



V2 Retail Limited

Date : 12/08/2020

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400051.

NSE Code- V2RETAIL

Sub : Clarification for Financial results

Re: Reply to your query/email dated August 10, 2020

Dear Sir/Madam,

We are in receipt of your further email dated August 10, 2020 seeking clarification on quick result submitted by the Company to the Exchange dated 25-Jun-2020.

In the email/query it has been stated that the financial results of the Company not signed by authorized signatories.

In the matter we wish to clarify that due to restrictions imposed by lockdown to contain the Covid19 pandemic, the results were approved by the Board of Directors of the Company at their Meeting held on 25.06.2020 through video conferencing mode and in terms of SEBI circular dated April 17, 2020, the financial results of the Company submitted with Exchanges were digitally signed by the authorized signatories.

However, due to some technical errors the digital signatures were not visible on some pages of financial results submitted with the exchange. Therefore, we are enclosing herewith the scanned copies of financial results of the Company, signed digitally as well as physically by the authorized signatories for identification.

We request you to kindly take the above information on record.

Thanking you,

Yours truly,
For V2 Retail Limited

Sudhir Kumar
Company Secretary & Compliance Officer



Encl: As above

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Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of V2 Retail Limited

Qualified Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of V2 Retail Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matters described in paragraph 3 and 4 below; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020 except for the possible effects of the matters described in paragraph 3 and 4 below.

Basis for Qualified Opinion

3. As stated in Note 4 to the accompanying financial results, the Company's other equity as at 31 March 2020 includes an amount of Rs. 365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. Our opinion on the financial results for the previous year ended 31 March 2019 was also modified in respect of this matter.
4. As stated in Note 5 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2020 include an amount of Rs. 2,455.18 lakhs which relates to litigations pending with various

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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authorities, for which the Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as a provision or a contingent in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and profit as at and for the year then ended. Our opinion on the financial results for the previous year ended 31 March 2019 was also modified in respect of this matter.

5. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

6. We draw attention to Note 14 of the accompanying Statement, which describes the uncertainties relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the standalone financial results of the Company as at the balance sheet date. The extent of the impact of these uncertainties on the Company's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter

Responsibilities of Management and Those Charged with Governance for the Statement

7. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
8. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
11. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Other Matter

14. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Digitally signed
by Rohit Arora
Date:
2020.06.25
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+05:30

Rohit Arora
Partner

Membership No. 504774

UDIN: 20504774AAAAC9362

Place: New Delhi

Date: 25 June 2020

V2 Retail Limited
Statement of standalone financial results for the quarter and year ended 31 March 2020

Particulars	(Rs. in Lakh, except for per share data)				
	Quarter ended			Year ended	
	31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
	(Refe note 10)	(Unaudited)	(Refe note 10)	(Audited)	(Audited)
1 Revenue					
(a) Revenue from operations	12,916.00	21,903.17	16,391.56	70,122.12	74,841.94
(b) Other income	60.79	133.43	164.31	226.59	989.08
Total revenue	12,976.79	22,036.60	16,555.87	70,348.71	75,831.02
2 Expenses					
(a) Purchase of stock-in-trade	11,610.25	7,213.00	13,859.45	43,038.36	61,675.99
(b) Changes in inventories of stock-in-trade	(1,647.19)	8,132.42	(2,276.02)	7,487.88	(11,045.18)
(c) Employee benefits expense	1,395.21	1,720.73	1,416.54	6,230.64	7,482.18
(d) Finance costs (refer note 8)	703.27	741.38	22.63	2,992.53	65.99
(e) Depreciation and amortisation expense (refer note 8)	1,209.50	1,231.70	427.48	5,045.09	1,442.32
(f) Other expenses (refer note 8)	1,252.77	1,462.21	2,959.10	5,761.54	12,042.80
Total expenses	14,523.81	20,501.44	16,409.18	70,556.04	71,664.10
3 Profit/(loss) before tax and exceptional items (1-2)	(1,547.02)	1,535.16	146.69	(207.33)	4,166.92
4 Exceptional items (refer note 6)	-	(1,254.51)	-	(1,254.51)	2,661.89
5 Profit/(loss) before tax (3-4)	(1,547.02)	2,789.67	146.69	1,047.18	1,505.03
6 Tax expense					
(a) Current tax	-	-	-	-	76.05
(b) Deferred tax (refer note 8 and 9)	(385.90)	713.95	(273.45)	32.65	(620.31)
Total tax expense/(credit)	(385.90)	713.95	(273.45)	32.65	(544.26)
7 Profit/(loss) for the period/year (5-6)	(1,161.12)	2,075.72	420.14	1,014.53	2,049.29
8 Other comprehensive income					
A (i) Items that will not be reclassified to the statement of profit and loss	(9.06)	(39.72)	(6.51)	(69.10)	(9.86)
(ii) Income tax relating to items that will not be reclassified to the statement of profit and loss	2.32	10.18	2.27	17.71	3.44
B (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-
Total other comprehensive income	(6.74)	(29.54)	(4.24)	(51.39)	(6.42)
9 Total comprehensive income for the period/year (comprising profit/(loss) and other comprehensive income for the period/year) (7+8)	(1,167.86)	2,046.18	415.90	963.14	2,042.87
10 Paid-up equity share capital (face value of Rs. 10 each)	3,410.50	3,407.40	3,407.40	3,410.50	3,407.40
11 Other equity as per balance sheet				24,643.25	26,128.36
12 Earnings per share (face value of Rs. 10 each) (not annualised):					
(a) Basic	(3.40)	6.09	1.23	2.97	6.02
(b) Diluted	(3.40)	6.09	1.23	2.97	6.02



Notes:

1. The Audited Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 25 June 2020. The statutory auditors have carried out the audit for the quarter and year ended 31 March 2020 and have issued a modified report.
2. The above standalone financial results have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Companies Act, 2013.
3. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Ind AS 108, Operating Segments, the Company operates in one reportable business segment i.e., retail trade and is primarily operating in India and hence, considered as single geographical segment.
4. The Company restructured its business in the financial year 2010-11 resulting in creation of Capital Reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.
5. Out of contingent liabilities existing as at 31 March 2020, certain liabilities aggregating to Rs. 2,455.18 lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these standalone results can only be ascertained on the settlement of such cases/disputes, management has assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these standalone financial results.
- 6 (i). Exceptional items amounting to Rs. 2,661.89 lakh for the year ended 31 March 2019 represents one time settlement amount which the Company has paid to the lenders for relinquishing their Right of Recompense (ROR) for the sacrifices made by them in Financial year 2010-2011 under the Corporate Debt Restructuring (CDR) package vide Master Restructuring Agreement (MRA) entered into in November, 2010.
- 6 (ii). During the year ended 31 March 2020, the Company has sold its property situated at Hubli, Karnataka, having book value of Rs. 1,244 lakh at a sale consideration of Rs. 2,449 lakh. The gain on sale of above property amounting to Rs. 1,254.51 lakh is recorded as Exceptional item in standalone financial Results. This gain also includes advance received from one of the prospective buyers amounting to Rs. 50 lakhs and forfeited by the company on account of failure on the part of prospective buyers to finalize the transaction in accordance with the terms of agreement to sell entered into between both parties.
7. During the current year ended 31 March 2020, the management has recorded additional provision amounting to Rs 1,029.25 lakh for expected loss for sale of old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.
8. Ind As 116 - Leases, has become applicable effective annual reporting period beginning 1 April 2019. The Company has adopted the standard beginning 1 April 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising (including reclassification from other assets) a "Right of use asset" of Rs. 26,501.43 lakh and a corresponding "Lease liability" of Rs. 30,079.05 lakh by adjusting retained earnings net of taxes of Rs. 2,632.39 lakh (including impact of "Deferred tax asset" created of Rs. 1,413.95 lakh) as at 1 April 2019. In respect of leases that were classified as operating leases, on applying Ind AS 17, Rs. 468.72 lakh has been reclassified from "Other assets" to "Right of use asset". Also the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.
- Consequently in the statement of standalone profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent"/"Other expense", "Depreciation and amortisation expense" and "Finance cost" for the period is not comparable to the earlier periods.
- To the extent the performance of the current period is not comparable with previous period results, the reconciliation of above effect on statement of standalone profit and loss for the quarter and year ended 31 March 2020 are as under:

(Rs. in Lakh)			
Adjustment to increase/(decrease) in net profit	Quarter ended 31 March 2020 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Quarter ended 31 March 2020 as reported
Other expenses	2,416.77	(1,164.00)	1,252.77
Depreciation and amortisation expense	422.31	787.19	1,209.50
Finance cost	15.23	688.04	703.27
Profit/(loss) before tax	(1,235.79)	(311.23)	(1,547.02)
Less: Tax expense/(credit)	(306.14)	(79.76)	(385.90)
Profit/(loss) after tax	(929.65)	(231.47)	(1,161.12)



(Rs. in Lakh)			
Adjustment to increase/(decrease) in net profit	Year ended 31 March 2020 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Year ended 31 March 2020 as reported
Other expenses	10,540.29	(4,778.75)	5,761.54
Depreciation and amortisation expense	1,689.81	3,355.28	5,045.09
Finance cost	176.44	2,816.09	2,992.53
Profit before tax	2,439.80	(1,392.62)	1,047.18
Less: Tax expense/(credit)*	389.52	(356.87)	32.65
Profit after tax	2,050.28	(1,035.75)	1,014.53

* including impact of remeasurement of deferred tax asset recognised on applying Ind AS 116 as on 1 April 2019 consequent to exercise of option of new tax rates (Refer note 9)

9. The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Assets (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact is being recognised over the financial year. Consequently, tax expense for the year ended 31 March 2020 includes a one time charge of Rs. 394.20 lakh.

10. The figures for the quarter ended 31 March 2020 and the corresponding quarter ended in the previous year, as reported in these standalone financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subject to audit.

11. During the year, V2 Smart Manufacturing Private Limited ('VSMPL' or 'the subsidiary') has been incorporated (on 25 October 2019) as a wholly owned subsidiary of V2 Retail Limited ('the Holding company'). VSMPL is in the business of manufacturing of apparels. It was incorporated on 25 October 2019 and has commenced its business on 12 November 2019.

12. During the current year, the managerial remuneration paid by the Company to its Managing Director and Whole Time Director is in excess of limited laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act. The Company will seek approval from the shareholders at the ensuing Annual General Meeting. However, the above remuneration has been approved by Remuneration Committee in its meeting held on 24 June 2020.

13. During the current quarter ended 31 March 2020, the Company has appointed below directors:-

- (i) Mr. Lalit Kumar (w.e.f. 27 January 2020)
- (ii) Mr. Arun Kumar Roopanwal (w.e.f. 27 January 2020)
- (iii) Mrs. Archana Surendra Yadav (w.e.f. 27 January 2020)

14. World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic. Consequent to this, Government of India has declared lockdown i.e. 24 March 2020 which is causing significant economic slowdown and disruptions of business operations. This has also temporarily impacted the business activities of the Company such as closure of stores and warehouse, disruption of supply chain, etc. The Company has prepared cash flow projections to assess the cash flow requirements and funds available from various sources including bank borrowings etc. for next 12 months. The management has also considered the possible effects of the pandemic on the carrying values of assets and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic and cash flow projections, the Company has used internal and external information up to the date of approval of these financial results and current indicators of future economic conditions. The Company expects to recover the carrying amount of these assets and have sufficient liquidity for business operations for at least another twelve months. The impact of the pandemic on the Company's financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes arising of future economic conditions and impact on its business.



For and on behalf of the Board of Directors

RAM CHANDRA
AGARWAL

Digitally signed by RAM CHANDRA AGARWAL
DN: cn = RAM CHANDRA AGARWAL, o = IN,
s = Haryana, ou = Personal
Reason: I attest to the accuracy and integrity of
this document
Date: 2020.06.25 21:01:35 +05'30'

Ram Chandra Agarwal
Chairman & Managing Director
DIN: 00491885

Place: New Delhi
Date: 25 June 2020

V2 Retail Limited
Statement of assets and liabilities as at 31 March 2020

Particulars	(Rs. in Lakh)	
	As at 31 March 2020	As at 31 March 2019
	(Audited)	(Audited)
ASSETS		
Non-current assets		
a) Property, plant and equipment	8,888.82	9,765.78
b) Right of use assets	23,939.37	-
c) Other intangible assets	124.45	205.44
d) Intangible assets under development	411.47	411.47
e) Financial assets		
i) Loans	587.39	483.00
ii) Other financial assets	1,234.15	158.36
f) Investment in Subsidiary	1,500.00	-
g) Deferred tax assets (net)	2,120.96	1,099.00
h) Income tax assets (net)	193.44	166.50
i) Other non-current assets	1,731.59	2,193.78
Total non-current assets	40,731.64	14,483.33
Current assets		
a) Inventories	19,615.61	27,107.89
b) Financial assets		
i) Cash and cash equivalents	6,046.26	828.52
ii) Bank balances other than cash & cash equivalents	703.80	-
iii) Other financial assets	25.18	103.35
d) Trade receivables	1,299.28	-
c) Other current assets	2,301.54	2,660.99
Total current assets	29,991.67	30,700.75
Assets classified as held for sale	-	1,243.99
TOTAL ASSETS	70,723.31	46,428.07
EQUITY AND LIABILITIES		
a) Equity share capital	3,410.50	3,407.40
b) Other equity	24,643.25	26,128.36
Total equity	28,053.75	29,535.76
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	75.75	100.93
ii) Lease liability	26,582.21	-
iii) Other financial liabilities	12.39	11.04
b) Provisions	236.79	165.57
c) Other non-current liabilities	-	446.41
Total non-current liabilities	26,907.14	723.95
Current liabilities		
a) Financial liabilities		
i) Borrowings	2,263.83	931.20
ii) Lease liability	2,129.39	-
iii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	354.66	342.42
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,581.60	13,596.06
iv) Other financial liabilities	123.77	192.31
b) Provisions	193.04	100.10
c) Other current liabilities	116.13	196.27
Total current liabilities	15,762.42	15,358.36
Liabilities directly associated with assets classified as held for sale	-	810.00
TOTAL EQUITY AND LIABILITIES	70,723.31	46,428.07



V2 Retail Limited
Statement of Standalone Cash flow for the year ended 31 March 2020

(Rs. in Lakh)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	1,047.18	1,505.03
Adjustments for:		
Depreciation and amortisation expense	5,045.09	1,442.32
Gain on investments carried at fair value through profit or loss (net)	-	(29.92)
Gain on sale of investments (net)	(1,254.51)	(68.44)
Interest income	(201.92)	(103.68)
Finance charges	2,992.53	65.99
Share based payments expense	69.30	81.80
Operating profit before working capital changes	7,697.67	2,893.10
Movement in working capital		
Movement in trade payables	(3,000.48)	3,906.54
Movement in trade receivables	(1,299.28)	-
Movement in provisions	96.06	68.28
Movement in other liabilities	(32.18)	411.21
Movement in inventories	7,492.28	(11,088.83)
Movement in loans and advances	(104.39)	(139.26)
Movement in other financial assets	(1,701.43)	(121.68)
Movement in other assets	311.91	(889.52)
Cash flow from/(used in) operating activities post working capital changes	9,460.16	(4,960.16)
Income tax paid (net)	(26.94)	150.22
Net cash flow from/(used in) operating activities (A)	9,433.22	(4,809.94)
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and payable towards property, plant and equipment)	(761.97)	(5,117.22)
Sale of property, plant and equipment	-	91.50
Purchase of intangible assets	-	(58.43)
Proceeds from sale of investments (net)	-	9,063.66
Investment in wholly owned subsidiary	(1,500.00)	-
Proceeds with respect to assets classified as held for sale	1,688.50	-
Interest received	41.08	103.68
Net cash flow (used in)/from investing activities (B)	(532.39)	4,083.19
C. Cash flows from financing activities		
Proceeds from issuance of equity share	3.10	15.13
Proceeds from short term borrowings (net)	2,253.24	-
Proceeds from long term borrowings (net)	-	145.00
Payment of lease liability	(4,778.75)	-
(Payment of)/proceeds from inter corporate deposits (net)	(931.20)	931.20
Interest paid	(229.48)	(12.95)
Net cash flow (used in)/from financing activities (C)	(3,683.09)	1,078.38
Net increase in cash and cash equivalents (A+B+C)	5,217.74	351.63
Cash and cash equivalents at the beginning of the year	828.52	476.89
Cash and cash equivalents at the end of the year	6,046.26	828.52
Components of cash and cash equivalents at the end of the year		
Cash in hand	83.49	369.51
Cash management services (CMS) receivables	-	0.55
Balance with banks:		
-in current accounts	3,830.61	458.46
-in fixed deposits	2,132.16	-
Total	6,046.26	828.52



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To the Board of Directors of V2 Retail Limited

Qualified Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of V2 Retail Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on separate audited financial results of the subsidiary, as referred to in paragraph 15 below, the Statement:
 - (i) includes the annual financial results of the following entities;
 - a. V2 Smart Manufacturing Private Limited
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matters described in paragraph 3 and 4 below; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2020 except for the possible effects of the matters described in paragraphs 3 and 4 below.

Basis for Qualified Opinion

3. As stated in Note 4 to the accompanying consolidated financial results, the Holding Company's other equity as at 31 March 2020 includes an amount of Rs. 365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Holding Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the consolidated financial results.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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4. As stated in Note 5 to the accompanying consolidated financial results, the Holding Company's contingent liabilities as at 31 March 2020 include an amount of Rs. 2,455.18 lakhs which relates to litigations pending with various authorities, for which the Holding Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as a provision or a contingent in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and profit as at and for the year then ended.
5. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

6. We draw attention to Note 14 of the accompanying Statement, which describes relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the consolidated financial results of the Group as at the balance sheet date. The extent of the impact of these uncertainties on the Group's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

7. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
8. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as

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applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors/ management of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
11. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

15. We did not audit the annual financial results of one subsidiary included in the Statement, whose financial information reflects total assets of Rs 4113.74 lakh as at 31 March 2020, total revenues of Rs 291.07 lakh, total net loss after tax of Rs 150.21 lakh, total comprehensive loss of Rs 150.21 lakh, and cash flows (net) of Rs 2.97 lakh for the year ended on that date, as considered in the Statement. These annual financial results have been audited by other auditors and whose audit report has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the audit report of such other auditors, and the procedures performed by us as stated in paragraph 14 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

16. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

 Digitally signed
by Rohit Arora
Date:
2020.06.25
21:53:01
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Ro
Partner

Membership No. 504774

UDIN: 20504774AAAACV1042

Place: New Delhi

Date: 25 June 2020

V2 Retail Limited
Statement of consolidated financial results for the quarter and year ended 31 March 2020

(Rs. in Lakh, except for per share data)

Particulars	Quarter ended		Year ended
	31 March 2020	31 December 2019	31 March 2020
	(Refer note 10)	(Unaudited)	(Audited)
1 Revenue			
(a) Revenue from operations	12,916.49	21,903.17	70,122.62
(b) Other income	76.72	138.45	247.52
Total revenue	12,993.21	22,041.62	70,370.14
2 Expenses			
(a) Purchase of stock-in-trade	12,788.38	7,911.41	44,914.91
(b) Changes in inventories of stock-in-trade	(2,851.52)	7,434.00	5,585.15
(c) Direct expenses	26.19	-	26.19
(d) Employee benefits expense	1,457.50	1,720.73	6,292.92
(e) Finance costs (refer note 8)	728.46	748.77	3,025.12
(f) Depreciation and amortisation expense (refer note 8)	1,244.08	1,249.75	5,097.71
(g) Other expenses (refer note 8)	1,207.85	1,561.14	5,815.55
Total expenses	14,600.94	20,625.80	70,757.55
3 Profit/(loss) before tax and exceptional items (1-2)	(1,607.73)	1,415.82	(387.41)
4 Exceptional items (refer note 6)	-	(1,254.51)	(1,254.51)
5 Profit/(loss) before tax (3-4)	(1,607.73)	2,670.33	867.10
6 Tax expense			
(a) Current tax	-	-	-
(b) Deferred tax (refer note 8 and 9)	(399.31)	683.64	(11.07)
Total tax expense/(credit)	(399.31)	683.64	(11.07)
7 Profit/(loss) for the year (5-6)	(1,208.42)	1,986.69	878.17
8 Other comprehensive income			
A (i) Items that will not be reclassified to the statement of profit and loss	(9.06)	(39.72)	(69.10)
(ii) Income tax relating to items that will not be reclassified to the statement of profit and loss	2.32	10.18	17.71
B (i) Items that will be reclassified to the statement of profit and loss	-	-	-
(ii) Income tax relating to items that will be reclassified to the statement of profit and loss	-	-	-
Total other comprehensive income	(6.74)	(29.54)	(51.39)
9 Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year) (7+8)	(1,215.16)	1,957.15	826.78
10 Paid-up equity share capital (face value of Rs. 10 each)	3,410.50	3,407.40	3,410.50
11 Other equity as per balance sheet			24,506.90
12 Earnings per share (face value of Rs. 10 each) (not annualised):			
(a) Basic	(3.54)	5.83	2.57
(b) Diluted	(3.54)	5.83	2.57



Notes:

1. The Audited Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 25 June 2020. The statutory auditors have carried out the audit for the quarter and year ended 31 March 2020 and have issued a modified report.
2. The above consolidated financial results have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Companies Act, 2013.
3. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Ind AS 108, Operating Segments, the Group operates in one reportable business segment i.e., retail trade and is primarily operating in India and hence, considered as single geographical segment.
4. The Holding Company restructured its business in the financial year 2010-11 resulting in creation of Capital Reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Holding Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.
5. Out of contingent liabilities existing as at 31 March 2020, certain liabilities aggregating to Rs. 2,455.18 lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these consolidated results can only be ascertained on the settlement of such cases/disputes, management has assessed that based on the merits of such cases, the Holding Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these consolidated financial results.
- 6 (i). Exceptional items amounting to Rs. 2,661.89 lakh for the year ended 31 March 2019 represents one time settlement amount which the Holding Company has paid to the lenders for relinquishing their Right of Recompense (ROR) for the sacrifices made by them in Financial year 2010-2011 under the Corporate Debt Restructuring (CDR) package vide Master Restructuring Agreement (MRA) entered into in November, 2010.
- 6 (ii). During the current year ended 31 March 2020, the Holding Company has sold its property situated at Hubli, Karnataka, having book value of Rs. 1,244 lakhs at a sale consideration of Rs. 2,449 lakhs. The gain on sale of above property amounting to Rs. 1,254.51 lakhs is recorded as Exceptional item in consolidated financial Results. This gain also includes advance received from one of the prospective buyers amounting to Rs. 50 lakhs and forfeited by the company on account of failure on the part of prospective buyers to finalize the transaction in accordance with the terms of agreement to sell entered into between both parties.
7. During the current year ended 31 March 2020, the management has recorded additional provision amounting to Rs 1,029.25 lakhs for expected loss for sale on old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.
8. Ind AS 116 - Leases, has become applicable effective annual reporting period beginning 1 April 2019. The Holding Company has adopted the standard beginning 1 April 2019, using the modified retrospective approach for transition. Accordingly, the Holding Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising (including reclassification from other assets) a "Right of use asset" of Rs. 26,501.43 lakh and a corresponding "Lease liability" of Rs. 30,079.05 lakh by adjusting retained earnings net of taxes of Rs. 2,632.39 lakh (including impact of "Deferred tax asset" created of Rs. 1,413.95 lakh) as at 1 April 2019. In respect of leases that were classified as operating leases, on applying Ind AS 17, Rs. 468.72 lakh has been reclassified from "Other assets" to "Right of use asset". Also the Holding Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

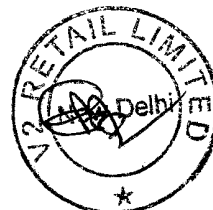
Consequently in the statement of consolidated profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent"/"Other expense", "Depreciation and amortisation expense" and "Finance cost" for the period is not comparable to the earlier periods.

The reconciliation of above effect on statement of consolidated profit and loss for the quarter and year ended 31 March 2020 are as under:

(Rs. in Lakh)			
Adjustment to increase/(decrease) in net profit	Quarter ended 31 March 2020 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Quarter ended 31 March 2020 as reported
Other expenses	2,408.48	(1,200.63)	1,207.85
Depreciation and amortisation expense	424.67	819.41	1,244.08
Finance cost	27.63	700.83	728.46
Profit before tax	(1,288.12)	(319.61)	(1,607.73)
Less: Tax expense/(credit)	(317.41)	(81.90)	(399.31)
Profit after tax	(970.71)	(237.71)	(1,208.42)

(Rs. in Lakh)			
Adjustment to increase/(decrease) in net profit	Year ended 31 March 2020 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Year ended 31 March 2020 as reported
Other expenses	10,655.29	(4,839.74)	5,815.55
Depreciation and amortisation expense	1,692.17	3,405.54	5,097.71
Finance cost	188.85	2,836.27	3,025.12
Profit before tax	(205.66)	(1,402.07)	(1,607.73)
Less: Tax expense/(credit)*	(40.02)	(359.29)	(399.31)
Profit after tax	(165.64)	(1,042.78)	(1,208.42)

* including impact of remeasurement of deferred tax asset recognised on applying Ind AS 116 as on 1 April 2019 consequent to exercise of option of new tax rates (Refer note 9)



9. The Group has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact is being recognised over the financial year. Consequently, tax expense for the year ended 31 March 2020 includes a one time charge of Rs. 410.10 lakh.

10. The figures for the quarter ended 31 March 2020, as reported in these consolidated financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subject to audit.

11. During the year, V2 Smart Manufacturing Private Limited ('VSMPL' or 'the subsidiary') has been incorporated (on 25 October 2019) as a wholly owned subsidiary of V2 Retail Limited ('the Holding company'). VSMPL is in the business of manufacturing of apparels. It was incorporated on 25 October 2019 and has commenced its business on 12 November 2019. Consequently, the consolidated results have been presented and in the absence of comparative numbers, the same have not been presented.

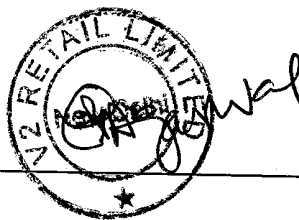
12. During the current year, the managerial remuneration paid by the Holding Company to its Managing Director and Whole Time Director is in excess of limited laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act. The Holding Company will seek approval from the shareholders at the ensuing Annual General Meeting. However, the above remuneration has been approved by Remuneration Committee in its meeting held on 24 June 2020.

13. During the current quarter ended 31 March 2020, the Group has appointed below directors:-

- (i) Mr. Lalit Kumar (w.e.f. 27 January 2020)
- (ii) Mr. Arun Kumar Roopanwal (w.e.f. 27 January 2020)
- (iii) Mrs. Archana Surendra Yadav (w.e.f. 27 January 2020)

14. World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic. Consequent to this, Government of India has declared lockdown i.e., 24 March 2020 which is causing significant economic slowdown and disruptions of business operations. This has also temporarily impacted the business activities of the Group such as closure of stores and warehouse, disruption of supply chain, etc. The Group has prepared cash flow projections to assess the cash flow requirements and funds available from various sources including bank borrowings etc. for next 12 months. The management has also considered the possible effects of the pandemic on the carrying values of assets and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic and cash flow projections, the Group has used internal and external information up to the date of approval of these financial results and current indicators of future economic conditions. The Group expects to recover the carrying amount of these assets and have sufficient liquidity for business operations for at least another twelve months. The impact of the pandemic on the Group's financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Place: New Delhi
Date: 25 June 2020



For and on behalf of the Board of Directors

RAM CHANDRA
AGARWAL

Digitally signed by RAM CHANDRA AGARWAL
DN: CN = RAM CHANDRA AGARWAL, C = IN, S
= 1849999, O = Personal
Reason: I attest to the accuracy and integrity of
this document
Date: 2020.06.25 21:12:05 +05'30'

Ram Chandra Agarwal
Chairman & Managing Director
DIN: 00491885

V2 Retail Limited
Statement of assets and liabilities as at 31 March 2020

Particulars		(Rs. in Lakh)
		As at
		31 March 2020
		(Audited)
ASSETS		
Non-current assets		
a) Property, plant and equipment		9,222.37
b) Right of use assets		24,532.50
c) Other intangible assets		124.45
d) Intangible assets under development		411.47
e) Financial assets		
i) Loans		601.79
ii) Other financial assets		2,282.59
f) Deferred tax assets (net)		2,164.68
g) Income tax assets (net)		195.49
h) Other non-current assets		1,731.59
Total non-current assets		41,266.93
Current assets		
a) Inventories		21,518.35
b) Financial assets		
i) Cash and cash equivalents		6,049.22
ii) Bank balances other than cash & cash equivalents		703.80
iii) Other financial assets		25.19
c) Trade receivables		0.69
d) Other current assets		2,488.16
Total current assets		30,785.41
TOTAL ASSETS		72,052.34
EQUITY AND LIABILITIES		
a) Equity share capital		3,410.50
b) Other equity		24,506.90
Total equity		27,917.40
Non-current liabilities		
a) Financial liabilities		
i) Borrowings		493.75
ii) Lease liability		27,076.30
iii) Other financial liabilities		12.39
b) Provisions		238.59
Total non-current liabilities		27,821.03
Current liabilities		
a) Financial liabilities		
i) Borrowings		2,759.03
ii) Lease liability		2,230.84
iii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises		354.68
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,529.39
iv) Other financial liabilities		125.67
b) Provisions		193.12
c) Other current liabilities		121.18
Total current liabilities		16,313.91
TOTAL EQUITY AND LIABILITIES		72,052.34



V2 Retail Limited**Statement of Consolidated Cash flow for the year ended 31 March 2020****For the year ended
31 March 2020****A. Cash flow from operating activities**

Profit before tax	867.10
Adjustments for:	
Depreciation and amortisation expense	5,097.71
Gain on sale of investments (net)	(1,254.51)
Interest income	(222.85)
Finance charges	3,025.12
Share based payments expense	69.30
Operating profit before working capital changes	7,581.87
Movement in working capital	
Movement in trade payables	(3,054.55)
Movement in trade receivables	(0.69)
Movement in provisions	96.95
Movement in other liabilities	(28.14)
Movement in inventories	5,589.54
Movement in loans and advances	(118.78)
Movement in other financial assets	(2,752.64)
Movement in other assets	125.30
Cash flow from operating activities post working capital changes	7,438.86
Income tax paid (net)	(28.99)
Net cash flow used from operating activities (A)	7,409.87

B. Cash flows from investing activities

Purchase of property, plant and equipment (including capital work-in-progress and payable towards property, plant and equipment)	(1,095.96)
Proceeds with respect to assets classified as held for sale	1,688.50
Interest received	61.58
Net cash flow from investing activities (B)	654.12

C. Cash flows from financing activities

Proceeds from issuance of equity share	3.10
Proceeds from short term borrowings (net)	3,166.44
Payment of lease liability	(4,839.74)
Payment of inter corporate deposits (net)	(931.20)
Interest paid	(241.89)
Net cash flow used in financing activities (C)	(2,843.29)

Net increase in cash and cash equivalents (A+B+C)	5,220.70
Cash and cash equivalents at the beginning of the year	828.52
Cash and cash equivalents at the end of the year	6,049.22

Components of cash and cash equivalents at the end of the year

Cash in hand	85.05
Balance with banks:	
-in current accounts	3,832.01
-in fixed deposits	2,132.16
Total	6,049.22



ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Standalone Financial Results

Figure in Rs. Lakh, except for per share data

Statement on impact of audit qualifications for the financial year ended 31 March 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1.	Turnover /total income	70,348.71	70,348.71
	2.	Total expenditure	70,556.04	70,556.04
	3.	Net profit for the period	1,014.53	1,014.53
	4.	Earnings per share	2.97	2.97
	5.	Total assets	70,723.31	70,723.31
	6.	Total liabilities	42,669.56	42,669.56
	7.	Net worth	28,053.75	28,053.75
	8.	Any other financial item (as felt appropriate by the management)	Nil	Nil

II.	Audit qualification (each audit qualification separately)
	a. Details of audit qualifications: The audit report of statutory auditors includes following qualifications on the audited financial statements/results: (i) As stated in Note 4 to the accompanying financial results, the Company's other equity as at 31 March 2020 includes an amount of Rs. 365.36 lakh in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019. (ii) As stated in Note 5 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2020 include an amount of Rs. 2,455.18 lakh relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.

	b. Type of audit qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion Qualified opinion
	c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing Repetitive- Qualification stated in (i) is continuing from the financial year ended 31 March 2011. Qualification stated in (ii) is continuing from the financial year ended 31 March 2012. However, the figure mentioned has been updated.
	d. For audit qualification(s) where the impact is quantified by the auditor, Management's Views: Management's view: not applicable e. For audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not quantified (ii) If management is unable to estimate the impact, reasons for the same: a) The Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss. b) Out of contingent liabilities existing as at 31 March 2020, certain liabilities aggregating to Rs. 2,455.18lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results. (iii) Auditor's comments on (i) and (ii) above: Since management could not ascertain the impact, the auditors have given qualifications in their auditor's report.

III Signatories:

Yours Sincerely
For V2 Retail Limited

Sd/-
Mr. Ram Chandra Agarwal
Chairman & Managing Director
DIN00491835

Sd/-
Mr. Akash Agarwal
Chief Financial Officer

Sd/-
Mr. Lalit Kumar
Audit Committee Chairman

Place: New Delhi
Date: 25 June 2020

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Rohit Arora
Partner
Membership No. 504774

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Consolidated Financial Results

Figure in Rs. Lakh, except for per share data

Statement on impact of audit qualifications for the financial year ended 31 March 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1.	Turnover /total income	70,370.14	70,370.14
	2.	Total expenditure	70,757.55	70,757.55
	3.	Net profit for the period	878.17	878.17
	4.	Earnings per share	2.57	2.57
	5.	Total assets	72,052.34	72,052.34
	6.	Total liabilities	44,134.94	44,134.94
	7.	Net worth	27,917.40	27,917.40
	8.	Any other financial item (as felt appropriate by the management)	Nil	Nil

II.	Audit qualification (each audit qualification separately)
	a. Details of audit qualifications: The audit report of statutory auditors includes following qualifications on the audited financial statements/results: (i) As stated in Note 4 to the accompanying financial results, the Holding Company's other equity as at 31 March 2020 includes an amount of Rs. 365.36 lakh in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Holding Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019. (ii) As stated in Note 5 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2020 include an amount of Rs. 2,455.18 lakh relating to litigations pending with various authorities, for which the Holding Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.

	b. Type of audit qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion Qualified opinion
	c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing Repetitive- Qualification stated in (i) is continuing from the financial year ended 31 March 2011. Qualification stated in (ii) is continuing from the financial year ended 31 March 2012. However, the figure mentioned has been updated.
	d. For audit qualification(s) where the impact is quantified by the auditor, Management's Views: Management's view: not applicable e. For audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not quantified (ii) If management is unable to estimate the impact, reasons for the same: a) The Holding Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Holding Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss. b) Out of contingent liabilities existing as at 31 March 2020, certain liabilities aggregating to Rs. 2,455.18lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Holding Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results. (iii) Auditor's comments on (i) and (ii) above: Since management could not ascertain the impact, the auditors have given qualifications in their auditor's report.

III Signatories:

Yours Sincerely,
For V2 Retail Limited

Sd/-
Mr. Ram Charitra Agarwal
Chairman & Managing Director
DIN00461885

Sd/-
Mr. Akash Agarwal
Chief Financial Officer

Sd/-
Mr. Lalit Kumar
Audit Committee Chairman

Place: New Delhi
Date: 25 June 2020

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Rohit Arora
Partner
Membership No. 504774

Update on COVID-19 situation for V2 Retail Limited ("V2RETAIL / "the Company")

I. Overall Status:

1. As the country was struck by the COVID-19 pandemic from early March, leading to movement restrictions and heightened sense of insecurity among people, consumers started to stay away from all non-essential shopping, leading to a steep decline in sales from the third week of March. Eventually, the Company had to shut down its entire retail network through the month in line with the nationwide lockdown announced by the Government of India and restriction imposed by local authorities.
2. During this period, the Company took every possible precaution to ensure safety of its staff across the country. The Company has started to slowly resume its operations across the country in line with guidance issued by Ministry of Home Affairs (MHA) and local authorities. Each store is being opened with utmost precautions, implementing the highest standards and protocols on safety and hygiene to make them absolutely safe for employees and consumers.

II. Impact on the Business:

1. The Company's operations were hit substantially from mid of March 2020 till the 2nd week of May 2020, when lockdown was gradually lifted. Corporate office, retail operations and central warehouse were fully shut during the period.
2. The wedding season which is also normally strong in the months of April and May was also impacted as most of the weddings during this period have been postponed.
3. As of today, out of a total network of 74 stores, more than 65 stores have started operations. Although, we have started operations at our stores, we have not been able to achieve the optimum level of operation considering the conditional lockdown relaxation and lack of consumer demand for non-essential items. As such, there will be significant revenue loss for the Company as compared to corresponding period of previous financial year. The Company continues to incur expenditure towards fixed/ indirect cost (though rationalized to the extent possible), as a result of which there will be adverse impact on the profitability of the Company.

III. Ability to maintain operations:

1. The Company was net CashPositive as on March 31, 2020. The Company has sufficient liquid assets / cash and bank balanceand unutilized working capital facilities to meet its operation requirement on a sustained basis.
2. The entire management team, senior management team and departmental heads continue to remain actively engage on day to day basis through various communication facilities, attending to internal operation matters as well with vendors and other stakeholders.

IV. Commencement of Operations:

1. With Central Government relaxing the lockdown conditions and based on guidelines from various states/district authorities, we have started re-opening our stores. As of date, we have approx. reopened 65 stores out of our total 74stores. We are witnessing gradual increase in footfall.



V. Details of Impact of COVID 19

- i. **Capital & Financial Resources:** The Company is well capitalised and having adequate financial resources.
- ii. **Profitability:** The revenue and profitability for the quarter ended March 31, 2020 was adversely impacted. Also, revenue and profitability for the quarter ended June 30, 2020 would be adversely impacted due to the continuation of nationwide lockdown, although partial relaxation was announced by the government. The Company is continuously working towards rationalising its fixed cost as the same forms major part of our cost.
- iii. **Liquidity Positions:** We have focussed on cash conservation, cost rationalisation, discharging operational expenses and ensuring optimum availability of cash to ramp up our operations. Further, the Company has sufficient unutilized banking facilities to cover short term financial distortions caused due to COVID-19.
- iv. **Ability to Service Debt and other financing arrangements:** The Company was net Cash Positive as on March 31, 2020 as such, we do not foresee any difficulties in meeting our debt and other financial commitments.
- v. **Assets:** The Company does not see material risk to recoverability of assets (Inventories and other current assets). Further the Company has adequate insurance policies for its fixed assets.
- vi. **Internal financial reporting and control:** We have effective internal financial reporting and control mechanism in place. Our robust IT systems help us in remotely monitor all the functions during the lock down. There was no impact of COVID-19 on internal financial reporting and control.
- vii. **Supply Chain:** There is minimum disruption in the supply chain as most of the vendors have re-started their production and are ready to provide required supplies depending on the demand and the existing inventory being liquidated. We have been continuously engaging with our vendors and they are keen to restart the supplies. We believe that our cordial relationship and payment track record will help us in restoring the supply chain.
- viii. **Demand for its products/ services:** Customer sentiment pointing at reduced spends on discretionary items due to various factors including short term reduction in purchasing power might impact demand for most of the Company's products in near term. The Company has also working on strategy to introduce various items that can be pushed in current situation.

VI. Existing contracts / agreements where non-fulfilment of obligation by any party will have significant impact on the listed entity's business:

The Company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.

VII. Impact of COVID-19 on Subsidiaries:

During the last couple of months, due to lockdown, the manufacturing activities undertaken by our subsidiary were completely stopped. The subsidiary has received approval to commence the manufacturing activity. We are facing minor challenges in terms of getting the skilled manpower.



etc. However, we do not foresee any significant impact of COVID 19 on the operations in medium to long term.

The update is dynamic and subject to change due to factors beyond the Company's control. The Company will constantly monitor the situation and will keep you informed as and when any material developments take place having significant impact.

