V2
VALUE & VARIETY

V2 Retail Limited

Date: 29.05.2015

To

National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400051	**Bombay Stock Exchange Limited,** "Phiroze Jeejeebhoy Towers", Dalal Street, Mumbai-400001

Subject: **Intimation about the Adoption of Audited Financial Result and Report for the Quarter and year ended March 31st, 2015.**

Dear Sir/Ma'am

Pursuant to Clause 41 of the Listing Agreement, please find attached herewith the Audited Financial Results along with the Report for the Quarter and year ended March 31st 2015. The same is considered and approved by the Board of Directors at the Board Meeting held on 29th May, 2015 at 03:30 P.M. at the registered office of the Company.

This is for your information and record.

Thanking You,

Yours Sincerely

For V2 Retail Limited

RETAIL LIMITED NEW DELHI

(RAMCHANDRA AGARWAL)
Chairman & Managing Director
Din No: 00491885
Address: B1-801, LAGOON APARTMENT,
AMBIENCE ISLAND, GURGAON,
122002, Haryana

Encl: as above

A K G V G & ASSOCIATES

Chartered Accountants

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company pursuant to Clause41 of the Listing Agreement

To
Board of Directors of
V2 Retail Limited

1. We have audited the quarterly financial results of **V2 Retail Limited ('the Company')** for the quarter ended March 31st 2015 and the financial results for the year ended March 2015, attached herewith, being submitted by the Company pursuant to requirements of Clause 41 of the Listing Agreements except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between audited figures in respect of the year ended 31st March 2015 and the published year to date figures upto December 31, 2014 being the date of the end of the third quarter of the current financial year, which were subject to limited review. The Financial results for the quarter ended March 31st 2015 have been prepared on the basis of financial results for the nine months period ended December 31st 2014, the audited annual financial results as at and for the year ended March 31st 2015, and the relevant requirements of clause 41 of the Listing agreement and are the responsibility of the company's management and have been approved by the board of directors of the company. Our responsibility is to express an opinion on the these financials results, based on our review of the financial results for the nine months period ended December 31st 2014, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act 2013 read with rule7 of the Companies (Accounts) Rule 2014 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31st 2015; and the relevant requirements of the clause 41 of the Listing Agreement.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. We draw attention to :
   a) *As stated in these quarterly financial results, included in capital reserve amounting toRs.60,523.24/-lacs, is Rs. 42,942/-lacs arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliations/ information to the tune of Rs 372.24/-lacs is not available with the company. Accordingly in absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these quarterly financial results.*

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b) *As stated in these quarterly financial results, the Company has outstanding short-term borrowings at the year-end due to a lender which include overdue principal and interest for which necessary supporting documents for balance confirmation at the year end and relevant information with relation to rate of interest is not available with the Company. In the absence of the same, we are unable to comment on appropriateness of the same.*

c) *As stated in these quarterly financial results, the Company has recognized Rs. 26,241.88/- lacs as deferred tax assets at the year-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with the principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India . Had the company not recognized such deferred tax asset, impact on profit and loss account would have been decrease in profit during the year by Rs. 26,241.88/- lacs and decrease in Reserves and Surplus by Rs. 26,241.88/-lacs.*

d) *As stated in Note 8 of these quarterly financial results, the Company has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs.16,938.13/- lacs for which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these quarterly financial results in accordance with Accounting Standard-29-'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.*

e) *As stated in these quarterly financial results, the company has year-end inventory of traded goods amounting to Rs. 4,265.95 lacs in its new warehouse at Mubarikpur, Haryana for which no physical verification was performed by us as the company was in process of shifting such goods to this warehouse. Hence, we are unable to comment on such inventory lying at the company's warehouse.*

4. Without qualifying our opinion, we report that,
   a) Attention is invited to note 10 of these quarterly financial results wherein the Company has accumulated losses amounting to Rs. 52,688.36/- lacs at the year-end which raises concern regarding going concern status of the Company. However, during the year, the company has earned profit after tax of Rs. 975.13/-lacs and, having regard to improvement in the business conditions, increase in revenue from operations, cost rationalization measures adopted and opening of new stores by the Company, these financial results have been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities at the year-end.

5. Subject to paras 3(a), (b),(c), (d) , (e) and 4(a) above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:

   i. Are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
   ii. Give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2015 and net profit and other financial information for the year ended March 31st, 2015.

6. Further read with paragraph 1 above, we report that the figures for the quarter ended March 31 2015 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2015 and the published year-to date figures up to December 31, 2014, being the date of the end of the

third quarter of current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(1)(d) of the Listing Agreement.

7. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanation given to us by the management, also verified the number as well percentage of shareholdings in respect to aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For AKGVG & Associates.
Chartered Accountants
ICAI Firm Registration Number 018598N

Vimal Saini

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

Place: New Delhi

Date: 29th May, 2015

A K G V G & ASSOCIATES

Chartered Accountants

Auditors' Report on consolidated year to date results of the Company pursuant to Clause-41 of Listing Agreement

To
Board of Directors of
V2 Retail Limited

1. We have audited the consolidated financial results of V2 Retail Limited comprising its subsidiary and joint venture (together 'the V2 Retail Group') for the year ended March 31st 2015, attached herewith, being submitted by the Company pursuant to requirements of Clause 41 of the Listing Agreements except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosure made by the management and have not been audited by us. The consolidated audited annual financial results as at and for the year ended March 31st 2015, and the relevant requirements of clause 41 of the Listing agreement are the responsibility of the company's management and have been approved by the board of directors of the company. Our responsibility is to express an opinion on the these financials results, based on our audit of the annual consolidated financial results as at and for the year ended March 31st 2015, which was prepared in accordance with other accounting principles generally accepted in India and the relevant requirements of clause 41 of the Listing Agreement.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial information of a subsidiary, whose financial information is prepared under the generally accepted accounting principles accepted in India and whose financial results reflects total assets of Rs. 13.65/-lacs as at March 31st 2015, total revenue of Rs. Nil for the year ended March 31st 2015, as well as net cash outflows of Rs. 0.09/-lacs for the year ended March 31st 2015. These financial results have been audited by other auditor whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of such other auditor.

4. We did not audit the financial information of a joint venture, whose financial information reflect total assets of Rs. 0.24/-lacs as at March 31st 2015 and total revenue of Rs. Nil for the year ended March 31st 2015, being the proportionate share of V2 Retail Group for the year ended. The financial information of joint venture has been prepared by the management, and our opinion is based solely on the management certified accounts. Our opinion is not modified in respect of this matter.

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5. We draw attention to :

a) *As stated in these consolidated financial results, included in capital reserve amounting toRs.60,523.24/-lacs, is Rs. 42,942/-lacs arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliations/ information to the tune of Rs 372.24/-lacs is not available with the company. Accordingly in absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these consolidated financial results.*

b) *As stated in these consolidated financial results, the Group has outstanding short-term borrowings at the year-end due to a lender which include overdue principal and interest for which necessary supporting documents for balance confirmation at the year end and relevant information with relation to rate of interest is not available with the Company. In the absence of the same, we are unable to comment on appropriateness of the same.*

c) *As stated in these consolidated financial results, the Group has recognized Rs. 26,242.01/- lacs as deferred tax assets at the year-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with the principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Had the company not recognized such deferred tax asset, impact on profit and loss account would have been decrease in profit during the year by Rs. 26,242.01/- lacs and decrease in Reserves and Surplus by Rs. 26,242.01/-lacs.*

d) *As stated in Note 8 of these consolidated financial results, the Group has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs.16,938.13/-lacs for which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these consolidated financial results in accordance with Accounting Standard29-'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.*

e) *As stated in these consolidated financial results, the Group has year-end inventory of traded goods amounting to Rs. 4,265.95 lacs in its new warehouse at Mubarikpur, Haryana for which no physical verification was performed by us as the company was in process of shifting such goods to this warehouse. Hence, we are unable to comment on such inventory lying at the company's warehouse.*

6. Without qualifying our opinion, we report that,

a) Attention is invited to note 10 of these consolidated financial results wherein the Group has accumulated losses amounting to Rs. 52,757.58/- lacs at the year-end which raises concern regarding going concern status of the Group. However, during the year, the Group has earned profit after tax of Rs. 975.48/-lacs and, having regard to improvement in the business conditions, increase in revenue from operations, cost rationalization measures adopted and opening of new stores by the group, these financial results have been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities at the year-end.

7. Subject to paras 5(a), (b),(c), (d) , (e) and 6(a) above, in our opinion and to the best of our information and according to the explanations given to us these consolidated financial results for the year ended March 31, 2015:

i. Are presented in accordance with the requirements of Clause 41 of the Listing Agreements in this regards and

ii. Give a true and fair view of the net profit and other financial information for the year ended March 31, 2015

8. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanation given to us by the management, also verified the number of consolidated shares as well as percentage of shareholdings in respect to aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For AKGVG & Associates.
Chartered Accountants
ICAI Firm Registration Number:.018598N

VimalSaini

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

Place: New Delhi

Date: 29th May, 2015

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2015

Rs. In Lacs (Except per share data)

S.No.	Particulars	Quarter ended			Year ended		Consolidated	
		31st March 2015	31st December 2014	31st March 2014	31st Mar 2015	31st Mar 2014	31st Mar 2015	31st Mar 2014
	PART-I	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**	**Audited**	**Audited**	**Audited**
1	**Income from Operations**							
	a. Net Sales/Income from operations (Net of excise duty)	6,562.50	7,916.03	5,239.61	28,676.77	22,889.23	28,676.77	22,889.23
	b. Other Operating Income	-	-	-	-	-	-	-
	TOTAL INCOME FROM OPERATIONS (A+B)	**6,562.50**	**7,916.03**	**5,239.61**	**28,676.77**	**22,889.23**	**28,676.77**	**22,889.23**
2	**Expenses**							
	a. Consumption of raw materials	-	-	-	-	-		
	b Purchase of traded goods	8,286.34	4,770.81	4,107.17	22,917.43	18,315.00	22,917.43	18,315.00
	c Changes in inventories of stock in trade	(3,463.85)	694.37	121.09	(2,379.78)	(1,069.42)	(2,379.78)	(1,069.42)
	d. Employee benefits expense	470.58	493.83	399.46	1,834.87	1,592.01	1,834.87	1,592.01
	e. Depreciation and amortisation expense (Refer Note No.7)	(45.46)	76.98	97.27	208.79	348.19	208.79	348.19
	f. Other expenses	868.00	839.05	1,258.54	3,528.08	3,644.66	3,527.57	3,644.90
	Total (a)+(b)+'(c)+(d)+(e)+(f)	**6,115.61**	**6,875.04**	**5,983.53**	**26,109.39**	**22,830.44**	**26,108.87**	**22,830.68**
3	Profit / (Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	446.89	1,040.99	(743.92)	2,567.38	58.79	2,567.89	58.55
4	Other Income	69.47	63.87	58.60	251.82	220.66	251.82	220.66
5	Profit / (Loss) from ordinary activities before Finance Cost & Exceptional Items (3+4)	516.36	1,104.86	(685.32)	2,819.20	279.45	2,819.72	279.21
6	Finance Costs	266.73	249.48	211.63	974.89	805.46	974.89	805.46
7	Profit / (Loss) from ordinary activities before Exceptional Items (5-6)	249.63	855.38	(896.95)	1,844.31	(526.01)	1,844.83	(526.25)
8	Exceptional Items	-	-	-	-	-	-	-
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	249.63	855.38	(896.95)	1,844.31	(526.01)	1,844.83	(526.25)
10	Tax expense	(155.85)	(339.92)	(113.19)	(869.18)	75.25	(869.35)	(75.76)
11	Net Profit /Loss from Ordinary Activities after tax (9+10)	93.78	515.46	(1,010.14)	975.13	(450.76)	975.48	(450.49)
12	Extraordinary Items (Net of Tax Expenses)	-	-	-	-	-	-	-
13	**Net Profit /Loss for the period (11-12)**	**93.78**	**515.46**	**(1,010.14)**	**975.13**	**(450.76)**	**975.48**	**(450.49)**
14	Share of Profit / Loss of Joint Venture	-	-	-	-	-	-	-
15	Minority Interest						(0.05)	(0.23)

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16	Net Profit / Loss for the group (13-14-15)							975.43	(450.72)
17	Paid-up equity share capital (Face Value of Rs. 10/- per share)		2,357.77	2,239.89	2,239.89	2,357.77	2,239.89	2,357.77	2,239.89
18	Reserve excluding Revaluation Reserves					25,047.32	24,072.19	24,978.10	23,982.75
19	Earnings Per Share (EPS) of Face Value of Rs. 10/- each (not annualised):								
	a.	Basic EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	0.40	2.30	(4.51)	4.13	(1.94)	4.13	(1.93)
	a(i).	Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	0.36	2.30	(4.51)	3.69	(1.94)	3.69	(1.93)
	b.	Basic EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	0.40	1.96	(4.51)	4.14	(2.01)	4.14	(2.01)
	b(i).	Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	0.36	1.96	(4.51)	3.70	(2.01)	3.70	(2.01)
	PART-II- Select Information for the Quarter and Year ended 31st March 2015								
A	**Particulars of Shareholding**								
1	Public shareholding								
	a.	Number of shares	9587998	9587998	9587998	9587998	9587998	9587998	9587998
	b.	Percentage of shareholding	40.67%	42.81%	42.81%	40.67%	42.81%	40.67%	42.81%
2	Promoters and Promoter Group Shareholding								
	a.	Pledged / Encumbered							
		- Number of shares	12377194	12377194	12377194	12377194	12377194	12377194	12377194
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	88.47%	96.61%	96.61%	88.47%	96.61%	88.47%	96.61%
		- Percentage of shares (as a % of the total share capital of the company)	52.50%	55.26%	55.26%	52.50%	55.26%	52.50%	55.26%
	b.	Non-encumbered							
		- Number of shares	1612557	433677	433677	433677	433677	433677	433677
		- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	11.53%	3.39%	3.39%	11.53%	3.39%	11.53%	3.39%
		- Percentage of shares (as a % of the total share capital of the company)	6.84%	1.93%	1.93%	6.84%	1.93%	6.84%	1.93%

B	INVESTOR COMPLAINTS	Quarter ended on 31st March, 2015
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

1) The Standalone and Consolidated statement of assets and liabilities as on 31st March 2015 is as follows:

(Rs. In Lacs)

Particulars	Standalone		Consolidated	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	Audited (Rs. In lacs)	Audited (Rs. In lacs)	Audited (Rs. In lacs)	Audited (Rs. In lacs)
A. EQUITY & LIABILITIES				
1. SHAREHOLDER'S FUNDS				
(a) Share Capital	2,358	2,240	2,358	2,240
(b) Reserves and Surplus	25,047	24,072	24,978	23,982
(c) Money received against Share Warrants	69	-	69	-
(d) Capital Reserve on Consolidation of Joint Venture	-	-	21	21
SUB-TOTAL - SHAREHOLDERS FUNDS	**27,474**	**26,312**	**27,426**	**26,243**
2. NON-CURRENT LIABILITIES				
(a) Long-term borrowings	1,560	3,772	1,560	3,772
(b) Other Long term liabilities	49	49	49	49
(c) Long term provisions	696	465	696	465
SUB-TOTAL - NON-CURRENT LIABILITIES	**2,305**	**4,286**	**2,305**	**4,286**
3. CURRENT LIABILITIES				
(a) Short-term borrowings	-	-	-	**13.00**
(b) Trade payables	3,522	2,820	3,522	2,820
(c) Other current liabilities	7,118	5,054	7,180	5,116
(d) Short-term provisions	47	63	47	63
SUB-TOTAL - CURRENT LIABILITIES	**10,687**	**7,937**	**10,749**	**8,012**
TOTAL EQUITY AND LIABILITIES	**40,466**	**38,535**	**40,480**	**38,541**
B. ASSETS				
1. NON-CURRENT ASSETS				
(a) Fixed assets				
(i) Tangible assets	1,809	1,404	1,809	1,404
(ii) Intangible assets	16	30	16	30
(iii) Capital work-in-progress	116	4	116	4
(b) Non Current Investment	3,039	3,139	3,039	3,119
(c) Deferred tax assets (net)	26,242	27,111	26,242	27,111
(d) Long term loans and advances	228	172	228	172
(e) Other non-current assets	311	487	324	502
SUB-TOTAL NON CURRENT ASSETS	**31,761**	**32,347**	**31,774**	**32,342**
2. CURRENT ASSETS				
(a) Inventories	7,932	5,552	7,932	5,552
(b) Trade receivables	12	2	13	12
(c) Cash and cash equivalents	112	213	112	214
(d) Short-term loans and advances	647	420	647	420
(e) Other current assets	2	1	2	1
SUB-TOTAL CURRENT ASSETS	**8,705**	**6,188**	**8,706**	**6,199**
TOTAL ASSETS	**40,466**	**38,535**	**40,480**	**38,541**

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Notes to Results:

1. The above Standalone and Consolidated audited financial results for the year ended 31st March 2015 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29th 2015.

2. The figures for the quarter ended 31st March 2015 and 31st March 2014 are the balancing figures between audited figures in respect of the full financial year ended 31st March 2015 and 31st March 2014 respectively and the unaudited published year to date figures upto 31st December 2014 and 31st December 2013 respectively, being the end of the third quarter of the respective financial years, which were subjected to a limited review.

3. The Financial results have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.

4. The consolidated financial results have been prepared in accordance with the Accounting Standard- 21 on "Consolidated Financial Statements" and Accounting Standard – 27 on "Financial Reporting of Interest in Joint Ventures". Financial results of the subsidiary viz. VRL Movers Limited and joint venture VRL Retailer Business Solution Private Limited have been consolidated.

5. During the year the company has applied for striking-off of name of its subsidiaries namely VRL Infrastructure Limited and VRL Retail Venture Limited with Ministry of Corporate Affairs, as the same was incurring losses to the company. The results of these companies have not been consolidated in financials.

6. The Company has only a single reportable primary (business) segment viz. Retail Business. Therefore, segment information is provided only on a consolidated basis for the Company, its subsidiaries and joint venture called the "Group".

7. The Company has changed its method of depreciation on fixed assets from Written Down Value ("WDV") method to Straight Line Method ("SLM") method except building, as management believes that such change in accounting policy results in fair recognition of depreciation charge vis-à-vis its operations particularly when the Company is on growth path, which presents the financial results more appropriately. Due to such change in method of depreciation, adoption of Schedule-II of the Companies Act, 2013-depreciation charge is lower by Rs. 114.56 Lacs, reserve and surplus/ profit after tax is higher by Rs. 77.39 Lacs (net of tax Rs. 37.17 Lacs) and profit before tax is higher by Rs. 114.56 Lacs, for the year ended 31 March 2015. And, in case of fixed assets whose useful life has been completed as on 31 March 2014, the carrying value (net of residual value) of those assets has been charged along with depreciation charge for the year ended 31 March 2015.

8. The Company has Contingent Liabilities to the tune of Rs. 16,938.13 Lacs which includes Rs. 41.53 Lacs relating to Bank Guarantee. All Contingent Liabilities except Bank Guarantees are under appeal with different authorities at different levels.

9. The Company has incurred substantial losses in the past 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.

10. The accumulated losses Rs. 52,688.36 Lacs (Rupees Five Hundred Twenty Six crores Eighty Eight Lacs Thirty Six Thousand One Hundred Ninety Three only) as at 31st March, 2015 which exceed the net worth of the company.

11. The weighted average number of Equity Shares outstanding during the period has been considered for calculating the Earning per Share in terms of Accounting Standard-20 issued by the Institute of Chartered Accountants of India (ICAI)..

12. Previous quarter / year figures have been regrouped / reclassified where ever necessary to confirm to the current quarter's and years presentation.

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

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

The Company restructured its business in F.Y 2010-11 resulting a Capital Reserve of Rs. 60,523 Lacs. The amount of Capital Reserve has been reconciled except Rs. 372.24 Lacs for which the company is in process to reconcile and there is no impact on Profit & Loss account.

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

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

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

The Company has started to earn profits and during year, the Company has earned profit after tax of Rs. 975 Lacs resulting in reversal of Deferred Tax Assets by a sum of Rs. 869 Lacs and rest amount will be reversed in due course of business.

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

The Contingent Liabilities of Rs. 16,957.11 Lacs are under appeal with different authorities at different levels. The chances of these obligations are very remote even recently we have been awarded an order in our favour by Hon'ble Delhi High Court, quashing a demand of about 1,100 Lacs. Impact on Profit & Loss account cannot be ascertained till the matter is pending with different government authorities.

For **V2 Retail Limited**
CIN : L749999DL2001PLC147724

(RAM CHANDRA AGARWAL)
Chairman & Managing Director

Place: New Delhi
Date: May 29, 2015