

Ab India Banega Fashionable



V2 Retail Limited | Annual Report 2017-18



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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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At V2 Retail, we are not merely engaged in selling products; we are engaged in the larger exercise of making India fashionable.

Our business is not as much about retailing apparel as much as it is about marketing vanity, pride and self-esteem.

In view of this, our business is not about how people are as much it is about what they can be.

The Company aims to enhance the quality of life through re-engineering of mind and processes.

Ab banega V2 Retail sustainable



Market observers said that 2017-18 was a challenging year for retail apparel offtake (demonetisation and GST)

V2 Retail proved them wrong by reporting a 19% growth in revenues – one of the most attractive in the Company's existence



Most observers said that the apparel retail sector was possibly the most competitive segment in which to succeed.

V2 Retail increased EBITDA margin by 67 bps in 2017-18, validating its superior management.



Most analysts felt that consumer retail companies would always be in need of cash resources to drive their businesses.

V2 Retail reported a cash profit of ₹54.41 crore in 2017-18 and finished the year with an investible corpus of ₹90 crore.



Most observers felt that revenue growth in a competitive retail sector would inevitably weaken fundamentals.

V2 Retail demonstrated profitable growth coupled with strengthening operating efficiencies, creating a scalable platform for multi-year sustainability.



7

things
that make
V2 Retail a
distinctive
proxy of
**India's
retail story**





Background

V2 Retail Limited provides a comprehensive portfolio of product offerings addressing diverse pockets. The Company offers smart, trendy and fashionable apparels across categories at affordable prices under one roof.



Experience

In 2001, the Company embarked on its journey with the objective of providing a wide merchandise to the masses around affordable prices, leveraging Chairman Ram Chandra Agarwal's entrepreneurial and business acumen.



Presence

The Company operated 66 stores in 17 states and 60 cities (primarily Tier-II and Tier-III) covering a total retail area of more than 7.2 lac sq. ft. as on July 31, 2018. This presence has translated into the Company emerging as one of the fastest growing within its sector in India. The Company generally selects to enter locations marked by suitable demographics viz income and retail penetration (locations like Patna, Sagar, Itanagar, Varanasi and Bhubaneswar and others).



Merchandise

The Company markets apparel and general merchandise – products for the entire family. The superior merchandise translated into revenue per sq. ft of ₹942 for 2017-18, the best across apparel retailers in India.



Positioning

The Company addressed the growing needs of the 'neo middle-class' and 'middle-class' population segments, marked by rising incomes, aspirations and spending. The Company is respected as a price-leader with an average selling price of ₹278 and average net billing per customer of ₹736.



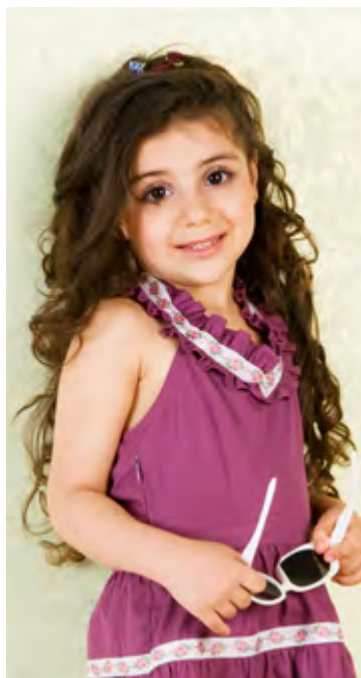
Financials

The Company possesses a robust financial foundation marked by no debt on the Balance Sheet, improving margins and growing revenues.



One-stop destination

The Company's product range addresses the fashion aspirations of a 'neo middle-class' and 'middle-class' population.



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Ananya in Gorakhpur saw what Katrina Kaif wore in *Zindagi Na Milegi Dobara* and wanted something exactly like that.

Sneh in Ranchi was asked by his friend's mother: *'Beta, mummy se poochna tumhaari shirt-pant kahaan se khareedti hai.'*

Aarushi in Jabalpur was asked, 'Did you go to Mumbai to buy this?' when she went to office in a new dress.

Sujata in Gaya wore a flaming yellow for the first time in her life at 45 – and loved it.



...and how V2Retail is making the transformation happen

Harsh in Jamshedpur was surprised to find close to what Hrithik wore in a *Filmfare* photo shoot at the V2 Retail store.

Swagat in Faridabad was told by his wife 'When you wear light blues you look ten years younger.'

Satish in Silchar believes the best way to check the latest Indian fashion trend is by walking into the V2 Retail store.

Zoya in Lucknow made heads turn when she wore her new salwar kameez to the kitty party.

'Ab Banega India Fashionable'
is about being at the right place
at the right time with the right
product around the right price.

