



Ref. No. CS/S/L-532/2021-22

8th November, 2021

<p>To: The Listing Department NATIONAL STOCK EXCHANGE OF INDIA LIMITED "Exchange Plaza" Bandra-Kurla Complex Bandra (E), Mumbai – 400 051 Scrip Code: VMART Fax: 022-26598120 Email: cmlist@nse.co.in</p>	<p>To: The Corporate Relationship Department THE BSE LTD Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 534976 Fax: 022-22723121 Email: corp.relations@bseindia.com</p>
--	--

Sub: Press Release on the financial results for the second quarter and half year ended on 30th September, 2021

Dear Sir/Madam,

Please find enclosed herewith press release on the financial results of the Company for the second quarter and half year ended on 30th September, 2021.

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

Thanking you,

**Yours Truly
For V-Mart Retail Limited**

MEGHA TANDON Digitally signed by
MEGHA TANDON
Date: 2021.11.08
14:14:59 +05'30'

**Megha Tandon
Company Secretary & Compliance Officer**

Encl: As above

V-MART RETAIL LTD.

CIN- L51909DL2002PLC163727

Corporate Office : Plot No. 862, Udyog Vihar, Industrial Area Phase V, Gurgaon - 122 016 (Haryana)
Tel. : 0124-4640030, Fax No. : 0124-4640046 Email : info@vmart.co.in Website : www.vmart.co.in
Registered Office : 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi - 110092

V-Mart reports 93% revenue growth Y-o-Y for Q2 FY'22; accelerates expansion to reach 368 stores as of 30' September 2021

New Delhi, Monday, 8th Nov, 2020: V-Mart Retail, India's leading value fashion retailer with 368 stores across 26 states, announced its unaudited financial results for Q2 and H1 ended 30th Sep, 2021. The results were approved at its Board Meeting Conducted through video conferencing on November 8, 2021.

Financial Highlights

Rs. Crore	Q2, FY22	Q2, FY21	Growth Vs LY	H1, FY22	H1, FY21	Growth Vs LY
Revenue	338	176	93%	515	254	103%
EBITDA	21	0	-	19	-6	-
PAT	-14	-19	-	-43	-53	-

The Company saw sustained recovery post the second wave of Covid related disruptions, despite the early part of the quarter remaining impacted by partial lockdowns in parts of the country. Acquisition of 74 *Unlimited* stores in South India, effective from 1st September also helped increase the sales recovery to 107% for the quarter, versus pre-Covid levels (Q2 FY20). On a comparable basis, excluding the addition of 74 *Unlimited* stores, the recovery from pre-Covid levels stood at 100% for the Company.

The company continues to remain focused and committed to the accelerated store expansion plan with 86 net store additions for the quarter (including 74 stores acquired in South India) and now operates a total of 368 stores across 26 states. The southern acquisition and transition went ahead smoothly, with V-Mart adding 800+ employees to its already existing 7000+ strong workforce. The immediate focus of the company in the newly formed south zone remains on ensuring people and product continuity, while improving merchandise assortment, sharper pricing and integration of systems and processes. A key initiative in the overall merchandise strategy for the company will now be cross-populating selective stocks from south to north, and vice versa to add more variety and better options for consumers of both geographies.

Improved sales and better supply chain management initiatives helped improve EBITDA to 6.1% for the second quarter, which traditionally remains a subdued and a small quarter impacted by end of season sales and lower margins. The inventory levels remained healthy despite the upstocking for the festive season with comfortable liquidity and cash position.

Our customers continued to increasingly leverage the convenience of digital platform with the online channel continuing to register dynamic growth. Digital content and social media initiatives remain increasingly central to the overall marketing strategy. The company has also started launching exclusive styles on its online platform which is witnessing encouraging traction. The company also continues to invest significantly behind digital transformation projects and data analytics to further augment decision support systems across all parts of the business.

Strategic Change : Appointment of Independent Director Mr. Aakash Moondhra as the new Chairman of the Company

The Company also announced a strategic change in its leadership structure, further improving the corporate governance framework with the role of Chairman and Managing Director now being split, with Mr. Aakash Moondhra (Independent Director) being designated as the Chairman, while Mr. Lalit Agarwal would continue in his role as the Managing Director. Aakash Moondhra is the Global CFO of PayU, a Naspers group company and continues to remain an independent Director on the board of VMart.

Commenting on the new development Mr. Lalit Agarwal, MD said “The appointment of Aakash as the chairman will herald a new era of corporate governance in the company. Aakash has been a torchbearer of ethics and governance and this indeed is a big change for a so far promoter led company which is now embarking on its new charter of growth, ably supported by a deep rooted professional and independent governance culture.”

Mr. Moondhra commenting on his appointment added that “I am thankful to the Board for posing the confidence in me and I will try my best to help contribute in making VMart an even better organisation than it already is and I look forward to this exciting journey together with the fellow board members ”

Overall Performance

Commenting on Q2 performance, Mr. Lalit Agarwal, said the rapid market uptick post the second wave of Covid-19 saw a strong recovery on the back of increased operational days and festive led consumption (15th August Rakhi, Janmashtmi).

“Though the business got disrupted in Q1 owing to the second wave, it was encouraging to see operations recover quickly from mid-June onward, with rapid re-opening of our stores in almost all markets,” said Mr. Agarwal.

Strategic outreach of our brand through our omnichannel platform has also been encouraging. We saw significant consumer acceptance of our digital-based shopping avenues during the quarter, and continue to build upon that level of consumer trust by exciting offers, newer merchandise and customer service,” added Mr. Agarwal.

“The GST hike proposed from the current 5% to 12% from January 01, 2022 on apparels and footwear in the sub-1000 rupees range, could impact margins and future sales as 88% of the company’s inventory and sales fall in this bracket. The significant increase in yarn prices would further pose a bit of challenge in keeping MRPs to our usual competitive levels.”

However, with the early onset of winters, and the string of festival season ahead, Mr. Agarwal expressed confidence in projecting strong sales, especially with consumer sentiment bouncing back to normal and the government’s continued vaccination drive.

About V-Mart Retail Ltd.

Founded in 2002, V-Mart is an omnichannel 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 is present pan-India with an average store size of 8,000 sq. ft. The company follows the concept of 'value retailing' by fulfilling the growing aspiration for affordable, high-quality fashion of the rapidly-expanding middle class. V-Mart stores, in untapped markets, provide customers with an enhanced shopping experience, comprising a vast range of value retail products in a modern ambience and the feel of a large retail mall. With the combined strength of www.vmartretail.com, the online presence complements the footprint for the business.