

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDING ON SEPTEMBER 30TH 2012

(Rupee in Lacs)

| S.No. | Particulars | For the Quarter Ended | | | For the Half Year Ended | | For Year Ended |
|-----------|--|-----------------------|---------------------|-----------------|-------------------------|---------------------|-----------------|
| | | 30th September 2012 | 30th September 2011 | 30th June 2012 | 30th September 2012 | 30th September 2011 | 31st March 2012 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income from Operations | | | | | | |
| a. | Net Sales (net of excise duty) | 2,233.88 | 1,011.09 | 2,152.31 | 4,386.19 | 1,184.82 | 4,016.40 |
| b. | Other Operating Income | - | - | - | - | - | - |
| c. | Total | 2,233.88 | 1,011.09 | 2,152.31 | 4,386.19 | 1,184.82 | 4,016.40 |
| 2 | Expenditure | | | | | | |
| a. | (Increase)/decrease in stock in trade and work in progress | (189.73) | (153.98) | (212.58) | (402.31) | (1,251.42) | (1,604.36) |
| b. | Consumption of raw materials | - | - | - | - | - | - |
| c. | Purchase of traded goods | 1,892.19 | 861.11 | 1,838.78 | 3,730.97 | 2,084.80 | 4,710.43 |
| d. | Employee benefit expense | 192.04 | 136.19 | 210.63 | 402.66 | 194.34 | 518.07 |
| e. | Depreciation and amortization expense | 47.89 | 103.34 | 61.27 | 109.17 | 115.63 | 259.97 |
| f. | Other expenses | 401.45 | 371.24 | 300.65 | 702.10 | 587.45 | 1,219.41 |
| g. | Total | 2,343.84 | 1,317.90 | 2,198.74 | 4,542.59 | 1,730.80 | 5,103.52 |
| 3 | Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items (1-2) | (109.97) | (306.81) | (46.44) | (156.40) | (545.98) | (1,087.12) |
| 4 | Other Income | 54.03 | 47.58 | 50.70 | 104.73 | 98.69 | 374.07 |
| 5 | Profit / (Loss) from ordinary activities before Finance Cost & Exceptional Items (3+4) | (55.94) | (259.23) | 4.27 | (51.67) | (447.29) | (713.05) |
| 6 | Finance Cost | 153.57 | 169.50 | 165.66 | 319.23 | 459.36 | 815.01 |
| 7 | Profit / (Loss) from ordinary activities after Finance Cost but before Exceptional Items (5-6) | (209.50) | (428.73) | (161.40) | (370.90) | (906.65) | (1,528.06) |
| 8 | Exceptional Items | - | 39.88 | 26.93 | 26.93 | 118.62 | 396.87 |
| 9 | Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8) | (209.51) | (468.61) | (188.32) | (397.82) | (1,025.27) | (1,924.93) |
| 10 | Tax expense | 67.97 | (1,849.34) | 52.36 | 120.34 | 1,690.59 | 1,553.12 |
| 11 | Net Profit /Loss from Ordinary Activities after tax (9+10) | (141.54) | (2,317.95) | (135.96) | (277.49) | (2,715.85) | (3,478.05) |
| 12 | Extraordinary Items (Net of Tax Expenses) | - | - | - | - | - | - |

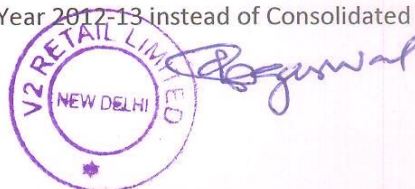


| | | | | | | | | |
|----|---|--|----------|------------|----------|----------|------------|------------|
| 13 | Net Profit /Loss for the period (11-12) | | (141.53) | (2,317.95) | (135.96) | (277.49) | (2,715.85) | (3,478.05) |
| 14 | Paid-up equity share capital | | 2,239.89 | 2,239.89 | 2,239.89 | 2,239.89 | 2,239.89 | 2,239.89 |
| | (Equity Shares of Rs. 10/- each) | | 10/- | 10/- | 10/- | 10/- | 10/- | 10/- |
| 15 | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | | | | 25,301.97 |
| 16 | Earnings Per Share (EPS) | | | | | | | |
| | a. | Basic EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized) | (0.63) | (9.99) | (0.61) | (2.13) | (12.12) | (15.53) |
| | a(i). | Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized) | (0.63) | (9.99) | (0.61) | (2.13) | (12.12) | (15.53) |
| | b. | Basic EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized) | (0.63) | (9.99) | (0.61) | (2.13) | (12.12) | (15.53) |
| | b(i). | Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized) | (0.63) | (9.99) | (0.61) | (2.13) | (12.12) | (15.53) |
| 17 | Public shareholding | | | | | | | |
| | a. | Number of shares | 9585998 | 9585998 | 9585998 | 9585998 | 9585998 | 9585998 |
| | b. | Percentage of shareholding | 42.80% | 42.80% | 42.80% | 42.80% | 42.80% | 42.80% |
| 18 | Promoters and Promoter Group Shareholding ** | | | | | | | |
| | a. | Pledged / Encumbered | | | | | | |
| | - | Number of shares | 12377194 | 953770 | 11872694 | 12377194 | 953770 | 953770 |
| | - | Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 96.60% | 7.44% | 92.66% | 96.60% | 7.44% | 7.44% |
| | - | Percentage of shares (as a % of the total share capital of the company) | 55.25% | 4.26% | 53.01% | 55.25% | 4.26% | 4.26% |

| | | | | | | | | |
|--|----|--|--------|----------|--------|--------|----------|----------|
| | b. | Unencumbered | | | | | | |
| | - | Number of shares | 435677 | 11859101 | 939459 | 435677 | 11859101 | 11859101 |
| | - | Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 3.40% | 92.56% | 7.33% | 3.40% | 92.56% | 92.56% |
| | - | Percentage of shares (as a % of the total share capital of the company) | 1.94% | 52.94% | 4.19% | 1.94% | 52.94% | 52.94% |

Notes:-

1. The above Unaudited Quarterly Financial Results have been reviewed and taken note by the Board of Directors in the meeting held on November 2nd 2012.
2. The Company has opted to publish Standalone Results in Financial Year 2012-13 instead of Consolidated Results.



3. The performance of subsidiaries is as given below:

| Name of the Subsidiary | %age of Holding | Turnover | Profit / (Loss) for the Period |
|-----------------------------|-----------------|----------|--------------------------------|
| VRL Movers Limited | 50% | NIL | NIL |
| VRL Infrastructure Limited | 50% | NIL | NIL |
| VRL Retail Ventures Limited | 50% | NIL | NIL |

4. The Company has only one business and geographical segment viz retail sales of garments, textile & accessories in India. In view of this no further disclosure is required to be made as per Accounting Standard-17 on Segment Reporting.
5. The weighted average number of Equity Shares outstanding during the period has been considered for calculating the Earning per Share in terms of Accounting Standard-20.
6. The Shareholders in their Annual General Meeting held on September 28, 2012 has approved the issue and allotment of 6829589 warrants convertible into equity shares at the rate of Rs. 12.20, determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. These warrants will be allotted to Mr. Ram Chandra Agarwal and Mrs. Uma Agarwal within 15 Days of the in-principal approval from the Exchanges.
7. Details of number of Investor Complaints/Queries for the Quarter ended 30th September 2012; Pending at the beginning NIL, Received during the quarter NIL, Resolved during the quarter NIL, Pending at closing NIL.
8. Exceptional items includes prior period items amounting Rs. Nil for the quarter ended 30th September 2012, Rs. 39.88 lacs for the quarter ended 30th September 2011, Rs. 26.93 lacs for the quarter ended June 2012 and Rs. 396.87 lacs for the year to date 31st March 2012.
9. The Company has opened 1 new store during the period admeasuring 14,000 Sq. Ft. and now total stores area is 1,10,592 Sq. Ft.
10. Previous quarter / year figures have been regrouped / reclassified where ever necessary.

Dated: November 2nd 2012
Place: New Delhi



For V2 Retail Limited

Ram Chandra Agarwal

Ram Chandra Agarwal
Chairman & Managing Director



AKGVG & ASSOCIATES

Chartered Accountants

Limited Review Report on
V2 Retail Limited, New Delhi
For the Quarter ended 30th September, 2012

To,
The Board of Directors,
V2 Retail Limited.

1. We have reviewed the accompanying un-audited statement of account of V2 Retail Limited (The Company) New Delhi for the quarter ended on 30th September, 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which has been traced from disclosure made by the management and have not been audited by us. These financial statements are responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 –“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, 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 inquiring from person responsible financial and accounting matters. It is an analytical procedure applied to financial data and thus, provides less assurance than audit. We have performed the review accordingly and we do not express an audit opinion.
3. We further report that;
 - a) Secured loan including interest payable thereon are subject to confirmation.
 - b) Sundry Creditors balances are subject to confirmations and further the Management is in the process of recognition & segregation of creditors into due to MSME (Micro, Small & Medium Enterprises) and others. Currently we are unable to comment on provision for Interest due to MSME.
 - c) The Company has Contingent Liabilities to the tune of Rs. 3,530.02 (Rs. 3,672.17) Lacs which include Rs. 61.14 (Rs. 67.28) Lakhs in relation to Bank Guarantees. All other Contingent Liabilities are under appeal with different authorities at different levels. At the moment Company is not able to reliably ascertain estimated amount of such liability so the provision as required in accordance to the Indian Accounting Standard-29 has not been made in books of accounts.
 - d) The Company has incurred substantial losses and its net worth has been eroded. However, having regard to improvement in the economic sentiment, rationalization measures adopted by the Company, Opening of new



stores and the implementation of the debt recast package with the lenders and promoters, these interim financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

- e) *Deferred Tax Asset amounting to Rs.67.97(Rs.52.36)Lacs has been recognized during second quarter though the company has incurred losses in the current year and previous years and there exist no convincing evidence as to virtual certainty of future income to recover the deferred asset as required by AS-22 on Accounting for Taxes on Income.*
 - f) *In our opinion and according to the information and explanations given to us, the company does not have internal audit system commensurate with its size and nature of business.*
 - g) *In our opinion and according to the information and explanations given to us, there is internal control system which is not commensurate with the size of the company and the nature of its business. However during the course of our audit, we observe that management is in process of improvising the Internal Control.*
 - h) The matters as stated above in paragraph 3(a) to (g) are our observations and qualifications on Financial Statements for the period ending on September 30th 2012.
4. Based on our review conducted as above, and subject to our observations in paragraph 3 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 cause to believe that the accompanying un-audited financial statements, prepared in accordance with accounting standards and other recognized practices and policies recognition, asset classification, provisioning and other related matters, have not disclosed the required information including the manner in which it is to be disclosed in term of clause 41 of the Listing Agreement and they contain material misstatement.

Place: New Delhi

Dated: 25thOctober, 2012

For A K G V G & Associates

(Chartered Accountants)

FRN: 018598




Manoj Kumar

(Partner)

(Membership No. 0514461)