



AKGVG & ASSOCIATES

Chartered Accountants

Limited Review Report

Review Report to
Board of Directors of
V2 Retail Limited.

1. We have reviewed the accompanying statement of unaudited financial results of **V2 Retail Limited** ("the Company") for the quarter ended December 31st 2014 (the "Statement") 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 reviewed by us. This statement is the responsibility of the company's management and has been approved by the board of directors of the company. Our responsibility is to issue a report on the statement based on our review.
2. We 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 Statement is free of material misstatement(s). A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, we draw attention to :
 - a) *Included in capital reserve amounting to Rs. 60,523.24/-lacs, is Rs. 42,942/- lacs arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliation/ information to the tune of Rs 372.24/- lacs is not available with the company. Accordingly in the absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these quarterly financial results.*
 - b) *The Company has outstanding short-term borrowings at the quarter-end due to a lender including overdue principal and interest for which necessary supporting documents for balance confirmation at the quarter end and relevant information with relation to rate of interest is not available with the Company. In the absence of the same, we are unable to comment on the same.*
 - c) *The Company has recognized Rs. 26,397.73/- lacs as deferred tax assets at the quarter-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Had the company not recognized deferred tax, impact on profit and loss account would have been increase in profit during the quarter by Rs. 339.92/- lacs and decrease in accumulated balances of Reserves and Surplus by Rs. 26,397.73/- lacs.*
 - d) *The company has contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs. 16,938.13/- lacs for which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these quarterly financial results in accordance with Accounting Standard-29, "Provisions, Contingent Liabilities and contingent assets" issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.*



Accordingly, we are unable to express an opinion at this stage in respect of these matters reported in paragraphs (a) to (d) above and their consequential effects, if any on the unaudited quarterly financial results. The matters reported in paragraphs (a) to (d) above were the subject matter of qualification by us in the year ended March 31st 2014, quarter ended 30th June 2014 and quarter ended 30th September 2014 as well.


4. Without qualifying our opinion, we report that,

a) The Company has accumulated losses amounting to Rs. 52,782.64/- lacs as at 31st December 2014, which raises concern regarding going concern status of the Company. However during the quarter ended 30th June 2014, 30th September 2014 and 31st December 2014, company has earned net profits of Rs. 145.38/- lacs , Rs. 220.62/- lacs and Rs. 515.45/- respectively and, having regard to improvement in the business conditions, increase in revenue from operations, cost rationalization measures adopted and opening of new stores by the Company, these quarterly financial results have been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities.

5. Based on our review conducted as above, *subject to our observations in paragraph 3 and 4 above, the consequential effect of which on relevant assets, liabilities and profit for the quarter is not quantifiable*, nothing has come to our attention that cause 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", specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognized 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 A K G V G & Associates
Chartered Accountants
ICAI Firm Registration Number: 018598N

Vimal Saini
(Vimal Kumar Saini)
(Partner)
(Membership No. 51591)



Place: New Delhi

Date: 5th February, 2015

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31st 2014

(Amounts in Lacs except Shares and EPS)

S.No.	Particulars	Quarter ended			Nine month ended		Year ended
		31st December 2014	30th September 2014	31st December 2013	31st December 2014	31st December 2013	31st Mar 2014
	PART-I	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	a. Net Sales/Income from operations (Net of excise duty)	7,916.03	7,064.19	7,020.40	22,114.27	17,649.63	22,889.23
	b. Other Operating Income	-	-	-	-	-	-
	c. Total Income from operations (a)+(b)	7,916.03	7,064.19	7,020.40	22,114.27	17,649.63	22,889.23
2	Expenses						
	a. Consumption of raw materials	-	-	-	-	-	-
	b. Purchase of traded goods	4,770.81	4,806.31	5,383.42	14,631.09	14,180.03	18,315.00
	c. Changes in inventories of finished goods, work in progress and stock in trade	694.37	206.15	(223.14)	1,084.06	(1,190.51)	(1,069.42)
	d. Employee benefits expense	493.83	436.80	394.81	1,364.29	1,192.55	1,592.01
	e. Depreciation and amortisation expense	76.98	78.05	91.68	254.25	250.92	348.19
	f. Other expenses	839.05	938.65	755.49	2,660.08	2,396.59	3,627.33
	Total (a)+(b)+'(c)+(d)+(e)+(f)	6,875.04	6,465.96	6,402.26	19,993.77	16,829.58	22,813.10
3	Profit / (Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	1,040.99	598.23	618.14	2,120.50	820.05	76.13
4	Other Income	63.87	60.12	54.62	182.35	162.06	220.66
5	Profit / (Loss) from ordinary activities before Finance Cost & Exceptional Items (3+4)	1,104.86	658.35	672.76	2,302.85	982.11	296.79
6	Finance Costs	249.48	236.16	205.49	708.16	593.84	805.46
7	Profit / (Loss) from ordinary activities after Finance Cost but before Exceptional Items (5-6)	855.38	422.19	467.27	1,594.69	388.27	(508.67)
8	Exceptional Items	-	-	-	-	(16.78)	(17.33)
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	855.38	422.19	467.27	1,594.69	371.49	(526.01)
10	Tax expense	(339.92)	(201.58)	(141.48)	(713.33)	(63.61)	75.25
11	Net Profit /Loss from Ordinary Activities after tax (9+10)	515.46	220.61	325.79	881.36	307.88	(450.76)



12	Extraordinary Items (Net of Tax Expenses)		-	-	-	-	-	-
13	Net Profit /Loss for the period (11-12)		515.46	220.61	325.79	881.36	307.88	(450.76)
14	Paid-up equity share capital (Face Value of Rs. 10/- per share)		2,239.89	2,239.89	2,239.89	2,239.89	2,239.89	2,239.89
15	Reserve excluding Revaluation Reserves							24,072.19
16	Earnings Per Share (EPS) of Face Value of Rs. 10/- each (not annualised):							
	a.	Basic EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	2.30	0.98	1.45	3.93	1.45	(1.94)
	a(i).	Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	2.30	0.98	1.45	3.34	1.45	(1.94)
	b.	Basic EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	1.96	0.98	1.45	3.93	1.37	(2.01)
	b(i).	Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	1.96	0.98	1.45	3.34	1.37	(2.01)
A	PART-II- Select Information for the Quarter and Nine Months ended 31st December 2014							
1	Public shareholding							
	a.	Number of shares	9587998	9587998	9587998	9587998	9587998	9587998
	b.	Percentage of shareholding	42.81%	42.81%	42.81%	42.81%	42.81%	42.81%
2	Promoters and Promoter Group Shareholding							
	a.	Pledged / Encumbered						
	-	Number of shares	12377194	12377194	12377194	12377194	12377194	12377194
	-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	96.61%	96.61%	96.61%	96.61%	96.61%	96.61%
	-	Percentage of shares (as a % of the total share capital of the company)	55.26%	55.26%	55.26%	55.26%	55.26%	55.26%

	b.	Non-encumbered						
	-	Number of shares	433677	433677	433677	433677	433677	433677
	-	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	3.39%	3.39%	3.39%	3.39%	3.39%	3.39%
	-	Percentage of shares (as a % of the total share capital of the company)	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%



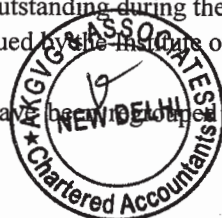
	Particulars	3 months ended
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

Notes:-

1. The above Unaudited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 5th 2015 and have undergone "Limited Review" by the Statutory Auditors of the Company.
2. The Financial results have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.
3. The Company has opted to publish Standalone Results in financial year 2014-15 instead of Consolidated Results.
4. 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

5. 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.
6. The Board of directors in their meeting held on 4th April 2014 subsequent to the shareholders' approval in their Extra Ordinary General Meeting held on March 21st, 2014 allotted 39,52,720/- warrants to be convertible at the option of Warrant holders in one or more trenches, to Mr. Akash Agarwal, the promoters and/or promoters group with each warrant carrying an option/entitlement to subscribe to one equity share of the face value of Rs. 10/- each in exchange of each such Warrant within a maximum period of 18 months from the date of issue of warrants. An amount equivalent to 25% of the issue price has been received from him, which entitles him to apply for an equivalent number of equity shares on payment of balance 75% of the issue price within 18 months from the date of allotment of warrants.
7. The financial results for the quarter ended 31st December 2014 are the balancing figures between figures in respect of the period ending 31st December 2014, and the reviewed published year to date results upto 30th September 2014, being the end of the first half of the financial year, which were subjected to limited review.
8. 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 issued by the Institute of Chartered Accountants of India (ICAI)..
9. Previous quarter / Nine months / year figures have been reviewed / reclassified where ever necessary to confirm to the current quarter's and nine month's presentation.



10. Management comments on auditors' qualifications / observations for the previous quarter / period are as under:-

- a) The Capital reserve amounting to Rs.60,523.24 Lacs, is Rs. 42,942.24 Lacs arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliation/ information to the tune of Rs 372.24 Lacs is not available with the company. Accordingly in the absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these financial statements.

The Company restructured its business in F.Y 2010-11 resulting a Capital Reserve of Rs. 60523 Lacs. The amount of Capital Reserve has been reconciled except Rs. 372.24 Lacs for which the company is in process to reconcile and there is no impact on Profit & Loss account.

- b) The Company has outstanding short-term borrowings at the year-end due to a lender including overdue principal and interest for which necessary supporting documents for balance confirmation at the year end and relevant information with relation to rate of interest is not available with the Company. In the absence of the same, we are unable to comment on the same.

The interest expense has been recognised in the Books of Account on the basis of the figure provided by the concerned lender in May 2012, in relation to balances as on 31st March 2012. The matter in respect of rate of interest is pending with DRT-II, Kolkata. Impact on Profit & Loss account cannot be quantified till the matter is disposed off by DRT-II, Kolkata.

- c) The company has recognized Rs. 27,111.06 Lacs as deferred tax assets at the year-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India . Had the company not recognized deferred tax, impact on profit and loss account would have been increase in loss during the year by Rs. 16.70 Lacs and decrease in Reserves and Surplus by Rs. 27,111.06 Lacs.\

The Company has started to earn profits and during preceding nine months the Company has earned profit after tax of Rs. 882 Lacs resulting in reversal of Deferred Tax Assets by a sum of Rs. 713 Lacs and rest amount will be reversed in due course of business.

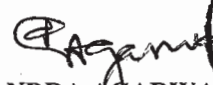
- d) The Company has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs. 16,957.11 Lacs for which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these financial statements in accordance with Accounting Standard-29 issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.

The Contingent Liabilities of Rs. 16,957.11 Lacs are under appeal with different authorities at different levels. The chances of these obligations are very remote even recently we have been awarded an order in our favour by Hon'ble Delhi High Court, quashing a demand of about 1100 Lacs. Impact on Profit & Loss account cannot be ascertained till the matter is pending with different government authorities.

Dated: February 5, 2013
Place: New Delhi



For V2 Retail Limited


(RAM CHANDRA AGARWAL)
MANAGING DIRECTOR
DIN:-00491885

