



V2 Retail Limited

Date: - 27/01/2020

To,

National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(East) Mumbai-400051 Security ID-V2RETAIL	BSE Limited 25 th floor, "Phiroze Jeejeebhoy Tower", Dalal Street, , Mumbai-400001 Security Code-532867
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Subject- Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Intimation about adoption of the unaudited Financial Results along with limited review report for the quarter ended 31st December 2019

Dear Sir/Ma'am,

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Director has approved unaudited Financial Results for the Quarter ended 31st December 2019 and same has been attached hereafter.

The Board Meeting commenced at 2:00 p.m. and concluded at 6:30 PM.

This is for your information and record.

Thanking You,

Yours Sincerely,

For V2 Retail Limited

Ram Chandra Agarwal
Chairman & Managing Director
DIN: 00491885



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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of V2 Retail Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of V2 Retail Limited ('the Company') for the quarter ended 31 December 2019 and the year to date results for the period 1 April 2019 to 31 December 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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4. As stated in Note 4 to the accompanying financial results, the Company's other equity as at 31 December 2019 includes an amount of Rs. 365.36 lakh in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019 and review report for the three months period ended 30 June 2019 and three months and year to date period ended 30 September 2019.
5. As stated in Note 5 to the accompanying financial results, the Company's contingent liabilities as at 31 December 2019 include an amount of Rs. 2,455.18 lakh relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and profit as at the period then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019 and review report for the three months period ended 30 June 2019 and three months and year to date period ended 30 September 2019.
6. Based on our review conducted as above, except for the possible effects of the matters described in previous paragraphs 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rohit Arora

Rohit Arora
Partner

Membership No. 504774

UDIN: 20504774 AAAAAN3531

Place: New Delhi

Date: 27 January 2020





V2 Retail Limited

V2 Retail Limited
Statement of unaudited standalone financial results for the quarter and period ended 31 December 2019

(Rs. in Lakh, except for per share data)

Particulars	Quarter ended			Period ended		Year ended
	31 December 2019 (Unaudited)	30 September 2019 (Unaudited)	31 December 2018 (Unaudited)	31 December 2019 (Unaudited)	31 December 2018 (Unaudited)	31 March 2019 (Audited)
1 Revenue						
(a) Revenue from operations	21,903.17	15,068.08	24,107.66	57,206.13	58,450.38	74,841.94
(b) Other income	133.43	17.12	231.71	165.79	824.77	989.08
Total revenue	22,036.60	15,085.20	24,339.37	57,371.92	59,275.15	75,831.02
2 Expenses						
(a) Purchase of stock-in-trade	7,213.00	13,050.35	14,942.65	31,428.11	47,816.54	61,675.99
(b) Changes in inventories of stock-in-trade	8,132.42	(2,158.43)	690.46	9,135.08	(8,769.16)	(11,045.18)
(c) Employee benefits expense	1,720.73	1,555.15	2,299.99	4,835.42	6,065.64	7,482.18
(d) Finance costs (refer note 8)	741.38	810.06	32.07	2,289.27	43.36	65.99
(e) Depreciation and amortisation expense (refer note 8)	1,231.70	1,339.90	376.79	3,835.59	1,014.84	1,442.32
(f) Other expenses (refer note 8)	1,462.21	1,456.11	3,118.57	4,508.76	9,083.70	12,042.80
Total expenses	20,501.44	16,053.14	21,460.53	56,032.23	55,254.92	71,664.10
3 Profit/(loss) before tax and exceptional items (1-2)	1,535.16	(967.94)	2,878.84	1,339.69	4,020.23	4,166.92
4 Exceptional items (refer note 6)	(1,254.51)	-	131.89	(1,254.51)	2,661.89	2,661.89
5 Profit/(loss) before tax (3-4)	2,789.67	(967.94)	2,746.95	2,594.20	1,358.34	1,505.03
6 Tax expense						
(a) Current tax	-	-	76.05	-	76.05	76.05
(b) Deferred tax (refer note 8 and 9)	713.95	76.67	311.69	418.55	(346.86)	(620.31)
Total tax expense/(credit)	713.95	76.67	387.74	418.55	(270.81)	(544.26)
7 Profit/(loss) for the period (5-6)	2,075.72	(1,044.61)	2,359.21	2,175.65	1,629.15	2,049.29
8 Other comprehensive income						
A (i) Items that will not be reclassified to the statement of profit and loss	(39.72)	(6.59)	2.57	(60.04)	(3.35)	(9.86)
(ii) Income tax relating to items that will not be reclassified to the statement of profit and loss	10.18	0.41	(0.90)	15.39	1.17	3.44
B (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
Total other comprehensive income	(29.54)	(6.18)	1.67	(44.65)	(2.18)	(6.42)
9 Total comprehensive income for the period (comprising profit/(loss) and other comprehensive income for the period) (7+8)	2,046.18	(1,050.79)	2,360.88	2,131.00	1,626.97	2,042.87
10 Paid-up equity share capital (face value of Rs. 10 each)	3,407.40	3,407.40	3,407.40	3,407.40	3,407.40	3,407.40
11 Other equity as per balance sheet						26,128.36
12 Earnings per share (face value of Rs. 10 each) (not annualised):						
(a) Basic	6.09	(3.07)	6.93	6.39	4.78	6.02
(b) Diluted	6.09	(3.07)	6.88	6.38	4.75	6.02

[Handwritten Signature]



Khasra No. 919,921,926,928, Extended Lal Dora Abadi Village Kapashera Teshil Vasant Vihar,
South West Delhi -110037 Land Mark:- Fun N Food Village Amusement Park • Tel.: 011-41771850
• E-mail : customercare@vrl.net.in, cs@vrl.net.in • Website: www.v2retail.com • CIN : L74999DL2001PLC147724

Notes:

1. The Unaudited Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 27 January 2020. The statutory auditors have carried out limited review for the quarter and period ended 31 December 2019 and have issued a modified review report.
2. The above standalone financial results have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Companies Act, 2013.
3. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Ind AS 108, Operating Segments, the Company operates in one reportable business segment i.e., retail trade and is primarily operating in India and hence, considered as single geographical segment.
4. The Company restructured its business in the financial year 2010-11 resulting in creation of Capital Reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.
5. Out of contingent liabilities existing as at 31 December 2019, certain liabilities aggregating to Rs. 2,455.18 lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these standalone results can only be ascertained on the settlement of such cases/disputes, management has assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these standalone financial results.
- 6 (i). Exceptional items amounting to Rs. 2,661.89 lakh for the year ended 31 March 2019 represents one time settlement amount which the Company has paid to the lenders for relinquishing their Right of Recompense (ROR) for the sacrifices made by them in Financial year 2010-2011 under the Corporate Debt Restructuring (CDR) package vide Master Restructuring Agreement (MRA) entered into in November, 2010.
- 6 (ii). During the current quarter ended 31 December 2019, the Company has sold its property situated at Hubli, Karnataka, having book value of Rs. 1,244 lakhs at a sale consideration of Rs. 2,449 lakhs. The gain on sale of above property amounting to Rs. 1,254.51 lakhs is recorded as Exceptional item in standalone financial Results. This gain also includes advance received from one of the prospective buyers amounting to Rs. 50 lakhs and forfeited by the company on account of failure on the part of prospective buyers to finalize the transaction in accordance with the terms of agreement to sell entered into between both parties.
7. During the current quarter ended 31 December 2019, the management has recorded additional provision amounting to Rs 690.09 lakhs for expected loss for sale on old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.
8. Ind AS 116 - Leases, has become applicable effective annual reporting period beginning 1 April 2019. The Company has adopted the standard beginning 1 April 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising (including reclassification from other assets) a "Right of use asset" of Rs. 26,501.43 lakh and a corresponding "Lease liability" of Rs. 30,079.05 lakh by adjusting retained earnings net of taxes of Rs. 2,632.39 lakh (including impact of "Deferred tax asset" created of Rs. 1,413.95 lakh) as at 1 April 2019. In respect of leases that were classified as operating leases, on applying Ind AS 17, Rs. 468.72 lakh has been reclassified from "Other assets" to "Right of use asset". Also the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. Consequently in the statement of standalone profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent"/"Other expense", "Depreciation and amortisation expense" and "Finance cost" for the period is not comparable to the earlier periods.
- To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of standalone profit and loss for the quarter and period ended 31 December 2019 are as under:

	(Rs. in Lakh)		
Adjustment to increase/(decrease) in net profit	Quarter ended 31 December 2019 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Quarter ended 31 December 2019 as reported
Other expenses	2,642.44	(1,180.23)	1,462.21
Depreciation and amortisation expense	420.60	811.10	1,231.70
Finance cost	35.74	705.64	741.38
Profit before tax	3,126.18	(336.51)	2,789.67
Less: Tax expense/(credit)	800.18	(86.23)	713.95
Profit after tax	2,326.00	(250.28)	2,075.72

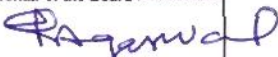
	(Rs. in Lakh)		
Adjustment to increase/(decrease) in net profit	Nine month period ended 31 December 2019 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Nine month period ended 31 December 2019 as reported
Other expenses	8,123.50	(3,614.74)	4,508.76
Depreciation and amortisation expense	1,267.51	2,568.08	3,835.59
Finance cost	161.22	2,128.05	2,289.27
Profit before tax	3,675.59	(1,081.39)	2,594.20
Less: Tax expense/(credit)*	695.66	(277.11)	418.55
Profit after tax	2,979.93	(804.28)	2,175.65

* including impact of remeasurement of deferred tax asset recognised on applying Ind AS 116 as on 1 April 2019 consequent to exercise of option of new tax rates (Refer note 9)

9. The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact is being recognised over the current and the remaining quarters of the financial year. Consequently, tax expense for the period ended 31 December 2019 includes a one time charge of Rs. 253.03 lakh.

10. During the quarter, V2 Smart Manufacturing Private Limited ("VSMPL" or "the subsidiary") has been incorporated (on 25 October 2019) as a wholly owned subsidiary of V2 Retail Limited ("the Holding company"). VSMPL is in the business of manufacturing of apparels. It was incorporated on 25 October 2019 and has commenced its business on 12 November 2019.

For and on behalf of the Board of Directors


 Ram Chandra Agarwal
 Chairman & Managing Director
 DIN: 00491885

Place: New Delhi
 Date: 27 January 2020



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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of V2 Retail Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of V2 Retail Limited ('the Holding Company') and its one subsidiary company "V2 Smart Manufacturing Private Limited" (the Holding Company and its subsidiary company together referred to as 'the Group') for the quarter ended 31 December 2019 and the consolidated year to date results for the period 1 April 2019 to 31 December 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.
4. As stated in Note 4 to the accompanying financial results, the Holding Company's other equity as at 31 December 2019 includes an amount of Rs. 365.36 lakh in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results.
5. As stated in Note 5 to the accompanying financial results, the Holding Company's contingent liabilities as at 31 December 2019 include an amount of Rs. 2,455.18 lakh relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and profit as at the period then ended.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditor referred to in paragraph 7 below, except for the possible effects of the matters described in previous paragraphs 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circulars and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

7. We did not review the interim financial results of subsidiary company included in the Statement whose financial information reflect total assets of ₹ 2,747.80 lakh as at 31 December 2019, and total revenues of ₹ 5.01 lakh and ₹ 5.01 lakh, total net (loss) after tax of ₹ (89.05) lakh and ₹ (89.05) lakh, total comprehensive (loss) of ₹ (89.05) lakh and ₹ (89.05) lakh, for the quarter and nine-month period ended ended on 31 December 2019, respectively, as considered in the Statement. These interim financial results have been reviewed by other auditor whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of subsidiary company is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rohit Arora

Rohit Arora
Partner
Membership No. 504774
UDIN: 20504774AAAAAM3480



Place: New Delhi
Date: 27 January 2020



V2 Retail Limited
Statement of unaudited consolidated financial results for the period ended 31 December 2019

(Rs. in Lakh, except for per share data)

Particulars	Period ended	
	31 December 2019	
	(Unaudited)	
1 Revenue		
(a) Revenue from operations		57,206.13
(b) Other income		170.81
Total revenue		57,376.94
2 Expenses		
(a) Purchase of stock-in-trade		32,126.52
(b) Changes in inventories of stock-in-trade		8,436.66
(c) Employee benefits expense		4,835.42
(d) Finance costs (refer note 8)		2,296.66
(e) Depreciation and amortisation expense (refer note 8)		3,853.63
(f) Other expenses (refer note 8)		4,607.70
Total expenses		56,156.59
3 Profit before tax and exceptional items (1-2)		1,220.35
4 Exceptional items (refer note 6)		(1,254.51)
5 Profit before tax (3-4)		2,474.86
6 Tax expense		
(a) Current tax		-
(b) Deferred tax (refer note 8 and 9)		388.24
Total tax expense		388.24
7 Profit for the period (5-6)		2,086.62
8 Other comprehensive income		
A (i) Items that will not be reclassified to the statement of profit and loss		(60.04)
(ii) Income tax relating to items that will not be reclassified to the statement of profit and loss		15.39
B (i) Items that will be reclassified to the statement of profit and loss		-
(ii) Income tax relating to items that will be reclassified to the statement of profit and loss		-
Total other comprehensive loss		(44.65)
9 Total comprehensive income for the period (comprising profit and other comprehensive loss for the period) (7+8)		2,041.97
10 Paid-up equity share capital (face value of Rs. 10 each)		3,407.40
11 Other equity as per balance sheet		
12 Earnings per share (face value of Rs. 10 each)		
(not annualised):		
(a) Basic		6.12
(b) Diluted		6.12



Notes:

1. The Unaudited Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 27 January 2020. The statutory auditors have carried out limited review for the period ended 31 December 2019 and have issued a modified review report.
2. The above consolidated financial results have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Companies Act, 2013 for the three months period ended 31 December 2019.
3. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Ind AS 108, Operating Segments, the Group operates in one reportable business segment i.e., retail trade and is primarily operating in India and hence, considered as single geographical segment.
4. The Holding Company restructured its business in the financial year 2010-11 resulting in creation of Capital Reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Holding Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.
5. Out of contingent liabilities existing as at 31 December 2019, certain liabilities aggregating to Rs. 2,455.18 lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has assessed that based on the merits of such cases, the Holding Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these consolidated financial results.
- 6 (i). Exceptional items amounting to Rs. 2,661.89 lakh for the year ended 31 March 2019 represents one time settlement amount which the Holding Company has paid to the lenders for relinquishing their Right of Recompense (ROR) for the sacrifices made by them in Financial year 2010-2011 under the Corporate Debt Restructuring (CDR) package vide Master Restructuring Agreement (MRA) entered into in November, 2010.
- 6 (ii). During the current quarter ended 31 December 2019, the Holding Company has sold its property situated at Hubli, Karnataka, having book value of Rs. 1,244 lakhs at a sale consideration of Rs. 2,449 lakhs. The gain on sale of above property amounting to Rs. 1,254.51 lakhs is recorded as Exceptional item in standalone financial Results. This gain also includes advance received from one of the prospective buyers amounting to Rs. 50 lakhs and forfeited by the company on account of failure on the part of prospective buyers to finalize the transaction in accordance with the terms of agreement to sell entered into between both parties.
7. During the period ended 31 December 2019, the group has recorded additional provision amounting to Rs 690.09 lakhs for expected loss for sale on old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.
8. Ind As 116 - Leases, has become applicable effective annual reporting period beginning 1 April 2019. The Group Company has adopted the standard beginning 1 April 2019, using the modified retrospective approach for transition. Accordingly, the Group Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising (including reclassification from other assets) a "Right of use asset" of Rs. 26,501.43 lakh and a corresponding "Lease liability" of Rs. 30,079.05 lakh by adjusting retained earnings net of taxes of Rs. 2,632.39 lakh (including impact of "Deferred tax asset" created of Rs. 1,413.95 lakh) as at 1 April 2019. In respect of leases that were classified as operating leases, on applying Ind AS 17, Rs. 468.72 lakh has been reclassified from "Other assets" to "Right of use asset". Also the Group has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

Consequently in the statement of consolidated profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability.

The reconciliation of above effect on statement of consolidated profit and loss for the period ended 31 December 2019 are as under:

	(Rs. in Lakh)		
Adjustment to increase/(decrease) in net profit	Period ended 31 December 2019 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Period ended 31 December 2019 as reported
Other expenses	8,246.81	(3,639.11)	4,607.70
Depreciation and amortisation expense	1,267.51	2,586.12	3,853.63
Finance cost	161.23	2,135.43	2,296.66
Profit before tax	3,557.30	(1,082.46)	2,474.84
Less: Tax expense/(credit)	665.63	(277.39)	388.24
Profit after tax	2,891.67	(805.07)	2,086.60

* including impact of remeasurement of deferred tax asset recognised on applying Ind AS 116 as on 1 April 2019 consequent to exercise of option of new tax rates (Refer note 9)

9. The Group has exercised the option permitted under Section 115BAA/115BAB of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact is being recognised over the current and the remaining quarters of the financial year. Consequently, tax expense for the current period ended 31 December 2019 includes a one time charge of Rs. 253.02 lakh.

10. During the quarter, V2 Smart Manufacturing Private Limited ('VSMPL' or 'the subsidiary') has been incorporated (on 25 October 2019) as a wholly owned subsidiary of V2 Retail Limited ('the Holding company'). VSMPL is in the business of manufacturing of apparels. It was incorporated on 25 October 2019 and has commenced its business on 12 November 2019. Consequently, the consolidated results have been presented and in the absence of comparative numbers, the group has not presented the comparative numbers.

For and on behalf of the Board of Directors

Ram Chandra Agarwal

Ram Chandra Agarwal
Chairman & Managing Director
DIN: 00491885

Place: New Delhi
Date: 27 January 2020

