



# V2 Retail Limited

August 19, 2020

<b>BSE Limited</b> Corporate Relationship Department 1 <sup>st</sup> Floor, New Trading, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001	<b>National Stock Exchange Of India Limited</b> Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
<b>Scrip Code – 532867</b>	<b>Scrip Code – V2RETAIL</b>

**Sub: Press Release on unaudited standalone & consolidated Financial Results for the quarter ended June 30, 2020**

Dear Sir,

Please find enclosed Press Release on unaudited standalone & consolidated Financial Results for the quarter ended June 30, 2020.

Kindly take the same on your record.

Thanking you,

Yours truly,  
For V2 Retail Limited

  
Sudhir Kumar  
Company Secretary & Compliance Officer

Encl.: As above



Press Release dated August 19, 2020

**V2 Retail Limited, one of India's fastest growing Retail Company, declared its Unaudited Financial Results for the Quarter ended June 30, 2020 (Standalone and Consolidated)**

**Standalone Financials Performance at a Glance:**

Particulars (₹ in mn)	Q1FY21	Q1FY20	Y-o-Y	FY2020
Revenue	370	<b>2,023</b>	-82%	7,012
Gross Profit	110	591		1,960
<b>Gross Margin (%)</b>	<b>29.7%</b>	<b>29.2%</b>		<b>27.9%</b>
EBIDTA	(2)	276	-101%	760
<b>EBIDTA Margin (%)</b>	<b>-0.5%</b>	<b>13.6%</b>		<b>10.8%</b>
Profit / (Loss) Before Tax	(118)	77		105
<b>Profit / (Loss) After Tax</b>	<b>(89)</b>	<b>114</b>	-178%	<b>101</b>
Total Comprehensive Income / (Loss)	(89)	114		96

- For the quarter, revenue from operations stood at ₹ 370 mn, registering a decline of 82% on the back of the Covid 19 related store closures for a major part of the quarter. Despite maintaining the gross margins, the loss before tax was ₹ (89) mn as we continued to incur certain costs notwithstanding the temporary store closures.
- We pursued various mitigation measures and prioritized cost reductions especially involving discretionary spends. We believe many of these initiatives would also deliver efficiencies over the medium term. We have also been actively engaging with our key stakeholders including our vendors and property partners to collaboratively grapple with the unprecedented developments.
- As a prudent measure, Company has made additional provision for inventories estimated at over ₹ 40.63 mn during the quarter under review.
- We have received encouraging support from our trade partners during the lockdown period and thereafter.
- On an average we lost 68% of our stores operational days for the quarter ended June 30, 2020.

**New Initiatives during the quarter:**

To help our esteemed customers to order from the comfort of their home, we launched our e-commerce portal V2 Kart ([www.v2kart.com](http://www.v2kart.com)). Our online store provides our existing and prospective clients with an easier, more intuitive, user friendly shopping and checkout experience. We are delighted with the initial response and feedbacks.



**Others:**

- As on June 30, 2020, the Company was having a Net Cash Balance of ₹ 252 mn (Cash & Bank balance less borrowings on a Standalone basis).
- The Company has closed 2 non-profitable stores during Q1 FY21.
- As on June 30, 2020, the Company operates 74 stores spread across 17 states and 69 cities with a total retail area of ~8.2 lac Sq. Ft.
- Considering the restrictions imposed, the demand for wedding season as well as Eid was muted.

**Commenting on the results and performance, Mr. Ram Chandra Agarwal, Chairman & Managing Director said:**

*“The world is dealing with a medical crisis of enormous proportion which has already resulted in severe economic disruption and demand contraction since the last quarter of FY20. The consumer sentiment has changed from positive to cautious and will take some time to return to normalcy. The entire economy is facing a slowdown, retail sector being one of the most impacted sectors as people shift their consumption to only essential. The Company is witnessing gradual pickup at store level where operations have resumed fully. However, due to the various amended guidelines issued by local authorities including phasing/re-imposition of lockdowns to combat the spread of COVID 19, the store level activities have been impacted. The trajectory of recovery from this pause would depend on the ploy of the Covid pandemic and its effect on consumer sentiment and confidence. We anticipate the situation to stabilise and start turning positive from quarter 3 of this fiscal year. We believe that there would be serious uptick in consumer demand with the onset of festive season starting from Durga Puja and Diwali. We are confident that following this pause, our growth and profitability will continue to accelerate on the back of sustained focus on customer experience, merchandise selection, strong brand recall and our omnichannel presence. Our online retailing platform ([www.v2kart.com](http://www.v2kart.com)) has been receiving good response.”*

*Our balance sheet strength and low leverage has helped us survive the pandemic. It also gives us the comfort and confidence to stabilise, revive and bounce back. Our measures to keep our fixed cost under control like rental renegotiations, engaging with suppliers, control over variable cost will benefit us in the short to medium term.*

*Health and safety of all our customers and employees are of paramount importance and all required precautions are being adhered to.*

*We see a lot of initiatives being taken by the government for reviving the consumer sentiment, the outcome of which should be visible completely from mid of this financial year.*



**About V2 Retail Limited:**

V2 Retail is one of the fastest growing retail company in India and enjoys strong brand equity from customers across segments. The company offers a portfolio of products, including apparel and life style products. V2 stands for 'Value and Variety' it sells good quality fashion garments at affordable prices, which suits every individual and household. The Company has a Strong presence in Northern & Eastern India. The Company caters to the neo middle class group of population living in Tier 2 and Tier 3 cities.

**For further information, please contact**

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**Mr. Sudhir Kumar**

**(Company Secretary & Compliance Officer)**

**V2 Retail Limited**

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