



With stable inflation, a strong monsoon, and improving consumer sentiment ahead of the festive season, the outlook remains positive.

### Outlook:

- Customer sentiments have been decent which is expected to improve during festivals. monsoons being good (will push Agri-Income) coupled with inflation being under control.
- The focus is on delivering higher-value products at competitive prices to drive increased throughput and absolute profitability, prioritizing overall growth over higher gross margins
- Target is to achieve mid to high single digit SSSG in FY26 aided by fresher product with sharper margin strategy
- Store count guidance for FY26 of ~65 stores (addition of 12-15% of retail area)

### Key Financial Highlights:

- Revenue at 8,852 Mn, +13% YoY/+13% QoQ
- Core V-Mart business grew by 14% YoY to Rs 7,407 Mn, Unlimited grew by 12% to Rs 1,383 Mn.
- New business Lime-Road contributed 2% towards overall Revenue at Rs 188 Mn
- EBITDA at Rs 1262 Mn, +27% YoY, +85% QoQ
- EBIDTA margins at 14.3% vs 12.6% YoY, 8.7% QoQ
- PAT of Rs 336 Mn vs 121 Mn last year vs profit of 185 Mn QoQ

### FINANCIAL SUMMARY

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net sales	16,662	24,648	27,856	32,539	38,133	44,721
Adjusted net profit	116	(78)	(968)	206	710	1,054
EPS (Rs)	5.9	(3.9)	(48.9)	10.4	8.9	13.3
P/B (x)	1.9	1.9	2.1	2.0	7.2	6.4
EV/EBITDA (x)	12.0	10.8	13.8	6.2	15.4	13.1
D/E	-	0.2	0.1	0.2	0.2	0.2
RoE (%)	1.4	(0.9)	(13.0)	2.5	8.1	10.7
Dividend yield (%)	0.09	-	-	-	0.25	0.25

Source: Company, Dalal & Broacha Research

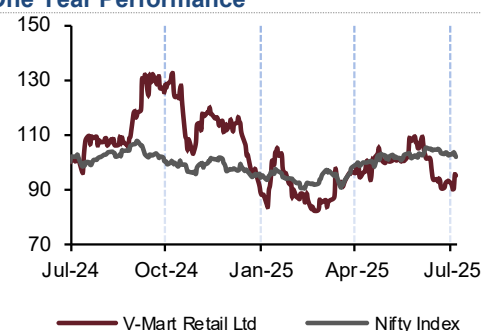
Rating	TP (Rs)	Up/Dn (%)
<b>BUY</b>	<b>934</b>	<b>16</b>

### Market data

<b>Current price</b>	<b>Rs</b>	<b>804</b>
Market Cap (Rs.Bn)	(Rs Bn)	64
Market Cap (US\$ Mn)	(US\$ Mn)	739
Face Value	Rs	10
52 Weeks High/Low	Rs	1130 / 675.01
Average Daily Volume	('000)	1,407
BSE Code		534976
Bloomberg		VMART

Source: Bloomberg

### One Year Performance



Source: Bloomberg

% Shareholding	Jun-25	Mar-25
Promoters	44	44
Public	56	56
<b>Total</b>	<b>100</b>	<b>100</b>

Source: BSE

**Kunal Bhatia**  
(022) 67141442  
[kunal.bhatia@dalal-broacha.com](mailto:kunal.bhatia@dalal-broacha.com)

**Harsh Shah**  
+91 22 67141496  
[harsh.shah@dalal-broacha.com](mailto:harsh.shah@dalal-broacha.com)

---

## Conference Call Key Takeaways

---

### DEMAND (industry level)

- Q1 saw an impact of early monsoons, India-Pakistan conflict (impacting North India demand) and significant drop in footfalls from Bangladesh impacting Eastern India demand.
- Rajasthan & Utrakhnad performed better than Eastern India
- Slight sluggishness observed in the consumer demand but hopeful of recovering in rest of the year.
- Competitive intensity has increased in value fashion segment
- Quick Commerce has impacted food & non-food items in some cities/towns

### V-Mart Core

- SSG was 1% and SSVG (volume) at 1%
- ASP was +2%
- V-mart Core EBITDA margin at 14.3%
- 10 Stores opened and 1 closed in Q1
- V-mart Gross margins at ~34%

### UNLIMITED

- SSG was 1% and SSVG (volume) at 5%
- UNLIMITED EBITDA margin at 17.7%
- 1 store opened and 1 were closed
- ASP is 3% down, effort to provide more value. Over longer term, ASP to get to similar levels as of V-mart
- New products/stores introduced has seen good response, however around 30% stores not yet performing well.
- Unlimited Gross margins at ~39-40%
- Around 50% of Unlimited and Vmart products overlap during spring, summer, and festive seasons, but regional weather differences drive product differentiation between North and South India.

### LIME ROAD:

- EBITDA loss of 46 Mn for Q1FY26 vs 103 Mn in Q1FY25 vs 68 Mn in Q4FY25

**OTHER DETAILS:**

- Gross margins at 34.8% excluding Lime Road +60bps on YoY basis on account of better full price sales and liquidation of inventory.
- Inventory days has improved 5% YoY at 93days
- Advertisement cost (as a % of sales) for the full year will remain at a lower level compared to previous years. Advt Cost is split 80:20 between V-mart and Unlimited.
- Lease rentals inflation have been around 5-7% YoY. Maximum delta between new sign-up's and renewal rates is 5%
- Other Expenses down on account of reduced Lime Road related marketing costs & logistics and improved efficiencies.
- YTD capex of 30crs. ~109crs of free cash flow.
- Per store inventory has slightly gone up, however aged inventory down to 0.7% v/s 1.7% YoY

**Quarterly Performance Analysis**

Particulars (Rs Mns)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Revenue	8,852	7,861	13%	7,801	13%
Other Income	29	46	-37%	23	26%
<b>Total</b>	<b>8,882</b>	<b>7,907</b>		<b>7,824</b>	
<b>Total RM Cost</b>	<b>5,729</b>	<b>5,094</b>	12%	<b>5,219</b>	10%
Gross Profit	3,124	2,767	13%	2,582	21%
Employee Cost	950	841	13%	974	-3%
Other Expenses	912	937	-3%	926	-1%
<b>Total</b>	<b>7,590</b>	<b>6,871</b>		<b>7,119</b>	
<b>EBIDTA</b>	<b>1,262</b>	<b>990</b>	27%	<b>681</b>	85%
Depreciation	679	568	20%	544	25%
<b>EBIT</b>	<b>612</b>	<b>468</b>		<b>161</b>	
Interest Cost	182	375	-51%	174	5%
<b>PBT and exceptional item</b>	<b>430</b>	<b>93</b>		<b>(13)</b>	
exceptional item	-	-		242	
<b>PBT</b>	<b>430</b>	<b>93</b>	361%	<b>229</b>	88%
Taxes	93	(28)		44	
<b>Reported PAT</b>	<b>336</b>	<b>121</b>	177%	<b>185</b>	82%
<b>EPS</b>	<b>4.2</b>	<b>1.5</b>		<b>2.3</b>	
<b>as a % to sales</b>					
RM	64.7%	64.8%		66.9%	
<b>Gross profit margins</b>	<b>35.3%</b>	<b>35.2%</b>		<b>33.1%</b>	
Employee Costs	10.7%	10.7%		12.5%	
Other expenses	10.3%	11.9%		11.9%	
<b>EBITDA Margins</b>	<b>14.3%</b>	<b>12.6%</b>		<b>8.7%</b>	
Tax rate (on PBT)	21.7%	-30.3%		19.1%	

Source: Dalal &amp; Broacha Research, Company

## Exhibit 1

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Stores	431	437	454	444	448	467	488	497	510
Net Additions	8	6	17	(10)	4	19	21	9	13
Retail Space YTD in lacs Sq feet	38	38	40	39	39	40	42	43	44
Increase	1	1	1	(1)	0	1	2	1	1
Sales Per Sq Ft Per Mth In Rs as per Presentation	632	502	795	635	711	579	897	653	716
Sales Per Sq Ft Per Mth * 3 ( for Qtr)	1,896	1,506	2,385	1,905	2,133	1,737	2,691	1,959	2,148
Growth	1%	-3%	4%	9%	13%	15%	13%	3%	1%
Average Sq Ft per Store	8,747	8,747	8,747	8,694	8,705	8,565	8,607	8,652	8,627
Sales Per Sq Ft in Rs per Qtr <u>Calculated</u>	1,800	1,437	2,239	1,732	2,016	1,652	2,445	1,814	2,012
Variation	-5.1%	-4.6%	-6.1%	-9.1%	-5.5%	-4.9%	-9.2%	-7.4%	-6.3%
SSS Growth YTD			9MFY24	Q4FY24	Q1FY25	H1FY25	Q3FY25	Q4FY25	Q1FY26
- Value %	-3%	-13%	1%	6%	11%	15%	10%	8%	1%
- Volume %	3%	6%	6%	5%	11%	7%	10%	8%	1%

## Exhibit 2

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Segment Contribution									
-Fashion (%)	89	86	91	89	90	87	90	89	90
-Kirana (%)	11	14	9	11	10	13	10	11	10
Total	100	100	100	100	100	100	100	100	100
Sales Mix									
Apparels (%)	79	76	82	79	81	76	80	78	80
Non Apparels (%)	10	10	9	10	9	11	10	11	10
Kirana (%)	11	14	9	11	10	13	10	11	10
Total	100	100	100	100	100	100	100	100	100
FootFall (lacs)	130	110	150	140	180	170	220	180	200
Conversion Rate	56.0%	55.0%	52.0%	49.0%	47.0%	45.0%	43.0%	45.0%	48.0%
Shrinkage	1.3%	0.7%	NA	NA	1.7%	1.5%	1.4%	1.1%	0.7%
Average Selling Price (Rs)	Q1FY24	H1FY24	9MFY24	Q4FY24	Q1FY25	Q2FY25	9MFY25	Q4FY25	Q1FY26
Total (Rs)	219	209	233	232	220	214	234	228	218
Total Vmart	197	187	211	215	202	195	216	213	201
Total Unlimited	451	434	451	409	421	416	431	401	396
Apparels (Rs.)	345	326	361	351	322	325	357	343	326
Apparels Vmart	320	301	338	337	304	305	339	328	309
Apparels Unlimited	485	459	480	438	445	442	461	433	434
Transaction size (Rs)	977	1,057	1,073	1,065	1,036	1,001	1,058	1,045	1,004
Vmart	881	899	980	980	961	923	981	977	932
Unlimited	1,997	1,947	2,014	1,911	1,816	1,730	1,797	1,746	1,716
Store Count YTD	431	437	454	444	448	467	488	497	510
Tier 1	109	109	108	104	104	107	110	110	112
Tier 2	52	53	55	53	53	55	55	56	59
Tier 3	217	220	234	233	237	248	263	269	277
Tier 4	53	55	57	54	54	57	60	62	62
Store allocation	100%	100%	100%	100%	100%	100%	100%	100%	100%
Tier 1 %	25%	25%	24%	23%	23%	23%	23%	22%	22%
Tier 2 %	12%	12%	12%	12%	12%	12%	11%	11%	12%
Tier 3 %	50%	50%	52%	52%	53%	53%	54%	54%	54%
Tier 4 %	12%	13%	13%	12%	12%	12%	12%	12%	12%

Source: Dalal &amp; Broacha Research, Company

## Valuation &amp; Outlook

With stable inflation, a strong monsoon, and improving consumer sentiment ahead of the festive season, the outlook remains positive. The company aims to scale profitably by expanding its store network and introducing value-driven product offerings, targeting mid to high single digit SSSG through a more refined pricing approach.

Although consumer sentiment was mildly restrained in Q1, the outlook for the remainder of the year remains positive with expectations of a gradual rebound.

**We arrive at a target price of 934 (15x EV/EBITDA) on FY27E and recommend a BUY call on the company.**

## Financials

P&L (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	16,662	24,648	27,856	32,539	38,133	44,721
Cost of sales	(14,618)	(21,959)	(25,726)	(28,768)	(33,524)	(39,252)
<b>Operating Profit</b>	<b>2,043</b>	<b>2,689</b>	<b>2,130</b>	<b>3,771</b>	<b>4,609</b>	<b>5,469</b>
Depreciation	(1,307)	(1,800)	(2,221)	(2,330)	(2,992)	(3,346)
PBIT	736	889	(91)	1,441	1,617	2,123
Other income	140	150	210	121	136	192
Interest	(772)	(1,169)	(1,424)	(1,365)	(805)	(908)
Profit before tax	104	(130)	(1,305)	198	947	1,406
Exceptional and Extra Or	-	-	-	242	-	-
PBT ( Post Extra Ordinar	104	(130)	(1,305)	440	947	1,406
Provision for tax	12	52	(337)	18	(237)	(351)
<b>Reported PAT</b>	<b>116</b>	<b>(78)</b>	<b>(1,643)</b>	<b>458</b>	<b>710</b>	<b>1,054</b>
MI	-	-	-	-	-	-
<b>Adjusted PAT</b>	<b>116</b>	<b>(78)</b>	<b>(968)</b>	<b>206</b>	<b>710</b>	<b>1,054</b>

Balance Sheet	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity capital	197	198	198	198	794	794
Reserves	8,299	8,292	7,272	7,904	8,018	9,073
<b>Net worth</b>	<b>8,496</b>	<b>8,490</b>	<b>7,470</b>	<b>8,102</b>	<b>8,812</b>	<b>9,867</b>
<b>Non Current Liabilites</b>	8,538	11,203	12,061	4,580	5,170	5,762
<b>Current Liabilites</b>	3,961	7,733	8,922	11,681	13,358	15,160
<b>CAPITAL EMPLOYED</b>	<b>20,995</b>	<b>27,425</b>	<b>28,453</b>	<b>24,362</b>	<b>27,340</b>	<b>30,789</b>
	20,581	26,655	27,814	23,535	26,388	29,694
<b>Non Current Assets</b>	11,598	16,078	17,466	11,277	11,986	12,606
Fixed Assets	11,174	15,547	16,646	10,429	11,137	11,757
Non Current Investments	38	-	-	-	-	-
Deferred Tax Asset	<b>386</b>	<b>531</b>	<b>821</b>	<b>849</b>	<b>849</b>	<b>849</b>
Long Term Loans and Adv	-	-	-	-	-	-
Other NON Current Asset	414	770	639	827	952	1,094
<b>Current Assets</b>	8,983	10,577	10,348	12,258	14,402	17,088
<b>Current investments</b>	1,211	85	47	51	51	51
Inventories	6,682	8,706	8,161	9,868	10,970	12,865
Trade Receivables	-	-	-	-	-	-
<b>Cash and Bank Balances</b>	<b>350</b>	<b>181</b>	<b>272</b>	<b>394</b>	<b>1,146</b>	<b>1,602</b>
Short Term Loans and Adv	5	4	2	3	3	3
Other Current Assets	735	1,601	1,866	1,942	2,233	2,568

Cash Flow St. (Rs. mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Profit	116	(78)	(1,643)	458	710	1,054
Add: Dep. & Amort.	1,307	1,800	2,221	2,330	2,992	3,346
<b>Cash profits</b>	<b>1,423</b>	<b>1,721</b>	<b>579</b>	<b>2,788</b>	<b>3,703</b>	<b>4,401</b>
<b>(Inc)/Dec in</b>						
-Sundry debtors	-	-	-	-	-	-
-Inventories	(2,399)	(2,024)	546	(1,708)	(1,101)	(1,895)
-Loans/advances	124	1	2	(1)	-	-
'-Current Liab and Provisior	1,142	2,142	1,452	1,365	1,443	1,571
'- Other Non Current Assets	0	(1,222)	(134)	(265)	(415)	(478)
Change in working capital	(1,134)	(1,104)	1,866	(608)	(73)	(802)
<b>CF from Oper. activities</b>	<b>290</b>	<b>618</b>	<b>2,445</b>	<b>2,179</b>	<b>3,629</b>	<b>3,599</b>
<b>CF from Inv. activities</b>	<b>(208)</b>	<b>(2,194)</b>	<b>(2,308)</b>	<b>(2,549)</b>	<b>(2,921)</b>	<b>(3,143)</b>
<b>CF from Fin. activities</b>	<b>(6)</b>	<b>1,406</b>	<b>(46)</b>	<b>536</b>	<b>0</b>	<b>-</b>
<b>Cash generated/(utilised)</b>	<b>76</b>	<b>(170)</b>	<b>92</b>	<b>166</b>	<b>708</b>	<b>456</b>
Cash at start of the year	275	350	181	272	394	1,146
Cash at end of the year	350	181	272	394	1,146	1,602

Ratios	FY22	FY23	FY24	FY25	FY26E	FY27E
OPM	12.3	10.9	7.6	11.6	12.1	12.2
NPM	0.7	(0.3)	(3.4)	0.6	1.9	2.3
Tax rate	11.9	(39.7)	25.8	9.2	(25.0)	(25.0)
<b>Growth Ratios (%)</b>						
Net Sales	54.9	47.9	13.0	16.8	17.2	17.3
Operating Profit	55.7	31.6	(20.8)	77.0	22.2	18.7
PBIT	160.7	20.8	(110.2)	(1,686.3)	12.2	31.3
PAT	(287.7)	(167.0)	1,140.3	(121.3)	244.9	48.4
<b>Per Share (Rs.)</b>						
Net Earnings (EPS)	5.9	-3.9	-48.9	10.4	8.9	13.3
Cash Earnings (CPS)	72.1	87.1	63.4	128.2	46.6	55.4
Dividend	0.8	-	-	-	2.0	2.0
Book Value	430.2	429.4	377.6	409.6	111.0	124.3
Free Cash Flow	4.1	(79.7)	6.9	(18.7)	8.9	5.7
<b>Valuation Ratios</b>						
<b>P/E(x)</b>	<b>135.9</b>	<b>(203.0)</b>	<b>(16.4)</b>	<b>76.9</b>	<b>89.5</b>	<b>60.3</b>
P/B(x)	1.9	1.9	2.1	2.0	7.2	6.4
EV/EBIDTA(x)	12.0	10.8	13.8	6.2	15.4	13.1
Div. Yield(%)	0.1	-	-	-	0.2	0.2
<b>FCF Yield(%)</b>	<b>0.5</b>	<b>(10.0)</b>	<b>0.9</b>	<b>(2.3)</b>	<b>1.1</b>	<b>0.7</b>
<b>Return Ratios (%)</b>						
ROE	1.4	(0.9)	(13.0)	2.5	8.1	10.7
ROCE	8.7	8.9	(1.1)	14.7	15.7	18.7

Source: Dalal &amp; Broacha Research, Company

### Disclaimer

**Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B** (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.dalal-broacha.com](http://www.dalal-broacha.com)

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time. SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

### Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

### Disclosures in respect of Research Analyst:

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or

resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.  
Tel: 91-22- 2282 2992, 2287 6173 | E-mail: [equity.research@dalal-broacha.com](mailto:equity.research@dalal-broacha.com)