V2 RETAIL LIMITED

(FORMERLY KNOWN AS VISHAL RETAIL LIMITED)

4th September 2011

The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai	**Bombay Stock Exchange of India,** "Phiroze Jeejeebhoy Towers", Dalal Street, Mumbai

Subject: Intimation of the Audited financial Results for the financial year ended 31st March 2011

Dear Sir/Ma'm

Please find attached herewith the Audited Financial Results for the financial year ended 31st March 2011 in compliance with the provisions of clause 41 of the Listing Agreement for your kind reference.

Regards,
For **V2 Retail Limited**

V2 RETAIL LIMITED NEW DELHI

Saurabh Misra
Company Secretary

Enclosure: as above

V2 RETAIL LIMITED

(FORMERLY KNOWN AS VISHAL RETAIL LIMITED)

Annual Audited Results for the Financial Year ended March 31, 2011

(Rupees in lacs)

S.No.	Particulars	Standalone		Consolidated	
		Financial Year ending 31st March 2011	Financial Year ending 31st March 2010	Financial Year ending 31st March 2011	Financial Year ending 31st March 2010
		Audited	Audited	Audited	Audited
1	**Income**				
a.	Net Sales/Income from Operations	1,06,464.63	1,10,545.93	1,06,464.63	1,10,545.93
b.	Other Operating Income	-	-	-	-
c.	**Total**	**1,06,464.63**	**1,10,545.93**	**1,06,464.63**	**1,10,545.93**
2	**Expenditure**				
a.	(Increase)/decrease in stock in trade and work in progress	-	43,082.38	-	43,082.38
b.	Consumption of raw materials	83,315.06	82,769.57	83,315.06	82,769.57
c.	Purchase of traded goods	-	-	-	-
d.	Employees cost	7,949.94	8,854.53	7,949.94	8,854.53
e.	Depreciation	3,431.74	4,654.22	3,434.01	4,656.96
f.	Other expenditure	20,737.37	22,001.00	20,742.88	22,011.81
g.	**Total**	**1,15,434.11**	**1,61,361.70**	**1,15,441.89**	**1,61,375.25**
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	(8,969.48)	(50,815.77)	(8,977.26)	(50,829.32)
4	Other Income	1,040.52	1,302.76	1,042.95	1,302.87
5	Profit before Interest & Exceptional Items (3+4)	(7,928.96)	(49,513.01)	(7,934.31)	(49,526.45)
6	Interest	10,706.30	8,975.79	10,706.30	8,975.79
7	Profit after Interest but before Exceptional Items (5-6)	(18,635.26)	(58,488.80)	(18,640.61)	(58,502.24)
8	Exceptional Items	232.32	(292.82)	232.32	(292.82)
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	(18,402.94)	(58,781.62)	(18,408.29)	(58,795.06)
10	Tax expense	2,192.99	22,389.11	2,194.18	22,393.68
11	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9+10)	(16,209.95)	(36,392.51)	(16,214.12)	(36,401.38)
12	Extraordinary Item	(9,692.78)	5,078.98	(9,692.78)	5,078.98
13	**Net Profit (+)/Loss(-) for the period (11-12)**	**(6,517.17)**	**(41,471.49)**	**(6,521.34)**	**(41,480.36)**

V2 RETAIL LIMITED NEW DELHI

Registered & Corporate Office: Plot No. 8, Pocket No. 2, Block - A, Rangpuri Extension, NH-8, New Delhi-110037
Tel: 011-32316262

14	**Share of Loss from Subsidiary Companies**		-	-	**(0.50)**	**(50.63)**
15	**Share of Loss attributable to Minority**		-	-	**(0.36)**	**(20.74)**
16	**Net Profit /Loss (-) for the period (13-14-15)**		**(6,517.17)**	**(41,471.49)**	**(6,522.21)**	**(41,551.74)**
17	Paid-up equity share capital		2,239.89	2,239.89	2,239.89	2,239.89
	(Equity Shares of Rs. 10/- each)		10/-	10/-	10/-	10/-
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year		28,451.01	(25,544.85)	28,387.33	(25,613.31)
19	Earnings Per Share (EPS)					
	a.	Basic EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(72.37)	(162.47)	(72.29)	(162.51)
	a(i).	Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(72.37)	(162.47)	(72.29)	(162.51)
	b.	Basic EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(29.10)	(185.15)	(29.12)	(185.51)
	b(i).	Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(29.10)	(185.15)	(29.12)	(185.51)
17	Public shareholding					
	a.	Number of shares	9585998	9555988	9585998	9555988
	b.	Percentage of shareholding	42.80%	42.66%	42.80%	42.66%
18	Promoters and Promoter Group Shareholding **					
	a.	Pledged / Encumbered				
		- Number of shares	953770	953770	953770	953770
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	7.44%	7.44%	7.44%	7.44%
		- Percentage of shares (as a % of the total share capital of the company)	4.26%	4.26%	4.26%	4.26%
	b.	Unencumbered				
		- Number of shares	11859101	11889111	11859101	11889111
		- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	92.56%	92.56%	92.56%	92.56%
		- Percentage of shares (as a % of the total share capital of the company)	52.94%	53.08%	52.94%	53.08%

V2 RETAIL LIMITED NEW DELHI

Notes:

1. Statement of Assets & Liabilities

(Rupees in lacs)

Statement of Assets and Liabilites	Standalone		Consolidated	
Particulars	As at		As at	
	March 31,2011	March 31,2010	March 31,2011	March 31,2010
Shareholders' Funds				
Share Capital	2,240	2,240	2,240	2,240
Share Warrants	98	98	98	98
Reserves & Surplus	77,658	17,135	77,658	17,135
Capital Reserve on Consolidation of Joint Venture	-	-	22	21
Secured Loan	5,885	38,169	5,885	38,169
Unsecured Loan	547	38,455	547	38,455
Fixed Assets	4,041	22,151	4,047	22,158
Investments	38	38	-	-
Deferred Tax Assets (Net)	28,459	26,265	28,464	26,269
Current Assets, Loans & Advances				
Inventories	-	21,996	-	21,996
Sundry Debtors	8	292	8	292
Cash & Bank Balances	4,381	1,098	4,392	1,113
Loans & Advances	504	5,969	521	5,986
Less: Current Liabilities & Provisions				
Current Liabilities	145	23,987	210	24,052
Provisions	67	416	67	416
Net Current Assets	4,682	4,952	4,645	4,919
Profit & Loss Account	49,207	42,690	49,292	42,771

2. The Audited Consolidated Financial Results comprise the results of V2 Retail Limited [FormerlyKnown as Vishal Retail Limited] and its subsidiaries as detailed below which are consolidated in accordance with Accounting Standard-21 on consolidation of financial statements, the company's proportionate share in the financials of M/s VRL Retailer Business Solution Pvt. Limited(prepared but unaudited upto 31st March 2011) which are consolidated in accordance with Accounting Standard-27 on Financial Reporting of interests in Joint Ventures and Investment in associates are dealt within accordance with Accounting Statndard-23 on accounting for investment in associates in consolidated Financial Statements

Name of the Subsidiary	%age of Holding	Profit & Loss for the period (Rs.)
VRL Fashion Limited	100%	-4,412
VRL Foods Limited	100%	-4,412
VRL Movers Limited	50%	-4,412
VRL Consumer Goods Limited	100%	-4,412
VRL Infrastructure Limited	50%	-59,562
VRL Knowledge Process Limited	50%	-4,412
VRL Retail Ventures Limited	50%	-4,412
VRL Retailer Business Solution Pvt. Ltd. (Joint Venture)	5%	-535,779

3. The Company has only one business and geographical segment viz retail sales of garments, textile & accessories in India. In view of this no further disclosure is required to be made as per Accounting Standard-17 on Segment Reporting.

4. The weighted average number of Equity Shares outstanding during the period has been considered for calculating the Earning Per Share in terms of Accounting Standard-20.

5. Details of number of Investor Complaints/Queries for the year ended 31st March, 2010;
Pending at the beginning 0, Received during the year 1, Resolved during the year 1, Pending at the closing 0.

6. Previous period/year figures have been regrouped/reclassified where ever necessary.

7. Provision for Taxation comprises of Current Tax expenses & Deferred Tax Charges.

8. The company has restructured its business during the year by way of sale of its Wholesale and Retail Businesses to TPG Wholesale Private Limited and Airplaza Retail Holdings Private Limited (referred to as Acquiring Companies) respectively. The Master Restructuring Agreement and other settlement agreements were entered into by the Company with the Acquiring Companies and its Lenders to effect the said restructuring and CDR proposal of the Company. As a result of the said agreement the liabilities to the extent of Rs. 823.20 Crores and assets of Rs. 393.78 crores were taken over by the acquiring companies against a consideration of Rs. 70 crores. The Slump Sale transaction resulted in a Capital Reserve of Rs. 499.42 Crores.

As a part of the said restructuring some unsecured lenders of the company also waived off their claims to the extent of Rs. 105.81 Crores which has also been transferred to Capital reserve Account.

V2 RETAIL LIMITED NEW DELHI

The company got waiver of Rs. 96.93 crores as reversal of interest under the CDR scheme which has been disclosed as extra ordinary item in the Profit & Loss Account.

9. The Company has already started its new retail venture under the brand & style "V2". The Company has entered into MOU for eight new stores, out of the same, four stores has already operational with a total area of 60,775 sq, ft during the current period.

10. M/s Haribhakti & Co. Statutory Auditors have resigned therefore the results adopted and published as above are unaudited. However the Company has called for Extra Ordinary Meeting to fill the office of Statutory Auditors.

11. The Company has shifted its Registered Office from Plot No. 332, near Telco Service Station behind Shokeen Farm Lands, Rangpuri, New Delhi to Plot No. 8, Pocket 2, Block A, Rangpuri Extn. N.H.-8, Delhi-110037 with effect from March 17, 2011.

12. Auditors Qualifications/ Reservations are:

a) The accumulated losses of Rs. 4,920,718,732 (Rupees four hundred ninety two crores seven lacs eighteen thousand seven hundred thirty two only) as at 31st March, 2011 exceed the net worth of the Company;

b) The company has disposed off substantial part of its fixed assets under the Slump Sale agreement entered into as a part of Corporate Debt Restructuring Scheme.

c) Basis of accounting for Capital Reserve amounting to Rs. 6,052,324,263 (Rupees Six hundred five Crores twenty three lacs twenty four thousand two hundred and sixty three) on account of restructuring of business of the company during the year. The Company has trifurcated its Assets and Liabilities as on appointed date between the Acquiring Companies as per the agreement entered into between them and the difference between Assets and Liabilities transferred has been shown as Capital Reserve.

d) Basis of write off of Sundry balances amounting to Rs.22,470,875(Rupees Two crores twenty four lacs seventy thousand eight hundred and seventy five only) included in Other Expenses,

e) Adequate documentary evidence for Miscellaneous Income of Rs.91,048,666 (Rupees nine crores ten lacs forty eight thousand six hundred sixty six only) which has been recognised as Other Income in the Profit & Loss Account,

f) The company has during the period under review discontinued its operation of Wholesale and Retail Division by way of Slump Sale. However no disclosure for the same has been provided in Financial Statements as required by Accounting Standard 24 "Discontinuing Operations".

g) Deferred Taxes Assets amounting to Rs. 2,845,904,015 (Rupees two hundred eighty four crore fifty nine lacs four hundred fifteen only) has been recognised in the Balance Sheet though the company has incurred operating losses in the current year and previous years and there exists no convincing evidence as to virtual certainty of future income to recover the deferred tax asset as required by Accounting Standard 22 "Accounting for Taxes on Income".

V2 RETAIL LIMITED NEW DELHI

The effect of qualification wherein figures have not quantified is currently unascertainable and accordingly accumulated losses have not been adjusted for consequential effect resulting from such qualifications.

For V2 RETAIL LIMITED

(Ram Chandra Agarwal)
(Chairman & Managing Director)

Dated : September 04, 2011

Place : New Delhi