



Making **JOYFUL LIVING AFFORDABLE**

2021-22 Annual
Integrated Report



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Aakash Moondhra,
Message from the Chairperson



Lalit M Agarwal,
Managing Director's Message



OUR APPROACH TO REPORTING

V-Mart Retail Limited presents its 20th Annual and 3rd Integrated Report, showcasing the Company's business operations and performance and its stakeholder value creation approach and business model. The report also details how the Company's strategic planning and execution create value over short, medium, and long term.

SCOPE AND BOUNDARY OF REPORT

This Integrated Annual Report covers the Company's financial reporting. Besides, it includes non-financial performance, opportunities, strategic objectives, risks, and outcomes relating to our key stakeholders.

Our business model is centred around our long-term stakeholder relationships, in line with our strategic approach of being a value retailer focussed on fashion apparel, and merchandise for home and daily household needs. We follow comprehensive social, ethical, and environmental policies and practices to effectively manage our broader business impact.

REPORTING FRAMEWORK

The Company has been publishing a statutory Annual Report, in line with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; Companies Act, 2013; and Secretarial Standards. Based on the principles of the International Integrated Reporting Framework (referred to as the <IR> framework) developed by the International Integrated Reporting Council (IIRC), we shifted to Annual Integrated Reporting in 2019-20, and have been publishing the same since then.

REPORTING PERIOD

The financial information contained in this report pertains to the period April 1, 2021 to March 31, 2022 (unless otherwise stated). We have incorporated comparative figures on the financial, operating and stakeholder metrics for the last three to five years to provide a holistic view to the stakeholders.

OUR APPROACH TO MATERIALITY

We have identified our material issues as the ones that significantly impact our ability to create value for our stakeholders. We consider an issue to be material if it has the potential to have considerable impact on our business viability, social relevance, as well as the quality of relationships with our stakeholders. The economic, social and environmental context in which we operate also influences and affects our material issues.

MANAGEMENT ASSURANCE

To drive the governance oversight on material disclosures, the contents of this Report have been reviewed by the senior management of the Company.

FORWARD-LOOKING STATEMENTS

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. These are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions.

Making JOYFUL LIVING AFFORDABLE

At V-Mart, we believe that the journey of joyful living begins with the people of India. It is all about what makes them feel good, and what gives them pleasure and happiness. It is about those little moments that make the difference between them simply surviving and living a joyful life.

We believe that the happiest moments of life for people usually come from the little things in life, like what they eat and what they wear. We also strongly believe that looking good and living joyfully should not cost too much, and should be within the affordable reach of people across India.



Led by this belief, we are continuously striving to bring affordable fashion to the doorstep of every Indian who aspires to look smarter, better and trendier.

We remain committed to making joyful living truly affordable and accessible for every Indian, irrespective of the segment, demography and geography they belong to.

Your Company exists to fulfil people's aspirations and create value for the entire ecosystem and we shall continue to give them the fashion they want and the happiness they deserve, today and always!



CORPORATE PROFILE



DELIVERING TO PEOPLE'S JOYFUL ASPIRATIONS

V-MART CORPORATE OVERVIEW

Driven by the Purpose to “exist to fulfil people’s aspirations and create value for the entire ecosystem”, V-Mart is an omni-channel value retailer delivering experiential offerings to India’s aspirational middle class.

We are one of the pioneers in value retail segment in India, operating primarily in Tier-II and Tier-III towns and cities through a chain of ‘value retail’ stores. Our focus is on meeting the aspirations of the consuming class in the country. We offer products based on the consumer’s socio-economic conditions, purchasing power, demographic details and consumer trends. We have evolved as a customer-centric company, constantly striving to create value for our customers by offering affordable fashion through a wide assortment. Our fashion is designed to cater to the requirements of an entire family, and we also offer other merchandise for home and daily household consumption.





PERFORMANCE HIGHLIGHTS

380

Stores (including 74 stores of Unlimited)

25

States

~8,000 sq. ft

Average store size

₹20,433 lakhs

EBITDA

36.2%

Stores Y-O-Y Growth

₹1,164 lakhs

PAT

₹1,68,013 lakhs

Total Revenue



FROM NOW TO NEXT

At V-Mart, we are continuously scaling our efforts to facilitate joyful living for more and more Indians. To strengthen our efforts, we have crafted a new strategic roadmap for accelerated growth. This is aligned with our growing focus on meeting the evolving aspirations of India's value and fashion-conscious consumers living in Tier 2, 3 and 4 cities. We have geared up to unlock greater efficiencies across our operating model, with digitalisation at the centre of our customer-oriented value proposition.

A LOOK AT THE NEW V-MART

BELIEF

We believe that looking good and living joyfully should not cost too much and should be afforded by every human being on earth.



PURPOSE

We exist to fulfil people's aspirations and create value for the entire ecosystem.



VISION

Be the #1 value fashion omni-retailer of Bharat.



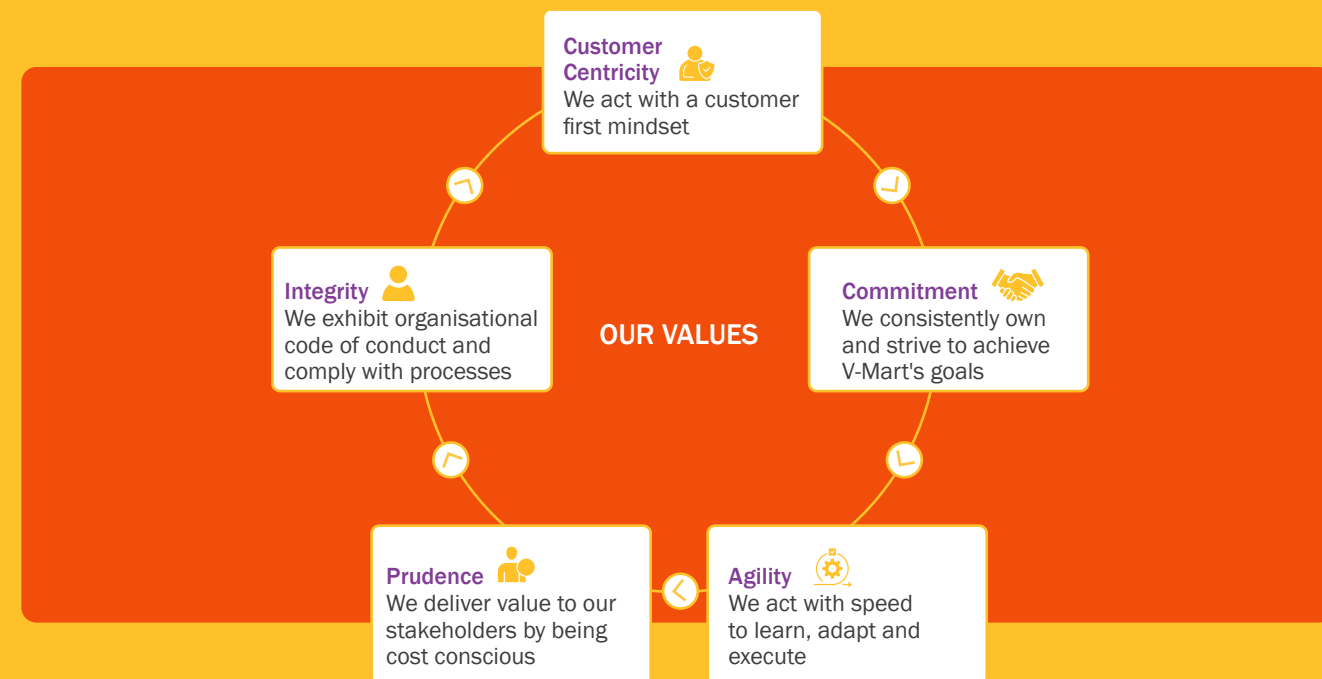
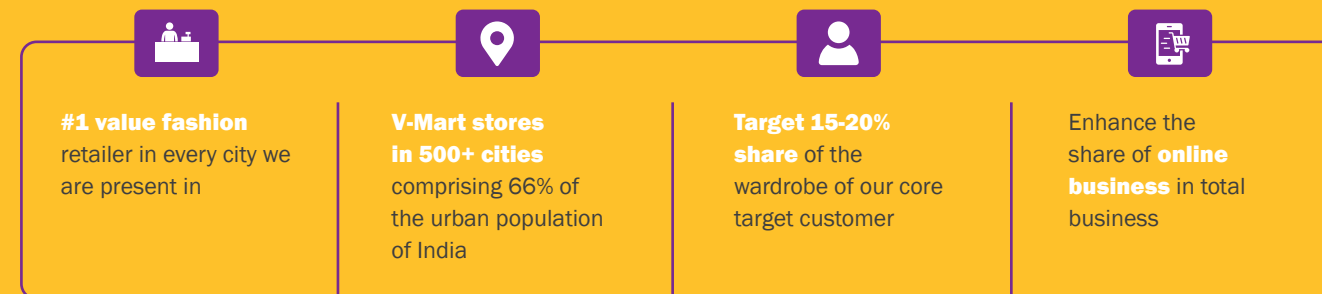
MISSION

To serve the youth & young Indian families in Tier 2 / 3 cities by providing them with the best possible value, as well as the widest possible range in a convenient environment supported by a digital shopping experience.



A LOOK AT THE NEW V-MART

KEY GOALS



GIVING JOY THROUGH AN UNPARALLELED EXPERIENCE

At V-Mart, we are continuously exploring new ways of delivering the unmatched experience that customers in India's untapped markets have always aspired for, but often find to be beyond their reach. We give, to such customers an ambience that has the feel of big city stores, but without the latter's exorbitantly priced brands and products.

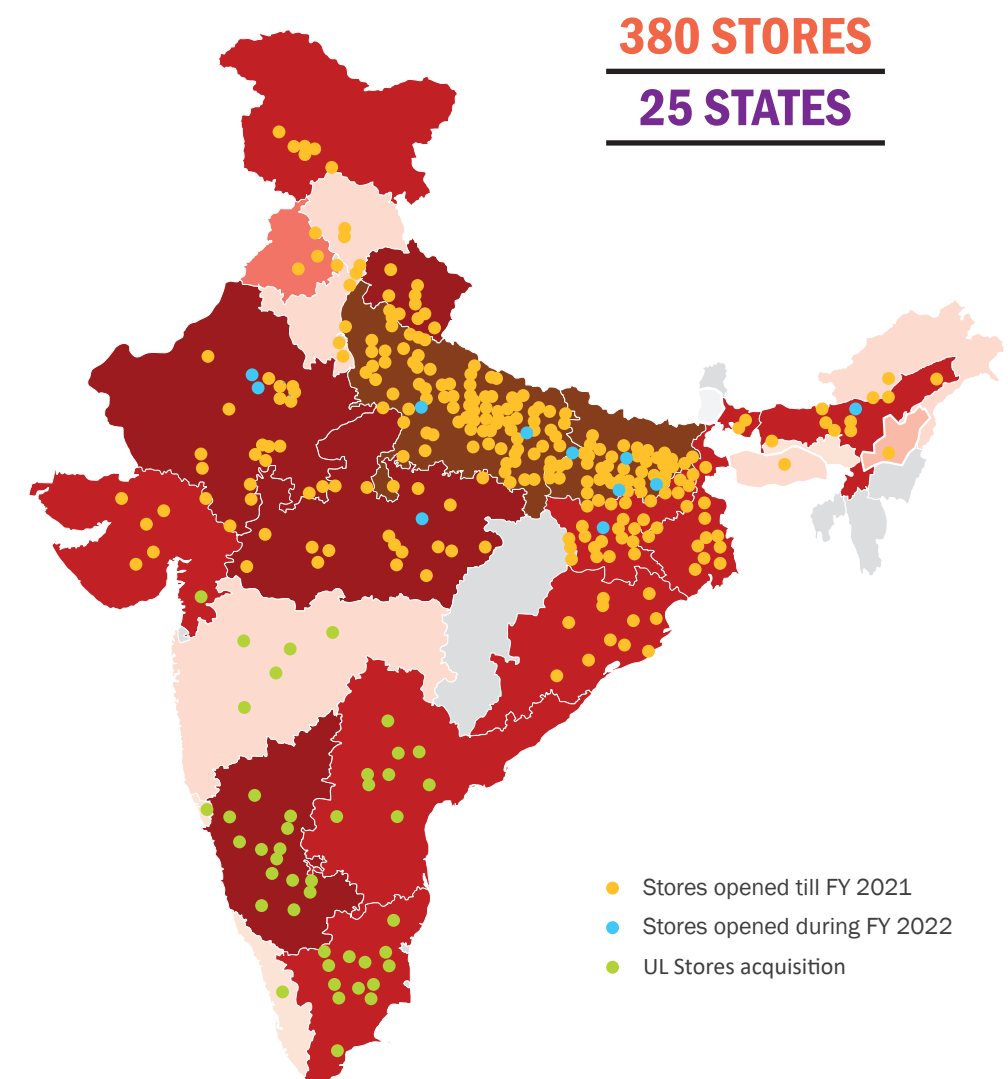
- Our stores are spread over an average of 8,000 sq. ft.. They are designed to deliver affordable and high-quality fashion in a modern ambience that gives the feel of a large retail mall.

- We know that the young millennials in the smaller towns are as tech-savvy as their counterparts in metros and big cities. We have accordingly developed a strong online presence, led by our web portal – www.vmartretail.com, to complement the personalised experience of our physical stores. Our mobile apps can be seamlessly downloaded from Google Play Store and IOS platforms.
- An optimal mix of private and market labels across relevant products ensures that customers in the small towns get an exceptional variety to choose from. We give them a choice of offerings, as per their taste, convenience and pocket.

SPREADING CHEER ACROSS INDIA

Our continuously expanding pan-India presence ensures that our joyful offerings are not limited to a few pockets or regions. We are always on the lookout to foray strategically into high-potential cities through a cluster-based approach. We expanded our outreach into the new southern markets of India during FY 2022 through the synergistic acquisition of Unlimited.

States	No. of Stores
Uttar Pradesh	122
Bihar	55
Jharkhand	24
Tamil Nadu	22
Karnataka	20
Rajasthan	17
West Bengal	17
Madhya Pradesh	14
Telangana	14
Uttarakhand	10
Andhra Pradesh	9
Assam	8
Jammu and Kashmir	8
Odisha	8
Gujarat	7
Delhi	6
Maharashtra	5
Punjab	5
Haryana	3
Arunachal Pradesh	1
Goa	1
Himachal Pradesh	1
Kerala	1
Meghalaya	1
Tripura	1
Total Stores	380



As of March 31, 2022

Map not to scale. For illustrative purposes only

A JOURNEY OF MANY JOYOUS MOMENTS

Incorporated as Varin Commercial Private Limited



Changed name from Varin Commercial Private Limited to V-Mart Retail Private Limited



Initial Public Offering - Company gets listed



Crossed ₹ 10,000 million total revenue milestone



Won 'Transforming India Retail Award' by Ministry of Textiles



Raised funds through QIP



2002

2003

2006

2008

2013

2016

2017

2018

2019

2020

2021

2022



Opened its maiden store in the state of Gujarat



Converted into a Public Limited Company

PE Investment by Naman Finance (Aditya Birla Capital)



Crossed a Milestone of aggregated 1 million square feet of retail space with 123 stores in 106 cities



Started expansion in Tier 4 towns



Launched e-commerce channel



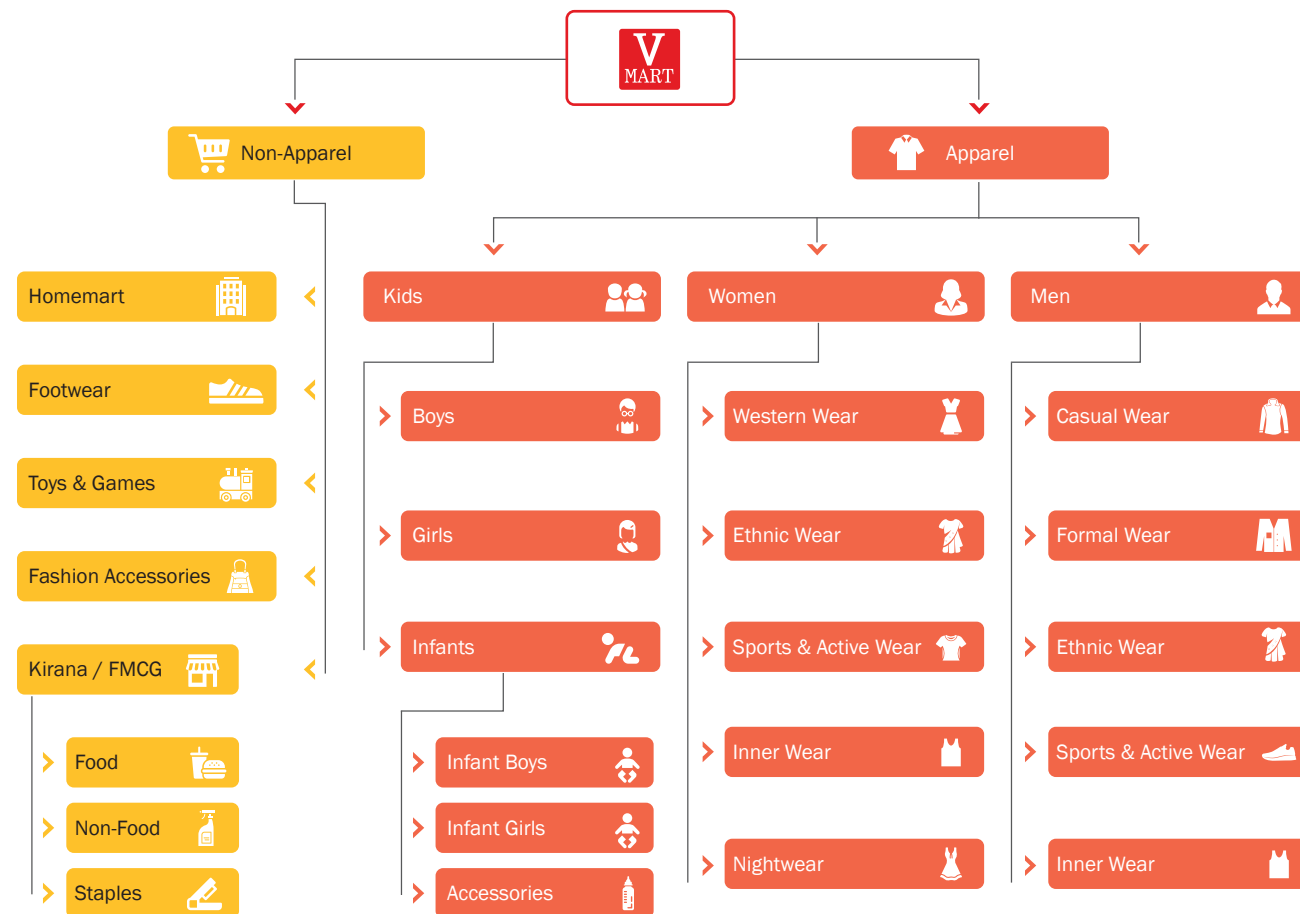
Acquisition of 74 'Unlimited' retail stores from Arvind Lifestyle Brands, paving the way for growth in South India

OFFERING A BASKET FULL OF JOY

Our well-diversified and well-thought-out suite of affordable quality products are designed to meet the transforming needs of the entire family. We deliver to the aspirations of customers across age groups and cultural ecosystems, especially in the aspirational new 'Bharat'.

Besides apparels, we offer a bouquet of non-apparel goods, including home, lifestyle, footwear, toys & games. Our composite stores provide FMCG (food and non-food) and staples.

THE V-MART EXPERIENCE ACROSS BUSINESS VERTICALS



We source our products directly from specialised product hubs to ensure faster and more efficient sourcing. Our 500+ strong vendor base lends us robust procurement capabilities. We ensure that our vendors have the right capabilities to cater to the Company's market and product strategy.

Based on our data-backed understanding, we have redefined our store model to make it more engaging and impactful. We have segmented catchments based on demographics and fashion quote. Our two new store formats are:

- Fashion Dial-Up (FDU) – Stores offering a mix of relatively higher average selling price and more fashionable merchandise.
- Value Dial-Up (VDU) – Slightly smaller stores offering the entire merchandise at a sharper value pricing, more relevant for smaller towns.

This enables us to deliver a more value-centric proposition to customers across geographies and segments.

PERFORMANCE REVIEW

