



PRICE "LESS" FASHION

2nd August, 2019

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Sub: Press Release on the financial results for the first quarter ended on 30th June, 2019


Sir,

Please find enclosed herewith press release on the financial results of the Company for the first quarter ended on 30th June, 2019.

We request you to kindly take the above information on record.

Thanking you,

Yours truly,
For V-Mart Retail Ltd.,


Megha Tandon
Company Secretary

(Encl.- As above)

V-MART RETAIL LTD.

CIN- L51909DL2002PLC163727

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V-Mart clocks 25% y-o-y revenue growth and 34% EBITDA growth; charts further expansion with 13 new stores in Q1 FY20

New Delhi, 2nd Aug, Friday 2019: V-Mart Retail, India's leading value fashion retailer, announced its audited financial results for the first quarter of FY20, which were approved by the Company's Board of Directors at its meeting held on 2nd Aug, 2019.

For the first quarter, the company reported net revenue at Rs. 4530 million, up 25% year-on-year from Rs. 3612 million. Same store sales growth (SSSG) stood at 5.2% for the quarter. The company registered the highest revenue growth in Uttar Pradesh, its largest state in terms of retail store presence. The key growth driver for this quarter was the holy month of Ramadan, leading to Eid, a festival widely celebrated by millions of families in geographies where V-Mart has a substantial presence. EBITDA, at Rs. 578 million, stood at 12.8% for the quarter, suitably adjusted for Ind AS 116, which became applicable from 1st Apr, 2019.

Continuing unabated its retail footprint expansion, the company opened 13 new stores in the Apr-Jun quarter, reaching a total area of 1.88 million sq. ft., and setting the pace for the year ahead. During the quarter, the company also closed down one store, which was an outcome of its ongoing rigorous store portfolio performance review and rationalization process.

Commenting on the company's performance in Q1, Lalit Agarwal, CMD, said, "We remain bullish on the long-term market opportunity and V-Mart's ability to drive accelerated expansion. Even though we are witnessing a bit of liquidity crunch in the economy and consumers holding back on spending, we were able to pull up sales and record impressive growth, particularly in the build-up to Eid in our key markets. This was possible because of a more focused fashion apparel and merchandize collection and promotional offers that connected well with our customers, who are always looking for better value. We also realize that, as customers, a large number of whom are millennials, become more aware of the latest fashion trends, our ability to offer value-fashion at a faster pace will be the key differentiator in a rapidly growing, but also more competitive market."

With its sights firmly focused on accelerating long-term growth and sustained value creation for all stakeholders, the company is steadily making its organizational structure, processes and capabilities more robust and future-ready. The newly-implemented zonal retail structure and a thrust on in-store retail excellence measures, have started enabling a more responsive and agile decision-making culture, and enhanced customer experience. This was well-evidenced in the deft handling of one of the highest-ever customer footfalls at its stores and an unprecedented sales performance during Eid, signifying a higher level of preparedness and growing process maturity in retail operations. The company is further strengthening its customer-centricity mechanisms and processes - in product display and visual merchandizing, assortment selection and marketing communication. Further, the company is enriching its already existing organization-wide data analytics architecture, to feed decision-enabling insights directly to store managers, regional heads and zonal heads. Technology adoption and upgradation across

its planning, supply chain and logistics infrastructure is also underway, with the quarter witnessing some significant strides.

Looking ahead at the year, with the overall market and consumer spending outlook evenly poised on the expectations of a bountiful monsoon, the company is gearing up for the festive season comprising the triad of Durga Puja-Diwali-Chhath, the biggest shopping occasion in the annual calendar in its key markets. The company's commitment to continuously raise the bar in bringing trendy fashion to its consumers is reflected in its forthcoming Autumn-Winter collection. Key high-fashion apparel items in the season's collection include denim jackets, high waist jeans, palazzos, kurtis and sharara set for ladies; hooded shirts and t-shirts, Indigo themed designs, and kurta-pyjama for men; and, coordinated sets for infants, boys and girls.

About V-Mart Retail Limited:

Founded in 2002, V-Mart is a retail store chain for the complete family, offering fashion apparel, footwear, home furnishings, general merchandise and kirana. Primarily focusing on Tier II and III cities, V-Mart has 228 stores with an average store size of 8,000 sq. ft. The company follows the concept of value retailing, by fulfilling the growing aspiration of the rapidly-expanding middle class for affordable, high-quality fashion.

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