

December 06, 2024

V-Mart Retail Limited: Change in Limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based bank facilities (WC)	290.00	295.00	[ICRA]AA-(Stable); Outstanding
Non-fund based bank facilities	10.00	5.00	[ICRA]A1+; Outstanding
Total	300.00	300.00	

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities : [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Retail Industry
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company.

About the company

VMRL was incorporated as Varin Commercial Private Limited in 2002. The company started its operations in the value retail segment by launching its first store in Gujarat in 2003. In 2006, the company was renamed as V-Mart Retail Private Limited. Subsequently, in 2008, the constitution of the company was changed to public limited and renamed once again as V-Mart Retail Limited.

VMRL is mainly involved in value retailing of apparels with minor presence in non-apparel (footwear, accessories, toys/ games, home textiles, furnishings, and appliances, etc.) and *kirana* products. It is one of the largest value retail chains in India in terms of store count and retail area, operating 444 stores admeasuring ~40 lakh sq. ft., as of March 2024. Most of VMRL's stores are in tier-II, tier-III and tier-IV cities and towns of India. With the acquisition of 74 Unlimited stores in FY2022, the company ventured into South India, diversifying its presence across the country. While its highest concentration of stores continues to remain in Uttar Pradesh and Bihar, Tamil Nadu and Karnataka have also become major markets following the acquisition.

Key financial indicators (audited)

VMRL Standalone	FY2023	FY2024	H1FY2025*
	Reported	Reported	Reported
Operating Income (Rs. crore)	2,465	2,786	1,447
PAT (Rs. crore)	-8	-97	-44
OPBDIT/OI (%)	10.9%	7.6%	9.5%
PAT/OI (%)	-0.3%	-3.5%	-3.1%
Total Outside Liabilities/Tangible Net Worth (times)	2.2	2.7	3.3
Total Debt/OPBDIT (times)	5.0	6.5	NA
Interest Coverage (times)	2.3	1.5	1.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore *unaudited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2025)					Chronology of rating history for the past 3 years			
	FY2025					FY2024	FY2023		
	Type	Amount Rated (Rs Crore)	Dec 06, 2024	May 06, 2024	June 15, 2023	Oct 28, 2022	Aug 03, 2022	Jun 27, 2022	Aug 02, 2021
Fund-based bank facilities (WC)	Long term	295.00	[ICRA]A A- (Stable)	[ICRA]A A- (Stable)	[ICRA]A A- (Stable)	[ICRA]AA- (Positive)	[ICRA]AA- (Positive)	[ICRA]AA- (Positive)	[ICRA]A A- (Stable)
Non-fund-based bank facilities	Short term	5.00	[ICRA]A 1+	[ICRA]A 1+	[ICRA]A 1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A 1+
Unallocated	Long /Short term	--	-	-	-	[ICRA]AA- (Positive)/[ICRA] A1+	[ICRA]AA- (Positive)/[ICRA] A1+	[ICRA]AA- (Positive)/[ICRA] A1+	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based bank facilities (WC)	Simple
Non-fund-based bank facilities	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here.](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based bank facilities (WC)	-	-	-	295.00	[ICRA]AA- (Stable)
NA	Non-fund-based bank facilities	-	-	-	5.00	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis-Not Applicable

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