

V-mart plans to raise Rs 120 cr via IPO, 120 outlets by 2015

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Synopsis

Multi-brand retail chain V-mart plans to raise Rs 120 crore through an initial public offer to fund its expansion strategy.

NEW DELHI: Multi-brand retail chain **V-mart** plans to raise Rs 120 crore through an **initial public offer** to fund its expansion strategy, under which it will almost double its showrooms to 120 outlets by 2015.

The company is also looking to aggressively expand in the North Eastern region and aims to have a presence in all the states. To start with, it will open the first outlet in Assam in 2014.

"We have an aggressive expansion plan. We are looking to add 58 stores in 55 new locations by March 2015 and almost all of these will be opened in smaller Tier II and III cities," V-mart Retail Chairman and MD Lalit Agarwal told PTI.

The company currently operates 62 outlets at 52 different locations, he added.

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"We are planning to invest Rs 180 crore to fund this expansion programme. Out of this, Rs 120 crore is expected to come from the proposed [IPO](#), while rest will be from the internal accruals," Agarwal said, the company currently has a debt of around Rs 45 crore.

V-mart Retail has already filed the draft red herring prospectus with the capital [market regulator](#) SEBI and is currently awaiting approval.

The company and its [private equity](#) investor Naman Finance and Investment plans to offload a total of 32 per cent stake through the IPO, Agarwal said.

"Currently, the promoters hold 77 per cent stake in the company and the rest is with Naman Finance. Post IPO, promoters will have around 58 per cent holding, while Naman will be having 10 per cent," he added.

Talking about its plans in the North East, Agarwal said the region has huge potential and is still untapped by any big organised retailer.

"We will open our first store in Assam in 2014. We are targeting four cities -- Guwahati, Tinsukia, Jorhat and Dibrugarh. All of them will come one after another," he added.

In the next phase in 2015, the entire region will be covered and the company will open outlets in all other North Eastern states, he added.

"According to our survey, the entire region can have 18 V-mart stores. We have not made the detailed plan yet. Once we make the plan, then we will be able to share more information," Agarwal said, adding usually the sizes of each store varies between 8,000 sq ft and 10,000 sq ft.

On the hiring front, he said the company will almost double its manpower strength by 2015.

"Currently, we have 2,200 people. We will add another 2,000 people for executing our expansion plans," he said, adding the average salary of the shop floor employees was about Rs 4,500 per month.

V-mart Retail operates a chain of [departmental stores](#) offering apparels, general merchandise and kirana goods. It sources the materials directly from small manufacturers.

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