

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended			Year Ended		Consolidated	
		31st March 2013	31st December 2012	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
1	Income from Operations							
a.	Net Sales (net of excise duty)	2,601.84	3,579.09	1,228.70	10,567.12	4,016.40	10,567.12	4,042.64
b.	Other Operating Income	-	-	-	-	-	-	-
c.	Total	2,601.84	3,579.09	1,228.70	10,567.12	4,016.40	10,567.12	4,042.64
2	Expenditure							
a.	(Increase)/decrease in stock in trade and work in progress	(1,895.48)	(580.47)	49.31	(2,878.26)	(1,604.36)	(2,878.26)	(1,604.36)
b.	Consumption of raw materials	-	-	-	-	-	-	-
c.	Purchase of traded goods	3,892.57	3,152.99	982.47	10,776.54	4,710.43	10,776.54	4,737.73
d.	Employee benefit expense	201.41	222.65	142.35	826.72	518.07	826.72	518.07
e.	Depreciation and amortisation expense	59.91	58.02	67.82	227.10	259.97	227.10	259.97
f.	Other expenses	596.47	470.01	295.82	1,768.58	1,219.41	1,769.02	1,211.13
g.	Total	2,854.88	3,323.20	1,537.77	10,720.67	5,103.52	10,721.11	5,122.54
3	Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)	(253.04)	255.89	(309.07)	(153.55)	(1,087.12)	(153.99)	(1,079.90)
4	Other Income	51.86	53.33	220.86	209.93	374.07	210.03	374.25
5	Profit / (Loss) from ordinary activities before Finance Cost & Exceptional Items (3+4)	(201.18)	309.22	(88.21)	56.38	(713.05)	56.04	(705.65)
6	Finance Cost	174.43	158.46	174.19	652.11	815.01	652.11	815.01
7	Profit / (Loss) from ordinary activities after Finance Cost but before Exceptional Items (5-6)	(375.61)	150.76	(262.40)	(595.73)	(1,528.06)	(596.08)	(1,520.66)
8	Exceptional Items	93.26	-	262.89	120.19	396.87	120.19	396.87
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	(468.87)	150.76	(525.29)	(715.92)	(1,924.93)	(716.27)	(1,917.53)
10	Tax expense	121.86	(53.76)	(1.74)	188.44	1,553.12	188.22	1,553.12
11	Net Profit/Loss from Ordinary Activities after tax (9+10)	(347.01)	97.00	(527.03)	(527.48)	(3,478.05)	(528.05)	(3,470.65)
12	Extraordinary Items (Net of Tax Expenses)	-	-	-	-	-	-	-
13	Net Profit/Loss for the period (11-12)	(347.01)	97.00	(527.03)	(527.48)	(3,478.05)	(528.05)	(3,470.65)
14	Share of Profit / Loss of Joint Venture						1.01	
15	Minority Interest						(0.34)	(5.96)
16	Net Profit / Loss for the group (13-14-15)			(527.03)	(527.48)	(3,478.05)	(527.37)	(3,476.61)



17	Paid-up equity share capital	2,239.89	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/-
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				24,780.21	25,301.97	24,695.88	25,217.52
19	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)	(1.55)	0.43	(2.35)	(2.35)	(15.53)	(2.35)	(15.52)
a(i).	Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(1.55)	0.43	(2.35)	(2.35)	(15.53)	(2.35)	(15.52)
b.	Basic EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(1.55)	0.43	(2.35)	(2.35)	(15.53)	(2.35)	(15.52)
b(i).	Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(1.55)	0.43	(2.35)	(2.35)	(15.53)	(2.35)	(15.52)
20	Public shareholding							
a.	Number of shares	9585998	9585998	9585998	9585998	9585998	9585998	9585998
b.	Percentage of shareholding	42.80%	42.80%	42.80%	42.80%	42.80%	42.80%	42.80%
21	Promoters and Promoter Group Shareholding **							
a.	Pledged / Encumbered							
-	Number of shares	12377194	12377194	953770	12377194	953770	12377194	953770
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	96.60%	96.60%	7.44%	96.60%	7.44%	96.60%	7.44%
-	Percentage of shares (as a % of the total share capital of the company)	55.25%	55.25%	4.26%	55.25%	4.26%	55.25%	4.26%
b.	Unencumbered							
-	Number of shares	435677	435677	11859101	435677	11859101	435677	11859101
-	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	3.4%	3.4%	92.56%	3.4%	92.56%	3.4%	92.56%
-	Percentage of shares (as a % of the total share capital of the company)	1.94%	1.94%	52.94%	1.94%	52.94%	1.94%	52.94%



Notes to Results:

1)

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2013

Shareholders' Funds	Standalone		Consolidated	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
(a) Share Capital	223,988,690	223,988,690	223,988,690	223,988,690
(b) Reserves and Surplus	2,478,021,161	2,530,197,223	2,469,588,108	2,521,752,475
Capital Reserve on Consolidation of Joint Venture	-	-	2,091,805.00	2,091,806.00
Sub-total – Shareholders' funds	2,702,009,851	2,754,185,913	2,695,668,603	2,747,832,971
Non-Current Liabilities				
(a) Long-term borrowings	315,600,746	170,013,021	315,600,746	170,013,021
(c) Other Long term liabilities	4,860,000	4,800,000	4,860,000	4,902,483.00
(d) Long term provisions	1,267,473	543,288	1,267,473	543,288
Sub-total - Non-current liabilities	321,728,219	175,356,309	321,728,219	175,458,791
Current Liabilities				
(a) Short-term borrowings	-	-	1,280,000	3430000
(b) Trade payables	246,733,085	75,734,341	246,733,086	78,039,309
(c) Other current liabilities	399,785,925	414,317,205	406,023,592	420,553,748
(d) Short-term provisions	4,169,764	503,714	4,169,764	503,714
Sub-total - Current liabilities	650,688,774	490,555,260	658,206,442	502,526,772
Total Equity and Liabilities	3,674,426,844	3,420,097,482	3,675,603,264	3,425,818,534
ASSETS				
Non-current Assets				
(a) Fixed assets				
(i) Tangible assets	83,336,389	62,590,114	83,336,389	62,590,114
(ii) Intangible assets	2432243	2833354	2432243	2,833,354
(iii) Capital work-in-progress	12,486,005	738,000	12,486,005	738,000
Share in Joint Venture	-	-	-	-
(b) Non Current Investment	322,570,786	331,671,807	320,514,506	329,615,527
(c) Deferred tax assets (net)	2,709,435,937	2,690,591,951	2,709,929,766	2,691,107,672
(d) Long term loans and advances	16,530,088	10,025,675	16,555,104	10,050,691
(e) Other non-current assets	30,195,544	29,992,306	31,767,761	31,564,523
Sub-total Non current Assets	3,176,986,992	3,128,443,207	3,177,021,774	3,128,499,881
Current Assets				
(a) Inventories	448,261,844	160,436,041	448,261,844	160436041.1
(b) Trade receivables	65,776	1,788	1,016,241	5,249,384
(c) Cash and cash equivalents	17,953,014	102,142,427	18,144,188	102,559,210
(d) Short-term loans and advances	30,993,068	29,074,019	30,993,068	29,074,019
(e) Other current assets	166149.96	-	166149.96	-
Sub-total Current Assets	497,439,852	291,654,274	498,581,491	297,318,654
Total	3,674,426,844	3,420,097,482	3,675,603,264	3,425,818,534

- 2) The above audited consolidated financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held 30th May, 2013.
- 3) The consolidated financial results have been prepared in accordance with the Accounting Standard- 21 on "Consolidated Financial Statements" and Accounting Standard – 27 on "Financial Reporting of Interest in Joint Ventures". Financial results



of the following subsidiaries viz. VRL Infrastructure Limited, VRL Movers Limited, VRL Retail Ventures Limited and joint venture VRL Retailer Business Solution Private Limited have been consolidated.

- 4) The financial results for the quarter ended 31st March, 2013 are balancing figures between the audited results for the full financial year and the published year to date figures upto the third quarter of the current financial year.
- 5) The Company has only a single reportable primary (business) segment viz. Retail Business. Therefore, segment information is provided only on a consolidated basis for the Company, its subsidiaries and joint venture called the "Group".
- 6) The Company has Contingent Liabilities to the tune of Rs. 6413.54 Lacs which includes Rs. 46.53 Lacs relating to Bank Guarantee. All Contingent Liabilities except Bank Guarantees are under appeal with different authorities at different levels.
- 7) The Company has incurred substantial losses in the past 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 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.
- 8) The accumulates losses Rs. 532,12,72,927 (Rupees Five Hundred Thirty Two Crores Twelve Lacs Seventy Two Thousand Nine hundred Twenty Seven only) as at 31st March, 2013 which exceed the net worth of the company.
- 9) Details of number of Investor Complaints/Queries for the Quarter ended 31st March 2013; Pending at the beginning NIL, Received during the quarter NIL, Resolved during the quarter NIL, Pending at closing NIL.
- 10) The management has conducted physical verification of inventory at reasonable intervals during the year. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.

For V2 Retail Limited



(RAM CHANDRA AGARWAL)
Chairman & Managing Director



Place: New Delhi

Date: May 30, 2013



A K G V G & ASSOCIATES

Chartered Accountants

Auditors' Report on financial results of V2 Retail Limited pursuant to Clause-41 of Listing Agreement

TO THE BOARD OF DIRECTORS OF V2 RETAIL LIMITED.

1. We have audited the accompanying statement "Audited Consolidated Financial Results for the year ended 31 March 2013" ("The Statement") of **V2 Retail Limited** ("the company, its subsidiaries and joint venture constitute "the Group") for the year ended March 31st 2013, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This statement has been prepared on the basis of related annual consolidated financial statements, which are the responsibility of the Company's management and has been approved by Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 4 of the Statement regarding the figures for the quarter ended March 31st, 2013 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
4. With qualifying our opinion, we hereby report following :
 - a) *In our opinion and according to the information and explanations given to us, there is inadequate internal control system commensurate with the size of the company and the nature of its business, for the recording of accounting transactions of purchase of inventory and expenses, which need to be strengthen. During the course of our audit, we observed however we observed that management is in process of improvising the Internal Control.*



- b) *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.*
- c) *Fixed assets have not been physically verified by the management during the year. As explained by the management company has a policy of physical verification once in a period of three year.*
- d) We have not been provided the basis of accounting for Capital reserves amounting to Rs. 60,523.24/- Lacs created during the F/y 2010-11 on account of restructuring of Business of the company.
- e) No documentary evidence has been provided for rate of interest, impacting interest expenses amounting in aggregate of Rs.5,99,80,407/- included in finance cost, balances and such interest are subject to confirmation.

5. Without qualifying our opinion, we report that,

- a) The Company has Contingent Liabilities to the tune of Rs. 6413.54 Lacs. 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 Accounting Standard-29 has not been made in books of accounts.
- b) The Company has incurred substantial losses in upto year 2011-12 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 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. The accumulates losses 5,32,12,72,927 (Rupees Five hundred Thirty two crores twelve lacs seventy two thousand nine hundred twenty seven only) as at 31st March, 2013 which exceed the net worth of the company.
- c) Sundry Creditors balances are subject to confirmations for which Balance Confirmations have been circulated, and further the Management has not provided the segregation of creditors into creditors into dues to MEME (Micro, Small & Medium Enterprise) and others. So we are unable to comment on provision for interest due to MEME. However as explained by the management, they are in process of recognition and segregation of creditors in to dues to MSME.



- d) Other Non Current Assets, amount paid under protest to PF department amounting to Rs. 1,56,38,239/- and to Service department Rs. 75,00,000 have been shown, as according to management the case is under protest and appeals have lodged.
6. The Statement reflects the Group's share of Revenues of Rs. Nil and Profit (Loss) after Tax (net) of Rs. (33,886)/- Relating to 3 Subsidiary, whose results have been audited by other auditors and whose results have been considered by us in submitting the report. The Statement also reflects the Group's Share of Revenue of Rs. Nil and Profit (Loss) after tax (Net) of Rs. (1,01,360)/- relating to share in One Joint controlled entity whose results have been audited by other auditors and whose results have been considered by us in submitting the report.
7. Read with para 4, 5 and 6 above, in our opinion and to the best of our information and according to the explanations given to us, the Statement:
- Is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
 - Gives a true and fair view of the net profit and other financial information of the Group for the year ended March 31st, 2013
8. Further we also report that we have traced, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged/ encumbered shares and non-encumbered shares of the promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements from the details furnished by the Management and the particulars relating to the undisputed investor complaints from the details furnished by the Registrars.

For A K G V G & Associates.

Chartered Accountants

ERN No.018598N


(Vimal Kumar Saini)
(Partner)
(Membership No. 515915)

Place: New Delhi

Date: 30th May, 2013