



August 19, 2020

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 4000 51  <b>NSE Code -V2RETAIL</b>	<b>BSE Limited,</b> 25 <sup>th</sup> Floor, "Phiroze Jeejeebhoy Towers", Dalal Street, Mumbai – 400001  <b>Script Code - 532867</b>
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**Sub: Outcome of the Meeting of the Board of Directors of the Company held on August 19, 2020**

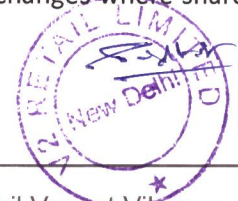
Dear Sir/Madam,

With reference to intimation submitted to Exchange dated August 11, 2020 for schedule of Board Meeting and pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, this is to inform that the Board of Directors in their meeting held through Video conferencing, in accordance with (Companies (Meetings of Board and its Powers) Amendment Rules, 2020) issued by the Ministry of Corporate Affairs dated 19<sup>th</sup> March 2020, on Wednesday, August 19, 2020, which commenced at 11:30 a.m. and concluded at 1:15 p.m., inter alia, considered and approved the following:

1. Statement of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2020 along with Limited Review Report from the Statutory Auditor of the Company, which has been duly reviewed and recommended by the Audit Committee. The Unaudited Standalone and Consolidated Financial Results will be made available at [www.v2retail.com](http://www.v2retail.com), website of the Company.

A copy of the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2020 along with the Limited Review Report from Statutory Auditor of the Company Walker Chandiok & Co LLP, Chartered Accountants, in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure.

2. The 19th Annual General Meeting of the Company will be held on 28th, September, 2020 through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") facility;
3. The Board of Directors in its aforesaid meeting also considered and authorized the Key Management Personnel (KMPs) of the Company for the purpose of determining materiality of an event or information in accordance with the Company's policy for determination of materiality of disclosures and make appropriate disclosures of such event / information to the Stock Exchanges where shares of the Company are listed are as under:





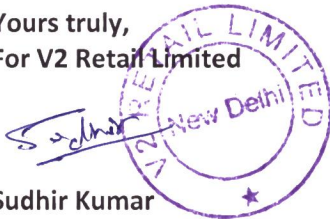
# V2 Retail Limited

Name & Designation	Contact Details
Mr. Ram Chandra Agarwal, Chairman & Managing Director	V2 Retail Limited Khasra No. 928, Extended Lal dora Abadi, Village Kapashera, Tehsil Vasant Vihar South West Delhi -110037. Ph : 011 41771850 Email: <a href="mailto:cs@vrl.net.in">cs@vrl.net.in</a>
Mr. Akash Agarwal, Whole-time Director & CFO	
Mrs. Uma Agarwal, Whole-time Director	
Mr. Manshu Tandon, Chief Executive Officer	
Mr. Sudhir Kumar, Company Secretary & Compliance Officer	

We request you to kindly take the above information on record.

Thanking you,

Yours truly,  
For V2 Retail Limited



Sudhir Kumar  
Company Secretary & Compliance Officer

Encl:

- Unaudited Financial Results
- Limited Review Report

# Walker Chandiook & Co LLP

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Walker Chandiook & Co LLP  
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Outer Circle,  
New Delhi – 110 001  
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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 30 June 2020 and the year to date results for the period 1 April 2020 to 30 June 2020, 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 accounting 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 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.



# Walker Chandiook & Co LLP

4. As stated in Note 5 to the accompanying Statement, the Company's contingent liabilities as at 30 June 2020 include certain contingent liabilities aggregating to Rs. 2,455.18 lakhs pertaining to litigations pending with various authorities, for which the Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as provision or contingent liabilities as at 30 June 2020 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 and for the quarter then ended. Our opinion and review report on the standalone financial results for the year ended 31 March 2020 and quarter ended 30 June 2019, respectively were also modified in respect of this matter.
5. Based on our review conducted as above, except for the possible effects of the matter described in previous section nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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.

## Emphasis of Matter

6. We draw attention to Note 9 of the accompanying Statement, which describes the uncertainties relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the standalone financial results of the Company. The extent of the impact of these uncertainties on the Company's operations is significantly dependent on future developments.

Our conclusion is not modified in respect of this matter.

## For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

**Rohit Arora**

Partner

Membership No. 504774

UDIN: 20504774AAAAJZ5295



**Place:** New Delhi

**Date:** 19 August 2020



# V2 Retail Limited

**V2 Retail Limited**  
**Statement of standalone financial results for the quarter and year ended 30 June 2020**

Particulars	Quarter ended			Year ended
	30 June 2020	31 March 2020	30 June 2019	31 March 2020
	(Unaudited)	(Audited) (refer note 8)	(Unaudited)	(Audited)
<b>1 Revenue</b>				
(a) Revenue from operations	3,697.63	12,916.00	20,234.87	70,122.12
(b) Other income (refer note 12)	736.18	60.79	15.24	226.59
<b>Total revenue</b>	<b>4,433.81</b>	<b>12,976.79</b>	<b>20,250.11</b>	<b>70,348.71</b>
<b>2 Expenses</b>				
(a) Purchase of stock-in-trade	1,444.50	11,610.25	11,164.76	43,038.36
(b) Changes in inventories of stock-in-trade	1,155.35	(1,647.19)	3,161.10	7,487.88
Direct cost				
(c) Employee benefits expense	592.95	1,395.21	1,559.54	6,230.64
(d) Finance costs	683.64	703.27	737.83	2,992.53
(e) Depreciation and amortisation expense	1,213.53	1,209.50	1,263.98	5,045.09
(f) Other expenses	521.65	1,252.77	1,590.44	5,761.54
<b>Total expenses</b>	<b>5,611.62</b>	<b>14,523.81</b>	<b>19,477.65</b>	<b>70,556.04</b>
<b>3 Profit/(loss) before tax and exceptional items (1-2)</b>	<b>(1,177.81)</b>	<b>(1,547.02)</b>	<b>772.46</b>	<b>(207.33)</b>
4 Exceptional items (refer note 6)	-	-	-	(1,254.51)
<b>5 Profit/(loss) before tax (3-4)</b>	<b>(1,177.81)</b>	<b>(1,547.02)</b>	<b>772.46</b>	<b>1,047.18</b>
<b>6 Tax expense</b>				
(a) Current tax	-	-	-	-
(b) Deferred tax (refer note 10)	(285.57)	(385.90)	(372.08)	32.65
<b>Total tax expense/(credit)</b>	<b>(285.57)</b>	<b>(385.90)</b>	<b>(372.08)</b>	<b>32.65</b>
<b>7 Profit/(loss) for the period/year (5-6)</b>	<b>(892.24)</b>	<b>(1,161.12)</b>	<b>1,144.54</b>	<b>1,014.53</b>
<b>8 Other comprehensive income</b>				
A (i) Items that will not be reclassified to the statement of profit and loss	1.61	(9.06)	(13.73)	(69.10)
(ii) Income tax relating to items that will not be reclassified to the statement of profit and loss	(0.41)	2.32	4.80	17.71
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	-	-	-	-
<b>Total other comprehensive income</b>	<b>1.20</b>	<b>(6.74)</b>	<b>(8.93)</b>	<b>(51.39)</b>
<b>9 Total comprehensive income for the period/year (comprising profit/(loss) and other comprehensive income for the period/year) (7+8)</b>	<b>(891.04)</b>	<b>(1,167.86)</b>	<b>1,135.61</b>	<b>963.14</b>
10 Paid-up equity share capital (face value of Rs. 10 each)	3,410.50	3,410.50	3,407.40	3,410.50
11 Other equity as per balance sheet				24,643.25
<b>12 Earnings per share (face value of Rs. 10 each) (not annualised):</b>				
(a) Basic	(2.62)	(3.40)	3.36	2.97
(b) Diluted	(2.61)	(3.40)	3.36	2.97



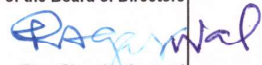


# V2 Retail Limited

**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 19 August 2020. The statutory auditors have carried out limited review for the quarter and period ended 30 June 2020 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 30 June 2020, certain liabilities aggregating to Rs. 2,455.18 lakh are under appeal with different authorities at different levels for which the management does not have necessary details and information. Whilst the impact of contingent liabilities on these standalone financial 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. During the year ended 31 March 2020, the Company had sold its property situated at Hubli, Karnataka, having book value of Rs. 1,244 lakh at a sale consideration of Rs. 2,449 lakh. The gain on sale of above property amounting to Rs. 1,254.51 lakh was recorded as exceptional item in standalone financial results. This gain also included 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 30 June 2020, the management has recorded additional provision amounting to Rs 406.32 lakh for expected loss for sale of old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.
8. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of full financial year up to March 31, 2020 and the unaudited published year to date figures up to December 31, 2019, being the date of the end of the third quarter of the financial year ended March 31, 2020 which were subjected to limited review.
9. World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic. Consequent to this, Government of India has declared lockdown i.e. 24 March 2020 which is causing significant economic slowdown and disruptions of business operations. This has also temporarily impacted the business activities of the Company such as closure of stores and warehouse, disruption of supply chain, etc. The Company has prepared cash flow projections to assess the cash flow requirements and funds available from various sources including bank borrowings etc. for next 12 months. The management has also considered the possible effects of the pandemic on the carrying values of assets and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic and cash flow projections, the Company has used internal and external information up to the date of approval of these financial results and current indicators of future economic conditions. The Company expects to recover the carrying amount of these assets and have sufficient liquidity for business operations for at least another twelve months. The impact of the pandemic on the Company's financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
10. The Company had 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 Assets (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 had been re-measured. The resultant impact was being recognised over the financial year. Consequently, tax expense for the year ended 31 March 2020 included a one time charge of Rs. 394.20 lakh.
11. The National Company Law Tribunal, New Delhi Bench V vide its order dated 25.06.2020 had initiated corporate insolvency resolution process ("CIRP") in respect of the Company and had appointed an insolvency resolution professional on account of an insolvency petition filed by a vendor of the Company for failure to pay towards supply of services by the vendor to the Company. Subsequently, the claim of the vendor was amicably settled by the Company vide a settlement agreement amounting to Rs 113 lacs and thereafter the National Company Law Tribunal, New Delhi Bench V vide its order dated 10.07.2020 withdrew and dismissed the corporate insolvency resolution process initiated against the Company.
12. The Company has elected to apply the practical expedient of not assessing the rent concessions as a Lease modification, as per MCA notification dated July 24, 2020 on Ind AS 116 for rent concessions which are granted due to COVID-19 pandemic. Accordingly, it has accounted Rs.675.16 Lakhs under head other income with respect to rent concessions confirmed by the landlord.
13. During the previous year ended 31 March 2020, the managerial remuneration paid by the Company to its Managing Director and Whole Time Director is in excess of limited laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act. The Company will seek approval from the shareholders at the ensuing Annual General Meeting. However, the above remuneration has been approved by Remuneration Committee in its meeting held on 24 June 2020.

For and on behalf of the Board of Directors

  
Ram Chandra Agarwal  
Chairman & Managing Director  
DIN: 00491885

Place: New Delhi  
Date: 19 August 2020



# Walker Chandiook & Co LLP

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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 together referred to as ‘the Group’), for the quarter ended 30 June 2020 and the consolidated year to date results for the period 1 April 2020 to 30 June 2020, 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 accounting 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 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.

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.



# Walker Chandiook & Co LLP

4. As stated in Note 5 to the accompanying Statement, the Holding Company's contingent liabilities as at 30 June 2020 include certain contingent liabilities aggregating to ₹ 2,455.18 lakhs pertaining to litigations pending with various authorities, for which the Holding Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as provision or contingent liabilities as at 30 June 2020 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 and for the quarter then ended. Our opinion on the consolidated financial results for the year ended 31 March 2020 was also modified in respect of this matter.
5. 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 matter described in previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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.

## Emphasis of Matter

6. We draw attention to Note 9 of the accompanying Statement, which describes the uncertainties relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the consolidated financial results of the Group. The extent of the impact of these uncertainties on the Group's operations is significantly dependent on future developments.

Our conclusion is not modified in respect of this matter.

7. We did not review the interim financial results of one subsidiary company included in the Statement, whose financial information reflect total revenues of ₹ 289.86 lakhs, total net loss after tax of ₹ 38.67 lakhs, total comprehensive (loss) of ₹ 38.67 lakhs, for the quarter and three months period ended on 30 June 2020, 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 these subsidiary 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 with respect to our reliance on the work done by and the reports of the other auditors.

## For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

**Rohit Arora**

Partner

Membership No. 504774

UDIN: 20504774AAAAKA3640



**Place:** New Delhi

**Date:** 19 August 2020





# V2 Retail Limited

**V2 Retail Limited**  
**Statement of consolidated financial results for the quarter ended 30 June 2020**

Particulars	(Rs. in Lakh, except for per share data)		
	Quarter ended		Year ended
	30 June 2020	31 March 2020	31 March 2020
	(Unaudited)	(Refer note 8)	(Audited)
<b>1 Revenue</b>			
(a) Revenue from operations	3,697.63	12,916.49	70,122.62
(b) Other income (refer note 12)	772.91	76.72	247.52
<b>Total revenue</b>	<b>4,470.54</b>	<b>12,993.21</b>	<b>70,370.14</b>
<b>2 Expenses</b>			
(a) Purchase of stock-in-trade	1,401.09	12,788.38	44,914.91
(b) Changes in inventories of stock-in-trade	1,157.42	(2,851.52)	5,585.15
(c) Direct expenses	14.07	26.19	26.19
(d) Employee benefits expense	624.16	1,457.50	6,292.92
(e) Finance costs	712.63	728.46	3,025.12
(f) Depreciation and amortisation expense	1,252.01	1,244.08	5,097.71
(g) Other expenses	533.83	1,207.85	5,815.55
<b>Total expenses</b>	<b>5,695.21</b>	<b>14,600.94</b>	<b>70,757.55</b>
<b>3 Profit/(loss) before tax and exceptional items (1-2)</b>	<b>(1,224.67)</b>	<b>(1,607.73)</b>	<b>(387.41)</b>
4 Exceptional items (refer note 6)	-	-	(1,254.51)
<b>5 Profit/(loss) before tax (3-4)</b>	<b>(1,224.67)</b>	<b>(1,607.73)</b>	<b>867.10</b>
<b>6 Tax expense</b>			
(a) Current tax	-	-	-
(b) Deferred tax (refer note 10)	(293.74)	(399.31)	(11.07)
<b>Total tax expense/(credit)</b>	<b>(293.74)</b>	<b>(399.31)</b>	<b>(11.07)</b>
<b>7 Profit/(loss) for the year (5-6)</b>	<b>(930.93)</b>	<b>(1,208.42)</b>	<b>878.17</b>
<b>8 Other comprehensive income</b>			
A (i) Items that will not be reclassified to the statement of profit and loss	1.61	(9.06)	(69.10)
(ii) Income tax relating to items that will not be reclassified to the statement of profit and loss	(0.41)	2.32	17.71
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	-	-	-
<b>Total other comprehensive income</b>	<b>1.20</b>	<b>(6.74)</b>	<b>(51.39)</b>
<b>9 Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year) (7+8)</b>	<b>(929.73)</b>	<b>(1,215.16)</b>	<b>826.78</b>
10 Paid-up equity share capital (face value of Rs. 10 each)	<b>3,410.50</b>	<b>3,410.50</b>	<b>3,410.50</b>
11 Other equity as per balance sheet			24,506.90
<b>12 Earnings per share (face value of Rs. 10 each) (not annualised):</b>			
(a) Basic	(2.73)	(3.54)	2.57
(b) Diluted	(2.73)	(3.54)	2.57



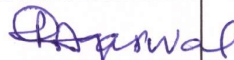


# V2 Retail Limited

## Notes:

1. The Unaudited Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 19 August 2020. The statutory auditors have carried out limited review for the quarter and period ended 30 June 2020 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.
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 30 June 2020, certain liabilities aggregating to Rs. 2,455.18 lakh are under appeal with different authorities at different levels for which the management does not have necessary details and information. Whilst the impact of contingent liabilities on these consolidated 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. During the year ended 31 March 2020, the Holding Company had sold its property situated at Hubli, Karnataka, having book value of Rs. 1,244 lakh at a sale consideration of Rs. 2,449 lakh. The gain on sale of above property amounting to Rs. 1,254.51 lakh was recorded as exceptional item in consolidated financial results. This gain also included advance received from one of the prospective buyers amounting to Rs. 50 lakhs and forfeited by the Holding 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 30 June 2020, the Group has recorded additional provision amounting to Rs 406.32 lakh for expected loss for sale of old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.
8. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of full financial year up to March 31, 2020 and the unaudited published year to date figures up to December 31, 2019, being the date of the end of the third quarter of the financial year ended March 31, 2020 which were subjected to limited review.
9. World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic. Consequent to this, Government of India has declared lockdown i.e. 24 March 2020 which is causing significant economic slowdown and disruptions of business operations. This has also temporarily impacted the business activities of the Group such as closure of stores and warehouse, disruption of supply chain, etc. The Group has prepared cash flow projections to assess the cash flow requirements and funds available from various sources including bank borrowings etc. for next 12 months. The management has also considered the possible effects of the pandemic on the carrying values of assets and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic and cash flow projections, the Group has used internal and external information up to the date of approval of these financial results and current indicators of future economic conditions. The Group expects to recover the carrying amount of these assets and have sufficient liquidity for business operations for at least another twelve months. The impact of the pandemic on the Group's financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
10. The Group had 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 Assets (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 had been re-measured. The resultant impact was being recognised over the financial year. Consequently, tax expense for the year ended 31 March 2020 included a one time charge of Rs. 410.10 lakh.
11. The National Company Law Tribunal, New Delhi Bench V vide its order dated 25.06.2020 had initiated corporate insolvency resolution process ("CIRP") in respect of the Company and had appointed an insolvency resolution professional on account of an insolvency petition filed by a vendor of the Company for failure to pay towards supply of services by the vendor to the Company. Subsequently, the claim of the vendor was amicably settled by the Company vide a settlement agreement amounting to Rs 113 lacs and thereafter the National Company Law Tribunal, New Delhi Bench V vide its order dated 10.07.2020 withdrew and dismissed the corporate insolvency resolution process initiated against the Company.
12. The Group has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per MCA notification dated 24 July 2020 on Ind AS 116 for rent concessions which are granted due to COVID-19 pandemic. Accordingly, it has accounted Rs.695.76 Lakhs under head other income with respect to rent concessions confirmed by the landlord.
13. During the previous year ended 31 March 2020, the managerial remuneration paid by the Holding Company to its Managing Director and Whole Time Director is in excess of limited laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act. The Holding Company will seek approval from the shareholders at the ensuing Annual General Meeting. However, the above remuneration has been approved by Remuneration Committee in its meeting held on 24 June 2020.
14. During the previous year, 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 of the quarter ended 30 June 2019, the same have not been presented.

For and on behalf of the Board of Directors

  
Ram Chandra Agarwal  
Chairman & Managing Director  
DIN: 00491885

Place: New Delhi  
Date: 19 August 2020



Khasra No. 919,921,926,928, Extended Lal Dora Abadi Village Kapashera Teshil Vasant Vihar,  
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