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10th August, 2020

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Sub: Press Release on the financial results for the first quarter ended on 30th June, 2020

Sir,

Please find enclosed herewith the press release on the financial results of the Company for the first quarter ended on 30th June, 2020.

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

Thanking you,

Yours truly,

For V-Mart Retail Ltd.


Megha Tandon
Company Secretary

V-MART RETAIL LTD.
CIN-L51909DL2002PLC163727

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V-Mart reports 17% y-o-y recovery in sales against one-third operational days in Q1; and, 46% recovery in June against 79% operational days for the month

New Delhi, Monday, 10th Aug, 2020: V-Mart Retail, India's leading value fashion retailer with presence across 19 states and 191 towns, announced its audited financial results for the first quarter ended 30th June, 2020. The results were approved by the Company's Board of Directors in its meeting conducted virtually on 10th Aug, 2020.

Owing to COVID-19 pandemic and a nationwide lockdown for most of Q1, it was an unprecedented quarter in the Company's history. For the duration of complete lockdown that stretched across first half of the quarter, the Company recorded zero sales, barring a few stores selling essential goods. Store reopening commenced marginally after mid-May, and gathered momentum in June when Unlock Phase 1 began. Overall, after accounting for lockdowns and restricted days and hours of opening, the Company's stores were operational for approximately one-third of total available days in the normal business scenario. The quarterly results presented below have to be viewed in the aforementioned context.

Quarter 1 FY21 (Rs'Cr)	Q1, FY20	Q1, FY21	Growth (YoY)	Q4, FY20	Growth (Q1 '21 vs. Q4 '20)
Revenue (with other operating income)	453	78	-83%	333	-76%
EBITDA	58	-6	-110%	28	-121%
PAT	18	-34	-291%	-8	-299%

Operational Update

In Q1, the Company reported revenue of Rs. 78 Cr, recovering 17% of sales y-o-y, while same store sales (SSSG) showed 15% recovery. This was in the backdrop of nearly 67% lost store operational days for the quarter, due to lockdowns and restricted days and hours of opening. The impact of lockdowns was further magnified with festive sales of Eid in May, the second-biggest festival in the Company's key markets, completely lost this year. Lower customer footfalls (87% lesser y-o-y) and reduced discretionary spending also impacted sales. The impact of Covid-19 pandemic was also visible in sequential performance with Q1 revenue at 24% of the previous quarter, which barring the second half of March, had seen uninterrupted business operations.

For the quarter, EBITDA and PAT stood at Rs. -6 Cr and Rs. -34 Cr, respectively. As compared to revenue, the disproportionate impact of Covid-19 pandemic on profitability underscores the fact that most of the Company's costs are fixed in nature.

The Company has witnessed a positive recovery trend in sales across all its locations, as and when store operations have resumed in an uninterrupted manner. This is indicative of resilience in

consumer demand in the Company's markets, and also V-Mart's established reputation as a trusted retailer. With the month of June showing some semblance of normalization, in terms of resumption of regular store operations and customer footfalls, some distinct consumer trends were noticed. The average bill size (ABS) was 11% higher, and conversion also increased sharply (68%) over last year (57%), while average selling price (ASP) for apparels was 8% lower. This indicates that customers opted for more value-buying dominated by leisurewear and casual wear, but in larger quantity that could have been led by pent-up demand, a reluctance to make frequent shopping trips, and customers' preference to consolidate their spending with a retailer they trust.

Other Key Highlights:

- Augmenting omnichannel presence to enhance accessibility and provide the safety and convenience of digital shopping
- Exploring and introducing new channels that create easier access to value-priced merchandise for customers and also support small business owners
- An innovative incentive scheme for store teams, by generating additional sales through alternative channels and local community outreach. Through such measures, surplus front-end staff is being productively engaged, and no one has been asked to leave
- Caring for local communities through CSR initiatives. During the quarter, the Company's front-line store teams contributed 1600-plus hours of voluntary community work and distributed food supplies to more than one lakh stranded migrants, slum dwellers and other needy segments

Commenting on Q1 performance, Mr. Lalit Agarwal, CMD, said, "V-Mart has always understood the pulse of its customers and other stakeholders, and responded to their needs and pain-points proactively. In the current scenario, we are rethinking how we can deliver more value, in a more safe and more convenient manner to our customers, and realigning our product assortment, pricing, and channels to what they need the most at the moment. We have seen customers flocking back to our stores as and when lockdowns have been lifted, and this means that V-Mart is a retailer they trust their fashion choices, their money and their health with. More broadly, V-Mart has a long-lasting trusted relationship also with the local communities. We are ensuring that all stakeholders dependent on V-Mart have adequate liquidity to sustain themselves. The Covid-19 crisis offers us a compelling reason to further reinforce this trust."

Covid Outlook

Even though Covid-19 pandemic had a drastic impact on the economy, creating a scenario of uncertainty, the Company has witnessed steady recovery of customer footfalls and sales wherever store operations have resumed uninterrupted. This is indicative of the Company's customer 'stickiness' driven by relevant product assortment and trust, and portends well for the forthcoming quarter, which has been historically dominated by festive shopping.

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 266 stores with an average store size of approximately 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. 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.

For more information, contact:

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