



PRICE "LESS" FASHION

31st October, 2014

Ref. No. CS/S/L-34/2014-15

To:
The Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (E), Mumbai-400 051
Scrip Code: VMART
Fax: 022-26598120
Email: cmlist@nse.co.in

To:
The Corporate Relationship Department
BSE LIMITED
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
Scrip code: 534976
Fax: 022-22723121
Email: corp.relations@bseindia.com

Sub: Outcome of the Meeting of the Board of Directors of the Company held on 31st October, 2014

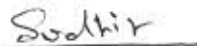
Dear Sir/Madam,

Pursuant to Clause 41 of Listing Agreement, we furnish herewith the unaudited financial results of the Company along with the Limited Review Report of the Statutory Auditors for the second quarter and the half year ended 30th September, 2014, as considered, approved and taken on record by the Board of Directors of the Company in its meeting held today, 31st October, 2014.

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

Thanking you,

Yours truly,
For V-Mart Retail Limited



Sudhir Kumar
Company Secretary

Encl: as above



CIN No.: L51909DL2002PLC163727
FAX No.: 011-45254429

V-MART RETAIL LTD.

F-11, Udyog Nagar Industrial Area, Rohtak Road, Peeragarhi,
New Delhi - 110 041
Tel # 011-45254444 • Email ID : info@vmart.co.in • Website : www.vmart.co.in

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
L-41 Connaught Circus
New Delhi 110001
India

Review Report

To the Board of Directors of V-Mart Retail Limited

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1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of V-Mart Retail Limited ("the Company") for the quarter and the year to date results for the period 1 April 2014 to 30 September 2014, 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. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

Atul Seksaria
per Atul Seksaria
Partner
Membership No. 086370



Place: New Delhi
Date: 31 October 2014

V-Mart Retail Limited

Regd. Office : F-11, Udyog Nagar Industrial Area, Peeragarhi, Rohtak Road, New Delhi - 110041

Unaudited financial results for the quarter and half year ended 30 September 2014

Rs. in lacs (except per share data)

Particulars	Quarter ended on			Half-year ended		Year ended
	30.09.2014 (Unaudited)	30.06.2014 (Unaudited)	30.09.2013 (Unaudited)	30.09.2014 (Unaudited)	30.09.2013 (Unaudited)	31.03.2014 (Audited)
Part I						
1. Income from operations						
(a) Net sales/income from operations	14,427.56	16,478.04	12,202.61	30,905.60	24,602.56	57,410.66
(b) Other operating income	28.32	25.71	13.82	54.03	51.29	85.28
Total income from operations (net)	14,455.88	16,503.75	12,216.43	30,959.63	24,653.85	57,495.94
2. Expenses						
(a) Cost of materials consumed	7.83	0.12	7.49	7.95	69.31	107.89
(b) Purchase of stock-in-trade	13,977.69	10,936.04	11,872.36	24,913.73	21,978.64	45,995.21
(c) Changes in inventories of stock-in-trade - (increase)/decrease	(3,639.39)	388.60	(3,181.23)	(3,250.79)	(5,355.95)	(5,762.32)
(d) Employee benefits expense	1,112.82	1,050.57	908.07	2,163.39	1,686.17	3,833.74
(e) Depreciation and amortisation expense (refer note 8)	(114.26)	501.61	252.15	387.35	467.46	1,089.44
(f) Other expenses	2,450.41	2,261.49	1,811.21	4,711.90	3,492.41	7,943.18
Total expenses	13,795.10	15,138.43	11,670.05	28,933.53	22,338.04	53,207.14
3. Profit from operations before other income, finance costs and prior period items (1-2)	660.78	1,365.32	546.38	2,026.10	1,715.81	4,288.80
4. Other income	48.13	133.89	7.98	182.02	20.85	71.36
5. Profit from ordinary activities before finance costs and prior period items (3+4)	708.91	1,499.21	554.36	2,208.12	1,736.66	4,360.16
6. Finance costs	148.16	143.17	140.00	291.53	246.51	577.88
7. Profit/(loss) from ordinary activities before tax and prior period items (5-6)	560.75	1,356.04	414.36	1,916.79	1,490.35	3,782.28
8. Prior period items - (expense)		(16.49)		(16.49)		
9. Net profit/(loss) from ordinary activities before tax (7+8)	560.75	1,339.55	414.36	1,900.30	1,490.35	3,782.28
10. Tax expense *	180.77	436.58	133.02	617.35	493.94	1,266.56
11. Net profit/(loss) from ordinary activities after tax (9-10)	379.98	902.97	281.34	1,282.95	996.41	2,515.72
12. Extra-ordinary items (net of tax expense Rs. 55.90 lacs) (refer note 10)	(108.55)	-	-	(108.55)	-	-
13. Net profit/(loss) for the period (11+12)	271.43	902.97	281.34	1,174.40	996.41	2,515.72
14. Paid up equity share capital (Face value of Rs.10 per share)	1,800.01	1,795.88	1,795.88	1,800.01	1,795.88	1,795.88
15. Reserves excluding revaluation reserves						15,219.76
16. Earnings per share (of Rs. 10 each) (not annualised)						
(a) Basic	1.51	5.03	1.57	6.54	5.55	14.01
(b) Diluted	1.51	5.03	1.57	6.54	5.55	14.01

Part II - Select information for the quarter and half year ended 30 September 2014
A. Particulars of Shareholding

1. Public Shareholding						
(a) No. of Shares	7,455,611	7,414,303	7,394,303	7,455,611	7,394,303	7,394,303
(b) Percentage of Shareholding	41.42%	41.29%	41.17%	41.42%	41.17%	41.17%
2. Promoters and Promoter Group Shareholding						
(a) Pledged/Encumbered						
No. of Shares						
Percentage of Shares (as a % of total Shareholding of Promoter and Promoter Group)						
Percentage of Shares (as a % of total share capital of the Company)						
(b) Non-Encumbered						
No. of Shares	10,544,475	10,544,475	10,564,475	10,544,475	10,564,475	10,564,475
Percentage of Shares (as a % of total Shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of Shares (as a % of total share capital of the Company)	58.58%	58.71%	58.83%	58.58%	58.83%	58.83%

B. Investor Complaints

Pending at the beginning of the quarter	Nil
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	Nil

* Tax expense include deferred tax

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V-Mart Retail Limited

Regd. Office: F-11, Udyog Nagar Industrial Area, Peeragarhi, Rohtak Road, New Delhi – 110041

Unaudited financial results for the quarter and half year ended 30 September 2014**Notes to financial results:**

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31 October 2014 and have undergone 'Limited Review' by the Statutory Auditors of the Company.
2. 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.
3. The Company is primarily engaged in the business of retail trade through chain of stores, which constitute single reportable business segment.
4. The weighted average number of equity shares outstanding during the period has been considered for calculating the Basic and Diluted Earning Per Share (not annualised) in accordance with AS – 20 "Earnings per share".
5. Pursuant to the provision of clause 43 of the listing agreement with the exchange, the disclosure is as follows:-

Means of finance for the objects of Initial Public Offering (IPO) are as under:

Particulars	(Rs. in lacs)
Proceeds from the fresh issue	5,798.10
Proceeds from Pre-IPO placement	2,625.00
Internal accruals	717.60
	9,140.70

The utilization of the aforementioned means of finance as on 30 September 2014 is as under:

(Rs. in lacs)				
Particulars	Utilization planned as per prospectus	Utilization of IPO proceeds as on 30 September 2014	Adjustments (utilization of surplus towards other objects)	Balance amount to be utilized as on 30 September 2014
To open new stores	6,970.40	(5,308.23)	6.60	1,668.77
Expansion of distribution center	438.70	(237.21)	-	201.49
Working capital	1,000.00	(1,000.00)	-	-
Share issue expenses	731.60	(725.00)	(6.60)*	-
	9,140.70	(7,270.44)	-	1,870.26

* Surplus available after actual expenses incurred will be utilized towards other objects of the issue.

Status of balance IPO proceeds as on 30 September 2014 is as under:

Particulars	(Rs. in lacs)
Balance unutilized amount	1,870.26
Temporary utilized as below:	
Mutual funds	1,870.26

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Unaudited financial results for the quarter and half yearended 30 September 2014

6. Statement of Assets and Liabilities

Particulars	As at 30 September 14 (Unaudited) (Rs. in lacs)	As at 31 March 14 (Audited) (Rs. in lacs)
A EQUITY AND LIABILITIES		
1. Shareholder's funds		
(a) Share capital	1,800.01	1,795.88
(b) Reserve and surplus	16,452.00	15,219.76
	18,252.01	17,015.64
2. Non-current liabilities		
(a) Long-term borrowings	9.22	17.44
(b) Long-term provisions	120.35	117.22
(c) Other non-current liabilities	347.48	191.65
	477.05	326.31
3. Current liabilities		
(a) Short-term borrowings	5,138.18	4,334.25
(b) Trade payables	8,038.79	6,471.34
(c) Other current liabilities	966.24	780.90
(d) Short-term provisions	211.66	432.04
	14,354.87	12,018.53
TOTAL –EQUITY AND LIABILITIES	33,083.93	29,360.48
B ASSETS		
1. Non-current assets		
(a) Fixed assets	8,295.39	7,096.98
(b) Non-current investments	553.00	1,500.00
(c) Deferred tax assets (net)	216.01	216.64
(d) Long-term loans and advances	1,558.26	1,278.87
(e) Other non-current assets	4.46	7.17
	10,627.12	10,099.66
2. Current assets		
(a) Current investments	1,602.00	1,923.93
(b) Inventories	19,893.40	16,769.74
(c) Cash and bank balances	349.85	232.29
(d) Short-term loans and advances	607.64	332.94
(e) Other current assets	3.92	1.92
	22,456.81	19,260.82
TOTAL – ASSETS	33,083.93	29,360.48

7. Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007 by the Finance Act, 2010, the Retailer Association of India (Company being a member of such association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has passed an interim order dated 14 October 2011, directing the members to deposit 50% of the arrears of service tax due upto 30 September 2011 and the balance if any at the time of final disposal of appeal. The amount of service tax on rent in respect of stores from 1 June 2007 till 30 September 2011 was Rs 108.26 lacs of which Rs 77.93 lacs has been provided for in the Statement of Profit and Loss till 31 March 2012 and the balance Rs. 30.33lacs has been classified as contingent liability.

As per directions of Hon'ble Supreme Court, the Company after adjusting the amount already paid has made an aggregate deposit of Rs. 37.69lacs under protest towards the balance amount with the concerned authorities and the same is being presented as "Service tax deposit" under Long term loans and advances.

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Unaudited financial results for the quarter and half yearended 30 September 2014

8. During the quarter, the Company has changed its method of depreciation on fixed assets from Written Down Value ("WDV") method to Straight Line Method ("SLM") method as management believes that such change in accounting policy results in a fair recognition of depreciation charge vis-a-vis its revenue particularly when the Company is on the growth path and opening new stores on regular basis, which presents the financial results more appropriately. Also, the Company has revised the useful life of its fixed assets to comply with the life as mentioned under Schedule II of the Companies Act, 2013 ("Schedule II"). Further in respect of certain assets – the Company has assessed the useful lives lower than as prescribed in the Schedule II, based on the technical advice received.

Due to such change in method of depreciation, adoption of Schedule II and revision in useful life of fixed assets – the depreciation charge is lower by Rs. 248.20 lacs, net block of fixed assets is higher by Rs. 248.20 lacs, reserve and surplus/profit after tax is higher by Rs. 163.84 lacs, deferred tax assets is lower by Rs. 84.36 lacs and profit before tax is higher by Rs. 248.20 lacs, for the half year ended 30 September, 2014. Similarly, in case of assets whose 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 half year ended 30 September 2014.

Had the method of depreciation, useful lives (as mentioned above) and adjustment of depreciation charge (in respect of assets whose life has been completed as on 31 March 2014) along with current period depreciation charge instead of opening retained earnings - have been adopted in quarter ended 30 June 2014, the depreciation charge would be lower by Rs. 442.42 lacs, reserve and surplus/profit after tax would be higher by Rs. 292.04 lacs and profit before tax would be higher by Rs. 442.42 lacs, for the quarter ended 30 June 2014.

9. During the quarter, as per the Employee Stock Option Scheme 2012 - the Company has allotted 41,308 Equity shares of face value of Rs. 10 each to the eligible employees of the Company on account of exercise of vested stock. Consequent to the said allotment, the paid-up Equity share capital of the Company stands increased from Rs. 1,795.88 lacs divided into 17,958,778 Equity shares of face value of Rs. 10 each to Rs. 1,800.01 lacs divided into 18,000,086 Equity shares of face value of Rs. 10 each.
10. In respect of the inventory and fixed assets lying at Sri Nagar store which has been recently hit by heavy floods, the Company has estimated a loss of Rs. 108.55 lacs (net of tax Rs.55.90 lacs) - which has been suitably provided for and shown in these financial results as Extra-ordinary item. The Company is also in the process of filing an insurance claim in respect of same which shall be recognized as income once the claim gets confirmed from the insurance company.
11. Previous period have been regrouped and reclassified, wherever necessary, to make them comparable with those of the current period.

For and on behalf of the Board of Directors of
V-Mart Retail Limited


Lalit Agarwal
Managing Director

Place: New Delhi
Date : 31 October 2014



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