

# VISHAL MEGA MART LIMITED

(Formerly known as Vishal Mega Mart Private Limited)

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**Date: January 30, 2026**

To <b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 NSE Scrip Symbol: VMM	To <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 544307
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Dear Sir/ Madam,

**Subject: Transcript of Earnings Conference Call on results of the Company for the quarter and nine months ended December 31, 2025**

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Earnings Conference Call on results of the Company for the quarter and nine months ended December 31, 2025, held on Wednesday, January 28, 2026. The copy of transcript is also available on the Company's website at <https://aboutvishal.com/>.

You are requested to kindly take note of the same.

Thanking you.

For **Vishal Mega Mart Limited**

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**Rahul Luthra**

**Company Secretary & Compliance Officer**

**ICSI Membership No: F9588**

***Encl: As above***



**“Vishal Mega Mart Limited  
Q3 FY’26 Earnings Conference Call”**

**January 28, 2026**

E&OE: This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on January 28, 2026, will prevail.



**MANAGEMENT: MR. GUNENDER KAPUR – MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER, VISHAL MEGA MART  
LIMITED**  
**MR. AMIT GUPTA – CHIEF FINANCIAL OFFICER,  
VISHAL MEGA MART LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 FY26 Earnings Conference Call of Vishal Mega Mart Limited.

As a reminder all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '\*' then '0' on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Ms. Shikha Puri from Strategic Growth Advisors for opening remarks. Thank you and over to you, Shikha.

**Shikha Puri:** Thank you. Good afternoon everyone and thank you for joining us on Vishal Mega Mart Limited's Q3 FY26 and 9-month FY26 Earnings Conference Call.

We have with us Mr. Gunender Kapur – MD and CEO, Mr. Amit Gupta – CFO.

I hope everyone got an opportunity to go through our Financial Results and Investor Presentation uploaded on the company's website and the stock exchanges.

We will begin the call with opening remarks from the management, following which we will have the forum open for question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature and the disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would now like to invite Mr. Gunender Kapur – MD and CEO, to give his opening remarks. Thank you and over to you, sir.

**Gunender Kapur:** Thank you very much and a very good afternoon, ladies and gentlemen. A very warm welcome to this call. I will very briefly take you through the Quarter 3 FY26 and 9-month of FY26 results and some of the highlights and then we will open the call for Q&A.

**Firstly, on the Quarter 3 'FY26 highlights:**

In this quarter, the company did revenue from operations of Rs. 3,670 crores. This was a growth of 17% over last year. Our adjusted same-store sales growth for Quarter 3 was 9.6%. This is after accounting for the fact that the Durga Puja sales this year fell in Quarter 2, whereas last year they fell in Quarter 3. So, it is the adjustment of 2.1%, which we had also mentioned in Quarter 2 call. The EBITDA for the quarter was Rs. 605 crores, which was 19.8% growth over last year and our EBITDA margin stood at 16.5% vis-à-vis 16.1% last year. PAT was Rs. 313 crores, which is a 19.1% growth over last year and PAT margin stood at 8.5% vis-à-vis 8.4% last year.

**Now, I will quickly move to the first three quarters' highlights, the 9-month highlights:**

Now, you would recognize that in the 9-month numbers, all seasonality gets equal between the two years so, those are, let's say, totally comparable numbers. In 9 months of FY26, the company did revenue from operations of Rs. 9,792 crores. This was a growth of 19.9% over last year. Our same-store sales growth adjusted stood at 10.3%. So, this is the real number for the first 9 months because the impact of Durga Puja or any other festival shifting from one month to the other has been completely neutralized in the same-store sales growth number of 10.3%. EBITDA was Rs. 1,459 crores, which was a 24.4% growth over last year and an EBITDA margin of 14.9% vis-à-vis 14.4% last year. PAT was Rs. 671 crores, which is a 30% growth over last year and PAT margin stood at 6.9% vis-à-vis 6.3% of last year.

We sustained our accelerated new store opening momentum and in Quarter 3, we opened 29 new stores. 12 of these were in South India, in the state of Kerala, Andhra Pradesh, Karnataka. We also opened 2 new stores in Gujarat, where we have a total of 6 stores now and 2 in Maharashtra (Erroneously spoken as 2 in Maharashtra, it is to be read as 1 in Maharashtra), where we have a total of 4 stores now. This is consistent with our growth strategy that we had articulated. We further opened 4 new format stores. We have a total of 10 small format stores, and these are doing quite well.

For the 9-month period, total new-store openings stand at 80. You would recall that at the time of our IPO, we had guided to 80 to 100 new stores every year. So, for the current financial year, we will end at the upper end or slightly over 100 stores vis-à-vis that guidance. Our total store count now stands at 771 as of December end and we are present in 517 cities in India. We added 24 new cities in this quarter. Our trading area stood at 13.2 million square feet. Our own brand's contribution to revenue has further gone up by 100 basis points and now stands at 74.5% for the first 9 months of the year.

Further, our quick commerce initiative has expanded to 723 stores across 485 cities in the country and our registered users on quick commerce have increased to 12 million people across the country. We believe that India is poised for the next wave of consumption growth aided by initiatives such as GST rate rationalization and reforms in direct taxation and are very optimistic about the positive impact that these changes could have on our business in the years to come.

With these brief opening remarks, I would now turn to the moderator to start the Q&A session and I would be very happy to answer any and all the questions that you may have.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Devanshu Bansal from Emkay Global. Please go ahead.

**Devanshu Bansal:** Hi, thanks for the opportunity. GK, the normalized SSG, as you mentioned, is closer to 10%. I wanted to check if this is the run rate that we should consider or there was additional short-term weakness due to delayed winters. And even at the start of the year, there was some preponement

of these, which happened in Q4, which may have had some incremental impact. I wanted to check if there were some additional weaknesses in this 9-month performance.

**Gunender Kapur:** Nothing significant. I would say that the first 9-month SSG of 10.3% is broadly our average achievement in terms of SSG. And we see no weakness around that number. Of course, every quarter, there are these minor issues, which impact the business either positively or negatively. For example, in the last quarter, there was some delay in winter, specifically for the month of December. So that may have had some small impact on the business. But overall, I must also tell you that our winter merchandise, the same-store sales growth was also double-digit for the full quarter.

**Devanshu Bansal:** I understand. Just a small follow-up here. Can you split your growth in terms of transactions in bill size? Then of this 10%, how this is broadly divided?

**Gunender Kapur:** Majority of this is because of increase in transactions. And half of that, or slightly less than half of that, was because of improvement in average bill value. So, as you have seen in the earlier quarters also, majority of our growth is driven by transactions and consequently new footfall in the store, because we are probably getting market share from all our competitors and the mom-and-pop stores.

**Devanshu Bansal:** I understand. The intent of asking this question was because there was this GST decrease. So ideally, your bill size should have improved. So that is yet to play out, from that perspective, I was checking.

**Gunender Kapur:** No, I am saying that of a total growth, you can assume that about 70% has come because of improvement in transactions and 30% has come from increase in bill value. So those are the exact numbers.

**Devanshu Bansal:** So last question from my end. We did a winter and festive marketing campaign with Manushi this time around. So, what is the intent behind such campaigns? Was this undertaken to improve our growth profile with recruitment of new consumers or was it related to focus on improving gross margin with premiumization of overall?

**Gunender Kapur:** So, it is to dramatize our proposition amongst our consumers, which is to make aspirations affordable. And Manushi is aspirational for mass market consumers in two ways. One is that she is an extremely fashionable, young, upcoming actress. But equally, she has a lot of commitment to activities which are aimed at doing good to other people and also to the society at large. She started several campaigns and several initiatives in the area of CSR. So, Manushi in that sense was a good spokesperson for a promise of “do good, look good” because she represented both the ideas. One is do good and the other is to look good. I must say that the campaign has been extremely successful.

**Moderator:** Thank you. We take the next question from the line of Percy from IIFL. Please go ahead.

**Percy:** Hi, sir. Just wanted to understand that the deceleration in growth that we have seen from 22.5% last quarter to 17% this quarter, that entire 500 to 550 bps change, is it just because of the festive timing change or is there some other reason for it?

**Gunender Kapur:** Largely, it is a festive timing change, Percy. We have itemized the impact of the preponement of Puja this year and that impact was 2.1%. Now that has a further impact on the EBITDA numbers for the quarter and the PAT numbers for the quarter. I would say that it was almost entirely because of the change in the festive timings. Further, Percy, if you were to look at the numbers for Quarter 2, in fact, I highlighted this during the analyst call for Quarter 2, our growth same store sales growth was 12.8%. Adjusted for this one-time impact, it was 10.7%. Further, we had spoken about our EBITDA view where we said that we will grow our EBITDA by about 25% YOY. In Quarter 2, we grew that by 30.5%. And likewise, we had guided that our PAT will grow at 30% and PAT had grown by 46.5%. Now we can attribute all these incremental numbers reported in Quarter 2 to the fact that the Puja festival this year fell in Quarter 2, whereas last year it fell in Quarter 3. So almost entirely it can be attributed to that. The one thing which I will add to further underline that point, if you look at the 9-month numbers, the first 9 months of the year, till December, all this gets equalized. Then a change from Quarter 2 to Quarter 3, etc., or Quarter 3 to Quarter 2 doesn't matter. So, if you want to look at our first 9-month same-store sales growth, it is indeed 10.3%. And our EBITDA growth for the first 9 months is 24.4%. And our PAT growth for the first nine months is 30%.

**Percy:** Understood. So basically, I was also doing the same thing. So averaging 2Q and 3Q, SSSG around 10%. So, is that what we can expect in the near future as well, around a 10% kind of SSSG? And secondly, on the total sales growth, again, it would be about 19% to 20% on average. So again, is this something that we can sort of take going forward in the near to medium term?

**Gunender Kapur:** That is what we expect, Percy, and that would be our endeavor.

**Percy:** Understood. Secondly, can you just tell us a little bit more about what you are doing specifically and differently versus the street in order to keep the SSSG at close to a double-digit number? Because if we look at the retail space overall, you are clearly outperforming that. So just wanted to understand, one is that what are the initiatives that you have done in the past or you are putting in place now? And secondly, how are you differentiated versus the retailers so that you are getting a differentiated performance?

**Gunender Kapur:** So firstly, I would say, Percy, conceptually speaking, our proposition is extremely relevant for the Indian customers and consumers at this moment, which is to focus on making aspirations affordable, because as you would find that the aspirations mostly led by the digital penetration or the penetration of smart mobile phones is growing exponentially, whereas from time to time, there are affordability challenges. The fact that we bridge that gap is extremely relevant for all customers in this country, and more specifically for the younger customers. Our same-store sales growth has three components. Firstly, I would like to mention that of our same-store sales growth, the most dominant component is upgradation from mom-and-pop stores and market

share gain. Difficult to differentiate between these two, but that is the largest bucket. Then the second bucket is the increase in the average bill value of the existing Vishal customers. So first is new customers. Secondly, increase in the average bill value of existing customers, because they buy one thing more or two things more. And last but not the least is an improvement in our average selling price. Now, again, for the first 9 months of the year, our highest price points, which are the fashion price points, grew on a SSG basis at 14%. Our mid-price points grew at 9% and our opening price points grew at 6%. So further, we get 2% kind of growth, because of upgradation, which is continuous, of customers from opening price points to mid and from mid to higher price points. So, to summarize three parts, market share gain, both from mom-and-pop stores and other retail, our customers buying more things, one more or two more, and lastly, the increase in average selling price by upgrading customers from opening price point to mid-price points and mid-price points to the upper or the premium price points. So, these three components is what drives our double-digit same-store sales growth. Now, the relative impact of these three is different at different points in time, but our entire business is focused towards delivering an end outcome of these three as a double-digit same-store sales growth. So, for example, when customers, their incomes and specifically the discretionary incomes are going up significantly, we find that the impact of people buying more, more number of things is higher. But at this point in time, we are finding that the biggest impact which is driving our growth positively is volume growth, which is led by us getting market share.

**Percy:** Got it, sir. My second question is on competition. Do you find that in your strongholds, the pace of competition opening doors has sort of accelerated over the last one year, or it continues at whatever pace it was earlier?

**Gunender Kapur:** It keeps changing from time to time, Percy but in the last 9 months or 10 months, I would assume that it's pretty much the same, the pace of new store openings.

**Percy:** Got it. Yes. Thank you very much. That's all from me. All the best.

**Gunender Kapur:** Thank you, Percy. All the best to you.

**Moderator:** Thank you. We take the next question from the line of Manish Poddar from Invesco AMC. Please go ahead.

**Manish Poddar:** Hi, GK. I just had two questions. First is this point which you mentioned about higher price point growing faster than mid and lower. Is this a market phenomenon or this is because of company interventions?

**Gunender Kapur:** This is totally because of company interventions, Manish. So, for example, what we are doing deliberately as an input is that in every category of ours, in every large merchandise category, as we call it, every season we introduce one higher price point where the fashionability and functionality is significantly better at a higher price point. Equally we improve, I mentioned earlier that we maintain our gross margins at the same level and all the buying savings that accrue

to us because we are buying more volume, they get invested in either quality improvement or pricing action. We keep improving the quality of merchandise even in our existing price points and take deliberate promotion initiatives to get customers to try the higher price point. So, this is totally deliberate. I wouldn't quite believe that it's a general market phenomenon.

**Manish Poddar:** But would you say the market is actually moving the other way around? I am just trying to, you are trying to, because then that 10% outcome is a great outcome if the market is moving in the other direction, is what I am trying to get some context.

**Gunender Kapur:** Manish, there is no real data for me to come to a definitive conclusion on that. I can generally reflect the view in the past, not specifically in the immediate past, but in earlier quarters where there was pressure on consumption and so on. And there was a lot of talk, not only in retail, but the consumer industry in general about consumption pressures. Now, if that were to be true, which I believe was certainly true, then it's unlikely that people were buying more and more expensive price points. It's unlikely, but quite honestly, Manish, I don't have any data on that.

**Manish Poddar:** I understand you are in different pockets, but are you sensing players across the street in terms of both discounting going materially higher compared to what it was last year? I understand Q2-Q3 festival was split. And on the same side, when you are talking about rentals, are you seeing any sort of landlords now wanting to prefer larger, probably more organized players compared to a lot of new players which would have come up in the last 2-3-4 years? Is there any sort of trend happening on that front? These two variables, one from peers wanting to get cash and doing more discounting because liquidity is crunched. And the other part is on the rental part where the landlords wanting to take you on board. Thanks.

**Gunender Kapur:** So, Manish, on both, on the more discounting, there is some evidence that that's happening. And I will give you specifically again, the underlying factors for that. In Puja festival, which I mentioned earlier, fell in Quarter 2 this year and not in Quarter 3, we had a situation in Assam for 6-7 days. During the peak Puja festival, when the majority of the buying takes place, where a very popular leader and singer of Assam lost his life in a very unfortunate accident overseas, because of which the state of Assam was virtually shut. It had a huge impact on people. And Assam is one of the largest states for Puja festival. And when you have sort of shut down for 5-6-7 days, in the very last peak period of Puja, it does impact everyone. And therefore, in the balance period and in the balance states, people do make efforts to promote more or discount more to ensure that they are not stuck with very large inventory. Likewise, earlier in response to a question I mentioned, that in December specifically, the onset of winter was delayed by at the very least a couple of weeks, if not more. And again, as you know, winter is a very seasonal product in terms of merchandise. So, people do then tend to discount more aggressively to ensure that they are not carrying forward all that merchandise, because as you know, the next opportunity to sell would be next year December, which nobody really wants. Now, this is what happened in the market. Having said that, I must offer a comment on our numbers. Our winter sales still for the entire season grew at strong double digit, same store sales growth. So, the two are different. One is what really happened in the market was the first part of my response. But

the second was also to differentiate what happened to us. And therefore, we did not quite suffer from that issue. You also asked me about rentals. See, rentals are relevant in the micro markets. It's not across the board, but we are not seeing any significant pressure on rentals. There are some micro markets where if there is a sudden increase in number of retailers for a very short period, the rentals go up. But by and large, it's the same. Because equally, there are markets where there are store closures. And therefore, the rentals become a little bit more softer.

**Moderator:** Thank you. We take the next question from the line of Manoj Menon from ICICI Securities. Please go ahead.

**Manoj Menon:** Hi, GK, Amit and team. Good performance. I know that you are fully aware that the questions about seasonality, a lot of clarifications already offered. Just only one aspect I just want to check with you is that, let's say in the last decade plus of your experience, is it largely the same way it plays out or is it something different, which has happened this year in terms of the festival timing? Is it just as per your historical understanding is the same template is playing out or is there anything else you want to comment?

**Gunender Kapur:** It's the same, Manoj. It's the same, because as you know our festivals follow the Hindu calendar and not quite the English calendar that we are used to. So, they do fall in different months almost every year. So, it's a very normal thing which happens across the years. But you know in last 10 years all I can say is that we would have encountered every kind of difference, Puja in Quarter 2, Puja in Quarter 3. We have experienced all the combinations. So, depending on when the festival is falling in the coming period, we do adjust our buying and our promotion and advertising plans.

**Manoj Menon:** Loud and clear and thank you. And the second and last question for now is in your experiments, which you would be continuously doing on newer markets in terms of expanding the total addressable market, anything which you could call out in terms of we can use the word laboratory experiments you are doing, which is finding scalability? And also a link question, because you are allowed to ask two questions on your comments about quick commerce, the learnings from the last few months. Thank you.

**Gunender Kapur:** Good. Manoj, I will take on the pilots first. Firstly, let me just touch upon the expansion into new states, which is a part of these experiments that we had spoken about. So, in Kerala, we continue to make absolutely great progress. As we speak now, we have 19 stores in Kerala, which are operational, performing very well, and another 20 odd stores in pipeline. So that part is going very well. In Maharashtra, we have expanded our pilot to 4 stores, and in Gujarat to 6 stores. We have currently some feedback on performance for the last 2-3 months, but that's been largely autumn winter. We will watch it for some more time, but keep opening 1-2 stores in spring, summer also, and then come to a conclusion on that. And finally, in our small format pilot, as I mentioned in Q2, we had 6 stores, now we have added 4 more. Obviously, we are feeling more confident about that. So, at this moment, we have 10 new stores in small format, and they are performing decently. As you rightly said, in addition to these, we always have at

least one more idea in pilot or in laboratory. So, there is that also, but it's a bit premature to speak about them, because they have not even reached the pilot stages yet. Quick commerce, Manoj, very quick comment. We have expanded to 485 cities now and to 723 stores, so that's good. Our revenue continues to grow, and our contribution to the store revenue by quick commerce continues to grow. We are going about it very systematically, and in a sustainable fashion, and we will continue to build.

**Moderator:** Thank you. We take the next question from the line of Garima Mishra from Kotak Securities. Please go ahead.

**Garima Mishra:** Hi, thank you so much for the opportunity. I just had a quick question on the store addition numbers. Now, you clearly said that you are on track to actually surpass your earlier guidance of 100 stores for the year, the higher end of the guidance. How should we look at this number for the next year? And internally in terms of execution capability, does the organization have the capability to actually add a much larger number of stores per year as well?

**Gunender Kapur:** So, Garima, we are retaining a guidance of 80 to 100. And secondly, we have further increased our capacity to add new stores. But the most important input into our number of store additions is the availability of properties, which can become growing profitable stores for us that we can identify. So obviously, this year has been good. And therefore, we will be at the upper end of the guidance. But we would still retain a guidance of 80 to 100, because we do not think that we should be chasing a target irrationally there, and end up opening stores, which either do not have the opportunity to grow, or do not have the opportunity to be profitable. As you know historically, in our sector in India, that has been an issue that one needs to be cautious about. So, we will retain our guidance, while reassuring you that we have increased our capacity. So, if the opportunity does arise, for example, to open 110 or 115 stores, we would be able to execute that.

**Garima Mishra:** All right. Thanks a lot, GK. Second question. See, you have mentioned in the notes to accounts that there was practically no impact from the new Labor Codes on your financials. I was a little surprised. I would have thought there would be plenty of fixed term contract workers working at Vishal. So, could you just tie back around a little bit?

**Gunender Kapur:** So Garima, our comment was more that it's not that the impact has been negligible, but it is not material for our results. So, the impact has been around 8.4 crores so far. And that is included in our quarterly and the first 9 months results. Amit, do you want to add any comment?

**Amit Gupta:** Garima, you are right. See, most of our employees are actually on our payroll. And the impact, which is coming on account of gratuity, essentially moving from 35% to 50%, most of our store employees are already covered in that 50% bracket. So, there we do not have any significant impact. It's largely the managerial staff and corporate employees where we have seen an impact and the same has been assessed and accounted for.

**Garima Mishra:** And sorry, just to confirm this 8.4 crores impact has been booked entirely in the third quarter and should be treated as a one-off?

**Amit Gupta:** See, not necessarily in this quarter, but on a nine-month period, it is accounted for. See, we keep on providing every month and then we do a YTD assessment. We were carrying this provision with us.

**Garima Mishra:** All right, got it. Thank you so much.

**Moderator:** Thank you. We take the next question from the line of Jignesh Kamani from Nippon India Mutual Fund. Please go ahead.

**Jignesh Kamani:** Hi, congratulations for your good set of number even in tough times. Just few questions. One on the inventory side, you highlighted the winter inventory. So how is the winter inventory both at our end and our vendor end? That is one thing. Second, on the performance on the store-side, you highlighted that the small store doing very well. We are ready to reach to 10 stores. So how is the strategy? First, you can say consolidate, see the performance for a few months or we are ready to scale up from 10 stores to 30-40 stores, next 1 or 2 years.

**Gunender Kapur:** Thank you very much. There was some disturbance in the line, but I think I have understood both the questions. But if I do make a mistake, my apologies and please correct me. Firstly, on inventory, which we or our vendors are carrying, as I mentioned, we have achieved double-digit same-store sales growth, even on the winter merchandise that we had bought for this autumn-winter season. So, we have no challenge on winter inventory. It is quite possible that the vendors in general would be carrying some winter merchandise. But at this moment, I am not quite certain because while December was a weak month for winter, as you may know, January has been quite cold. And winter merchandise is, for example, still selling both from our stores and other stores, we believe. So, at the end of the season, whether there will be a big merchandise issue or stock carryover issue in winter, I am not quite certain. Of course, what happens is that merchandise, and I am talking generally, not for any specific retailer, merchandise which sells in December sells at a higher price than the January merchandise in winter, because by the end of December, early January, the sales start. So, in my judgment, it wouldn't be a serious issue. There would be pockets where there would be issues. Specifically in our case, there is no issue because even in winter merchandise, specifically this season, we have achieved a same-store sales growth, which is in excess of 10%.

Second question for the small format stores. In the small format stores, our action standard or goal was twofold. One was that they should be as relevant as our current format stores. And secondly, the financial outcomes should be the same or similar. Now, we are feeling more confident because per square foot revenue for the small format stores is pretty much similar to what we achieve in our large format stores. So, it is indeed as relevant for our customers as any other Vishal store. Secondly, I am happy to report that the financial outcomes are also similar to what we achieve in our normal format stores. So, on both the fronts, we are hitting the target.

But as I mentioned, even in the Quarter 2 analysts meet, we would want to open 30-40 new such stores and then get a very robust validation of our hypothesis. And then we would increase the pace of the rollout. So, it is progressing very well.

**Jignesh Kamani:** Understood. Second, on the micro market or the specific, you can say, our ramp-up over the experience, you clearly highlighted that Kerala has been doing very well. In fact, right now, we have almost 20-odd stores in pipeline. If I remember correctly, last quarter, we had almost 16 stores in pipeline. So definitely, ramp-up is pretty encouraging there. So apart from that, which are the states where you are more confident and the ramp-up can be much better? And at the same time, which are states or micro market, some headwind and you are setting slightly slow on that city?

**Gunender Kapur:** I will just give you a sense of where are we opening the stores. Quite specifically, in Quarter 3 of the 29 stores that we opened, 12 were in South India, of which 4 were in Kerala and 4 were in Andhra Pradesh. Andhra Pradesh is also a state where we are expanding. And 2 each were in Telangana and Karnataka. In the north, we opened 7 new stores. In the west, we opened 7 new stores. And these were 2 each in Gujarat, Chhattisgarh, Madhya Pradesh, and 1 in Maharashtra. And in east, we had opened 3 new stores. Now, the markets where our experience has been an outlier in terms of performance is, of course, as you rightly identified, Kerala. But it is an early conclusion in my mind because as you know, we have gone into Kerala only in 2025 in any significant way. And northeast, where we continue to outperform the other states. The last thing which I would say is that in all the states, our performance is pretty uniform in terms of growth, SSSG. Even across Tier I, Tier II, and Tier III, our performance has been pretty uniform. So yes, there are some states which are absolutely outliers in terms of the upper end of the performance. But generally, we are operating in a very tight range of performance.

**Jignesh Kamani:** Thanks a lot and all the best.

**Gunender Kapur:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Nihal Mahesh Jham from HSBC. Please go ahead.

**Nihal Jham:** Good afternoon, GK. And congratulations on your performance. Two questions. First is, we have limited history. And what we have seen, obviously, Vishal has given a double-digit growth. But if you look at the last decade or so and even now, despite the overall slowdown and the way peers are reporting, we have managed to report very high SSSG. In which phase was it that Vishal saw a muted SSSG of maybe less than 5% or saw a significant slowdown? Because at this point in time, the consumer environment is not great and competitive intensity is high. And we continue to deliver a very strong performance. So, if historically, we have seen a weak performance what were the additional factors that may lead to that kind of a slowdown?

**Gunender Kapur:** So, Nihal, we have seen this level of performance, at least, I would say for the last 7-8 years, could be slightly more. And of course, the only period I must quickly add, where we saw a completely diminished operation and performance was during the COVID period. So, other than that, we have not quite seen a performance which has been in any significant way lesser.

**Amit Gupta:** Maybe way back in '14-15 were the years when we had a low single digit, but since then, it's always been double digits.

**Gunender Kapur:** Nihal, so Amit is pointing out to me that in the 2014 and 2015, which were early days after buying this business, which was bankrupt, we had seen same store sales growth levels, which was single digit. So, you could call that somewhat lower level of performance. But generally speaking, other than COVID, for a very long time, we have been at this level of performance.

**Nihal Jham:** That's very helpful, GK and Amit. The second question was on the store addition part incrementally, as the new stores are opening there on an average 13,000-14,000 square feet. So, is this say the impact of the smaller stores that are opening or even the regular stores are sort of being optimized in terms of the square footage that we are looking at? And just to double clarify, when we are guiding 80 to 100 stores for the next year, this obviously excludes any small store pilots sort of scaling up beyond? These are the questions.

**Gunender Kapur:** So firstly, in some cases, we are deliberately capping the size at 15,000 square feet. I will give you specifically where that is our endeavor. For example, in Kerala, the population is almost contiguous across the state. There are no well-defined cities. So, we are finding that we will have to open many, many more stores than we had planned. But we are cautiously keeping the size at 15,000 square feet, because they are closer to each other than let's say in the UP or even in Assam or somewhere else in the country. Secondly, as I mentioned, in Maharashtra and Gujarat, we are in a pilot at the moment. And since the cost structure, especially in Maharashtra and in parts of Gujarat, is higher, we are trying to improve our throughput from a slightly smaller area so that we achieve the same financial outcomes. So, in that pilot also, there are some stores which are smaller in size. I would say other than these two instances, we are not looking for a reduction in size. Yes, there is one more thing which has small contribution to that number, which is, I had mentioned in Quarter 2 call that in Karnataka, we had found that our stores were oversized. They were 24,000, 25,000, 26,000 square feet. And to ensure that the optical revenue per square foot does not look small and therefore lead to the conclusion that we are underperforming in Karnataka, we had undertaken an initiative to right-size the Karnataka stores. That initiative is making very good progress. And to the best of my knowledge, other than two stores in Karnataka, we have right sized all the other stores. So that could also be contributing a little bit to that number.

**Nihal Jham:** Got it. And the clarification on the smaller stores as a part of the guidance?

**Gunender Kapur:** I would hesitate to make a commitment at this point in time that all these numbers would be additive. So, at this moment, our store number of 80 includes the four small format stores that we opened.

**Nihal Jham:** Got it. Thank you so much, GK.

**Gunender Kapur:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Gaurav Jogani from JM Financial. Please go ahead.

**Gaurav Jogani:** Thank you for taking my question. My first question is with regard to the revenue per store from the southern market. Now, if we calculate the basis, the break-up that we have given in the PPT, it shows that the revenue there is around, for the quarter, at least around 4 crores or nearby. Whereas if you look at the northern and the eastern market, the revenue per store is a bit higher. So, is it a function of, because we are having smaller stores there, and is it because these store additions are also newer, which is impacting this, and probably a scale-up of these stores in the next couple of years could improve the revenue per store there?

**Amit Gupta:** Yes, Gaurav, you are absolutely right. As you would have heard earlier, we are adding more stores in south and they are new stores. So obviously revenue per store is lower compared to the system average. Whereas in northeast, historically also, we have higher revenue per store basis because many of these stores are feeder stores. So that is the reason why east stores have higher revenue throughput and south stores, because they have a higher contribution of new stores, they have a lower number.

**Gaurav Jogani:** And just lastly, on the rental bit, I mean, if you look at the absolute rental, that is the rental that is not recorded or the pre-IndAS rental that we see, we have as a trend, the limited trend that we have, we have seen that number kind of going down in absolute basis in Q3. So, is there anything to read specifically here? Is there any quarterly variance that happens here that you would like to highlight?

**Amit Gupta:** Not really, Gaurav, there is nothing specific to be highlighted in the rental or the rent per store on a per square feet basis is by and large in the same range. And we have agreed escalations and as and when they come up, that is accounted for.

**Gaurav Jogani:** I just want to clarify, the incremental rental that is pre-IndAS EBITDA minus the reported EBITDA, last quarter it was 154 crores odd, this quarter it is around 150 odd crores. So, QOQ basis, it has actually gone down despite the number of stores increasing.

**Amit Gupta:** No, so that can happen because of some catch up or correction in some of the cases where we have renewals or escalation negotiations, but otherwise that there is no specific, anything specific to be called out here.

**Gaurav Jogani:** Thank you for answering the question.

**Moderator:** Thank you. We take the next question from the line of Prerna Jhunjhunwala from Elara Securities. Please go ahead.

**Prerna Jhunjhunwala:** Thank you for the opportunity. My first question is on SSG, your press release mentions that reported SSG for 9 months is 9.1 and adjusted is 10.3. When can we see this gap actually merging or is it likely to remain similar henceforth?

**Gunender Kapur:** So, Prerna, the gap will always remain. And let me take this opportunity to firstly explain what is the gap. Firstly, we as a company are now almost 14 years old, maybe slightly more than that. And every 6-7 years, we need to refurbish our old stores. So, when we refurbish the stores, they are closed because we have to change the tiling, we have to do the plastering, we have to change the fixtures, cash tills, everything. So, the biggest contributor, if I remember right, to that adjustment is the stores which are actually shut for refurbishment in Quarter 3 this year but were open in Quarter 3 last year. So, that is a significant part of the adjustment. The second thing which I spoke about is the resizing of stores. For example, we have completed that exercise in Karnataka. So, the same store in Q3 last year was 25,000 square feet as an example, but in Q3 this year is now 17,000 square feet. So, we adjust for that. And last but not the least is the fact that some of our stores every quarter have to remain shut because of the infrastructure constraints which come up in our immediate context. And these could be any things like a road construction outside the store, construction of a flyover just opposite the store or temporary closures of some areas for whatever reason. And that is the third part of the adjustment. So, our very clear view is that the refurbishment activity will continue forever. It may actually get enhanced because as the markets become more and more competitive, we will have to ensure that we refurbish our stores even faster to ensure that they look aspirational. The second thing, which is the infrastructure constraints, is very difficult to speculate upon. But my sense is that as we are building infrastructure in India, the highways, the flyovers, the metro project, the urban transport projects, these things will continue. So, I am not quite certain if the two will converge at some stage.

**Prerna Jhunjhunwala:** Understood, sir. As a follow-up on this response, I would just like to understand how many stores are under refurbishment today. And on average, when do you undertake, after how many years do you undertake refurbishment for a particular store?

**Amit Gupta:** So, Prerna, at any point in time, we usually have about 8 to 10 stores under refurbishment. And typically, depending upon the status and throughput of the store, anywhere between 7 to 9 years could be the period within which we may undertake a refurbishment. It may become faster. It may become faster as we move forward.

**Prerna Jhunjhunwala:** Understood.

**Moderator:** Thank you. We take the next question from the line of Latika Chopra from JP Morgan. Please go ahead.

**Latika Chopra:** Hi. Thanks for the opportunity. GK has kind of very well noted, what Vishal is doing well to grab more market share. But I would appreciate it if you have any broader thoughts on how are you reading the consumer sentiment on the ground? Is it that you have to make all the more effort to drive consumers to come in and make purchases? There's a lot of talk around the GST benefits, but are you sensing that consumers are coming in and are willing to spend more? I heard you said, regionally, you have not seen any significant shifts in consumption, but any broader thoughts on overall retail spending, consumer sentiment would be appreciated.

**Gunender Kapur:** So, Latika, firstly, thank you very much for your question. I will share with you what my experience has been. And I will relate more to the recent past, which is the last 3-4-5 months, and not the period before that, when there was an obvious problem in consumption and the sentiment. What I have been experiencing is definite optimism because of the income tax and the GST change. But I think the impact of those is yet to be seen. We are quite certain that it will come. And we are quite certain that in the last 2-3 months, at least, that impact is getting camouflaged by other issues, which keep coming up, whether it's somewhat delayed winter in December or I don't want to make too much of it, but the air quality issue in North India or the very extended monsoons in Bombay this year, where they extended much beyond Ganesh Chaturthi and so on. So, it is true that these issues in the last 3-4 months have somehow not allowed the total, the fullness of impact of the income tax relief and the GST changes to surface. But the reason for my confidence lies in the fact that wherever there were high ticket purchase items, which got impacted by GST, and you would know this better than us, like cars and so on, after the GST change, there was quite an upsurge in the revenue from new car sales and so on. So, very rationally looking ahead, we believe that the consumption demand would go up. The impact of the changes made has not been fully witnessed by anybody thus far. But logically, when you have more money with the customers, and you have somewhat lower prices, it can only impact the consumption demand positively. And so, that is what we are experiencing. And it is also further based on our sort of gut feel, based on what we see in the stores, etc. every day. But on the positive side, Latika, I must also tell you that, as I mentioned earlier, in response to a question, our objective of continuously upgrading customers, we are seeing satisfactory progress on that front. And in the first 9 months of this year, for example, I had mentioned that higher end premium price points witnessed a same store sales growth of 13% to 14%. Mid-price points witnessed the same store sales growth of 9% and the lowest or the opening price points or same store sales growth of 6%. Now, that obviously is a sign that better products at somewhat higher prices, still affordable, still aspirational, are working, are succeeding in this current environment.

**Latika Chopra:** That's very clear. And the second thing I wanted to check was these smaller format stores that you're piloting, and also some of the new states that you have ventured into, is there any meaningful difference in the product mix, revenue mix between the three core categories that you lay out? I am just trying to understand whether the gross margin profiles are materially

different or it's easier to sell more standardized products in FMCG and general merchandise, versus apparel, which could be a lot more, have regional flavors.

**Gunender Kapur:** So, Latika, we have seen a clear trend in the small format stores, which are in the smaller towns. The higher price points are not selling all that well in the smaller towns. In fact, the contribution of the lower price points is very significantly more than the higher price points, as compared to the larger towns. So, that is one clear difference, which has stood out so much, that we have now fine-tuned our merchandise to represent more of the lower price points. That difference is very-very clear. Equally, the higher value-added products, even in FMCG, their contribution is lower as compared to the larger towns. For example, even value-added detergent powders or more expensive toilet soaps or more expensive shampoos, etc., have lesser traction, but that is to be expected. So, it appears that pricing, the absolute level of pricing and not quite the value, is terribly important in the smaller towns. So, that's one difference that we have noticed. The other thing which has stood out for us is the traction that we are getting in Kerala, and specifically for our fast fashion merchandise in clothing, that is quite good compared to what you would expect.

**Latika Chopra:** Understood. Thank you so much and all the best.

**Gunender Kapur:** Thank you very much, Latika.

**Moderator:** Thank you. Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

**Gunender Kapur:** Well, to all the colleagues on this call, firstly, thank you very much. I really look forward to this session. It is a good learning experience for all of us also. And I also thank you for your understanding and generous comments. We remain grateful for that. These are very-very inspiring for us. And last but not the least, I will take this opportunity to wish you and your families a very, very happy new year. And I look forward to seeing all of you at the next available opportunity. Thank you very much.

**Moderator:** Thank you. On behalf of Vishal Mega Mart Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.