

**Audited Financial Results for the year ended 31<sup>st</sup> March 2012**

Rupees In Lakhs

Sr. No.	Particulars	For the Quarter Ended			For Year Ended		Consolidated For Year Ended	
		31st March 2012	31st December 2011	31st March 2011	31st March 2012	31st March 2011	31st March 2012	31st March 2011
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>							
a.	Net Sales/Income from Operations	1,228.70	1,602.88	15,788.22	4,016.40	106,464.63	4,016.40	106,464.63
b.	Other Operating Income	-	-	-	-	-	-	-
c.	<b>Total</b>	<b>1,228.70</b>	<b>1,602.88</b>	<b>15,788.22</b>	<b>4,016.40</b>	<b>106,464.63</b>	<b>4,016.40</b>	<b>106,464.63</b>
<b>2</b>	<b>Expenditure</b>							
a.	(Increase)/decrease in stock in trade and work in progress	49.31	(384.45)	-	(1,604.36)	21,996.12	(1,604.36)	-
b.	Consumption of raw materials	-	-	14,241.62	-	83,315.06	-	83,315.06
c.	Purchase of traded goods	982.47	1,625.36	-	4,710.43	-	4,710.43	-
d.	Employees cost	142.35	181.39	1,454.46	518.07	7,949.94	518.07	7,949.94
e.	Depreciation	67.82	76.53	712.12	259.97	3,431.74	259.97	3,434.01
f.	Other expenditure	295.82	318.64	3,855.84	1,219.41	20,737.37	1,219.47	20,742.88
g.	<b>Total</b>	<b>1,537.75</b>	<b>1,817.47</b>	<b>20,264.04</b>	<b>5,103.52</b>	<b>137,430.23</b>	<b>5,103.58</b>	<b>115,441.89</b>
<b>3</b>	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>(309.06)</b>	<b>(214.59)</b>	<b>(4,475.82)</b>	<b>(1,087.12)</b>	<b>(30,965.60)</b>	<b>(1,087.18)</b>	<b>(8,977.26)</b>
<b>4</b>	<b>Other Income</b>	<b>220.86</b>	<b>54.51</b>	<b>155.91</b>	<b>374.07</b>	<b>1,040.52</b>	<b>374.07</b>	<b>1,042.95</b>
<b>5</b>	<b>Profit before Interest &amp; Exceptional Items (3+4)</b>	<b>(88.19)</b>	<b>(160.07)</b>	<b>(4,319.91)</b>	<b>(713.06)</b>	<b>(29,925.08)</b>	<b>(713.11)</b>	<b>(7,934.31)</b>
<b>6</b>	<b>Interest</b>	<b>174.19</b>	<b>181.46</b>	<b>2,003.68</b>	<b>815.01</b>	<b>10,706.30</b>	<b>815.01</b>	<b>10,706.30</b>
<b>7</b>	<b>Profit after Interest but before Exceptional Items (5-6)</b>	<b>(262.39)</b>	<b>(341.53)</b>	<b>(6,323.59)</b>	<b>(1,528.07)</b>	<b>(40,631.38)</b>	<b>(1,528.13)</b>	<b>(18,640.61)</b>
<b>8</b>	<b>Exceptional Items</b>	<b>(262.89)</b>	<b>(15.36)</b>	<b>287.10</b>	<b>(396.87)</b>	<b>232.32</b>	<b>(396.87)</b>	<b>232.32</b>
<b>9</b>	<b>Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)</b>	<b>(525.28)</b>	<b>(356.89)</b>	<b>(6,610.69)</b>	<b>(1,924.93)</b>	<b>(40,399.06)</b>	<b>(1,924.99)</b>	<b>(18,408.29)</b>
<b>10</b>	<b>Tax expense</b>	<b>(1.74)</b>	<b>139.20</b>	<b>-</b>	<b>(1,553.12)</b>	<b>2,192.99</b>	<b>(1,553.12)</b>	<b>2,194.18</b>
<b>11</b>	<b>Net Profit (+)/Loss(-) from Ordinary Activities after tax (9+10)</b>	<b>(527.01)</b>	<b>(217.69)</b>	<b>(6,610.69)</b>	<b>(3,478.05)</b>	<b>(38,206.07)</b>	<b>(3,478.11)</b>	<b>(16,214.11)</b>
<b>12</b>	<b>Extraordinary Item</b>	<b>-</b>	<b>-</b>	<b>(7,658.06)</b>	<b>-</b>	<b>(9,692.78)</b>	<b>-</b>	<b>(9,692.78)</b>

*[Signature]*



13	Net Profit (+)/Loss(-) for the period (11-12)	(527.01)	(217.69)	1,047.37	(3,478.05)	(28,513.28)	(3,478.10)	(6,521.34)
14	Share of Profit / Loss in Subsidiary Companies						(1.29)	(0.50)
15	Loss Attributable to Minority						(1.29)	(0.36)
16	Net Profit / Loss after taxes, minority interest and share of profit and loss in subsidiary companies						(3,479.39)	(6,521.84)
17	Paid-up equity share capital	2,239.89	2,239.89	2,239.89	2,239.89	2,239.89	2,239.89	2,239.89
	(Equity Shares of Rs. 10/- each)	10/-	10/-	10/-	10/-	10/-	10/-	10/-
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				25,301.97	28,451.01	25,234.57	28,387.33
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)	(2.35)	(0.97)	4.68	(15.53)	(72.37)	(15.54)	(72.79)
a(i).	Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(2.35)	(0.97)	4.68	(15.53)	(72.37)	(15.54)	(72.79)
b.	Basic EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(2.35)	(0.97)	4.68	(15.53)	(29.10)	(15.54)	(29.12)
b(i).	Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(2.35)	(0.97)	4.68	(15.53)	(29.10)	(15.54)	(29.12)
20	Public shareholding							
a.	Number of shares	9585998	9585998	9585998	9585998	9585998	9585998	9585998
b.	Percentage of shareholding	42.80%	42.80%	42.80%	42.80%	42.80%	42.80%	42.80%
21	Promoters and Promoter Group Shareholding **							
a.	Pledged / Encumbered							
	- Number of shares	953770	953770	953770	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%	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%	4.26%	4.26%	4.26%
b.	Unencumbered							
	- Number of shares	11859101	11859101	11859101	11859101	11859101	11859101	11859101
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	92.56%	92.56%	92.56%	92.56%	92.56%	92.56%	92.56%
	- Percentage of shares (as a % of the total share capital of the company)	52.94%	52.94%	52.94%	52.94%	52.94%	52.94%	52.94%

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VALUE & VARIETY

# V2 Retail Limited

**Notes to Results:**

1.STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2012				
Shareholder's Funds	Standalone		Consolidated	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
(a) Share Capital	223,988,690	233,763,690	223,988,690	233,763,690
(b) Reserves and Surplus	2,530,197,223	2,845,101,376	2,523,456,516	2,836,513,031
Capital Reserve on Consolidation of Joint Venture	-	-	-	2,219,762
<b>Sub Total</b>	<b>2,754,185,913</b>	<b>3,078,865,066</b>	<b>2,747,445,206</b>	<b>3,072,496,483</b>
<b>Non-Current Liabilities</b>				
(a) Long-term borrowings	170,013,021	55,407,165	170,013,021	55,407,165
(c) Other Long term liabilities	4,800,000		4,800,000	
(d) Long term provisions	543,288	401,776	543,288	401,776
<b>Sub Total</b>	<b>175,356,309</b>	<b>55,808,941</b>	<b>175,356,309</b>	<b>55,808,941</b>
<b>Current Liabilities</b>				
(a) Short-term borrowings	-	-	3,430,000	-
(b) Trade payables	75,734,341	1,118,277	78,039,310	7,376,880
(c) Other current liabilities	414,317,205	601,056,561	420,553,748	601,370,157
(d) Short-term provisions	503,714	160,959	503,714	160,959
<b>Sub Total</b>	<b>490,555,260</b>	<b>602,335,797</b>	<b>502,526,772</b>	<b>608,907,996</b>
<b>Total</b>	<b>3,420,097,482</b>	<b>3,737,009,804</b>	<b>3,425,328,287</b>	<b>3,737,213,420</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	62,590,114	100,308,226	62,590,114	100,308,226
(ii) Intangible assets	2833354	3590265	2858827	3,590,265
(iii) Capital work-in-progress	738,000	581,650	738,000	581,650
Share in Joint Venture	-	-	-	604,111
<b>Sub Total</b>	<b>66,161,468</b>	<b>104,480,141</b>	<b>66,186,941</b>	<b>105,084,252</b>
(b) Non Current Investment	331,671,807	303,429,461	329,615,527	299,623,181
(c) Deferred tax assets (net)	2,690,591,951	2,845,904,015	2,690,591,951	2,846,419,735
(d) Long term loans and advances	10,025,675	4,337,106	10,050,691	4,337,106
(e) Other non-current assets	29,992,306	29,228,986	31,564,523	29,228,986
<b>Sub Total</b>	<b>3,128,443,207</b>	<b>3,287,379,709</b>	<b>3,128,009,633</b>	<b>3,284,693,260</b>
<b>Current assets</b>				
(a) Inventories	160,436,041	-	160,436,041	-
(b) Trade receivables	1,788	836,129	5,249,384	836,129
(c) Cash and cash equivalents	102,142,427	432,208,178	102,559,210	433,375,590
(d) Short-term loans and advances	29,074,019	16,585,788	29,074,019	18,308,441
(e) Other current assets	-	-	-	-
<b>Sub Total</b>	<b>291,654,275</b>	<b>449,630,095</b>	<b>297,318,654</b>	<b>452,520,160</b>
<b>Total</b>	<b>3,420,097,482</b>	<b>3,737,009,804</b>	<b>3,425,328,287</b>	<b>3,737,213,420</b>

*[Handwritten Signature]*



- 2) The above audited consolidated financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held 30<sup>th</sup> May, 2012
- 3) 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 following subsidiaries viz. VRL Infrastructure Limited, VRL Movers Limited, VRL Retail Ventures Limited and joint venture VRL Retailer Business Limited have been consolidated.
- 4) On 9<sup>th</sup> March, 2012, notices under section 560(3) regarding striking off of the name of company from the Register of Companies have been issued for subsidiaries viz. VRL Consumer Goods Limited, VRL Fashions Limited, VRL Foods Limited, VRL Knowledge Process Limited. As such these subsidiaries have not been consolidated and the investment relating thereto have been written off.
- 5) The financial results for the quarter ended 31<sup>st</sup> March, 2012 are balancing figures between the audited results for the full financial year and the published year to date figures upto the third quarter of the current financial year. Previous year figures have been redrawn to confirm to the current year's classification as per the notification of Revised Schedule VI under the Companies Act, 1956 for the financial year commencing on or after April 1, 2011.
- 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 Contingent Liabilities to the tune of Rs. 6468.63 Lacs which includes Rs. 59.98 Lacs relating to Bank Guarantee. All Contingent Liabilities except Bank Guarantees 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.
- 8) The Company has incurred substantial losses 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 interim 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 526,85,24,136 (Rupees Five Hundred Twenty Six Crores Eighty Five Lacs Twenty Four Thousand One hundred Thirty Six only) as at 31<sup>st</sup> March, 2012 which exceed the net worth of the company.
- 9) Non-compliance with Accounting Standard 2 "Valuation of Inventories" The cost for valuation of inventories does not include Octroi, Freight Inward & Discount received on purchase. The impact of such deviation from AS-2 is currently unascertainable.
- 10) No documentary evidence has been provided for Rs. 1,09,81,430 included in finance cost and Rs. 1,45,53,119 included in Prior period expenses.
- 11) The company has made payment to PF department amounting to Rs. 1,52,24,647 and to Service department Rs. 75,00,000 for appeals filed for cases under protest.
- 12) We have not been provided the basis of accounting for Capital reserves amounting to Rs.60523.24 Lacs created during the F/y 2010-11 on account of restructuring of Business of the company.
- 13) Insurance claim amounting to Rs. 5,937,430 (Rupees Fifty nine lacs thirty seven thousand four hundred thirty only) has been recognized as Miscellaneous income in Profit & Loss A/c. No documentary evidence has been provided in support of the said transaction.
- 14) In our opinion and according to the information and explanations given to us, the internal control system need to be strengthened commensurate with the size of the company and the nature of its business.
- 15) 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.



- 16) Fixed assets have not been physically verified by the management during the year. Also there is a no regular programme of verification which, in our opinion, is unreasonable having regard to the size of the company and the nature of its assets.
- 17) The management has conducted physical verification of inventory at reasonable intervals during the year. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.
- 18) Sundry Creditors balances are subject to confirmations and further the Management has not provided the segregation of creditors into due to MSME (Micro, Small & Medium Enterprises) and others. So we are unable to comment on provision for Interest due to MSME.
- 19) The company has classified under Other Non Current Assets, amount paid under protest to PF department amounting to Rs. 1,52,24,646.98 and to Service department Rs. 75,00,000 have been shown, as according to management the case is under protest and appeals have logged.

For V2 Retail Limited



Ram Chandra Agarwal

(Chairman & Managing Director)

