



V2 Retail Limited



2022
new
LOOKS
With Our fashion



Annual Report 2021-22

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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, ‘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 realised, although we 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’ believe we have been prudent in our 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.

REGAINING MOMENTUM, STRENGTHENING OUR POSITIONING

Pandemic related restrictions brought about a paradigm shift in consumer behaviour. Consumers staying at home hastened adoption of digital shopping methods. Ubiquitous access to internet at more affordable prices and higher penetration of digital devices are influencing consumer buying behaviour.

Increasingly, store & online channels are integrating, with consumers leveraging access to compare products, prices, brand offerings and the feedback / opinions of fellow consumers before making their purchase decision.

Value fashion is a promising segment in fashion retail with the potential of appealing to a wider customer base and reaching more addressable geographies. Popular and mass-priced products possibly constitute over 75% of the total fashion market in India.

We have consistently emphasized the importance of establishing viability of a retail stores, prior to embarking on rapid expansion.

We strategically invested in our manufacturing to drive efficiencies and facilitate scaling up of operations. We consolidated our position in FY 2022, so that we can take a big leap in coming years.

At V2 Retail, we believe in strong growth prospects.

The economy will bounce back much faster and will be stronger.

Our virtues guide us to relentlessly pursue opportunities.

Led by differentiated product offerings & store experience, V2 continued to grow its reach in FY22. V2 opened 10 stores and closed 4 stores during FY22.

With a renewed vigour, we are now poised to resiliently tide above crisis and steer the organization in a new direction to become better than before

V2 Retail has been refining its positioning as the most loved shopping destination for the young Indian family.

We are offering a choice that addresses the aspirational needs of young India, who wants to break free post disruption, who has the resilience, who wants to demonstrate how to bounce back.

Our focus continues to accelerate our universe of Private brands.

Deliver long-term value to its customers, employees and the society, and reward its shareholders.



Our ability to defy odds demonstrates our strength. Our performance is reflection of our swiftness to embrace the changing trends and as well as innovate at V2 Retail.

<p>Consumers V2 Retail 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 ₹ 289 and average bill value per customer of ₹ 790.</p>	<p>Omni Channel V2 Retail strengthen its Omni-channel capabilities and improved its cost efficiency. The Company had also launched its e-commerce portal V2 Kart (www.v2kart.com) during the lockdown.</p>
<p>Low Debt Equity Most retail companies grew their business through a combination of debt and accruals. V2 Retail have only working capital facilities and Debt Equity Ratio is 0.19.</p>	<p>Cost Control We have also initiated a number of measures to keep our fixed cost under control like rental renegotiations, engaging with suppliers, control over variable cost.</p>
<p>Semi-urban and rural Most retail chains focused on developed markets with presence of organised retail. V2 Retail focused on the taking organised retail to the real Bharat - semi-urban and Tier 2 / 3 cities instead</p>	<p>Technology driven Most retail chain invested in technologies as a back end tool for record keeping and storage. V2 Retail leverage technology to deliver superior consumer experience and enabling efficient operation management.</p>
<p>Focus on private label Most retail chains focused on a trading operation – outsourcing and retailing. V2 Retail focused on enhancing the brand recall value by marketing proprietary labels alongside increasing consumer overall shopping experience.</p>	<p>One-stop destination The Company's product range addresses the fashion aspirations of Bharat. The fashion desires of young and the old Bharat, the 'neo middle-class' and 'middle-class' Families.</p>



Our relentless efforts
are designing the
course of our future.

Revenue Growth

559.4	629.2
₹cr, revenues in 2017-18	₹cr, revenues in 2021-22

EBIDTA

55	76.3
₹cr, in 2017-18	₹cr, in 2021-22

Retail Space

5.56	10.59
Lakh sqft, retail space in 2017-18	Lakh sqft, retail space in 2021-22

Stores

49	101
Number of stores in 2017-18	Number of stores in 2021-22

States

15	16
Number of states of presence in 2017-18	Number of states of presence 2021-22



V2 Retail

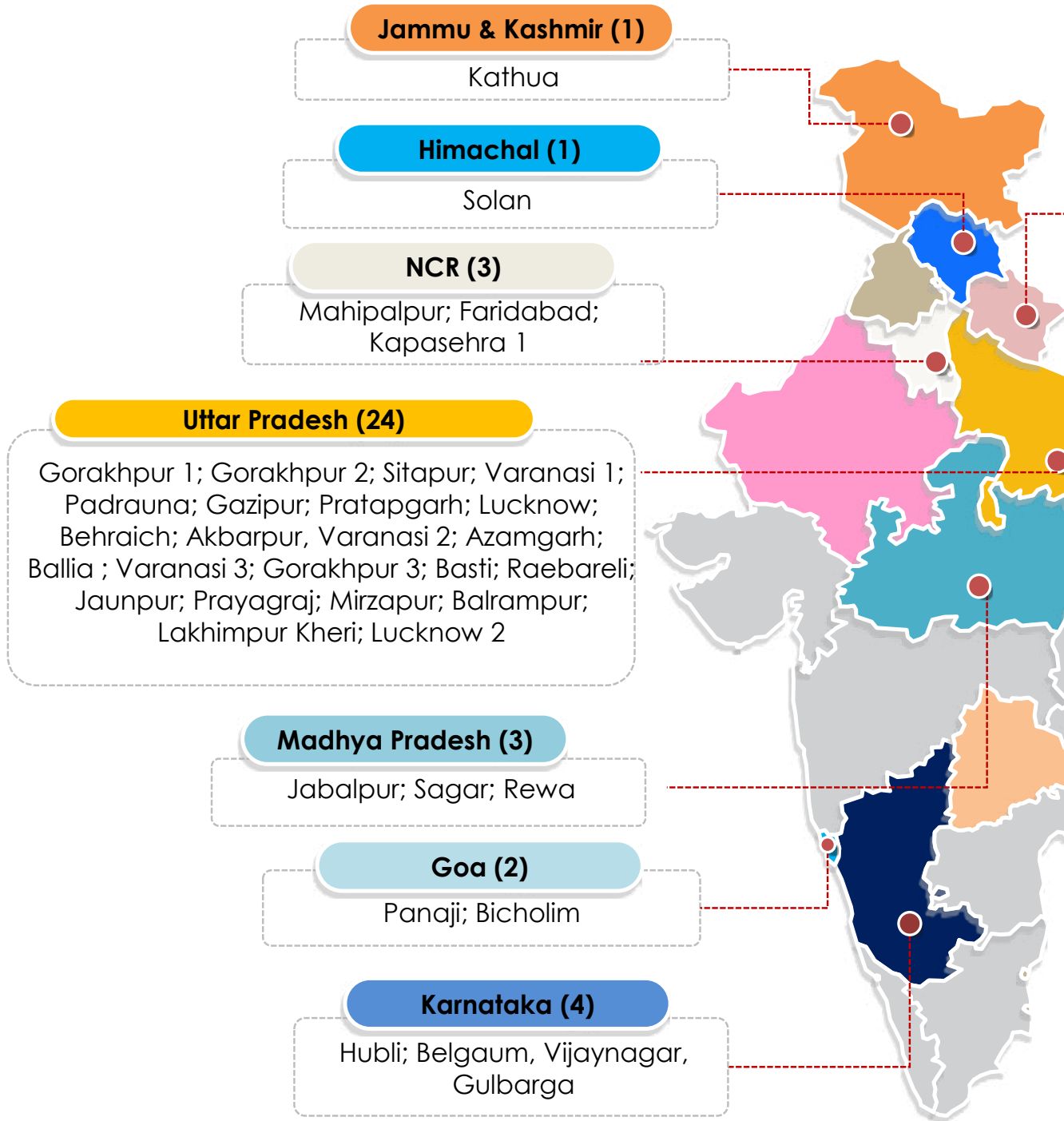
Meeting the demands of an ever evolving industry, we are consistently aligning ourselves with new-age requirements, identifying market trends and imbibing advanced technology to thrive and prosper. With a renewed vigour, we are now poised to resiliently tide above crisis and steer the organization in a new direction to become better than before.

About us	Promoters
V2 Retail is one of the fastest growing retail company in India and enjoys strong brand equity from customers across segments. The company offers a portfolio of products, including apparel and life style products. V2 stands for 'Value and Variety' it sells good quality fashion garments at affordable prices, which suits every individual and household. The Company has a Strong presence in Northern & Eastern India. The Company caters to the neo middle class group of population living in Tier 2 and Tier 3 cities.	The Company is promoted by Mr. Ram Chandra Agarwal, possessing more than 30 years of entrepreneurial experience. He is the pioneer in value retailing and brought this concept in India. He has been the Chairman and the Managing Director of the Company since July 2011. Mr. Akash Agarwal is the Non-Executive Director of the Company. He has more than 9 years of experience in retail industry.
Stores presence	New initiative
As on March 31, 2022, the Company operates 101 stores spread across 16 states and more than 85 cities with a total retail area of ~10.59 lac Sq. Ft.	V2 - your favourite Fashion Brand is now ONLINE. We are delighted to announce the launch of our ecommerce portal V2 Kart (www.v2kart.com). Our online store provides our existing and prospective clients with an easier, more intuitive, user friendly shopping and checkout experience.
Business verticals	Positioning
Our product portfolio mix includes Men's Wear – Upper, Lower, Occasion Wear, Winter Wear, Sportswear, Formal, Casual, Ladies Wear – Ethnic wear, Upper, Lower, Occasion Wear, Winter Wear, Sportswear, Kids Wear – Boy, Girls, Infants, Winter Wear and Lifestyle - Lifestyle products like Deodorants, wallets, sunglasses, ladies purse etc.	The Company's business model revolves around making quality product accessible to the large section of society within the acceptable price points. V2 Retail's average product realization of ₹ 289 and average net billing per customer of ₹ 790 in FY2022 were lower than most organized retail brands in India, reinforcing its position as one of the most affordable yet fashionable retail chains of India.

Our Brands







Presence

Uttarakhand (5)

Haldwani; Roorkee; Haridwar,
Khatima; Dehradun

Arunachal (1)

Itanagar

Assam (6) & Tripura (1)

Guwahati 1; Guwahati 2;
Guwahati 3; Silchar; Barpeta;
Jorhat; Agartala

West Bengal (1)

Malda

Bihar (26)

Patna ; Gaya; Darbhanga; Bhagalpur;
Bettiah; Arrah; Purnia; Siwan; Bihar Sharif;
Begusarai (1); Sitamarhi; Motihari; Saharsa;
Samastipur, Barh; Banka; Buxer;
Aurangabad; Begusarai (2); Muzaffarpur;
Madhubani; Patna 2; Gopalganj; Patna 3;
Begusarai (3); Chapra; Sasaram

Jharkhand (8)

Jamshedur; Ranchi; Hazaribagh;
Deogarh; Rajdhanwar, Chas,
Dumka; Daltonganj

Odisha (15)

Cuttack; Berhampur;
Bhuaneshwar 1; Jeypore;
Bhuaneshwar 2;
Bhuaneshwar 3, Jajpur, Angul,
Bhadrak, Balasore; Nimapada;
Sundergarh; Raj Khariar; Rourkela;
Baripada

Our performance

Stores (Number)

FY2017-18	49
FY2018-19	77
FY2019-20	76
FY2020-21	95
FY2021-22	101

Despite Covid related disruptions, the Company opened 10 new stores and closed 4 stores during the year.

Retail Space (lakh sq. ft.)

FY2017-18	5.56
FY2018-19	9.06
FY2019-20	8.40
FY2020-21	9.96
FY2021-22	10.59

Company is able to increase the retail space amid challenges in a tough year for the Industry.

Rent per sq. ft. (₹ per month)

FY2017-18	44
FY2018-19	43
FY2019-20	45
FY2020-21	38
FY2021-22	40

During the year, the rentals were at Pre-Covid level.

Inventory (days of sale)

FY2017-18	105
FY2018-19	132
FY2019-20	102
FY2020-21	180
FY2021-22	155

The Inventory days have been increased due to lock down and Covid related restrictions. The Company is committed to bring down the Inventory at 90 days of sale in a normal scenario.

Sales per sq. ft. (₹ per month)

FY2017-18	942
FY2018-19	792
FY2019-20	672
FY2020-21	507
FY2021-22	494

A year that started with pandemic, where most of the stores were not operational for Q1 and gradually started opening up from Q2. There was increased consumer confidence in Q3, however third wave of Covid have diminished the sentiments again in Q4FY22.

Same stores sales growth (SSG)(%)

FY2017-18	(4)
FY2018-19	(5)
FY2019-20	(8)
FY2020-21	(31)
FY2021-22	7

The Company reported a growth of 7% in SSG during the year.