

V-Mart Retail Limited

Regd. Office : F-11, Udyog Nagar Industrial Area, Peeragarhi, Rohtak Road, New Delhi - 110041

Audited financial results for the quarter and year ended 31 March 2015

Rs. in lacs (except per share data)

Particulars	Quarter ended on			Year ended	
	31.03.2015 (Audited)	31.12.2014 (Unaudited)	31.03.2014 (Audited)	31.03.2015 (Audited)	31.03.2014 (Audited)
<b>Part I</b>					
<b>1. Income from operations</b>					
(a) Net sales/income from operations	17,021.46	23,970.67	13,867.69	71,897.73	57,410.66
(b) Other operating income	43.08	55.38	14.46	152.49	85.28
<b>Total income from operations (net)</b>	<b>17,064.54</b>	<b>24,026.05</b>	<b>13,882.15</b>	<b>72,050.22</b>	<b>57,495.94</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	54.70	6.71	3.74	69.36	107.89
(b) Purchase of stock-in-trade	12,913.33	14,609.08	10,401.67	52,436.14	45,995.21
(c) Changes in inventories of stock-in-trade - (increase)/decrease	(246.03)	1,759.97	(272.02)	(1,736.85)	(5,762.32)
(d) Employee benefits expense	1,254.82	1,475.43	1,004.68	4,893.64	3,833.74
(e) Depreciation and amortisation expense (refer note 7)	460.37	(391.18)	324.45	456.54	1,089.44
(f) Other expenses	2,414.64	2,771.10	2,181.21	9,982.65	8,096.66
<b>Total expenses</b>	<b>16,851.83</b>	<b>20,231.11</b>	<b>13,643.73</b>	<b>66,101.48</b>	<b>53,360.62</b>
<b>3. Profit from operations before other income, finance costs and prior period items (1-2)</b>	<b>212.71</b>	<b>3,794.94</b>	<b>238.42</b>	<b>5,948.74</b>	<b>4,135.32</b>
4. Other income	4.97	2.62	30.95	189.61	71.36
<b>5. Profit from ordinary activities before finance costs and prior period items (3+4)</b>	<b>217.68</b>	<b>3,797.56</b>	<b>269.37</b>	<b>6,138.35</b>	<b>4,206.68</b>
6. Finance costs	76.65	147.95	99.86	430.96	424.40
<b>7. Profit/(loss) from ordinary activities before tax and prior period items (5-6)</b>	<b>141.03</b>	<b>3,649.61</b>	<b>169.51</b>	<b>5,707.39</b>	<b>3,782.28</b>
8. Prior period items - income/(expense) (net)	-	23.87	-	7.38	-
<b>9. Net profit/(loss) from ordinary activities before tax (7+8)</b>	<b>141.03</b>	<b>3,673.48</b>	<b>169.51</b>	<b>5,714.77</b>	<b>3,782.28</b>
10. Tax expense *	(19.81)	1,260.55	59.85	1,858.09	1,266.56
<b>11. Net profit/(loss) from ordinary activities after tax (9-10)</b>	<b>160.84</b>	<b>2,412.93</b>	<b>109.66</b>	<b>3,856.68</b>	<b>2,515.72</b>
12. Extra-ordinary items (net of tax) (refer note 9)	-	(11.43)	-	(119.98)	-
<b>13. Net profit/(loss) for the period (11+12)</b>	<b>160.84</b>	<b>2,401.50</b>	<b>109.66</b>	<b>3,736.70</b>	<b>2,515.72</b>
14. Paid up equity share capital (Face value of Rs.10 per share)	1,801.57	1,800.01	1,795.88	1,801.57	1,795.88
15. Reserves excluding revaluation reserves	-	-	-	18,692.33	15,219.76
<b>16. Earnings per share (of Rs. 10 each) (not annualised)</b>					
(a) Basic	0.89	13.36	0.61	20.78	14.01
(b) Diluted	0.89	13.36	0.61	20.78	14.01

**Part II - Select information for the quarter and year ended ended 31 March 2015**

<b>A. Particulars of Shareholding</b>					
<b>1. Public Shareholding</b>					
(a) No. of Shares	7,546,626	7,471,111	7,394,303	7,546,626	7,394,303
(b) Percentage of Shareholding	41.89%	41.51%	41.17%	41.89%	41.17%
<b>2. Promoters and Promoter Group Shareholding</b>					
<b>(a) Pledged/Encumbered</b>					
- No. of Shares	-	-	-	-	-
- Percentage of Shares (as a % of total Shareholding of Promoter and Promoter Group)	-	-	-	-	-
- Percentage of Shares (as a % of total share capital of the Company)	-	-	-	-	-
<b>(b) Non-Encumbered</b>					
- No. of Shares	10,469,063	10,528,975	10,564,475	10,469,063	10,564,475
- Percentage of Shares (as a % of total Shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of Shares (as a % of total share capital of the Company)	58.11%	58.49%	58.83%	58.11%	58.83%

**B. Investor Complaints**

Pending at the beginning of the quarter	Nil
Received during the quarter	-
Disposed of during the quarter	-
Remaining unresolved at the end of the quarter	Nil

\* Tax expense include deferred tax.



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**Audited financial results for the quarter and year ended 31 March 2015****Notes:**

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 4 May 2015 and have been audited by the statutory auditors of the Company. Figures for the quarters ended 31 March 2014 and 2015 represents the balancing figures between the audited figures for the full financial year and the published year to date figures upto the third quarter of the respective financial year.
2. The financial results have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.
3. The Company is primarily engaged in the business of retail trade through chain of stores, which constitute single reportable business segment.
4. The weighted average number of equity shares outstanding during the period/year has been considered for calculating the Basic and Diluted Earning Per Share (not annualised) in accordance with AS – 20 “Earnings per share”.
5. Pursuant to the provision of clause 43 of the listing agreement with the exchange, the disclosure is as follows:-

Means of finance for the objects of IPO are as under:

Particulars	(Rs. in lacs)
Proceeds from the fresh issue	5,798.10
Proceeds from Pre-IPO placement	2,625.00
Internal accruals	717.60
	<b>9,140.70</b>

The utilization of the aforementioned means of finance as on 31 March 2015 is as under:

Particulars	(Rs. in lacs)			
	Utilization planned as per prospectus	Utilization of IPO proceeds as on 31 March 2015	Adjustments (utilization of surplus towards other objects)	Balance amount to be utilized as on 31 March 2015
To open new stores	6,970.40	(6,585.81)	6.60	391.19
Expansion of distribution center	438.70	(287.26)	-	151.44
Working capital	1,000.00	(1,000.00)	-	-
Share issue expenses	731.60	(725.00)	(6.60) *	-
	<b>9,140.70</b>	<b>(8,598.07)</b>	-	<b>542.63</b>

\* Surplus available after actual expenses incurred will be utilized towards other objects of the issue.

Interim utilization of balance IPO proceeds up to 31 March 2015 is as under:

Particulars	(Rs. in lacs)
Balance unutilized amount	542.63
Temporary utilized as below:	
Mutual funds	542.63



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Audited financial results for the quarter and year ended 31 March 2015**6. Statement of Assets and Liabilities**

Particulars	As at 31 March 15 (Audited) (Rs. in lacs)	As at 31 March 14 (Audited) (Rs. in lacs)
<b>A EQUITY AND LIABILITIES</b>		
<b>1. Shareholder's funds</b>		
(a) Share capital	1,801.57	1,795.88
(b) Reserve and surplus	18,692.33	15,219.76
	<b>20,493.90</b>	<b>17,015.64</b>
<b>2. Non-current liabilities</b>		
(a) Long-term borrowings	152.50	17.44
(b) Long-term provisions	147.09	117.22
(c) Other non-current liabilities	496.74	191.65
	<b>796.33</b>	<b>326.31</b>
<b>3. Current liabilities</b>		
(a) Short-term borrowings	2,862.83	4,334.25
(b) Trade payables	7,517.98	6,471.33
(c) Other current liabilities	695.40	753.90
(d) Short-term provisions	529.62	459.05
	<b>11,605.83</b>	<b>12,018.53</b>
<b>TOTAL –EQUITY AND LIABILITIES</b>	<b>32,896.06</b>	<b>29,360.48</b>
<b>B ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Fixed assets	9,878.61	7,096.98
(b) Non-current investments	553.00	1,500.00
(c) Deferred tax assets (net)	64.28	216.64
(d) Long-term loans and advances	1,573.34	1,278.87
(e) Other non-current assets	6.53	7.17
	<b>12,075.76</b>	<b>10,099.66</b>
<b>2. Current assets</b>		
(a) Current investments	1,627.00	1,923.93
(b) Inventories	18,320.27	16,769.74
(c) Cash and bank balances	335.56	232.29
(d) Short-term loans and advances	530.63	332.94
(e) Other current assets	6.84	1.92
	<b>20,820.30</b>	<b>19,260.82</b>
<b>TOTAL – ASSETS</b>	<b>32,896.06</b>	<b>29,360.48</b>

7. During the year, the Company has changed its method of depreciation on fixed assets from Written Down Value ("WDV") method to Straight Line Method ("SLM") method as management believes that such change in accounting policy results in a fair recognition of depreciation charge vis-a-vis its operations particularly when the Company is on the growth path and opening new stores on regular basis, which presents the financial results more appropriately. Also, the Company has revised the useful life of its fixed assets to comply with the life as mentioned under Schedule II of the Companies Act, 2013 ("Schedule II"). Further in respect of certain assets – the Company has assessed the useful lives lower than as prescribed in the Schedule II, based on the technical advice received.



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Due to such change in method of depreciation, adoption of Schedule II and revision in useful life of fixed assets – the depreciation charge is lower by Rs. 881.99 lacs, reserve and surplus/profit after tax is higher by Rs. 582.20 lacs (net of tax of Rs. 299.79 lacs) and profit before tax is higher by Rs. 881.99 lacs, for the year ended 31 March 2015. And, in case of assets whose life has been completed as on 31 March 2014, the carrying value (net of residual value) of those assets has been charged along with depreciation charge for the year ended 31 March 2015.

8. During the quarter, as per the Employee Stock Option Scheme 2012 (“Scheme”):
  - a) On 5 January 2015, the Company has further granted 22,350 Employee Stock Options (“ESOPs”) as per Scheme at an exercise price of Rs. 450 per option with graded vesting (i.e. 6,705 options vesting after 12 months from the date of grant, 6,705 options vesting after 24 months from the date of grant and 8,940 options vesting after 36 months from the date of grant). The options granted can be exercised after vesting at any time before the expiry of 8 years from the grant date.
  - b) Rs. 2.74 lacs has been provided as employee benefit expenses, as the proportionate cost of 22,350 numbers of options granted.
  - c) On 29 September 2014 and 5 January 2015, the Company has allotted 41,308 and 15,603 equity shares respectively of face value of Rs. 10 each to the eligible employees of the Company on account of exercise of vested stock options.
9. In respect of the inventory and fixed assets lying at Sri Nagar store which has been hit by an heavy floods in the month of September 2014, the Company has recorded a loss of Rs. 119.98 lacs (net of tax of Rs. 61.78 lacs) - which has been suitably provided for and shown in these financial results as Extra-ordinary item. The Company has filed an insurance claim in respect of same which shall be recognized as income once the claim gets confirmed from the insurance company.
10. The Board of Directors of the Company, in their meeting held on 4 May 2015, recommended a dividend of Rs. 1.50 per equity share, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.
11. Previous period/year figures have been regrouped and reclassified, wherever necessary, to make them comparable with those of the current period/year.

For and on behalf of the Board of Directors of  
**V-Mart Retail Limited**

  
**Lalit Agarwal**  
Managing Director

**Place:** Gurgaon  
**Date:** 4 May 2015





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## Press Release

### **V-Mart reports increase in Revenue by 25% and PAT by 49% in FY ending 31<sup>st</sup> Mar 15 YOY.**

*The retail chain which opened 23 stores in FY14 and has opened 19 stores in the the current financial year.*

**New Delhi:** V-Mart Retail Ltd announced its audited financial results for the financial year ending 31<sup>st</sup> Mar'15, which were approved by the Company's Board of Directors at its meeting held on 4<sup>th</sup> May 2015.

For the quarter ended Mar 31<sup>st</sup>, 2015, the company reported a growth in profit after tax (PAT) of 47 per cent YOY and Sales grew by 23 per cent. Sales for the FY15 was Rs.720.50 crores and PAT is Rs. 37.37 crores. Sales for Q4FY15 was Rs. 170.65 crores and PAT was Rs. 1.61 crores

Speaking on the occasion, Mr. Lalit Agarwal, Chairman & Managing Director, V-Mart Retail Ltd, said, "During this quarter the focus was on inventory rationalisation whereby the quantity and quality was to be optimised". To achieve this objective of clearing seasonal stock the company resorted to clearance sales and promotions. This has helped us achieve our objective even though we may have lost on some margins. This helps the company to clear shelf space to ensure that the customer has access to fresh stock during the new season.

Mr. Agarwal added the company is at a size and scale where it is a business imperative to focus on process and controls to drive the growth which it aspires for and that the retail chain is looking at IT to help drive efficiencies across various domains and also facilitate better process and controls. The company has also started a number of initiatives to provide training to staff which is oriented to improve their productivity and enhance their motivation levels also.





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The company is looking to build capabilities to understand and analyse fashion as it evolves which is one of our core strengths and also ensuring that we map it to customer preferences and the price point at which it creates value for them. During the coming summer season the company intends to launch product lines which have pastel colours and floral designs and special product lines using linen. For the wedding season the focus is around ethnic wear catering to men's, ladies and kids.

The company has been consciously working towards making a social impact in the geographies where it operates. The focus of opening stores in Tier II & III cities helps to generate employment opportunities for local residents where there are few available and also ensuring availability of products to meet the budgets of families who are on the borderline. Also while developing vendors the preference is to those from smaller towns and manufacturing hubs which in turn provides employment for local residents and workmen. The company is also exploring means to provide opportunity to women entrepreneurs.

**About V-Mart Retail Limited:**

Incorporated in 2002, V-Mart is a medium-sized hypermarket format retail chain based in New Delhi. They are multi-brand family store offers apparels, general merchandise and kirana bazar. VMRL has established stores in Metro, Tier-I, Tier-II and Tier-III cities which are primarily located as standalone stores in high-street areas and shopping hubs of such cities. The average size of store is approximately 8,000 Sq. Ft. The company follows the concept of "value retailing" to target the strata of the population belonging to the expanding "aspiring class and "middle class and is based on customer's socio economic conditions, purchasing power, demographic details and customer trends. Its offerings in untapped markets provide customers with a different shopping experience, comprising of a vast range of value retail products under a modern ambience and feel of a large retail mall.

**For More Information:-**

**Deepak Sharma (CFO) 0124-4640030**

