V2 Retail Limited

28.01.2020

To,

BSE Limited	National Stock Exchange Of India Limited
Corporate Relationship Department	Listing Department
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Mumbai – 400 001, Fax : 022 22723121	Mumbai – 400 051, Fax : 022 26598120
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Scrip Code – 532867	**Scrip Code – V2RETAIL**

Sub: Press Release on unaudited Financial Results for the quarter ended December 31st 2019

Dear Sir,

Please find enclosed Press Release on unaudited Financial Results for the quarter ended on 31st December 2019

Kindly take the same on your record.

Thanking You,

For V2 Retail Limited

Jagpreet Kaur
Company Secretary & Compliance Officer
Membership No: A41778
Date:28.01.2020

Press Release dated January 28, 2020

V2 Retail Limited, one of the India's fastest growing Retail Company, has declared its Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2019

Particulars (₹ in mn)	Q3FY20	Q3FY19	Y-o-Y	9MFY20	9MFY19	Y-o-Y	FY2019
Revenue	2,190	2,411	-9%	5,721	5,845	-2%	7,484
Gross Profit	656	847	-23%	1,664	1,940	-14%	2,421
Gross Margin (%)	*29.9%*	*35.2%*		*29.1%*	*33.2%*		*32.3%*
EBIDTA	337	306	10%	730	425	72%	469
EBIDTA Margin (%)	*15.4%*	*12.7%*		*12.8%*	*7.3%*		*6.3%*
Profit Before Tax	279	275	2%	259	136	91%	151
Profit After Tax	208	236	-12%	218	163	34%	205
Total Comprehensive Income	205	236	-13%	213	163	31%	204

Financials at a Glance:

Revenue:

- Due to weakened consumer sentiments and extended monsoon, our Revenue declined marginally by 9% Y-o-Y in Q3 FY20 from ₹ 2,411 mn to ₹ 2,190 mn.

Gross Profit:

- Gross Profit for the quarter declined from ₹ 847 mn to ₹ 656 mn. Gross margins for the quarter declined from 35.2% to 29.9%. The Company has taken additional provision amounting to ₹ 69 mn for expected loss on sale of old inventory.

IND AS 116 became applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard, using the modified retrospective approach for transition. Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent / Other Expenses" in the previous period to " Depreciation and amortisation expense" for the right to use assets and "Finance Cost" for interest accrued on lease liability. As such EBIDTA and PBT figures may not be exactly comparable with other periods.

EBIDTA:

- EBIDTA for Q3 FY20 stood at ₹ 337 mn. EBIDTA for Q3 FY19 was ₹ 306 mn.

Profit Before Tax:

- Profit Before Tax (PBT) stood at ₹ 279 mn in Q3 FY20. PBT for Q3 FY19 stood at ₹ 275 mn.

Profit After Tax (PAT):

- Profit After Tax declined from ₹ 236 mn in Q3 FY19 to ₹ 208 mn in Q3 FY20.

Others:

- Appointment of Independent Directors
  - Dr Arun Kumar Roopanwala with over 3 decades of experience in retail segment
  - Mr Lalit Kumar with experience in multiple sectors and extensive experience in retail segment
  - Mrs. Archana Yadav with over 14 years having expertise in taxation and audits
- Mr. Manshu Tandon has been appointment as CEO of the Company.
- The Company has incorporated a wholly owned subsidiary named M/s V2 Smart Manufacturing Private Limited. The company will be engaged in manufacturing of apparel and others.
- The Company opened 1 new store during Q3 FY20
- The Company operates 76 stores spread across 17 states and 71 cities with a total retail area in excess of 8.5 lac Sq. Ft.

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

"The retail sector continues to face general slowdown in consumption and lower consumer confidence. Despite the challenging times, we have been able to deliver consistent revenues and margin. We consider this year as a year of consolidation and course correction before taking a leap.

- *Rationalising our store expansion strategy. We want to focus on geographies where we can leverage our customer loyalty.*
- *Rationalising store size for more throughput and better per square feet sales and profitability.*
- *Better Inventory turnover and rationalising the holding levels. We have seen substantial reduction in holding levels as compared to March 31, 2019.*
- *Focus on Private labels and Product development to further enhance customer experience. The aim is to provide better products at competitive price. Beside this, it also helps in creating our product recall value.*
- *Focussed approach towards loss making stores. We have seen some of the loss making stores breaking even and should contribute towards improving the profitability.*
- *Cost rationalising to improve profitability.*

The consolidation and our focussed approach, we believe will help us in improving the overall performance of the Company. 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 next financial year.

The sustained performance in Q3 FY20 was a result of continued momentum driven be strategic initiatives taken during the recent past such as improvement in technology and processes, strengthening product mix, enhancing customer experience and relationship and vendor management."

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.

<div style="background:red;color:white;text-align:center">**For further information, please contact**</div>

Dr. Rahul Porwal	**Ms. Jagpreet Kaur**
Marathon Capital Advisory Private Limited	**(Company Secretary & Compliance Officer)**
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