



V2 Retail Limited

Date: May 11, 2017

To,

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block,
BandraKurla Complex, Bandra(East)
Mumbai-400051
NSE Code- V2RETAIL

BSE (Bombay Stock Exchange) Limited

25th floor, "PhirozeJeejeebhoy Tower",
Dalal Street, Narimal Point, Mumbai-400001
BSE Code-532867

Sub: Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:- Investor Presentation April 2017

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Please find enclosed herewith Investor Presentation April 2017

Please treat this as intimation to your exchange as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The aforesaid intimation is also disclosed on the website of the company, www.v2retail.com.

This is for your information and record.

Yours Truly

For V2 Retail Ltd.

Mr. Ramchandra Agarwal
Chairman & Managing Director
DIN00491885





V2 Retail Limited

Corporate Presentation

April 2017

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Section 1: Executive Summary

Executive Summary

Retail Industry: a high growth industry

- Indian Retail is one of the fastest growing markets in the world due to economic growth.
- Changing customer preferences leading to a rapid shift to organised retail. Growth of organised retail will further boost and help in enhance availability and drive growth.
- High disposable income leading to shift in consumer preferences to branded and premium products. Consumer expenditure estimated to be USD3.6 trillion by 2020 vis-à-vis USD1.25 trillion in 2015.
- Retail market in India to reach USD 1.3 trillion by 2020 from USD 600 billion in 2015.
- Rising number of Tier 2 & Tier 3 cities to enhance supermarket space in the country.

V2 Retail: Well entrenched to capture the growth in the Industry

- **V2 Retail** is one of the fastest growing retail company in India and enjoys strong brand equity from customers across segments.
- The Company currently operates 37 stores spread across 13 states with a total retail area in excess of 4.60 lac Sq. Ft.
- Company is focusing on Private Labels and scaling up in-house brands across all price points.
- Per sq. ft sales of more than ₹ 1100 per month for last three years, one of the best amongst apparel retailers.
- The Company caters to the 'neo middle class' and 'middle class' group of population living in small towns.
- Experienced Management with strong industry expertise with its promoters having an experience of around 25 years in the Retail Industry
- Total Income of ₹ 3,225 million and PAT of ₹ 122 million in FY2016. Total income has been growing at CAGR of 65% during FY2012-FY2016. Revenue for the 9MFY17 grew at 51% Y-o-Y from ₹ 241 crores to ₹ 364 crores.

Section 2: Key Strengths

Key Strengths



1

V2 Retail – one of the fastest growing retail chains in India

2

Operating in a niche segment of 'Value Retailing'. Clear focus on Apparel and General Merchandise segment

3

Consistent per square feet sale of more than ₹ 1100 per month for past 3 years, the best amongst apparel retailers

4

Focused approach on growth of same store sales and better footfall conversion for margin improvement to create further value

5

Systems & Processes are in place for Inventory Management & MIS

6

Zero working capital debt based expansion.



Section 3: Company Overview

Company Overview

- V2 Retail Limited (formerly known as Vishal Retail Limited), incorporated in the year 2001 with an objective of providing merchandise to masses at affordable price.
- The Company went Public in the year 2007.
- The brand “Vishal” was sold in the year 2011 due to operational losses. The Company was renamed V2 Retail Limited.
- It primarily operates in Tier-II and Tier-III cities, with a chain of “V2 Retail” stores offering apparels and general merchandise, catering to the entire family.
- The Company is one of the fastest growing Retail Company in India.
- The Company currently operates 37 stores spread across 13 states with a total retail area in excess of 4.60 lac Sq. Ft.
- Per sq. ft sales of more than ₹ 1100 per month for last three years, the best amongst apparel retailers.
- The Company caters to the ‘neo middle class’ and ‘middle class’ group of population living in small towns.

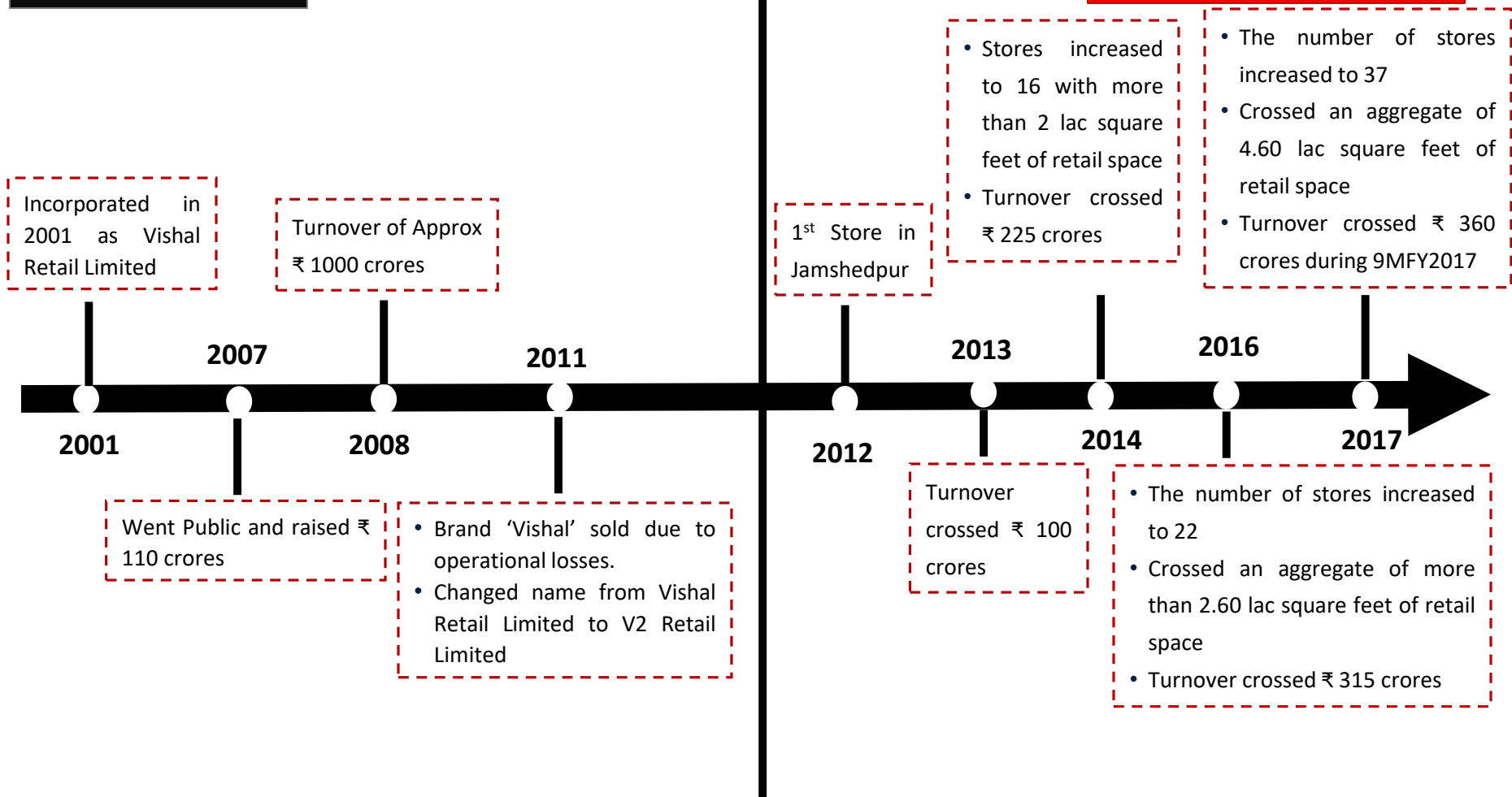
Stores	
State	No of Stores
Bihar	14
Himachal Pradesh	1
Jharkhand	1
Karnataka	1
NCR	3
North East	4
Odisha	2
Uttar Pradesh	8
Uttrakhand	2
West Bengal	1
Total	37

Operates on its key guiding principles of “Value & Variety” at reasonable price to consumers

Milestones

First Inning

A new beginning..



Business Verticals

Business Verticals

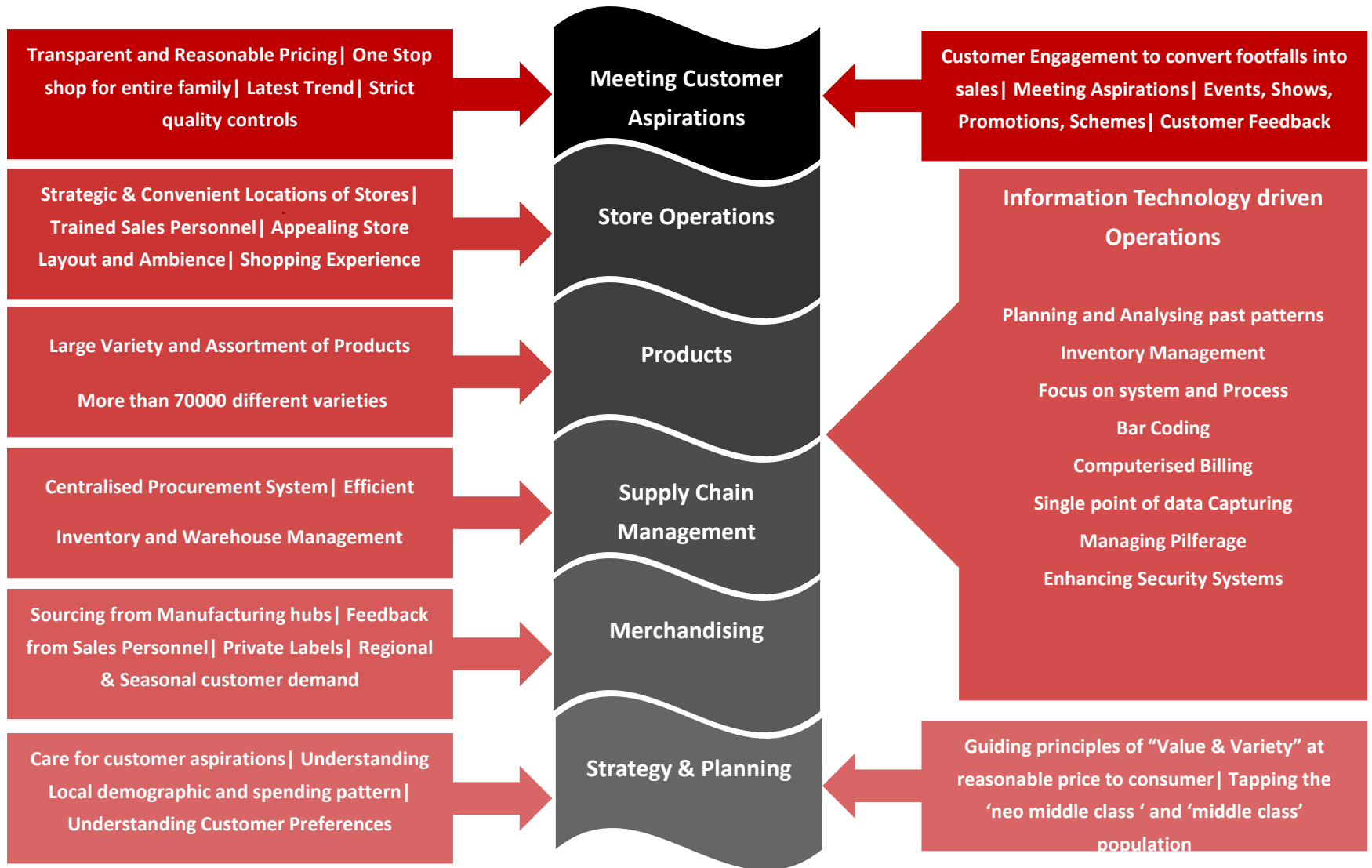
- **Men’s Wear** – Upper, Lower, Occasion Wear, Winter Wear, Sportswear, Formal, Casual,
- **Ladies Wear** – Ethnic wear, Upper, Lower, Occasion Wear, Winter Wear, Sportswear
- **Kids Wear** – Boy, Girls, Infants, Winter Wear
- **Lifestyle** - Lifestyle products like Deodorants, wallets, sunglasses, ladies purse etc.

Verticals	Sales Mix
Men’s Wear	45%
Ladies Wear	27%
Kids Wear	25%
Lifestyle	3%

The key factors driving apparel business

Shopping Trigger	Triggers for apparel Shopping	Occasions Drive Purchases Festivals Weddings Birthdays Social Functions	<ul style="list-style-type: none"> • Key guiding principles of “Value & Variety” at reasonable price to consumer. • V2 Retail is a “one stop family shop” with a comprehensive portfolio of product offerings. • Range of products to suit everyone’s budget. • Shopping from an organised retail store fulfils the aspirational value of people living in small towns
	Key Aspects	Emotional Needs New Seasons New Trends Fun times Feels likes it	
		Functional needs Discount Offers Sale Replace Old	
		Price Quality of make Quality & Type of Fabrics Durability Comfort Fit	

Business Process



Store Presence and Strong Product Sourcing Capabilities

Expansion of Stores with Focus on Profitability

- V2 Retail opens new stores with a clear focus on profitability. The idea is to do profitable growth than geographical based expansion.
- Currently, it owns and operates 37 stores spread out across 34 cities and 13 states amounting to approx 4.60 lac Sq. Ft.

• NCR	• Karnataka
• West Bengal	• Uttarakhand
• Bihar	• Odisha
• Uttar Pradesh	• North East
• Jharkhand	• Himachal Pradesh

- The Company has one distribution center capable of catering to 10 lakh sq. ft. of retail space.

Strong and Diversified Procurement Network

- Centralized Procurement System ensuring all the products go through rigorous Quality Parameter Check
- Timely payments to vendors to ensure seamless supply at best prices.
- The Company has a wide network of vendors and suppliers spread across the country
- The benefits of Centralized Procurement ensures right products at right time at reasonable cost to end consumer

Pleasant ambience for the aspiring class in Tier-II and Tier-III Cities



Average store sizes of 10,000 square feet



Competitive Strengths

<p>First mover advantage</p>	<ul style="list-style-type: none"> • 25 years of experience in serving the Indian Retail space • V2 Retail has a first mover advantage in various Tier-II and Tier-III cities. • It is one of the pioneers in opening stores in smaller Indian towns and Tier-II and Tier-III cities like Jaunpur, Haldwani, Arrah, Chapra etc.
<p>Per Square Feet Sales</p>	<ul style="list-style-type: none"> • One of the most efficient apparel retailer with consistently maintaining per square feet sales of more than ₹ 1100 per month for last 3 years.
<p>Centralized Procurement System & Quality Check</p>	<ul style="list-style-type: none"> • Centralized procurement and rigorous quality check • It has a wide network of registered vendors and suppliers spread across the country
<p>Efficient Supply Chain Management</p>	<ul style="list-style-type: none"> • The Company has comprehensive SCM system comprising of planning, sourcing, standardization, logistics, quality control, pilferage control, replacement and replenishment. • The Company has one distribution center capable of catering to 10 lakh sq. ft. of retail space
<p>Strong IT infrastructure, systems and processes</p>	<ul style="list-style-type: none"> • The Company uses an comprehensive ERP software (SAP) • It has a strong Management Information System (“MIS”)
<p>Pleasant ambience</p>	<ul style="list-style-type: none"> • It provides pleasant Air-Conditioned stores ambience with trial rooms and a modern shopping environment to its in Tier-II and Tier-III cities.
<p>One Stop Family Shop</p>	<ul style="list-style-type: none"> • The Company’s product range specifically caters to the demands and aspirations of ‘neo middle class’ and the ‘middle class’ group of the population with an added focus on latest fashion and trends.

Key Management Profile

Name & Designation

Brief Profile

Mr. Ram Chandra Agarwal

Chairman and Managing Director

- **Mr. Agarwal** holds a bachelor's degree in Commerce
- He has more than 25 years of entrepreneurial and business experience. He has been a member of the Board of Directors since inception. He provides strategic direction to the Company and is the driving force behind the establishment and growth of the Company.
- He is the pioneer in value retailing and brought this concept in India
- He was conferred several awards at different forums such as Ernst & Young Entrepreneur of the year award in 2008 and 4Ps Power Brand Award in 2007.

Mrs. Uma Agarwal

Whole Time Director

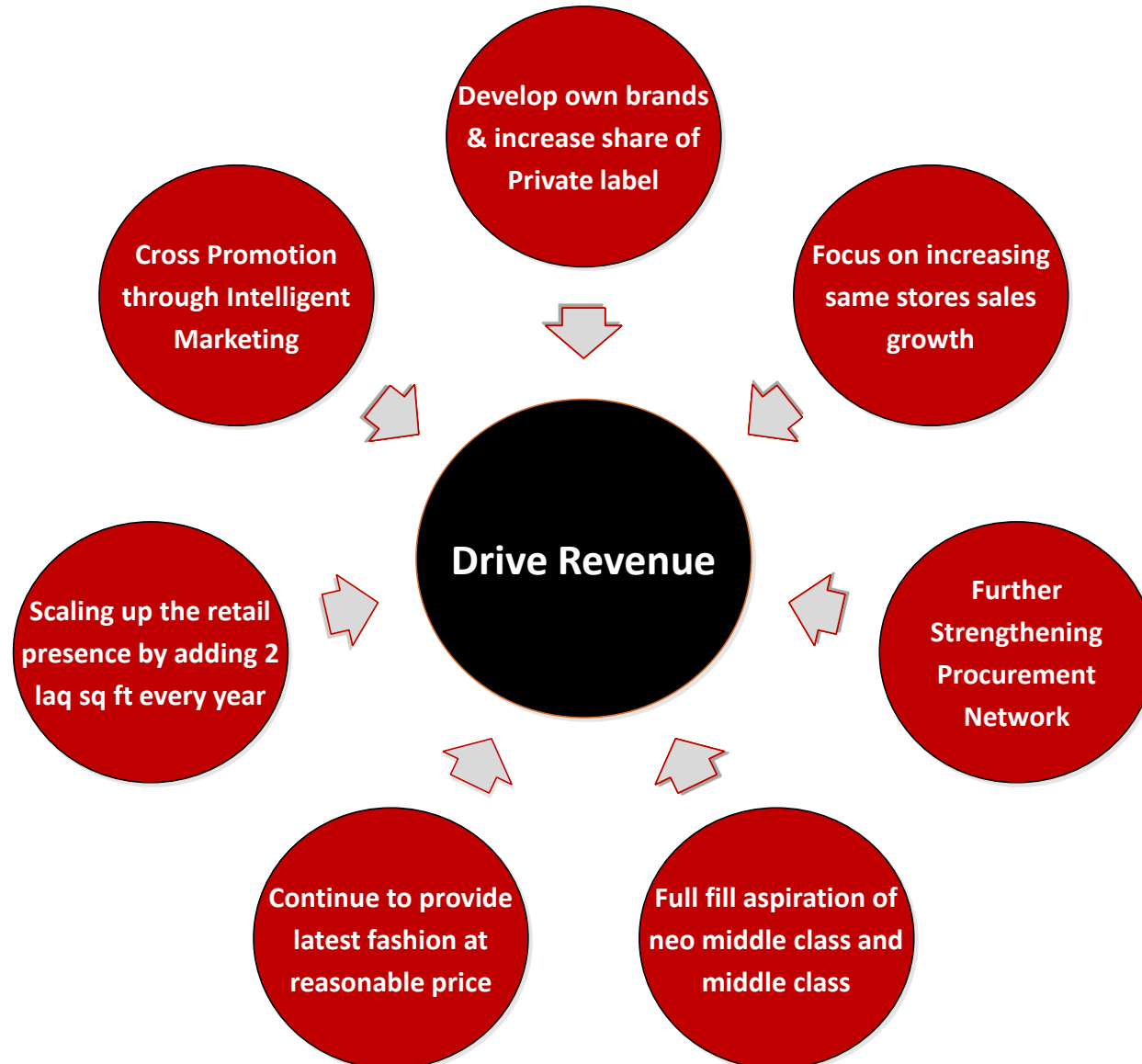
- **Mrs. Agarwal** holds a bachelor's degree in Arts
- She has more than 15 years of experience in the retail industry.
- She has been a member of the Board of Directors since inception. She oversees the marketing strategies of the Company.

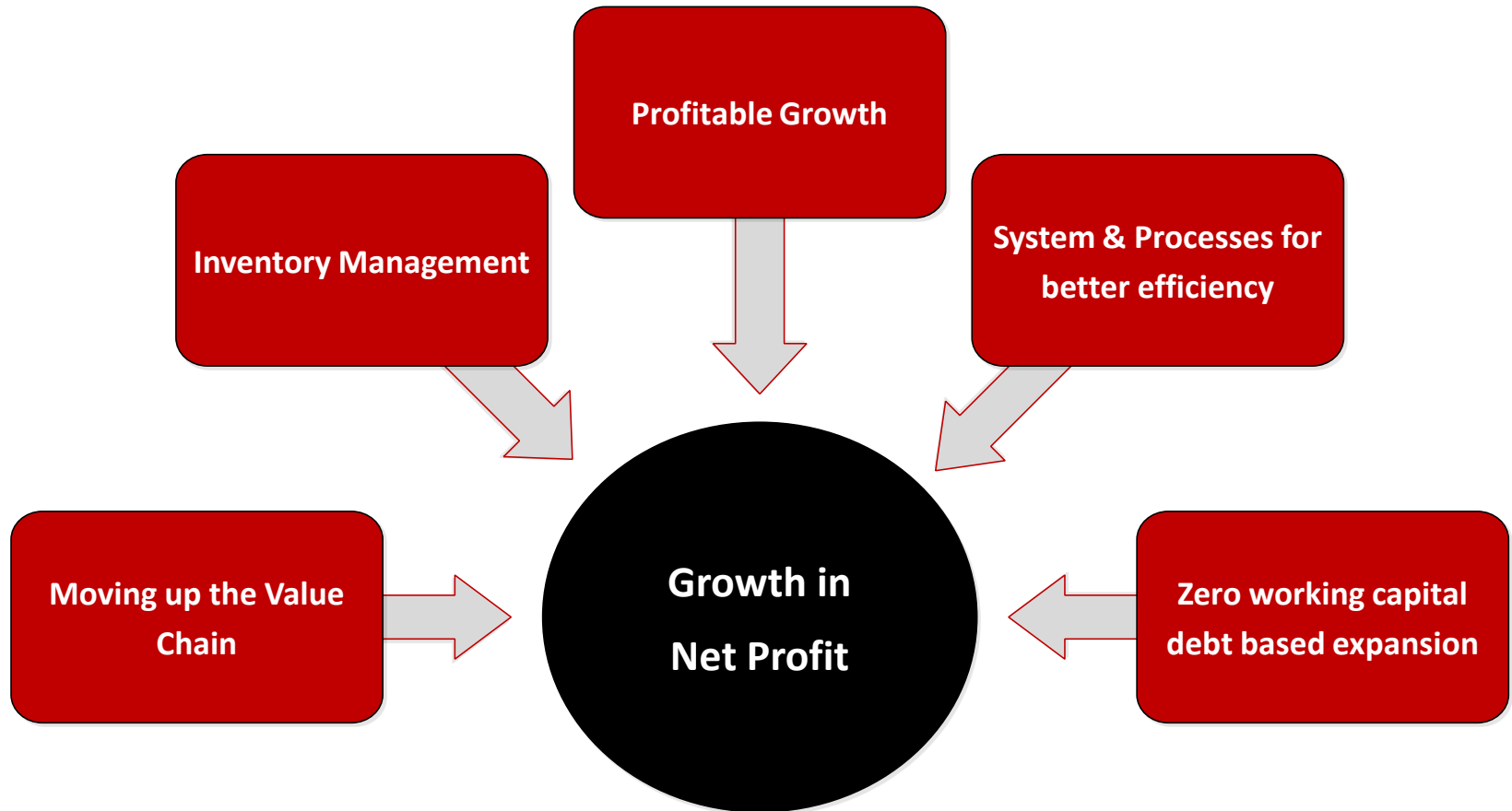
Management Team

Name & Designation	Brief Profile
<p>Mr. Akash Agarwal <i>Head - Procurement</i></p>	<ul style="list-style-type: none"> • Mr. Agarwal is a commerce Graduate • He has more than 5 years of experience in the Retail Industry
<p>Mr. Nikhil Kansal <i>Retail Head</i></p>	<ul style="list-style-type: none"> • Mr. Kansal holds a degree in Executive Management Program in Sales & Marketing from IIM Lucknow and Post Graduate Diploma in Business Management from IMT Ghaziabad • He has more than 17 years of experience in Retail Industry. Prior to join V2, he has worked with Reliance Retail Limited
<p>Mr. Pratik Adukia <i>Head – Merchandising</i></p>	<ul style="list-style-type: none"> • Mr. Adukia is commerce graduate and CA Inter. • He has more than 15 years of experience in Retail Industry
<p>Mr. Varun Singh <i>Chief Financial Officer</i></p>	<ul style="list-style-type: none"> • Mr. Singh is a Chartered Accountant • He has more than 10 years of experience in Accounts & Finance. • Prior to join V2, he has worked with Eye-Q Vision Pvt. Ltd. (Chain of Super Speciality Eye Care Hospitals)
<p>Mr. Abhishek Khemka <i>Head - Planning & Sourcing</i></p>	<ul style="list-style-type: none"> • Mr. Khemka is a commerce graduate • He has more than 19 years of experience in the retail industry. • Prior to join V2, he has worked with CityKart Retail Limited
<p>Mr. Gaurav Bajaj <i>GM - Merchandising</i></p>	<ul style="list-style-type: none"> • Mr. Bajaj holds a degree in PGDBM (Retail Management) and BE (Electronics) • He has more than 20 years of experience in Retail Industry • Prior to join V2, he has worked with Club Central

Section 4: Business Strategy







Section 5: Industry Overview

Indian Retail industry

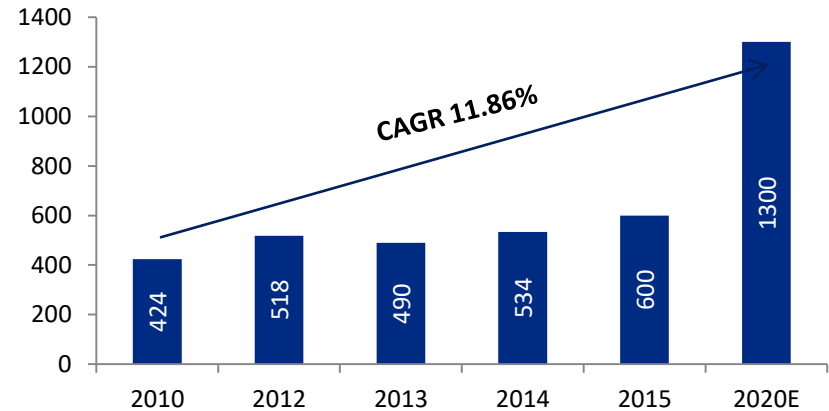
Overview

- The Indian Retail sector is emerging as one of the largest sectors in the economy.
- Retail industry is expected to grow to US\$ 1.3 trillion by 2020, registering a CAGR of 16.7% between 2015-2020.
- The organized retail penetration in India is low (8 per cent) compared with that in other countries, such as US (85%). This indicates strong growth potential for organized retail in India.
- Organized retail is expected to account for 24% of the overall retail market by 2020.
- Clothing & Footwear at 37% has the largest share of the organised retail market in FY15.
- The retail sales during FY20 to surge by 2x from the FY15 sales level aggregating USD 1300 billion during FY20 recording a CAGR of 16.72%.
- Rapid emergence of organised retail outlets, such as mega malls and hypermarkets, are augmenting the growth of organised retail in the country. Retailers have made dynamic changes in supply chain and logistics for competitive advantage and meeting consumer demands

Indian Retail Market Size

Indian Retail sales to surge by 2 times by FY20

Market Size (USD Billion)

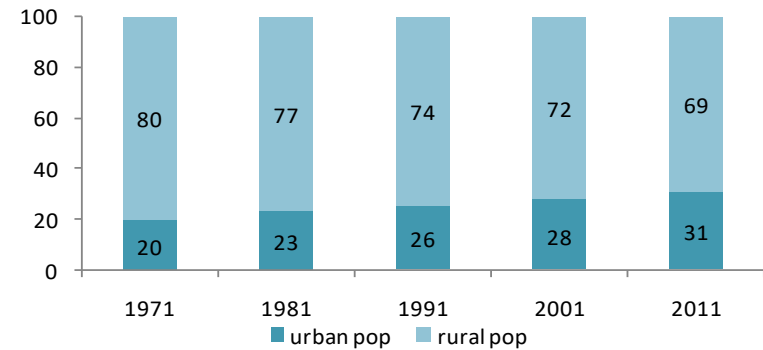


Indian Retail Industry

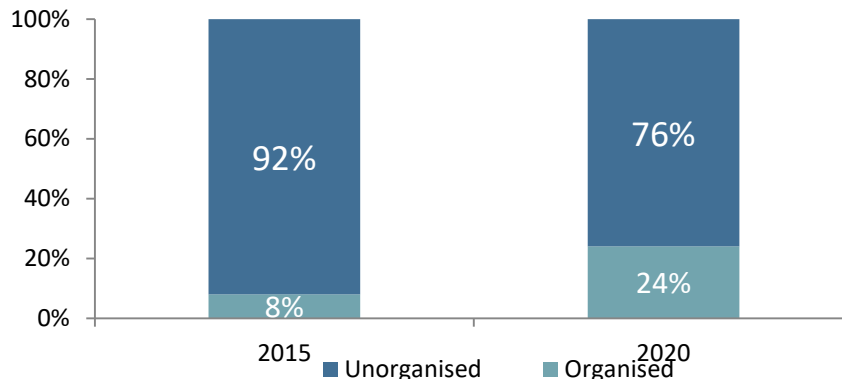
Rural - Urban Population

- The share of rural population in the total population has declined from 80.1% in 1971 to 68.8% in 2011.
- The primary reason for the higher share of unorganised retail in India emanates from the fact that rural sale comprises a major share of the total retail sales.
- Tier II and Tier III cities are a big opportunity in themselves with more than 80 cities occupied by around 90-100 million population in total

Rural - Urban Population (%)

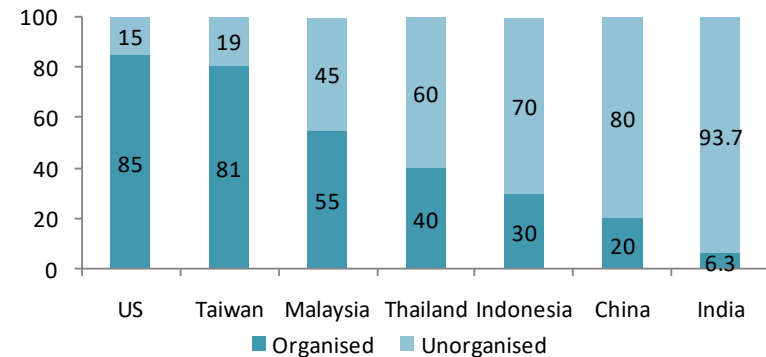


Organised Retail Market & Penetration



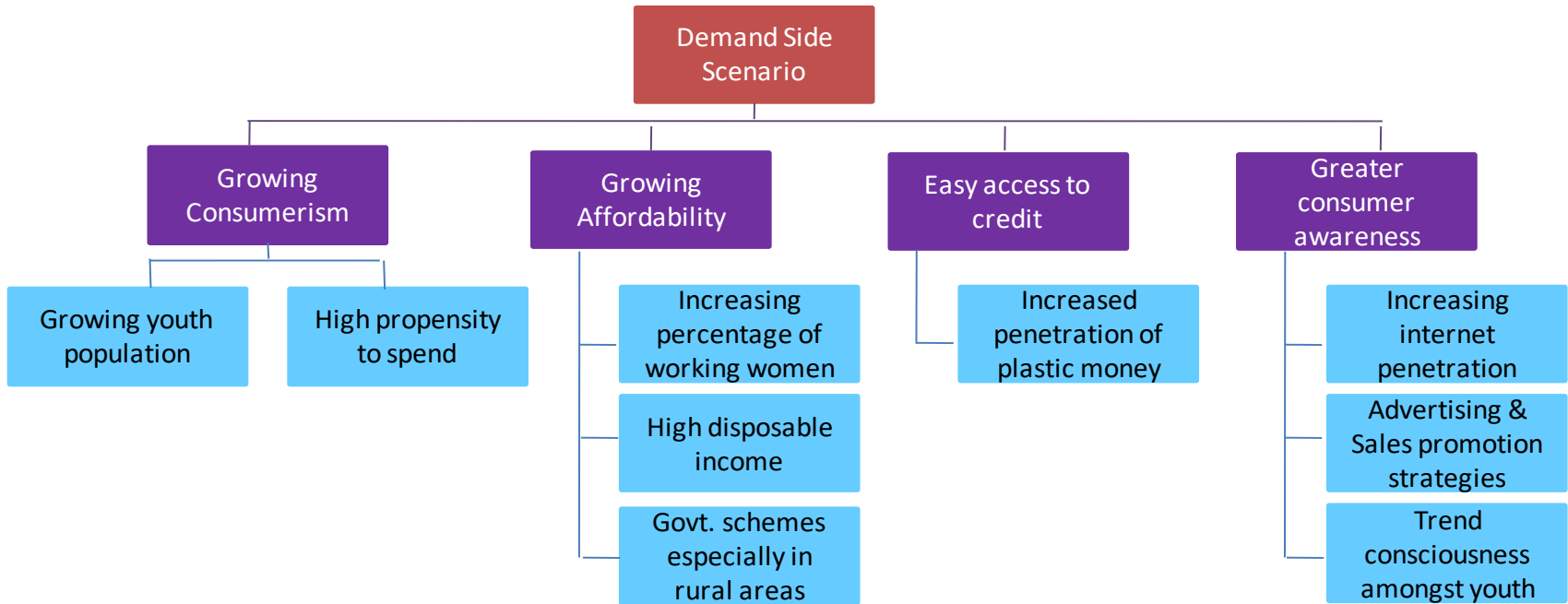
- The Indian retail sector is highly fragmented. More than ninety per cent of its business is being run by the unorganized retailers like the traditional family run stores and corner stores

Share of Unorganised Retail (%)

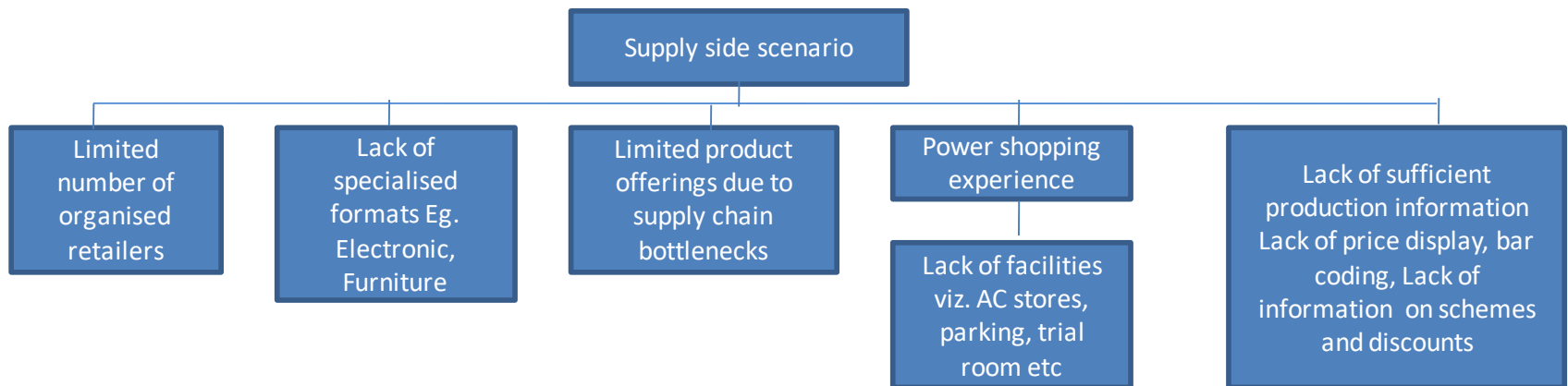


Primarily dominated by the unorganised segment, in India the unorganised retail segment's shares is quite high as compared to the unorganised retail contribution of 15-20% to the total retail sales in countries such as U.K., U.S., Taiwan

Organised Retailing – Demand Supply Gap in Tier – II and Tier – III Cities



Demand – Supply Gap in Tier II and Tier III cities



Section 6: Key Financial Indicators



Financial Highlights – Quarterly Performance (Q3FY17)

₹ in Crores

Particulars	Q3FY17	Q3FY16	Y-o-Y	9MFY17	9MFY16	Y-o-Y	FY16
Revenue	152.8	98.1	56%	364.2	240.6	51%	319.9
Gross Profit	48.2	30.7	57%	108.4	77.2	40%	95.6
Gross Margin (%)	31.5%	31.3%		29.8%	32.1%		29.9%
Operational EBIDTA	23.0	13.3	73%	41.9	30.2	39%	31.4
Operational EBIDTA Margin (%)	15.0%	13.5%		11.5%	12.6%		9.8%
Profit Before Tax (Adjusted)	20.1	9.2	118%	30.6	18.8	62%	16.23
Profit After Tax	33.4	9.7	245%	39.0	14.7	166%	12.2

Revenue:

- Revenue grew by 56% Y-o-Y in Q3FY17 from ₹ 98 crores to ₹ 153 crores. Revenue for the 9MFY17 grew at 51% Y-o-Y from ₹ 241 crores to ₹ 364 crores.
- The company has maintained sales momentum in this quarter as well led by healthy demand and new stores opening.

Gross Profit:

- Gross Profit increased from ₹ 31 crores to ₹ 48 crores in this quarter. Gross margins improved from 31.3% to 31.5%.
- For the 9MFY17, Gross Profit stood at ₹ 108 crores vis-à-vis ₹ 77 crores last year.

Operational EBIDTA:

- Operational EBIDTA grew by 73% Y-o-Y in Q3FY17 from ₹ 13 crores to ₹ 23 crores. Operational EBIDTA margins improved from 13.5% to 15% during the quarter.
- For the 9MFY17, Operational EBIDTA stood at ₹ 42 crores vis-à-vis ₹ 30 crores last year.
- Operational EBIDTA calculated by adding one-time provision of ₹ 4.06 crores made towards modification in agreement entered for advertisement and expensed off ₹ 1.57 crores towards software implementation cost during the quarter, which are one off in nature.

Financial Highlights – Quarterly Performance

Profit Before Tax (Adjusted):

- Adjusted Profit Before Tax (PBT) increased by 118% Y-o-Y from ₹ 9 crores to ₹ 20 crores in Q3FY17.
- For the 9MFY17, Adjusted PBT increased from ₹ 19 crores to ₹ 31 crores.

Profit After Tax (PAT):

- PAT increased 245% Y-o-Y from ₹ 10 crores to ₹ 33 crores in Q3FY17.
- Finance Cost for the quarter reduced to ₹ 1.52 crores due to repayment of outstanding loan.
- For the 9MFY17, PAT increased from ₹ 15 crores to ₹ 39 crores.

Others:

- The company has opened 4 new stores and closed 2 stores during the quarter. The Company currently owns and operates 32 stores spread across 10 states with a total retail area in excess of 3.81 lac Sq. Ft.
- The company has issued and allotted 40 lacs number of Equity shares to Promoters and Non Promoters at a price of ₹ 75/- per share on a preferential basis and issued and allotted 10 lac number of warrants to Promoters (Convertible into equity share at a price of ₹ 75/- per share) during the quarter.
- The Company has sold its property situated at Kolkata against a sale consideration of ₹ 18.38 crores and had earned a gain of ₹ 8.19 crores, which has been shown as exceptional items in the results.
- The proceeds of the Preferential Issue, Sell of property and internal accruals were used to reduce the outstanding loans of the Company.
- The Company vide proposal for settlement of term loan date 30th June 2016 from Pegasus Assets Reconstruction Private Limited (one of the Company's lender) has agreed for one time settlement of its loan including interest at ₹ 42.50 crore along with interest at 12% p.a. on monthly rests to be paid till 30th November 2016. During the quarter ended 31st December 2016, the Company has settled the total outstanding amount of loan including interest and has reversed the excess interest amounting to ₹ 15.13 crore recorded in its books which has been shown as exceptional item in the results. The Company has also obtained "No Dues Certificate" dated 30th November 2016 from the lender to this effect.

Financial Highlights – Profit & Loss Account

Particulars	₹ in Million					CAGR
	FY2012	FY2013	FY2014	FY2015	FY2016	
Revenue from Operations	402	1,057	2,289	2,868	3,199	
Other Income	37	21	22	25	25	
Total Income	439	1,078	2,311	2,893	3,225	65%
<i>Growth (%)</i>		145.46%	114.44%	25.18%	11.47%	
Gross Profit	128	288	589	839	981	66%
<i>GP Margin (%)</i>	29.25%	26.71%	25.50%	29.01%	30.42%	
EBIDTA	(85)	28	64	303	340	128%
<i>EBIDTA Margin (%)</i>	-19.36%	2.63%	2.79%	10.46%	10.53%	
Depreciation	26	23	35	21	44	
Financial Charges	82	65	81	97	132	
PBT	(192)	(60)	(51)	184	202	
<i>PBT Margin (%)</i>	-43.84%	-5.53%	-2.20%	6.37%	6.28%	
PAT	(348)	(41)	(43)	97	122	
<i>PAT Margin (%)</i>	-79.22%	-3.78%	-1.88%	3.36%	3.80%	
Extraordinary Items	-	(12)	(2)	0	(1)	
PAT after Extraordinary Items	(348)	(53)	(45)	98	122	

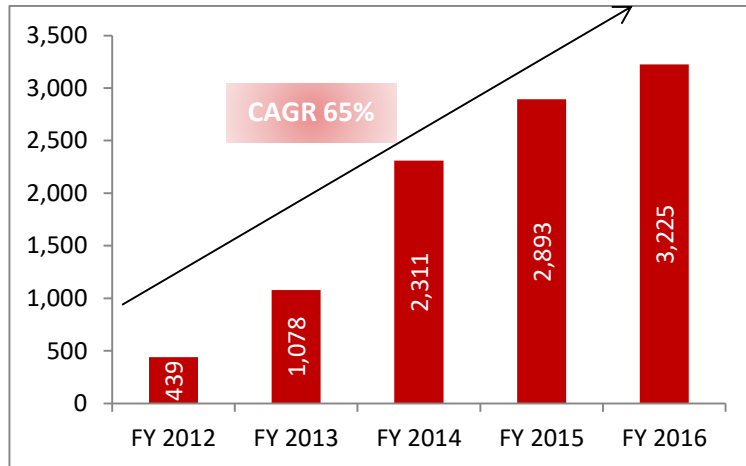
Financial Highlights – Balance Sheet

₹ in Million

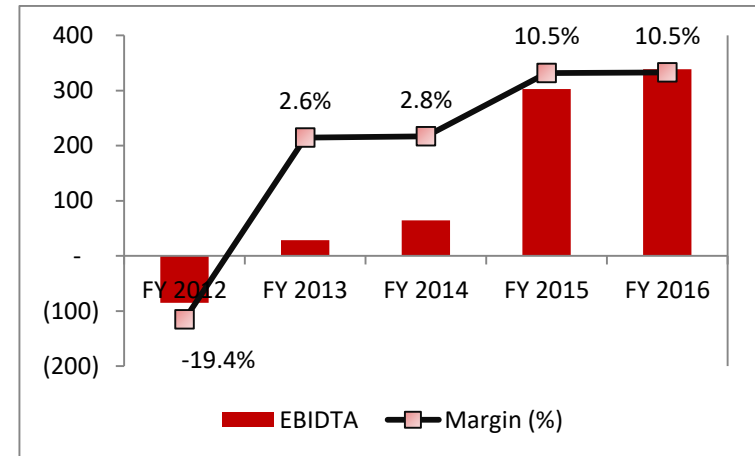
Particulars	FY2012	FY2013	FY2014	FY2015	FY2016
Equity Capital	224	224	224	236	249
Reserve & Surplus	2,530	2,478	2,407	2,505	2,626
Defered Tax Assets / Misc	(2,691)	(2,709)	(2,711)	(2,617)	(2,459)
Networth (Adjusted)	64	(7)	(80)	123	416
Loan Funds	569	704	834	693	984
Net Fixed Assets	66	98	144	194	329
Non Current Assets	372	369	380	358	408
Current Assets	292	497	619	871	1,208
- Inventories	160	448	555	793	1,089
- Cash and Bank	102	18	21	11	31
- Loans & Advances & others	29	31	42	66	88
Current Liabilities	97	268	388	606	544
- Trade Payables	76	247	282	352	366
- Provision & Other Liabilities	21	21	106	254	178

Robust Financial Performance

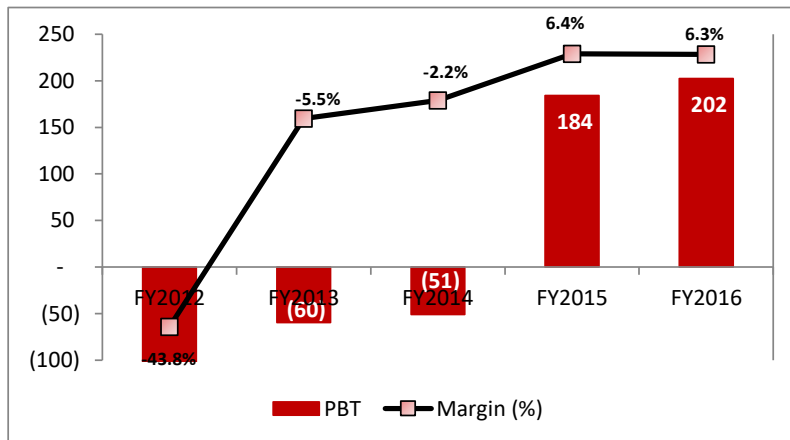
Total Income (₹ Million)



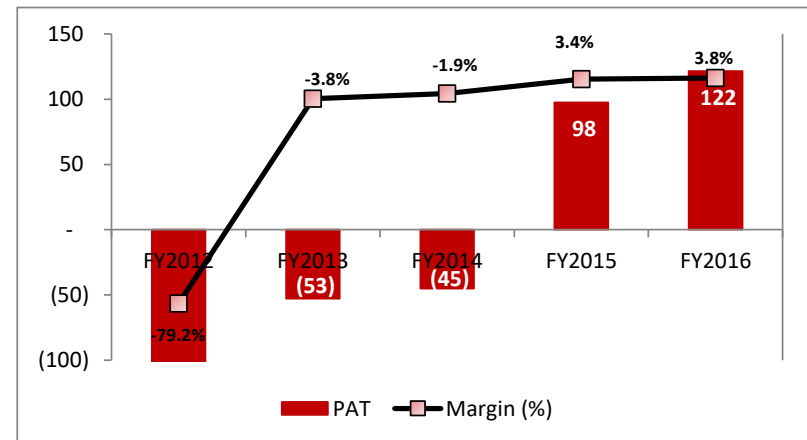
EBIDTA (₹ Million) and EBIDTA Margins



PBT (₹ Million) and PBT Margins



PAT (₹ Million) and PAT Margins





Thank You

For further information please contact:



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