AKGVG & ASSOCIATES
Chartered Accountants

Limited Review Report on
V2 Retail Limited, New Delhi
For the Quarter ended 30th June, 2013

To,
The Board of Directors,
V2 Retail Limited.

1. We have reviewed the accompanying un-audited statement of account of V2 Retail Limited (The Company) New Delhi for the quarter ended on 30th June ,2013, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which has been traced from disclosure made by the management and have not been audited by us. These financial statements are responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 –"Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiring from person responsible financial and accounting matters. It is an analytical procedure applied to financial data and thus, provides less assurance than audit. We have performed the review accordingly and we do not express an audit opinion.

3. We further report that;
   a) *Secured loan including interest payable are subject to confirmations. During the period, company has debited interest expenses amounting to Rs.1,59,78,364/- which is included in finance cost , no documentary evidence has been provided in relation thereto,*

   b) *Sundry Creditors balances are subject to confirmations and further the Management is in the process of recognition & segregation of creditors into due to MSME (Micro, Small & Medium Enterprises) and others. Currently we are unable to comment on provision for Interest due to MSME.*

   c) *The Company has Contingent Liabilities to the tune of Rs.6310.34 Lacs, which are under appeal with different authorities at different levels. At the moment Company is not able to reliably ascertain estimated amount of such liability so the provision as required in accordance to the Indian Accounting Standard-29 has not been made in books of accounts.*

AKGVG & ASSOCIATES * New Delhi * Chartered Accountants

Corporate Office : 307, Pearls Corporate, Sec-3, Rohini, Delhi-85. Ph. : +91-9811118031 Tel./ Fax : 011-45009323
Branch Office : Delhi : D-14/219, Sec-3, Rohini, Delhi-85. Ph. : + 91-9818330516 Tel. / Fax : 011-45680539
436C, Tower B3, 4th Floor, SPAZE I Tech Park, Sec-49, Sohna Road, Gurgaon

d) The Company has incurred substantial losses in upto year 2011-12 and its net worth has been eroded. However, having regard to improvement in the economic sentiment, rationalization measures adopted by the Company, Opening of new stores and the implementation of the debt recast package with the lenders and promoters, these financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities. The accumulates losses Rs. 5,31,34,81,558/- (Rupees Five hundred Thirty one crores thirty four lacs eighty one thousand five hundred fifty eight only) as at 30th June 2013 which exceed the net worth of the company.

e) *In our opinion and according to the information and explanations given to us, the company does not have internal audit system commensurate with its size and nature of business.*

f) ***In our opinion and according to the information and explanations given to us, there is inadequate internal control system commensurate with the size of the company and the nature of its business, for the recording of accounting transactions, which need to be strengthen. During the course of our audit. However we observed that management is in process of improvising the Internal Control.***.

g) The matters as stated above in paragraph 3(a) to (f) are our observations and qualifications on Financial Statements for the period ending on June 30th 2013.

4. Based on our review conducted as above, and subject to our observations in paragraph 3 above, the consequential effect of which on relevant assets, liabilities and loss for the period is not quantifiable, nothing has come to our attention that cause to believe that the accompanying un-audited financial statements, prepared in accordance with accounting standards and other recognized practices and policies recognition, asset classification, provisioning and other related matters, have not disclosed the required information including the manner in which it is to be disclosed in term of clause 41 of the Listing Agreement and they contain material misstatement.

Place: New Delhi
Dated: 14th August, 2013

For A K G V G & Associates
(Chartered Accountants)
FRN: 018598N

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