

## AB Group arm picks up 25% in V Mart Retail

By Meghna Maiti, ET Bureau | Last Updated: Jul 11, 2008, 01:00:00 AM IST

### Synopsis

The private equity arm of the diversified Aditya Birla group has acquired a 25% stake in V Mart Retail, a value-retailer owned by the New Delhi-based Lalit Agarwal.

MUMBAI: The private equity arm of the diversified Aditya Birla group has acquired a 25% stake in V Mart Retail, a value-retailer owned by the New Delhi-based Lalit Agarwal.

The investment is estimated to be in the range of Rs 60-70 crore. V Mart Retail chairman Lalit Agarwal confirmed the development to ET but did not disclose the size of the investment. He said: "We needed the business expertise of the Aditya Birla group."

We wish to extend our value for money retailing business in a truly Indian way across the country. We are planning to open 100 stores over next two years. We would implement the Birla group's strategies on merchandising, logistics and store planning.

The company had reported a turnover of Rs 100 crore last year and targets to achieve a 50% growth in topline this year. The four-year old company has been growing at 40% annually and is expected to continue this trend in next four-five years, said sources close to the company. The format of V Mart can be compared with Big Bazaar, Vishal Mega Mart and Truemart.

Bharat Banka, CEO of Aditya Birla Capital, the private equity arm of the Aditya Birla Group, will join the V Mart board. When contacted, Mr Banka said: "V Mart is an established player in value retailing with experienced management in execution and focus on profitable growth. We believe it is at an inflection point to extend its current leadership

position in value retailing and evolve as a top player.◆◆◆

This is the third investment of the private equity arm of the Birla group. It had invested in the Bombay Stock Exchange and Core Projects & Technologies, a leading IT solutions provider with special focus in education, health and BFSI.

V Mart, which caters to the middle and lower-middle segment of the retail market, earns two-thirds of its revenue from apparel business. V mart is in operations since 2004 and operates 26 stores in various cities across the country with larger part in the North and West India.

V Mart operates a chain of mid-size hypermarket value retail stores ranging from 6000-12000 sq ft. Its specific focus is on Tier II/ III cities. It covers 250,000 sq. ft. retail space. It plans to open stores ranging from 8,000-12,000 sq. ft.

It recently launched V Galz stores, a fashion studio for ladies garments and accessories. V Galz aims to cater to fashion conscious new generation by offering them western wear at affordable prices.

The concept has met with huge initial success.

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