



PRICE "LESS" FASHION

10th May, 2019

Ref. No. CS/S/L-336/2019-20

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Sub: Press Release on the financial results for the fourth quarter and year ended on 31st March, 2019


Sir,

Please find enclosed herewith press release on the financial results of the Company for the fourth quarter and financial year ended on 31st March, 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 reports 17% topline growth in FY19, with opening of 44 new stores

New Delhi, 10th May, Friday 2019: V-Mart Retail, India's leading value fashion retailer, announced its audited financial results for the quarter and full year ended 31st Mar, 2019 which were approved by the Company's Board of Directors at its meeting held on 10th May, 2019.

The company reported steady growth in net revenue for the fourth quarter and full year, at Rs. 3445 million and 14337 million, growing 16% and 17% YoY, respectively. Same store sales growth (SSSG) came in at 3.5% and 3.7% for the quarter and fiscal year, respectively. The overall consumer sentiment and consumption growth across V-Mart's key markets remains upbeat, and this was reflected in strong Dussehra, Diwali and Holi sales for the company. EBITDA and PAT, at Rs. 1231 million and Rs. 616 million, stood at 8.6% and 4.3%, respectively. This was after 100% provision for commercial paper investment in IL&FS Ltd. Of Rs. 98 million, and after accounting for higher manpower costs incurred on significant capacity addition. With almost one-third of store openings happening in Q4, substantial retail network expansion costs were incurred upfront, but the commensurate revenue impact of these stores was not realized during the fiscal year.

Marking a new milestone, the company opened 44 stores, its highest-ever tally in a single year. More significantly, V-Mart added three new states – Assam (6 stores) and Meghalaya (1 store) in North East, and Himachal Pradesh (2 stores) in North – taking its retail network presence to 17 states from 14 at the close of the year.

Considering the financial and growth performance during FY19, the Board has recommended a dividend of 17% per share.

Commenting on the company's performance in FY19, Lalit Agarwal, CMD, said "We have maintained a steady growth trajectory in the past years, and earned the loyalty and trust of crores of consumers, for whom V-Mart has become a preferred family apparel shopping destination. With our commanding market leadership and guided by the rapidly growing aspiration of smaller town consumers to wear affordable fashion, we intend to accelerate our pace of expansion. To achieve this, higher manpower investments for future growth and capacity expansion will be crucial, even as we continue to maintain a strong balance sheet."

During the year, apart from achieving higher-than-planned store expansion, the company embarked on several strategic initiatives. Pursuing its goal to be a more customer-centric organization, the merchandize planning and buying processes were revamped to provide more freshness and be more responsive to customers' evolving fashion preferences. The success of this continued initiative was reflected in the high sell-through rates of several assortments, particularly festive season and winter merchandize. The emphasis on making warehousing and supply chain backbone more robust to reduce inventory costs and

support expansion into new regions, also started paying immediate dividends, with inventory days reducing by 6% over FY18.

On the people front, the company bolstered its talent pool depth and breadth, by supplementing capabilities in visual merchandizing and data analytics. At the leadership level, the company inducted a new Independent Director (ID), and hired a Chief Operating Officer (COO), a strategy head, and a new head of retail operations. Further, the company has implemented a technology platform to automate key HR processes.

The continuing steady performance and a consistent focus on delivering affordable value fashion to the aspiring class earned the company two remarkable recognitions during the year. In April 2018, the company was recognized as the 'World's Best Performing Departmental Store Chain' as per data compiled by Bloomberg, while in Feb, 2019 V-Mart was bestowed the 'Transforming India Through Retail' award, for "Transforming lives in Tier II and III cities" by the Hon. Union Minister of Textiles, Smriti Zubin Irani.

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 214 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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