

Limited Review Report

Review Report to
The Board of Director
Vishal Retail Limited

1. We have reviewed the accompanying statement of unaudited financial results of Vishal Retail Limited ('the Company') for the quarter ended 30th September, 2010 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *The comparative numbers in the Statement of Assets and Liabilities Corresponding Six Months ended September 30, 2009 have not been disclosed as required by Paragraph I(ea) and V(h) read with Annexure IX of Clause 41 of the Listing Agreement.*
4. We further report that:
 - a. *We have not been provided adequate or appropriate documentary evidence, for Display Charges included in 'Other Income' amounting Rs.230.23lakhs and recognized in the Profit & Loss Account for the quarter.*
 - b. *Non-Compliance with Accounting Standard 2 "Valuation of Inventories": The cost for valuation of inventories does not include Octroi, mandi tax, entry tax, input VAT, freight inwards and discount received on the purchase. The impact of such deviation from AS 2 is currently unascertainable.*
 - c. *Non-Compliance with Accounting Standard 22 "Accounting for Taxes on Income": The Company has recognized Deferred Tax Assets amounting Rs.28,747.13lakhs as at September 30, 2010 even though the Company has incurred operating losses in the current period and in the earlier years and there is no convincing evidence as to virtual certainty of future income that sufficient future taxable income will be available against which such deferred tax assets can be realized.*
 - d. *Non-Compliance with Accounting Standard 28 "Impairment of Assets": whereby no assessment for impairment of assets, if any, was carried out during the period by the management;*
 - e. *The Company has not made any provision for shrinkages, pilferage, slow moving, non-moving, obsolete and damaged goods.*



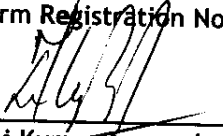
Our audit report on the financial statements for the year ended March 31, 2010 was qualified in respect of the matters stated in paragraphs 4(a) to (e) above.

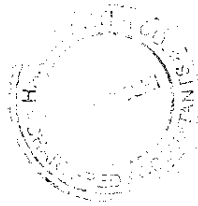
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5. Based on our review conducted as above and *subject to our observations in paragraph 3 & 4 above, the consequential effect of which on relevant assets, liabilities and loss for the period is not quantifiable*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W


Raj Kumar Agarwal
Partner
Membership No.: 074715



Place: New Delhi
Date: November 13, 2010