<b>-147.3</b>	<b>-15.1</b>	<b>5.0</b>
Depreciation	1.4	1.5	5.1	5.5	5.7	6.5	5.5	5.3	5.9
EBIT	12.8	12.4	9.9	9.5	7.3	-17.6	-25.3	-11.2	-2.4
<b>Margin %</b>	<b>13.4</b>	<b>10.4</b>	<b>11.9</b>	<b>8.2</b>	<b>7.9</b>	<b>-22.6</b>	<b>-188.6</b>	<b>-28.5</b>	<b>-3.5</b>
Financial Charges	2.5	2.0	4.2	5.2	5.7	5.5	7.2	6.4	5.5
PBT	10.3	10.4	5.8	4.3	1.5	-23.1	-32.4	-17.6	-7.9
<b>Margin %</b>	<b>10.8</b>	<b>8.8</b>	<b>6.9</b>	<b>3.7</b>	<b>1.7</b>	<b>-29.7</b>	<b>-242.0</b>	<b>-44.8</b>	<b>-11.5</b>
Tax	3.6	3.8	2.0	-0.2	1.5	-4.5	-0.2	-0.1	-0.1
PAT	6.7	6.6	3.8	4.5	0.08	-18.67	-32.3	-17.5	-7.8
<b>Margin %</b>	<b>7.0</b>	<b>5.6</b>	<b>4.5</b>	<b>3.9</b>	<b>0.1</b>	<b>-23.9</b>	<b>-240.9</b>	<b>-44.5</b>	<b>-11.4</b>

The Company has adopted IND AS 115 with effect from 01<sup>st</sup> April 2017 and IND AS 116 with effect from 01<sup>st</sup> April 2019 using modified retrospective approach and hence figures are not comparable



# Profit & Loss Statement - Annually

Standalone Profit & Loss (INR cr)	FY16	FY17	FY18	FY19	FY20
<b>Income from Operations</b>	<b>325.0</b>	<b>325.9</b>	<b>401.5</b>	<b>422.4</b>	<b>369.7</b>
Other Income	5.2	5.3	2.5	3.0	3.9
<b>Total Income</b>	<b>330.2</b>	<b>331.2</b>	<b>404.0</b>	<b>425.4</b>	<b>373.5</b>
Operating Expenses	283.9	285.9	353.6	371.5	341.6
<b>EBITDA</b>	<b>46.3</b>	<b>45.3</b>	<b>50.4</b>	<b>53.8</b>	<b>31.9</b>
<b>Margin %</b>	<b>14.2</b>	<b>13.9</b>	<b>12.5</b>	<b>12.7</b>	<b>8.6</b>
Depreciation	2.3	3.1	4.2	5.5	22.8
<b>EBIT</b>	<b>43.9</b>	<b>42.2</b>	<b>46.1</b>	<b>48.3</b>	<b>9.1</b>
<b>Margin %</b>	<b>13.5</b>	<b>12.9</b>	<b>11.5</b>	<b>11.4</b>	<b>2.5</b>
Financial Charges	7.0	8.9	7.0	8.5	20.6
PBT	<b>37.0</b>	<b>33.3</b>	<b>39.1</b>	<b>39.8</b>	<b>-11.5</b>
<b>Margin %</b>	<b>11.4</b>	<b>10.2</b>	<b>9.7</b>	<b>9.4</b>	<b>-3.1</b>
Tax	4.0	10.4	13.7	14.1	-1.2
<b>PAT</b>	<b>33.0</b>	<b>22.8</b>	<b>25.4</b>	<b>25.7</b>	<b>-10.3</b>
<b>Margin %</b>	<b>10.2</b>	<b>7.0</b>	<b>6.3</b>	<b>6.1</b>	<b>-2.8</b>

The Company has adopted IND AS 115 with effect from 01<sup>st</sup> April 2017 and IND AS 116 with effect from 01<sup>st</sup> April 2019 using modified retrospective approach and hence figures are not comparable

# Balance Sheet & Key Ratios

Standalone Balance Sheet (INR cr)	FY16	FY17	FY18	FY19	FY20
Share capital	7.3	7.6	7.6	7.6	7.6
Reserves and Surplus	146.2	171.3	196.4	222.1	208.5
Non-current liabilities	18.4	13.4	20.3	23.2	90.0
Current liabilities	90.9	108.6	152.6	165.4	197.2
<b>Total Equity and Liabilities</b>	<b>262.8</b>	<b>300.8</b>	<b>377.0</b>	<b>418.3</b>	<b>503.3</b>
Non-current assets	40.0	50.3	61.7	67.7	140.8
Current assets	222.8	250.5	315.2	350.6	362.5
<b>Total Assets</b>	<b>262.8</b>	<b>300.8</b>	<b>377.0</b>	<b>418.3</b>	<b>503.3</b>

Key Ratios	FY16	FY17	FY18	FY19	FY20
RoCE (%)	19.8	16.1	17.9	18.4	2.7
RoE (%)	21.5	15.4	12.5	11.2	-4.8
Net debt to equity (x)	-0.16	-0.11	-0.06	-0.02	0.46
Interest coverage (x)	5.6	4.1	6.2	5.7	0.4
Inventory days	138	159	136	110	107
Receivables days	111	123	162	207	248
Payable days	101	103	141	125	165

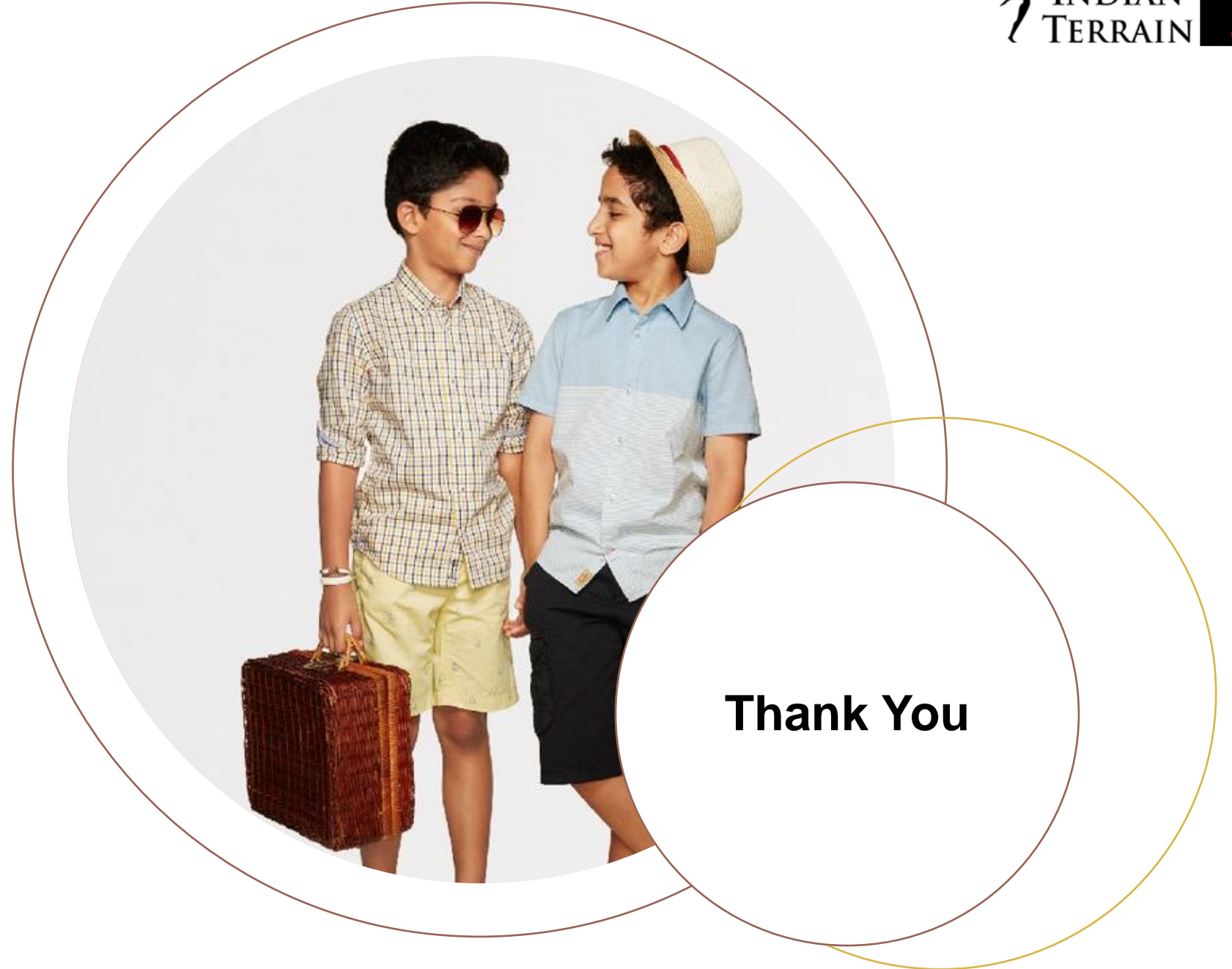
## Let's Connect

### Contact information

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Email : [response.itfl@indianterrain.com](mailto:response.itfl@indianterrain.com)

### Communication Address

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Tambaram, Chennai-600 045, Tamil Nadu,  
India



**Thank You**