



August 7, 2019

National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 4000 51	BSE Limited, 25th Floor, "PhirozeJeejeebhoy Towers", Dalal Street, Mumbai - 400001
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Ref. Stock Code: 532867, V2RETAIL

Dear Sir,


Subject: Dispatch of 18th Annual General Meeting "AGM" Notice along with Annual Report FY19 of V2 Retail Limited.

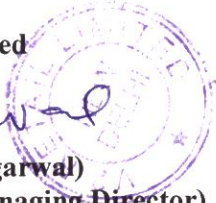
Pursuant to Regulation 30 and other applicable Regulation of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, this is to inform you that the company has completed the dispatch of the 18th AGM Notice along with Annual Report FY19 on August 7, 2019 to all the members whose name are recorded in the register of members or in register of beneficial interest owners maintained by respective depositories as on Friday, July 26, 2019.

Kindly refer the enclosed Annual Report FY19 including 18th AGM Notice being sent to the shareholders of the Company.

Kindly take the same in your records.

THANKING YOU
For **V2 Retail Limited**


(Ram Chandra Aggarwal)
(Chairman and Managing Director)
(DIN: 00491885)



BACKING THE **INDIA STORY**

V2 Retail Limited | Annual Report 2018-19



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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.

Backing the Indian story

At V2 Retail, we have consistently believed in the India story.

That there is a larger Bharat beyond the conventional Indian growth story.

That this Bharat is marked by a combination of increased aspirations and incomes.

That this increase will be even faster going ahead.

In line with this optimism, V2 Retail made the largest investment in its business during the last financial year.

With a singular objective graduate the Company to the next level.

At **V2 Retail**, we believe that our performance has been derived from the conviction to do courageous things

Emerging consumers

Most retail chains focused on 'emerged' consumer marked by higher consumer spends

V2 Retail focused on a large number of 'emerging' consumers marked by higher aspirations and spending budgets instead

Semi-urban and rural

Most retail chains focused on metro cities and prominent Tier One urban clusters of India

V2 Retail focused on the growth coming out of semi-urban and Tier 2 / 3 cities instead

Investing in down cycles

Most retail chains focused on conserving cash during downtrends and spending in favourable cycles.

V2 Retail invested in building scale during good and challenging market phases.

Focus on private label

Most retail chains focused on a trading operation – outsourcing and retailing.

V2 Retail focused on marketing proprietary labels as well, increasing consumer value proposition.

Technology driven

Most retail chain invested in technologies for back-end MIS storage.

V2 Retail invested in an emerging technology-driven retail enterprise.

Marginal debt

Most retail companies grew their business through a combination of debt and accruals.

V2 Retail retained its almost debt-free status and grew its business through net worth alone.

Growing investments

Most companies in India's organized retail sector turned conservative the larger they grew.

V2 Retail progressively increased its investments, growing its spread of stores in larger annual increments

At V2 Retail, there has been one result of our courageous conviction:
Long-term sustainable growth

Revenue growth

286.77	748.40
₹cr, revenues in 2014-15	₹cr, revenues in 2018-19

Profits

27.7	46.9
₹cr, EBITDA in 2014-15	₹cr, EBITDA in 2018-19

Retail space

1.98	9.06
Lakh sq ft, retail space in 2014-15	Lakh sq ft, retail space in 2018-19

Stores

16	77
Number of stores in 2014-15	Number of stores in 2018-19

States

8	17
Number of states of presence in 2014-15	Number of states of presence in 2018-19

V2 Retail.

Focusing on the large and growing Bharat opportunity.

Possibly the largest under-consumed population cluster in the world.

Our background

V2 Retail Limited went into business in 2001. The Company provides a wide retail mix, product quality and variety. The Company offers fashionable apparel across various categories at affordable prices.

Our promoter

The Company is promoted by Mr. Ram Chandra Agarwal, possessing more than 30 years of entrepreneurial experience. He has been the Chairman and the Managing Director of the Company since July 2011.

Our presence

The Company's business footprint has been complemented by a widening presence - 77 retail stores in 17 States as on 31 March 2019.

Our product offerings

The Company's portfolio comprised apparel and non-apparel products - garments and products like footwear, toys, games, handbags, cosmetics, home furnishings, decor products and sports items, among others.

Our positioning

The Company's inclusive business model addresses the growing needs of India's 'neo-middle class' and 'middle class' segments. V2 Retail's average product realization of ₹273 and average net billing per customer of ₹789 in FY2019 were lower than most organized retail brands in India, reinforcing its position as one of the most affordable retail brands of India.

Our listing

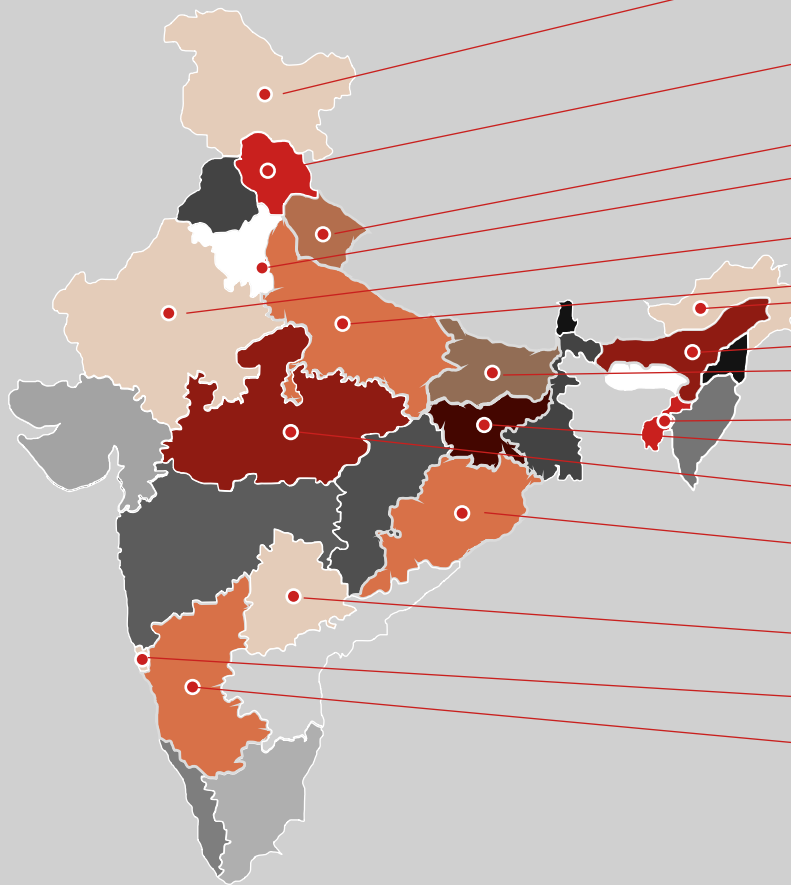
The Company is listed on BSE and National Stock Exchange in India. As on March 31, 2019, the Company's market capitalization was ₹996.67 crore while the promoter's holding stood at 51.14%.





V2 Retail.

Our widening footprint covers the heart of Bharat



This is how we have grown across the years

2001

The Company was incorporated in 2001 as Vishal Retail Limited.

2007

The Company went to public and raised ₹110 crore.

2008

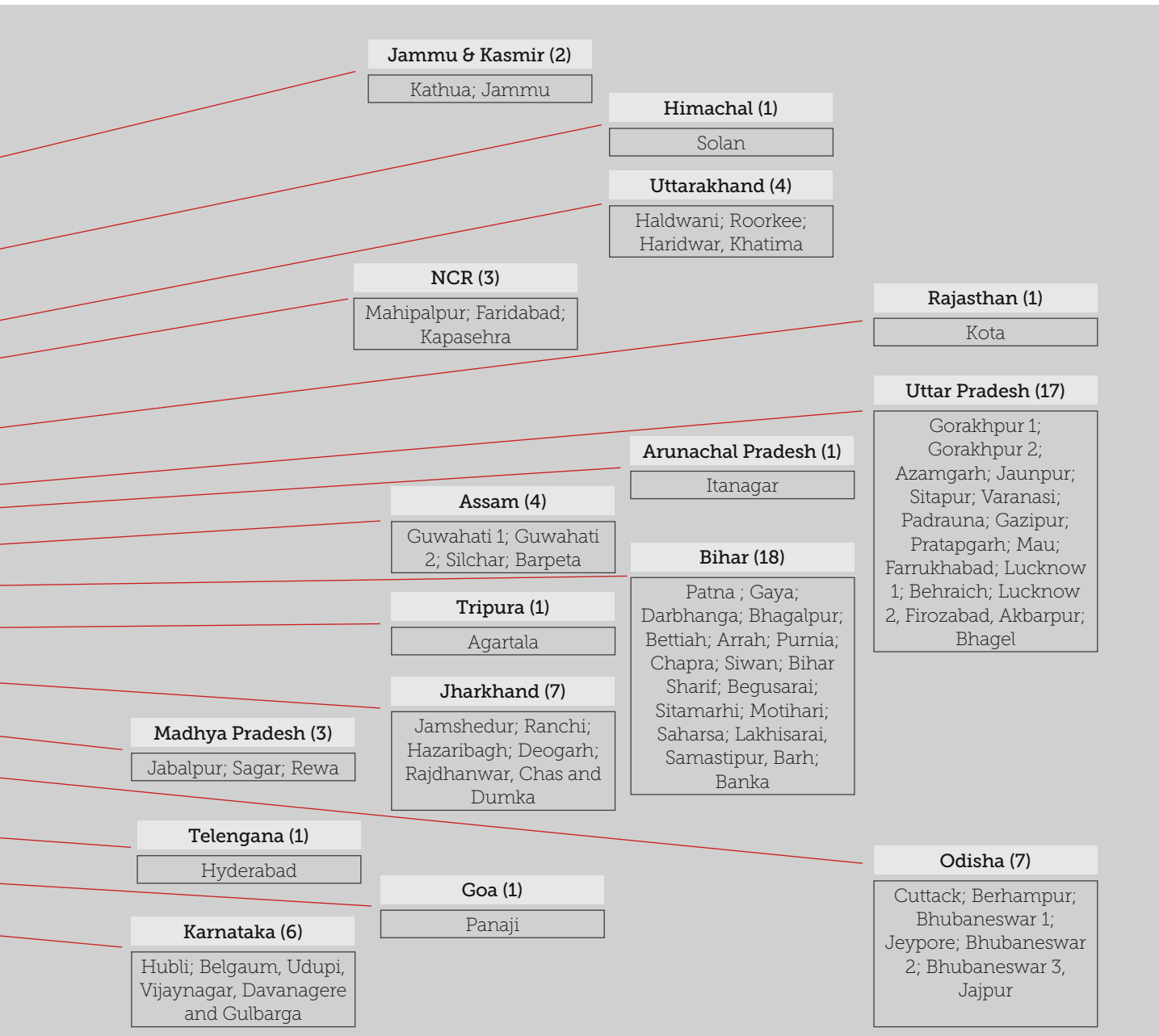
Turnover reached ₹1,000 crore.

2011

Brand Vishal was sold due to operational losses. The name of the Company was changed from Vishal Retail Limited to V2 Retail Limited.

2012

First store was opened in Jamshedpur following restructuring.

**2014**

Number of stores increased to 16, covering more than 2 lakh square feet in retail space.

2016

Total number of store increased to 22. Retail space coverage crossed 2.60 lakh square feet.

2017

The total number of stores increased to 37. Aggregate retail space coverage crossed 4.60 lakh square feet.

2018

The Company attracted investment of ₹76 crore from India 2020 Fund II Limited. The total number of stores increased to 49. Retail space coverage crossed 5.56 lakh square feet. Turnover crossed ₹500 crore.

2019

Total number of stores increased to 77. The Company launched many marketing campaigns including 'Triple Dhamal, Shubh Lagan, Special Diwali Offer, Big Republic Sale, Loot Sako to Loot & Holi Dhamaka Sale'. Retail space coverage crossed 9.06 lakh square feet. Turnover crossed ₹748.40 crore.

How we have performed over the years

Stores (Number)

FY14-15	16
FY15-16	22
FY16-17	37
FY17-18	49
FY18-19	77

The Company commissioned the largest number of stores in any single year in 2018-19.

Retail space (lakh sq.ft.)

FY14-15	1.98
FY15-16	2.62
FY16-17	4.62
FY17-18	5.56
FY18-19	9.06

The Company's retail space outlay was by far the largest in any single year in 2018-19.

Inventory (days of sales)

FY14-15	101
FY15-16	124
FY16-17	89
FY17-18	105
FY18-19	132

The increase in inventory was a result of the large expansion – and progressively expected to moderate.

Sales per sq. ft. (₹ per month)

FY14-15	1204
FY15-16	1255
FY16-17	1107
FY17-18	942
FY18-19	792

The decline in sales per square foot was on account of the sharp increase in aggregate retail space that will progressively correct itself.

Rent per sq. ft. (₹ per month)

FY14-15	46
FY15-16	47
FY16-17	53
FY17-18	44
FY18-19	43

The Company combined an increase in retail space with a decline in negotiated rentals – a long-term advantage.

Cash profit per sq. ft. (₹ per month)

FY14-15	76
FY15-16	71
FY16-17	81
FY17-18	89
FY18-19	50

The Company's cash profit temporarily declined 43.82% to ₹50 because of declining profits.



Same store revenue growth (%)

FY14-15	14
FY15-16	6
FY16-17	2
FY17-18	(4)
FY18-19	(5)

The Company reported a de-growth of 5% in same store sales growth because of subdued demand.

Revenues (₹ cr)

FY14-15	286.77
FY15-16	319.94
FY16-17	472.05
FY17-18	559.40
FY18-19	748.40

The Company reported its largest annual revenue increment during the financial year under review.

EBITDA margin (%)

FY14-15	9.7
FY15-16	9.8
FY16-17	8.8
FY17-18	9.2
FY18-19	6.3

*Excluding Other Income

Margins declined (as is usually the case) following a sharp increase in stores and retail space, which will gradually correct itself.

PBT margin (%)

FY14-15	6.4
FY15-16	5.1
FY16-17	6.0
FY17-18	8.2
FY18-19	5.5

*Before exceptional items

Profit margins declined due to the discounts offered to build market share of new stores and competitive pricing.

Net profit (₹ cr)

FY14-15	9.75
FY15-16	12.17
FY16-17	39.03*
FY17-18	31.08
FY18-19	20.5

*Including exceptional item (Income from sale of property)

The Company reported a decline in profit following business development costs written off related to the stores expansion, the new stores still being in a nascent growth stage and increased cost due to one time settlement with CDR lenders.

Basic EPS (₹) (after extraordinary items)

FY14-15	4.31
FY15-16	4.93
FY16-17	14.57*
FY17-18	9.62
FY18-19	6.02

*Including exceptional item (Income from sale of property)

The Company reported a decline in EPS following the unprecedented increase in stores rollout and one time settlement with CDR lenders.

V2 Retail. Inspired by Bharat's millennial consumer



Ram Chandra Agarwal,
Chairman

At V2 Retail, the word that encapsulates our business direction is 'millennial'.

From a narrow perspective, the word refers to individuals born between 1981 and 1997; from a wider application, it refers to all those on the right side of 30.

Why is the millennial increasingly relevant? Why is the individual increasingly figuring as a discussion in strategy meetings? Why are a larger number of business models being woven around how the millennial thinks and spends?

This represents the core of my discussion below.

The answer is that the millennial is transforming global realities faster than one may realize. For instance, increasing digitization – arguably the most dramatic of technology inflections of the last few decades - is being driven by millennial engineers. Millennials are more knowledge-driven than their predecessors. They are quicker in embracing technologies. They are better connected with global trends. They are usually decided in their choices. Most of their decisions are influenced by the social media. They increasingly buy online. They are more brand-conscious. They are more experiential-driven than thrifty. They like to appraise a wider choice before purchase. They are more impatient with a growing focus on 'now' than 'later'.

Interestingly, India sits at the centre of this global millennial phenomenon for a number of reasons. India's median age of 28 years makes it effectively a millennial-driven nation. The country comprises possibly the largest millennial population in the world. Nearly 80% of the country's millennials are connected with a digital device of some kind. Millennials account for a large third of India's population, nearly half of the country's working age population and nearly 71% of India's total household income. More than 50% of the incremental income earned by India's millennials (after essentials) is directed towards eating out, apparel and entertainment while only around 10% of their incremental income is saved.



Vision, Mission and Goal

We as a group of people and company are trying to enhance the quality of human life through enhancing the quality of our employee and creating environment and processes to enhance the quality of every human being. Every movement trying to be a better quality human being.

This millennial revolution has kickstarted three inflection points.

The first inflection is that of price-value. The consumer of the past was driven by the prospect of buying products cheapest; the modern-day millennial-mindset consumer seeks products around the best price-value proposition. This may sound like a small shift in consumer preference; it has in reality kickstarted a large number of superior products and services towards an unprecedented growth journey.

The second inflection is of differentiation. A larger number of consumers seek different experiences. For the millennial-

mindset consumers, normal is boring. They need to buy into differentiated products and services. They are increasingly willing to spend more for them. One area where we are seeing a complete transformation is in the area of apparel purchases, where today's purchase is driven less by the functional and more by the fashionable. Wardrobes are being churned faster, fashion cycles are shortening, promotion-driven fashion weeks have increased, the fashion designer community has substantially increased and the number of times people buy apparel has increased from a couple of times a year to around once every couple of months.

The third inflection is digitalisation. The 'world' has been captured in the palm of one's hand. Money has evolved from paper to virtual. Stores are 'open' round the clock. Product varieties have become virtually endless. Stores 'commute' to consumers.

The convergence of these inflections has disrupted the world, threatening the sluggish but energizing the nimble.

At V2 Retail, we perceive these developments as attractive opportunities. In the last few years, we completely transformed our business model with the objective to capitalize and, in some cases, establish a first mover's advantage.



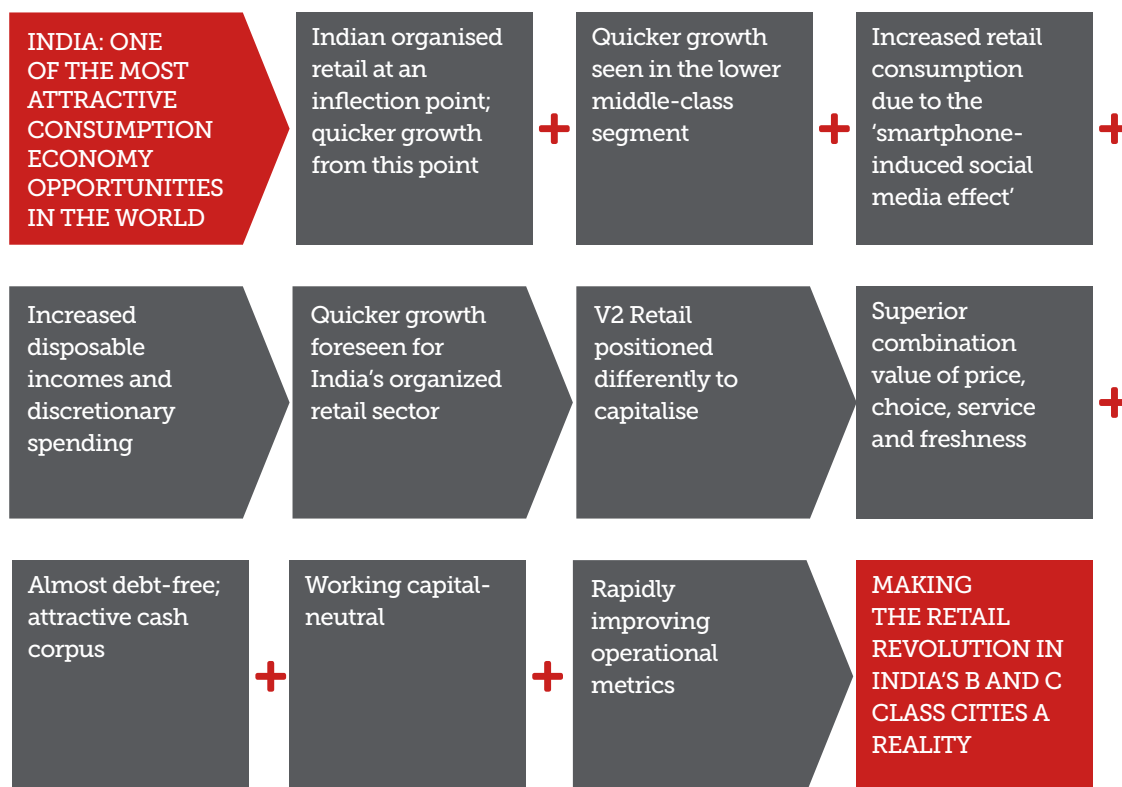
We are addressing the sectoral opportunity by presenting a wide assortment of products in India's organized retail. We are offering a choice that addresses the aspirational needs of Bharat's consumers. We are providing the consumer with far more reasons to spend more and live better.

We have strengthened our differentiation through a superior price-value position extending far beyond the 'sabse sasta' positioning. At our company, the difference starts from our store design, the friendliness, the engagement quality and our offerings mix compromising a larger proportion of non-food (especially apparel). The result is that V2 Retail is shifting the needle from quality products to holistically superior experiences.

What provides me with optimism is the passion at V2 Retail. This is an organization with a new and younger management team. This is an organization that possesses the self-confidence to perpetually question itself. This is an organization that keeps asking 'Why not?' when coming to new initiatives. This is an organization with a relatively de-layered organisational structure, making it quicker to communicate. This is an organization where if we have to fail, we would prefer to fail fast and move on. This then is an organisation with a distinctive workplace excitement. This passion translated into stronger fundamentals during the year under review. The Company incurred a one-time expense of around ₹26 crore on account of Corporate Debt Restructuring, impacting margins. The Company has virtually no

competition in India's organized retail sector in addressing the lower middle-class. The inventory days is expected to moderate in coming financial year. To this encouraging reality we bring the prospect of quicker store rollout: the Company launched 15 stores in 2016-17, 12 in 2017-18, 28 in 2018-19 and a projected addition of 25 in the current financial year - without debt - that should translate into a corresponding area of 0.3 million square feet or 33 per cent of our total retail area by the close of FY20. At V2 Retail, we see a vast under-addressed market that is making our business model increasingly relevant. We face exciting days ahead and I welcome you to stay invested in that journey.

Ram Chandra Agarwal
Chairman



Board of Directors



Mr. Ram Chandra Agarwal
*Chairman and
Managing Director*

Mr. Agarwal holds a bachelor's degree in commerce and has a vast experience of more than 25 years in retail sector. He has been a member of the Board since inception of the Company and is the driving force behind the growth of the Company. He pioneered the value retailing concept in India. He was conferred with various awards, such as, Ernst & Young Entrepreneur of the year award in 2008 and 4Ps Power Brand Award in 2007.



Akash Agarwal
*Chief Executive Officer
and Wholetime Director*

Mr. Akash agarwal holds a Bachelor's degree in Business Administration (BBA) from Lancaster University (UK) and possess six years of experience in the retail industry. He has been designated as the Chief Executive Officer of the Company w.e.f. 30th April, 2019.



Mrs. Uma Agarwal
Whole Time Director

Mrs. Uma Agarwal holds a bachelor's degree in Arts and has a vast experience of over 15 years in the retail industry. She has been the member of the Board of Directors since the inception and oversees the marketing strategies of the Company



Ms. Rochelle Susana D'Souza
Nominee Director

Ms. Rochelle Susanna Dsouza holds a Bachelor of Engineering in Electronics and Communication and an MBA. She is a Principal at Lighthouse, a mid-market consumer focused private equity fund and has worked at investment banking division of SBI Capital Market, focused on equity capital market transactions

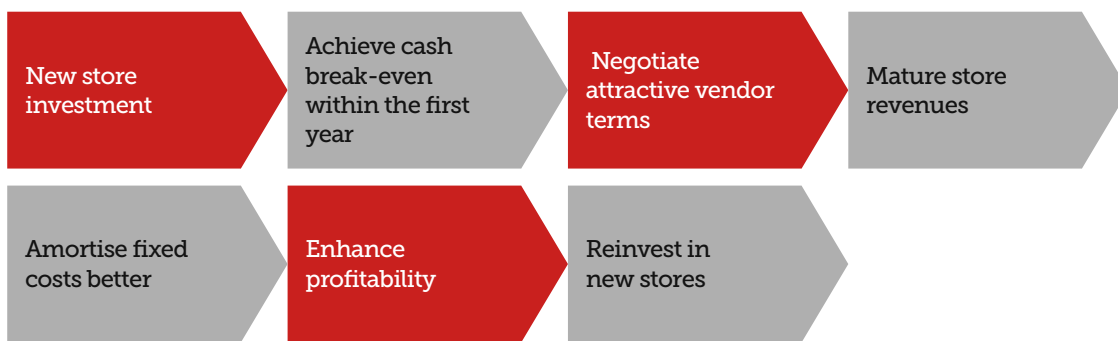


Mr. Harbir Singh Sidhu
Independent Director

A Graduate(BA HONS) from Cambridge University having vast experience of 44 years. Mr Sidhu has taught Economics at Punjab University and JNU & worked as consultant with Planning commission. Further he has vast experience in retail industry, he has worked with: Credo Brands Marketing Private Limited (Mufti) as CEO, Koutons Retail, Vishal Mega Mart and Ebony Holdings

Other Directors: Mr. Lalan Yadav, Mr. Siya Ram, Mr. Jitender

At **V2 Retail**, we are focused on enhancing value through a combination of patient long-term investments in large under-penetrated markets leading to sustained year-on-year growth



Our focus areas





Customer focus

V2 has identified the needs of a growing middle-class and neo-middle class with corresponding changes in product mix, pricing, positioning and overall V2 Retail brand

Product mix

V2 is enriching its product assortment (focus on high-selling and high-profit products)

Proprietary labels

V2 has enhanced its focus on in-house labels, enhancing relevance and competitiveness (through lower costs), a virtuous cycle.

Technology

V2 collaborated with one of India's largest IT solution providers to enhance operational efficiency.

V2 Retail.

Positioned as an attractive
Bharat retail proxy



Semi-urban and rural India represent the most potent emerging stories of India's economy.

This part of India accounts for the largest number of people, extensive under-consumption correcting itself and growing aspirations.

There was a time when this part of India was seen as an economic laggard. There is a growing conviction that with a number of large Indian cities being saturated for consumption possibilities, the growth of the future could come from a large number of Tier 2, 3 and 4 cities across the vast Indian landmass.

Two of the biggest changes to have transpired in the last decade have been the smartphone revolution and the progressive formalization of the country's retail sector.

The smartphone did not just make it possible to speak on the go; it empowered the semi-urban Indian to tap into the vast ocean of the social media, exposing herself to trends, fashions and preferences. This exposure encouraged the vastly under-consumed semi-urban population towards increased consumption of a range of products

through a higher savings allocation and debt.

The formalization of the retail sector resulted in a new value proposition: widening choice, superior price-value proposition, high product integrity and loyalty programmes, among others.

The convergence of the smartphone and organized retail have resulted in a demand catalyst at one end and increased product supply at the other. At V2 Retail, we are the right place at the right time with the right business model to capitalize on this inflection opportunity. Our response to the unfolding environment has been prompted by a few priorities.

One, we believe that the inflection point warrants unprecedented investments.

Two, we believe that the market for Bharat is larger than one has ever estimated.

Three, the market will keep growing across the foreseeable future as a large part of India residing at the bottom of its economic pyramid graduates into its middle-class.

Four, the key to unlocking the potential of this market lies in entering Tier 2, 3 and 4 locations with one store, seeding demand and then rolling out more stores in

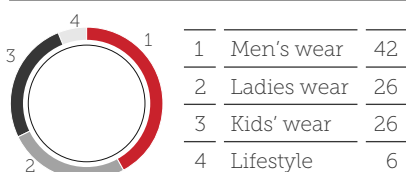
the same location by capitalizing on the existing V2 Retail brand and leveraging various economies (brand, procurement and logistical).

The Company launched its first store in 2011 at Jamshedpur and subsequently widened its footprint across East and Central India. Today more than 50% of the Company's 77 stores are spread across Uttar Pradesh, Bihar and Jharkhand, states marked by a lower organized retail penetration.

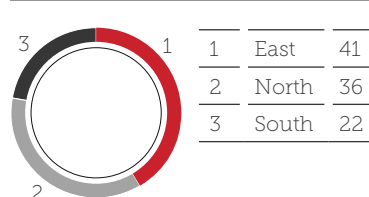
During the year under review, the Company added 31 new stores (closed three) across the states of Madhya Pradesh, Bihar, Uttar Pradesh, Karnataka, Uttarakhand, Assam, Odisha, Jharkhand, Telangana, Rajasthan, Jammu & Kashmir and Goa. The Company also ventured into western and southern India, expanding its presence across 17 States. This helped broaden the Company's risk profile – different geographies, customers and income profiles.

The result is that the V2 Retail of today is still in the first phase of its existing, spreading wider. Once the Company acquires the necessary lateral footprint, it will embark on the second phase of drilling deeper into its markets, generating superior economies, margins and surpluses.

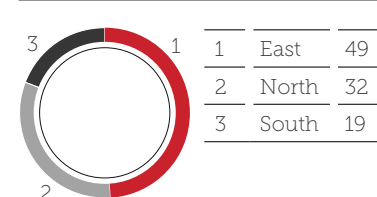
Our product mix (%)



Our regional space mix (%)



Our regional revenue mix (%)



V2 Retail.

Increasing revenues from private labels

At V2 Retail, we believe that a superior consumer value proposition kickstarts enhanced offtake, superior negotiation capability with vendors, lower costs and a wider value proposition – a virtuous cycle of sustainable growth.

In this linear flow, the role of private labels cannot be over-stated. At V2 Retail, we recognise that a sales mix without proprietary labels stands the risk of a relatively high cost structure and lower margins. More importantly, in a world where fashion preference keep changing every few months, there is a premium on the ability to respond with speed to changes in marketplace preferences.

In view of this, the Company took a strategic call in selecting to launch its proprietary apparel label in 2016. The launch of the proprietary label was directed towards creating brand value on the Company's

books, strengthening recall among consumers, weaving focused communication around periodic launches and enhancing margins.

Over the years, the Company invested in a wider apparel choice, strengthened its capability in sourcing fabric at lower costs, strengthened its design team to launch products around prevailing design preferences, increased its responsiveness to prevailing designs and engaged with back-end vendors to execute designs with speed and deliver across the Company's retail footprint.

During the year under review, the Company increased private label revenues from 2% of turnover in 2015-16 to 23% in 2018-19.

The Company expects to generate 50% of its overall turnover from private labels by FY2020-21, strengthening margins and business sustainability.

Proportion of revenues from proprietary labels (%)

Year	2015-16	2016-17	2017-18	2018-19
% of revenues	2	8	12.5	23





V2 Retail.

How we are leveraging cutting-edge technologies

At V2 Retail (as in every retail business), there is a premium on the ability to put products on shelves just when consumers need them – anywhere and anytime.

Supply chain management is critical to the success of our retail business for some good reasons. The Company accesses more than 30,000 SKUs from 600 manufacturers and suppliers across one central distribution centres, which is then transported to 77 stores with a singular goal: all desired SKUs should be always available across our stores.

Over the years, the Company strengthened its supply chain management through three teams – planning and forecasting, delivery centre (systemic hands and legs) and the master data – to ensure that products meet benchmarks within the stipulated budget. The Company classified SKUs into different categories as per their shelf movements – the fastest-moving SKUs classified in a different category with the objective to enhance availability as per consumer needs and business requirements.

Besides, the integration of MIS within SAP helped track store shelf product movement. The efficient data management enhanced an awareness of slow-moving

inventory and timely product replenishment. This resulted in empowered decision making related to unsold inventories (through the automated discounting mechanism). A vendor app automated the procurement process. The result is that the Company possesses a robust supply chain marked by a lean cost structure and centralized replenishment control.

During FY2018-19, the price volatility of crude oil made freight budget management challenging. Delayed GST implementation affected a large number of our suppliers, most of who were drawn from the MSME category and needed to be hand-held to migrate to the new ecosystem. Besides, a growing investment was made to ensure an optimal inventory with the objective to moderate costs.

Over the last few years, the key initiative undertaken by the Company comprised the implementation of a cutting-edge warehouse management system across distribution centres. During FY2018-19, the Company added ~3.5 lakh square feet of trading area. The big achievement was that despite this volume growth, the Company maintained supply chain spending at the same quantum as the previous year.

Going forward, the Company intends to focus on the following initiatives

- Address the e-commerce opportunity, enhancing consumer convenience and widening market access.
- Faster inventory churn
- Ensure stock availability to service customers better
- Increase automation across warehouses
- Reduce manual material loading, rationalising costs



V2 Retail.

Addressing the growing needs of a transforming Bharat.



India's domestic consumption, which accounts for 60% of its GDP, is expected to grow into a \$6 trillion opportunity by 2025.

These are some of the reasons why we are optimistic of the India story.

One, India's is a growing population, adding around 15 million every single year, the largest annual population increment anywhere in the world, creating a multi-year consumption opportunity.

Two, India is expected to lift 25 million households out of poverty, reducing the share of households below the poverty line from 15% to 5%.

Three, growth in income will transform India from a bottom-

of-the-pyramid to a middle-class-driven economy, with consumer spending growing four times by 2030.

Four, India could add about 140 million middle-income and 21 million high-income households, nearly doubling the total share of these segments to 51% by 2030.

Five, rural per capita consumption could grow 4.3x by 2030, compared to 3.5x during the same period in urban India.

Six, the population of an under-consumed developed rural and urban areas could increase from 38% in 2018 to 43% in 2030.

Seven, with limited pre-existing knowledge of brands, customers

could graduate from unorganized purchases to private-label brands. Private-label apparel and grocery is growing rapidly and could constitute up to 50% of organized retail sales by 2030, up from 5%-10% share today.

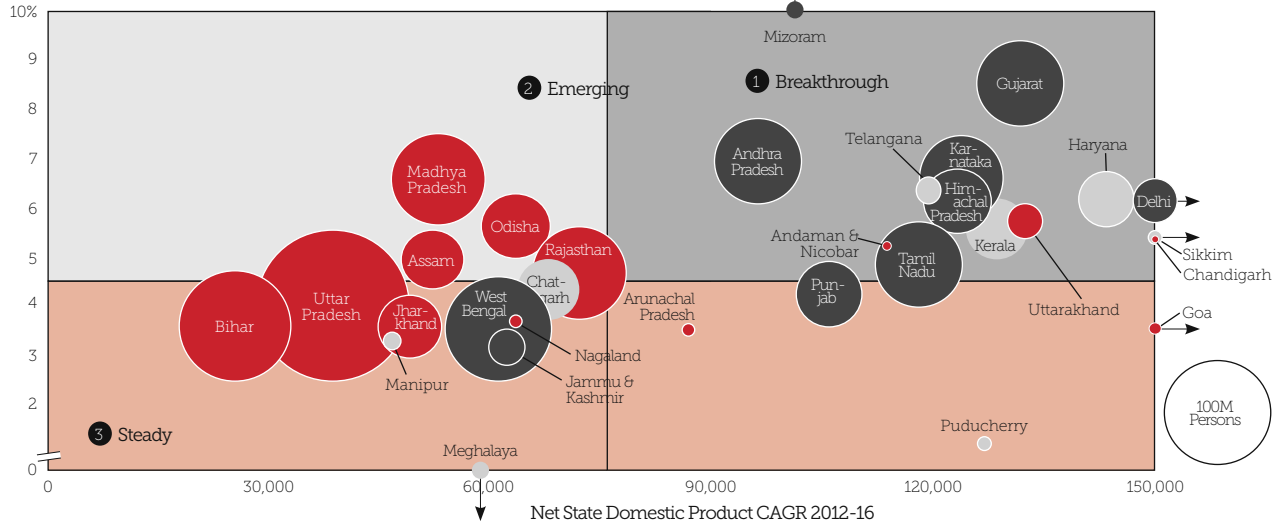
Eight, there could be an opportunity to unlock nearly USD 1.2 trillion of spend in developed rural areas by improving infrastructure and providing access to organised and online retail.

V2 Retail is inventing today to address this market of the future, more than 70% of the Company's stores positioned in locations with low GDP per capita but possessing attractive growth potential.

Rank on Employment and Health Indicators

Top one-third Middle one-third Bottom one-third

Net State Domestic Product CAGR 2012-16



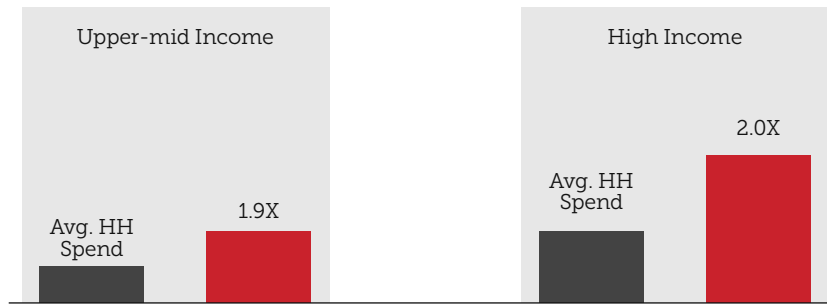
Note: All State Domestic Product values at constant FY12 prices and factor costs
 Source: Ministry of Statistics & Program Implementation, NITI Aayog, UNDP HDI Indices

Average spending in India's urban areas on apparel and personal care is double the amount spent in India's rural households even with the same amount of income, showcasing room for growth.

Urban India spends 2x more on discretionary categories (e.g. personal care, entertainment) than rural Indian households with the same income



Looking Good (Personal Care, Apparel)



Legend: HH: Household ■ Developed Rural ■ Rest of Urban

[The data has been sourced from World Economic Forum (WEF)]



What makes V2 Retail one of the most exciting organized retail stories in Bharat today

Early-mover advantage

V2 Retail has positioned itself in small but high-potential markets marked by low modern organized retail penetration in North and East India.

Positioning

V2 Retail is positioned as a one-stop family apparel hypermarket focused on addressing the complete needs of a family and enhancing family wallet share.

Centralized procurement

V2 Retail leveraged centralized procurement and quality control, resulting in the largest quantity, best product quality and lowest cost.

Focus

V2 Retail has taken the concept of retail democratization ahead by extending benefits to customers who have scarcely experienced the benefit of branded products or organised retail.

Location

V2 Retail established its presence in under-penetrated regions, each store within 200 km of the other, the hub and spoke network generating economies of brand, recall and logistics. As at March 31, 2019, the Company has presence in 17 states.

Technology

V2 Retail has made focused investments in technology, moderating costs, accelerating revenue growth and enhancing competitiveness.

Efficient supply chain management

V2 Retail addressed the challenge of addressing a large throughput (10 lakh sq. ft. retail space) through an investment in comprehensive supply chain management (planning, sourcing, standardization, logistics, quality control, pilferage control, replacement and replenishment).

One-stop family destination

V2 Retail addresses the growing needs of the 'neo-middle class' and 'middle class' and directs its products to match fashion goals of consumers with incomes ranging between ₹15,000 and ₹40,000 per month.

Low cost procurement destination

V2 Retail possesses a network of registered vendors - hosiery products from Tirupur, cotton apparel from Ahmedabad, denims from Delhi, kids' wear from Kolkata, knitted garments from Ludhiana and latest fashion garments from Mumbai - to strengthen product quality and moderate procurement costs.

Cost management

V2 Retail's wider presence in low-competition Tier-2 and 3 cities moderated rent and employee costs on the one hand and enhanced industry-leading EBITDA margins on the other.

Value-for-money fashion

V2 Retail attracts first-time organized retail customers from small cities through a modest average product selling of ₹273 per product, average billing per customer of ₹789, widening its market engagement.

Efficient inventory management

V2 Retail invested in a 180,000 sq. ft. warehouse with the capacity to address 10 lakh sq. ft. of retail space, servicing stores and warehouse inventories

Managing risks at V2 Retail

1

Economic risk

Slowdown in the economy could impact retail offtake



Mitigation: The Indian economy is poised for strong long-term growth. The Indian economy grew at 6.8% in 2018-19. The per capita income for FY2018-19 stood at ₹1,26,406, a rise of ~10% over previous year. Besides, it took India 60 years to add USD 1 trn and seven years to add next USD 1 trn and is expected to add a trillion dollar every 18 months to become a USD 5 trn economy by 2025. This could catalyse economic development in general and the retail sector in particular

2

Industry risk

Slowdown in the downstream sector could impact the offtake of the Company



Mitigation: The Indian textile and apparel industry was estimated at US\$ 100 billion in 2018 and is expected to reach US\$ 223 billion by 2021. India's apparel is expected to reach worth US\$97 billion by 2025, making it the sixth-largest in the world. Also, with an improving income scenario in the hands of the rural and semi-urban cluster, the retail market is expected to expand faster.

3

Merchandising risk

An inadequate understanding of market trends can result in lower sales and sub-optimal merchandise.



Mitigation: The Company conducts market surveys to ensure a superior understanding of the localised demands. Its cluster-based approach has resulted in the enhanced visibility of marketing schemes and stronger offtake. Over the years, the Company has consistently invested in technology upgradation to develop a deeper understanding of the market trends, resulting in corresponding merchandising decisions.

4

Trend risk

An inability to stay abreast of the latest styles can result in lower sales



Mitigation: The Company has been present in the Tier II and Tier III cities for long resulting in a better understanding of changing customer preferences in these regions leading to customised productisation and attractive inventory turns.

5

People risk

There is an urgent requirement of qualified and talented manpower to look after day-to-day operations



Mitigation: The Company's employee strength stood at 2730 on 31st March 2019.

6

Inventory risk

Unsold and excess inventory can result in a working capital crunch, affecting the profitability of the Company.



Mitigation: The Company implemented technology and automated its central warehouse. Regular checks were conducted on the incoming and outgoing inventory. Slow inventory was transferred to some other location for storage or sold at promotional discounts.

7

Competition risk

An increasing number of players could intensify competition and impact the Company's market share.



Mitigation: Through prudent and proactive investments in R&D, stringent quality checks, product cost optimisation, timely products delivery and a robust distributor network, the Company has set itself apart from competition.

Management discussion and analysis



2019 (Projected)

3.2
Real GDP
growth (%)

Global economic overview

The global economy grew 3.6% in 2018 compared with 3.8% in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth is estimated at 3.2% in 2019 on account of a sustained weakening in advanced economies. (Source: *World Economic Outlook*).

Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.2

[Source: *World Economic Outlook, July 2019*] E: Estimated; P: Projected

Indian economic overview

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita income, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in slower GDP growth that declined to 5.8% by the fourth quarter of 2018-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~US\$ 42 billion in FDI inflows as per the

World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Key governmental initiatives

The Indian government continued to take a number of initiatives to strengthen the national economy.

• **Bank recapitalisation scheme:** In addition to infusing ₹2.1 lakh crore in public sector units, the Indian Government announced a capital

infusion of ₹41,000 crore to boost credit for a strong impetus to the economy in FY2018-19. The Budget 2019-20 mandated that the Union Government will infuse ₹70,000 crore to strengthen and enhance their lending capacity. (Source: Hindu Business Line)

• **Expanding infrastructure:** India's proposed expenditure of ₹5.97 trillion (US\$89.7 billion) towards infrastructural development In the Union Budget 2018-19 is expected to strengthen the national economy. As of November 2018, total length of projects awarded under Bharatmala Pariyojana (including residual NHDP works) was 6,460 kms for a total cost of ₹1.52 trillion (US\$ 21.07 billion). The Government has announced to invest ₹10,000,000 crore (US\$ 1.5 trillion) in infrastructure over the next five years in Budget 2019-20. (Source: *IBEF*)

• **Ujjwala Yojana and Saubhagya Yojana:** With the help of this initiative, the Government has transformed the lives of every rural family, dramatically improving the ease of their living by providing electricity and clean cooking facility to all willing rural families by 2022.

• **UDAN:** This Scheme is directed towards providing air connectivity to smaller Indian cities, enabling the common citizens to avail the option of travelling via air. Under this scheme, a number of airports are likely to be constructed.

• **The Insolvency and Bankruptcy code (Amendment), Ordinance 2018:** Passed in June 2018, the ordinance provides significant relief to home-buyers by recognising their status as financial creditors. The major beneficiary comprised MSMEs, empowering the Indian Government to provide them a special dispensation under the code. (Source: PIB)

• **Pradhan Mantri Kisan Samman Nidhi:** The Indian Government announced in February 2019 the Pradhan Mantri Kisan Samman Nidhi, a scheme promising an annual assured income of ₹6,000 (US\$84.5) for any farmer owning ≤2 hectares of farmland. The budget for fiscal year 2020 allocated ₹75,000 crore for the scheme, benefiting ~120 million land-owning farmer households. (Source: PIB)

• **Direct Benefit Transfer:** The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. In 2018-19 alone, this scheme is estimated to have transferred more than ₹3,00,000 crore and the gains to have accrued since scheme implementation (upto March 2019) is estimated at ₹1,41,677.56 crore. (Source: www.dbtbharat.gov.in)

(Source: *Live Mint, Economic Times, Reuters, PIB, Union Budget, World Bank, Times Now*)

Indian retail industry overview

The Indian retail industry has emerged as one of the most

dynamic and fast-paced industries due to the entry of several new players. Retailing in India accounts for over 10% of the country's GDP and ~8% of the employment. The total market size of Indian retail industry reached US\$ 672 billion in 2017. The retail sector in India is dominated by the unorganised retail trade, where unorganised trade forms ~93% of the overall trade. This is in contrast with the developed countries where the organised retail industry accounts for almost an average of more than 80% of the total retail trade, showing headroom for further penetration of organised retail in India. In organized retail, women's, kids' and men's casual wear are expected to grow at a faster rate of 32%, 30% and 18% CAGR respectively. India's retail sector investments doubled to reach ₹1,300 crore (US\$ 180.18 million) in 2018. The online retail business is growing at a rapid pace and is expected to achieve parity with physical stores in the coming years, driven by robust investments and rapid increase in the number of internet users. Over the last two decades, the Indian retail market witnessed phenomenal changes, evolving rapidly from traditional shops to large multi-format stores in malls offering a global experience, and on to the highly tech-driven e-commerce model. These changes have resulted in unprecedented growth in overall consumption with numbers suggesting that consumer expenditure in India is expected to almost double to US\$3,600 billion by 2020 from US\$1,824 billion in 2017. India is set to get over 65 million sq ft of new mall spaces by the end of 2022. Of this total new supply, the top 7 cities comprise 72% share and the remaining 28% or 18.2 million sq ft is slated to come up in tier 2 and 3 cities.

(Source: *Equity Master, IBEF, Indian Retailer, Anarock*)

Outlook

The India's retail sector is on a faster roll than ever before and the boosters acting on retail sector are rapid urbanisation and digitisation, rising disposable incomes and lifestyle changes, particularly that of the middle-class. Consequently, the Indian retail market is expected to grow to US\$5.5 trillion by 2020, while the modern retail market in India is expected to double in size over the next couple of years. The overall retail market in India is expected to grow at a rate of 12% per annum, driven by growing urbanisation, rising incomes and rising aspirations of a predominantly young middle class. Modern trade is going to expand twice as fast at 20% per annum whereas traditional trade is expected to grow at a rate of 10%. Another highlight of this growth story is that organised retail is gaining ground. Growing significantly at a CAGR of 20-25% annually, organised retail penetration is expected to be >10% of the total Indian retail market by 2020 as against 7% currently. (Source: *IBEF, Anarock, Business Insider*)

Key developments, FY2018-19

Luxury: During 2018, the luxury segment came in for a bit of a rationalisation. With India's luxury retail share at ~1.5% of the global pie, there is still a long way to go. Due to various cultural, regulatory, and legal issues, for instance, people still prefer foreign destinations for luxury shopping. High import duties, challenged quality retail spaces, and of course the devil of counterfeit, all have put the brakes on this segment for the moment. But there is great potential here and things should begin to improve soon.

Premium retail: 2018 also saw the consolidation and growth of the



premium retail segment. Industry estimates put the growth of the premium market share in overall retail in the next five years at 15%, up from the current 10%. As buyers now face a better choice spectrum with higher price transparency and an improved disposable income spread, premium retail is growing healthily and in absolute terms will account for more substantial shares of the various markets across the country.

Digital: With ~42% of India's population expected to go digital by 2022, brick is rapidly marrying click. A whole slew of goods, from daily essentials to luxury, and even realty, now available on this platform, digital shopping is becoming a major option in retail for buyers. A variety of factors plus the strong push towards experiential purchase through technology using AI and VR, among others, shoppers and sellers are both gravitating towards digital platforms.

Omni-channel: With customers getting increasingly weaned away

by pure-play digital platforms, retailers are resorting to an integrated offering where shoppers can experience and engage with products and brands prior to committing to a purchase. Assured delivery channels, immersive brand experiences, and assured qualitative excellence driven by omni-channel marketing formats will set apart modern and conventional retail models in the years ahead.

Experiential retail: Smart marketers are focusing on providing families as well as the individual with entertainment, dining, and relaxation options. In almost all major retail hubs, buyers are now looking to spend on things that add to the fun and relaxation quotient and not necessarily on purchase of material goods. With mall owners and brand store operators laying a keen emphasis on innovation, it is expected that this trend will continue in the coming years.

The rural India boost

India's rural economy, which is 68% of the nation's population, is expected to be a key demand driver for the retail sector. Several factors have led to such a strong growth in rural areas, one major factor being the increasing penetration of technology that is helping brands leverage omni-channels to increase purchases. Other factors contributing to this growth is the rise in disposable incomes. With per capita income expected to increase by 10.2% to ₹2,66,500 by 2025, the discretionary spending is also expected to increase to 45% in 2025, from 35% presently. There has also been a massive rise in demand for white goods, and households in India have evolved from typically comprising four or five major consumer appliances during 1990s to ~12-15 appliances today. (Source: FICCI, Deloitte Financial Express)

Growth drivers

Macroeconomic fundamentals:

India is one of the fastest-growing economies in the world. It has the second-largest population, and accounts for 17% of the world's population and 3% of global consumption. Furthermore, India has seen the highest consumption growth among the top-10 countries ranked by size of household final consumption expenditure. Per capita income in India has nearly quadrupled since the start of the century; this has put more disposable cash in the pockets of consumers, who are not hesitant to spend it. The consumption growth in India can be attributed to the democratic rise in affluence that is not limited to just the metros or a limited income bracket.

Growth in young urban consumers and nuclear families:

47% of the population is below 25 years and India is slated to be the youngest country by 2020. Furthermore, rising urbanisation (27% at the beginning of century to 32% in 2015) and the growing participation of women in the workforce are also creating a time-starved consumer group which is likely to pay a premium for convenience. Nuclear families are also increasing—70% of the households now have a nuclear structure, an increase of 13% over the past two decades. Notably, nuclear families spend 20–30% higher than joint families.

Growth in aspirations: There is a growing trend among Indian consumers to 'up-trade' to branded products from those sold 'loose', along with a willingness to pay for service and convenience. This trend is driven by the shift in demographic structure, increased awareness about global trends, quest for better products and focus on healthier living.

Digital influence: Digital penetration in India is rapidly

intensifying. 13% of the population uses smartphones; 91% of these users search for products to buy via their device and 54% of them have completed a purchase. This level of digital maturity comes to a population with 37% Internet penetration, growing at 31% CAGR, which is higher than China and the US. This bodes well for the e-retail sector and omni-channel players.

Improving regulatory

environment: Easing FDI rules for retail will enable the entry of more global players, with investment in back-end infrastructure such as warehouses, logistics, and customer services creating ancillary jobs across the country and upgrading the retail skills of Indian workforce.

(Source: World Bank, Census, Labour Bureau, SEC, Government of India, Goldman Sachs Global Investment Research, PwC)

Emerging trends

Experiential retail: Experiential retail draws the focus to a customer-centric approach where the customer is able to interact with product or brand rather than being a passive participant. As consumers choose to invest in experiences rather than products, retailers need to respond to meet the needs of their customers. Customers do not want to just walk into the shop, buy the product and leave because they could do this in the comfort of their own home.

Augmented reality versus virtual

reality: Retailers are beginning to experiment with virtual commerce, which leverages virtual and augmented reality devices to create entirely new conveniences for tomorrow's consumers. Augmented reality is slightly different from virtual reality as it overlays holograms on top of the physical world around us. Experts have noted that by 2020, the retail industry is slated to be the top spending

industry on augmented reality and virtual reality.

Multi-channel retail: Moving away from the tenants of the traditional retail market, multi-channel retailing has gained increasing popularity. The aim is for the retailer to be available to the consumer on all devices. The most common device used by shoppers nowadays is their mobile phones. With online shopping available at the click of a button and features like product details, size guide and free shipping, it is imperative for retailers to move their businesses online.

Hyper-personalisation: The driving purpose behind today's retail trends is to elevate the consumer-retailer relationship by increasing personalisation, transforming customers into fans and boosting customer lifetime value.

Automated retail: The retail industry is slowly working towards creating a human interaction-free experience for the consumer. Moving rapidly towards automation on all fronts, many retailers have already adopted the cashier-less model – be it small merchants or large ones. Automated retail is now a broad area including everything from vending machines to unmanned kiosks to unattended grocery stores.

(Source: Money Control)

Rising income: Per capita income increased from ₹1,03,870 in 2016-17 to ₹1,12,835 in 2017-18 to ₹1,25,397 in 2018-19, signalling the increasing purchasing power of the people.

Growing middle-class: India's middle-class is forecast to expand by 1.4% per year, outpacing China, Mexico, and Brazil. As a result, India is set to evolve from an increasingly important sourcing hub into one of the most attractive consumer markets outside the Western world.

Growing fashion-consciousness: With the rise in disposable income and sophistication of digital and other media, consumers

are becoming more aware, fashion conscious and hence demanding more variety and designs. There is a trend towards brand loyalty, where style and design are among the top-three considerations for consumers.

(Source: Ministry of Textiles, IMF, McKinsey Global Institute, Aranca Research, IBEF, PwC)

Rising middle-class aspirations:

More and more people are shifting from rural to urban areas to search for jobs and it is expected that by 2025, 37.5% of India's population is expected to be living in urban areas. By 2025, middle-class consumers that will form 48.5% of the total targetable customer base will contribute ~55-60% share of total apparel market size.

Company overview

Established in 2001, 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. The Company operates 77 stores in 17 states and 72 cities (primarily Tier-II and Tier-III) covering a total retail area of more than 9 lakh sq. ft.

Financial highlights

- **Revenues:** Revenue during the year stood at ₹758.3 crore, increased by 34.76% as compared to ₹562.7crore in FY2017-18.
- **Total expenses:** The Company's total expenses increased from ₹516.7 crore to ₹716.6 crore, a growth of 38.69%.
- **Profit after tax:** The Company registered a profit after tax of ₹20.4 crore compared to ₹31 crore in the previous year.



Internal control systems and their adequacy

The Company has adequate internal control systems for financial reporting and the control systems are working effectively. The Company has put in place internal control framework and delegation of authorities is clearly spelt out with policies and procedures clearly documented. The Company has appointed an independent internal auditor who monitor and review transactions independently and report directly to the audit committee consisting of entirely independent directors, on a quarterly basis. The internal auditors conduct audits on all key business areas as per pre-drawn audit plan. The internal audit function reviews and presents report on the systems and procedures are at place for internal control at various departments. It performs an independent assessment of functioning of compliances procedures set under various statues. All significant audit observations and follow up actions are reported to the audit committee along with the internal audit report and management response. The minutes of the audit committee are reviewed by the Board.

Human resources

V2 Retail believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals of employees, thereby achieving an ideal work-life balance and enhancing pride association. The employee count stood at 2730 as on March 31, 2019.

Cautionary statement

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revised any forward-looking statements, on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate, or will be realised and actual results, performance or achievements could this differ materially from those projected in any such forward looking statement.



V2 RETAIL LIMITED

Regd. Office: Khasra No. 928, Extended Lal Dora Abadi,
Village- Kapashera, Tehsil VasantVihar, New Delhi South West Delhi – 110037,
Phone: 011-41771850, **CIN-** L74999DL2001PLC147724,
E-mail: cs@vrl.net.in, **Website:** www.v2retail.com

NOTICE

NOTICE IS HEREBY GIVEN THAT EIGHTEEN ANNUAL GENERAL MEETING "AGM" OF V2 RETAIL LIMITED WILL BE HELD ON SATURDAY, 7TH SEPTEMBER, 2019 AT KHASRA NO. 1138, SHANI BAZAR CHOWK, RAJOKARI, NEW DELHI 110038 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statement of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors' and the Auditor's thereon.
2. To appoint a director in place of Mr. Akash Agarwal (DIN: 03194632), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.

"RESOLVED THAT, pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Akash Agarwal (DIN: 03194632), as a Whole Time Director of the company at a monthly remuneration of ₹500,000 (Five Lakhs), who retires by rotation at this meeting and who shall be liable to retire by rotation.

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authority and all other applicable laws and regulations if any, approval of the members of the Company be and is hereby accorded for effecting the following amendments in

the existing Articles of Association of the Company:-

1. To Amend the following clause no. 131A (c) in the Articles of Association of the Company

Clause 131 A (c) of Articles of Association of the Company shall be read and executed as stated below;

(c) The Investor Director shall be retiring and non-executive Director.

RESOLVED FURTHER THAT any Executive Director and/or the Company Secretary be and is hereby severally authorised to perform all acts, deeds and things, execute documents, and do all filings including e-filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution."

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Ms Rochelle Susanna Dsouza (DIN 07854452) representative/ Nominee of M/s India Fund 2020 II limited (Investor)

who was appointed by the board as an Additional Non Executive Nominee Director, liable to retire by rotation with effect from November 28, 2018, and who has submitted a declaration confirming that she meets the criteria of eligibility under the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director and Nomination and Remuneration committee has recommended her candidature for the office of Director, be and is hereby appointed as Non Executive Nominee Director, liable to retire by rotation w.e.f. November 28, 2018.

RESOLVED FURTHER THAT to give effect to above resolution, the Executive Director and/or the Company Secretary of the Company be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

5. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Harbir Singh Sidhu (DIN 01943424) who was appointed by the board as an Additional Director

designated as Non- Executive Independent Director of the company w.e.f. 30th April, 2019, and who holds office till the date of ensuing Annual General Meeting of the Company and who has submitted a declaration confirming that he meets the criteria of independence under section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and Nomination and Remuneration committee has recommended his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and will hold office of Director for 5 (Five) consecutive years i.e. till 29th April, 2024.

RESOLVED FURTHER THAT to give effect to above resolution, the Executive Director and/or the Company Secretary of the Company be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

**By the Order of the Board of Directors
For V2 Retail Limited**

Ram Chandra Agarwal

(Chairman & Managing Director)

DIN: 00491885

Date: 29-07-2019

Place: New Delhi

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EIGHTEEN ANNUAL GENERAL MEETING (THE "MEETING") IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A BLANK PROXY FORM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

The Instrument appointing a proxy shall be in writing and be signed by the appointer or his/her attorney duly authorized in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued by the member.

2. Special business are being transacted at 18th(Eighteen) Annual General Meeting hence explanatory Statement as required under Section 102 of Companies Act, 2013, relating to the special business to be transacted at the meeting is applicable and annexed herewith.
3. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
4. Member's /Proxies/ Authorised Persons attending the Annual General Meeting (AGM) of the Company are requested to hand over the Attendance Slip, duly filled in for admission to the AGM hall.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members holding Shares in demat/electronic form are requested to write their Client ID and DP ID and

those holding Shares in physical form are requested to write their folio number in the attendance slip and deliver duly signed attendance slip at the entrance of the meeting hall.

7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
9. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
10. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
11. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) intending to send their authorized representatives to attend the Meeting are requested to send certified true copy of the Board Resolution/Authority Letter, together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend and vote on their behalf at the Meeting.
12. All documents referred to in the notice are open for inspection at the registered office of the Company between 11:00 A.M. to 1:00 P.M. on all working days up to the date of Annual General Meeting.
13. Pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) no amount is unclaimed towards dividend to any shareholder.
14. Members are requested to intimate immediately the change of address or demise of any Member, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be to prevent frauds.
15. Statement giving details of the Director seeking appointment/ re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard on General Meeting ("SS-2").

16. Pursuant to Regulation 46(2) (j) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the Company has created an exclusive E-mail ID: cs@vrl.net.in for quick redressal of Members/ investors grievances.
17. The Register of Members and Share Transfer Books of the Company shall remain closed from September 1, 2019 to September 7, 2019 (both days inclusive).
18. Members/Proxies should bring their copy of the Annual Report for reference at the meeting and also the duly filled in and signed attendance slip for attending the meeting.
19. Shareholders, who are holding shares in identical order of name in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
20. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
21. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling form SH-13. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
22. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the space provided in the Attendance Slip and hand it over at the registration counter.
23. In terms of SEBI notification, the shares of the Company are subject to compulsory trading only in dematerialized form on the stock exchange hence members are requested to convert their physical share certificates into electronic form.
24. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person to whom the shares held by him shall vest in the event of his death.
25. Non-Resident Indian Members are requested to inform RTA, immediately of:
- Change in their residential status on return to India for permanent settlement or
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Share Transfer Agent (RTA), Link Intime India Private Limited, Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Tel : 011 - 4141 0592/93/94, Email : delhi@linkintime.co.in, Telefax : 011 - 4141 0591.
26. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a request letter in this respect to the Company / Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.
27. The Notice of AGM along with annual report and Attendance Slip are being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copies of the Notice of AGM along with annual report and Attendance Slip are being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).
28. VOTING THROUGH ELECTRONIC MEANS
- Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their rights to vote on resolutions proposed in this notice by electronic means ("remote e-voting") and the business may be transacted through e-voting services, the said resolutions will not be decided on a show of hands

at the AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

The instructions for members for voting electronically are as under: - In case of members receiving e-mail:

The voting period begins on Wednesday, September 4, 2019 at 9.00 a.m. and ends on Friday, September 6, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, August 31, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

- i) The shareholders should log on to the e-voting website <https://www.evotingindia.co.in> Click on "Shareholders / Members" tab to cast your votes.
- ii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iii) Next enter the Image Verification as displayed and Click on Login.
- iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

v) If you are a first time user follow the steps given below:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details Or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth in (dd/mm/yyyy) as recorded in your demat account or in the company records in order to login.. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (i).

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for <V2 RETAIL LIMITED> on which you choose to vote.
- x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv) If demat account holder has forgotten the login password then enter the User ID and the image

verification code and click on Forgot Password & enter the details as prompted by the system.

xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. Them-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xvii) Note for Non- Individual Shareholders and Custodians :

- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

Please follow all steps sl. no. (i) to sl. no. (xvii) above to cast vote.

xix) The share holders can opt for only one mode of voting, i.e. either ballot voting by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in AGM. However members who are attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting

xx) The official responsible to address the grievances connected with voting by electronic means - Mr. Umesh Kumar, Company Secretary & Compliance Officer, Ph. No. 011-41771850

xxi) Company shall publish the result of remote e-voting & the resolutions passed at its general meeting on its Website.

29. The Board of Directors has appointed Mr. Sharwan Kumar Goel, Chartered Accountant in practice (Firm Registration No.027892N.) as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.

30. The Scrutinizer shall within a period of three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and prepare the scrutinizer report of the votes cast in favour or against, if any, forthwith to the Chairman and in his absence to the Company Secretary of the Company.

31. The result of voting shall be declared by the Chairman of the meeting on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.v2retail.com and on the website of the CDSL immediately after the result is declared by the Chairman.

32. The result will also be communicated to stock exchange where the shares of the Company are listed.

33. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and as per Rule 18 of the Companies (Management and Administration) Rules, 2014 allowed companies to send any notice/document (including Annual Report) to its members via e-mail. In order to support the same members hereby requested to register, update and provide their respective operational e-mail id to RTA i.e. Link Intime India Private Limited or/and their respective Depository Participant (DP's).

34. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018 and others respective allied Acts, rules and regulations as amended thereof, members holding shares in physical form are hereby requested to urgently convert them in Dematerialization form by requesting the RTA i.e. Link Intime India Private Limited or/and their respective Depository Participant (DP's).

35. In terms of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Akash Agarwal, Director, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends his re-appointment.

Details of Director, who is proposed to be re-appointed at the ensuing Annual General Meeting, as required under Regulation 36 of SEBI (Listing Obligation Disclosure Requirement) Regulations 2015 and Secretarial Standard 2, are as under:

Details of Directors Seeking Appointment/ Re-Appointment at the Annual General Meeting:

Name and Age of Director	Mr. Akash Agarwal
Date of Birth	24/04/1992
Age	27 Year
DIN	03194632
Date of first Appointment in board	29/09/2017
Expertise in Specific Functional Area	He has a vast experience in Retail Industry
Qualifications	Bachelor of Business Administration (BBA) from Lancaster University (United Kingdom)
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	To be appointed as Whole Time Director being eligible to retire by rotation and remuneration is ₹500,000 (Five Lakhs) Per Month
Last Drawn Remuneration	₹300,000 (Three Lakhs) Per Month
Directorship in Other Companies as on date	Rishikesh Commosales Private Limited, Topline Vintrade Private Limited, V2 Conglomerate Limited
No. of Board Meeting attended during the year 2018-2019	10
Membership/Chairmanship of Other Public Companies Committees	None
Relationship with other Directors	Mr. Akash Agarwal is son of Mr. Ram Chandra Agarwal & Mrs. Uma Agarwal
Shareholding in the Company	N.A.
Brief Resume	Mr. Akash Agarwal is Bachelor of Business Administration (BBA) from Lancaster University (United Kingdom) and he has more the 6 year experience in Retail Industry.

For other details such as number of meetings of the board attended during the year and remuneration drawn in respect of above director, please refer to the corporate governance report which is a part of this Annual Report.

ANNEXURE TO THE NOTICE

Explanatory Statement

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Item No. 3 to the Notice

Item 3:

A Share holding Subscription and Shareholders Agreement ("SSHA") had been executed between India 2020 Fund II Limited and the Company (V2 Retail Limited), pursuant to which India 2020 Fund II Limited had subscribed 20,00,000 (Twenty Lakhs) Equity Shares of V2 Retail Limited @ a price of ₹380/- each including the premium amount of ₹370/- each as per the ICDR 2009 regulations price calculation. Pursuant to the SSHA, Article of Association of the Company was amended. Further pursuant to letter dated November 16, 2018, M/s India 2020 Fund II Limited has agreed for appointment of nominee director whose office shall be eligible for retire by rotation, i.e. rotational director. Therefore as stated above in the resolution item no. 3 few provisions have been incorporated in the proposed Articles.

Pursuant to the provisions of section 14 of the Companies Act, 2013, alteration of articles requires approval of the members of the Company by way of a Special Resolution at a general meeting.

The Board of Directors' in their meeting held on July 29, 2019 has approved the amendment in the Article of Association of the Company as set out in item no. 3 of the notice, subject to the approval of members of the Company:

A copy of the proposed amended Articles of Association (AOA) is available for inspection in physical by the members at the registered office of the Company during normal business hours on all working days from the date of dispatch of the notice, up to the last date of voting i.e. September 6, 2019 and is also available on the website of the Company at <https://www.v2retail.com>

The Board recommends the Special Resolution set out at Item No 3 of the Notice for approval by the Members.

None of the Directors except Ms Rochelle Susanna Dsouza (DIN 07854452) representative/Nominee of M/s India Fund 2020 II limited (Investor) and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions as item No. 3

Item 4:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Item No. 4 to the Notice

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting on November 28, 2018 has approved the appointment of Ms Rochelle Susanna Dsouza (DIN 07854452) representative/Nominee of M/s India Fund 2020 II limited (Investor) as Non Executive additional Nominee Director of the Company w.e.f. November 28, 2018, whose office is liable to retire by rotation, subject to the approval of shareholders of the company, in terms of Section 152, 161 and other applicable provisions of Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment/s thereto or modification/s thereof.

Further Company has also received the notice in writing from a member under Section 160 of the Act, proposing the candidature of Ms Rochelle Susanna Dsouza (DIN 07854452) for the office of Non Executive - Nominee Director of the Company,

The Company has received the following disclosures / declarations from Ms Rochelle Susanna Dsouza (DIN 07854452)

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; -
- (ii) Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013, the Board is of the opinion that Ms Rochelle Susanna Dsouza (DIN 07854452) fulfils the conditions for her appointment as an Non Executive Nominee Director as specified in the Companies Act, 2013 and the Listing Regulations and are independent from the management of the Company.

Ms. Rochelle Susanna Dsouza is a Principal at Lighthouse. Prior to Lighthouse, she was a Manager at SBI Capital Markets, Investment Banking Division, where she focused on equity capital

market transactions. Rochelle earned a Bachelor of Engineering in Electronics & Communication from Rashtreeya Vidyalaya College of Engineering (RVCE) and an MBA from S.P. Jain Institute of Management & Research. She is also a CFA Level III candidate.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and also posted on the website of the Company i.e. www.v2retail.com.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Ms Rochelle Susanna Dsouza (DIN 07854452) as Non Executive Nominee Director. Accordingly, the Board seeks approval of the members

for the appointment of Ms Rochelle Susanna Dsouza (DIN 07854452) as Non Executive Nominee Director of the Company w.e.f. November 28, 2018, pursuant to section 152, 161 and other applicable provisions of the Act, and Rules made there under.

Except Ms Rochelle Susanna Dsouza (DIN 07854452) no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item no. 4 for your approval.

The personal details & experience of directors pursuant to regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India are as stated below:

Name and Age of Director	Ms Rochelle Susanna Dsouza, 32 Year
Date of Birth	04/10/1986
Director Identification Number	07854452
Qualification	Bachelor of Engineering in Electronics & Communication and MBA
Experience	Ms.Rochelle Susanna Dsouza is a Principal at Lighthouse. Prior to Lighthouse, she was a Manager at SBI Capital Markets, Investment Banking Division, where she focused on equity capital market transactions.
Terms and Conditions of appointment along with details of remuneration sought to be paid	Liable to retire by rotation, Non Executive, Nominee Director of the company as a representative/Nominee of M/s India Fund 2020 II limited (Investor) pursuant to share purchase agreement dated October 13, 2017 and Investor request letter dated November 16, 2018.
Last Drawn Remuneration	N.A.
Date of first appointment on the Board	November 28, 2018
Shareholding in the company	Nil
Relationship with other Directors, Manager and KMP	She does not have any relationship with other directors, Manager and Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	3
Directorship held in other companies	Wow Momo Foods Private Limited
Membership/Chairmanship of the Committees across the other Companies	-
Brief Profile	Ms.Rochelle Susanna Dsouza is a Principal at Lighthouse. Prior to Lighthouse, she was a Manager at SBI Capital Markets, Investment Banking Division, where she focused on equity capital market transactions. Rochelle earned a Bachelor of Engineering in Electronics & Communication from RashtreeyaVidyalaya College of Engineering (RVCE) and an MBA from S.P. Jain Institute of Management & Research. She is also a CFA Level III candidate.

Item 5:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Item No. 5 to the Notice

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting on 30th April 2019 has approved the appointment of Mr. Harbir Singh Sidhu (DIN 01943424) as an Independent Director of the Company subject to the approval of shareholders of the company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment/s thereto or modification/s thereof.

Further Company has also received the notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Harbir Singh Sidhu (DIN 01943424) for the office of Non Executive Independent Director of the Company,

The Company has received the following disclosures / declarations from Mr. Harbir Singh Sidhu (DIN 01943424)

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;-
- ii. Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013, and Declaration that they meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of Schedule IV of the Companies Act, 2013

The Board is of the opinion that Mr. Harbir Singh Sidhu (DIN 01943424) fulfils the conditions for his appointment as an Non Executive Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and are independent from the management of the Company.

Mr. Harbir Singh Sidhu (DIN -01943424) is a Graduate (BA Hons) form Cambridge University and has a vast experience of 44 year. Mr. Sidhu has taught Economics at

Punjab University and Jawaharlal Nehru University and worked as consultant with planning commission. Further Mr. Sidhu has vast experience in retail industry, he has worked with;

1. Ebony Retail Holding as Operations Manager
2. Vishal Mega Mart as Operations Manager
3. Koutons Retail as Executive Vice President
4. Credo Brands Marketing Private Limited (Mufti) as CEO

A copy of the draft letter of appointment setting out the terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and also posted on the website of the Company i.e. www.v2retail.com.

The Board consider that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Harbir Singh Sidhu (DIN -01943424) as Non Executive Independent Director. Accordingly, the Board seeks approval of the members for the appointment of Mr. Harbir Singh Sidhu (DIN -01943424) as Non Executive Independent Director of the Company w.e.f. April 30, 2019 for a term of 5 years i.e. from 30th April, 2019 to 29th April, 2024, pursuant to section 149, 152 and other applicable provisions of the Act, and Rules made there under.

Except Mr. Harbir Singh Sidhu (DIN -01943424), no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item no. 5 for your approval.

The personal details & experience of directors pursuant to regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India are as stated below:

Name and Age of Director	Mr. Harbir Singh Sidhu (DIN -01943424), 68 Year
Date of Birth	23-05-1951
Director Identification Number	01943424
Qualification	Graduate (BA Hons) form Cambridge University
Experience	Mr. Harbir Singh Sidhu has a vast experience of 44 year.
Terms and Conditions of appointment along with details of remuneration sought to be paid	Not liable to retire by rotation and Appointment for a period of Five Year w.e.f. April 30, 2019
Last Drawn Remuneration	N.A.
Date of first appointment on the Board	April 30, 2019
Shareholding in the company	Nil
Relationship with other Directors, Manager and KMP	He does not have any relationship with other directors, Manager and Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	N.A.
Directorship held in other companies	-
Membership/Chairmanship of the Committees across the other Companies	-
Brief Profile	<p>Mr. Harbir Singh Sidhu (DIN -01943424) is a Graduate (BA Hons) form Cambridge University and has a vast experience of 44 year. Mr. Sidhu has taught Economics at Punjab University and Jawaharlal Nehru University and worked as consultant with Planning commission. Further Mr. Sidhu has vast experience in retail industry, he has worked with;</p> <ol style="list-style-type: none"> 1. Ebony Retail Holding as Operations Manager 2. Vishal Mega Mart as Operations Manager 3. Koutons Retail as Executive Vice President 4. Credo Brands Marketing Private Limited (Mufti) as CEO

**By the Order of the Board of Directors
For V2 Retail Limited**

Date: 29-07-2019
Place: New Delhi

Ram Chandra Agarwal
(Chairman & Managing Director)
DIN: 00491885

Route map to the venue of the 18th AGM

Venue of AGM: Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi - 110 038

Landmark: SBI-ATM at Shani Bazar

The venue is located near the SBI-ATM at Shani Bazar. Proximity of the place from the Delhi-Jaipur Road is shown herein below:



DIRECTORS' REPORT

Bear numbers

It gives me great pleasure to share with you the performance of your company along with audited accounts for the financial year ended March 31, 2019.

1. State of company Affairs

The Financial Year 2018-19 was marked with volatility and disruptions due to competition. Your company however continued to perform consistently well in these challenging times and deliver better results. With sales at ₹748 Crore, V2 retail has registered an overall growth of 34% in the turnover. EBIDTA at ₹46.9 Crore has decreased by 9% over previous year.

In order to strengthen its market share, the company have added 31 new stores and also taken steps to improve the supply chain network. Besides, efficiency improvement and cost optimisation have been followed vigorously across all the functions of the organisation.

Exceptional items amounting to ₹2,661.89 lakh for the year ended 31 March 2019 represents, one time settlement amount which the Company has paid to the lenders for relinquishing their Right of Recompense (ROR) for the sacrifices made by them in Financial year 2010-2011 under the Corporate Debt Restructuring (CDR) package vide Master Restructuring Agreement (MRA) entered into in November, 2010. Further company have made gain of ₹459.70 lakh on Sale of CCD of TPG Wholesale Private Limited.

The net amount paid by the company was around ₹2202.19 lakhs after adjusting sale value of CCD, FDR and other related matters with the CDR lenders.

Further CDR lenders have issued No dues Certificate and released all the securities held by them.

Financial Results

The operating results of the Company for the year under review are as follows:

(₹ in lakhs except for per share data)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Revenue from operation	74,841.94	55,940.36
Other Income	989.08	325.55
Total income	75,831.02	56,265.91
Profit before Interest, Depreciation & Taxation	5675.23	5,498.92
Interest & Finance Costs	65.99	57.49
Depreciation and amortisation	1442.32	840.64
Profit from Operations before Exceptional Items and Tax	4166.92	4,600.79
Exceptional Items	-2661.89	-
Profit before Taxation	1505.03	4,600.79
Less : Provision for Taxation		
- Current Tax	76.05	-
- Deferred Tax	-620.31	1,492.59
Profit After Taxation	2049.29	3,108.20
Total other Comprehensive Income	-6.42	-11.19
Total Comprehensive Income for the period	2042.87	3097.01
Paid up equity share capital (Face value of Rs 10 each)	3407.40	3392.27
Other Equity as per balance Sheet	26128.36	24003.68
Earnings Per Share	6.02	9.62

2. Operations Review

The Company continued with its strategy to establish "V2" brand of Retail stores across north, east, south and central part of India during the year. It is one of the fastest growing retail company in India and enjoys strong brand equity from customers across segments.

During the year, the number of "V2" stores increased to 77 (Seventy Seven) spread across 17 state and 72 cities with total retail area in excess of 9 lakhs sq. ft. The Company added 31 (Thirty one) and closed 3 (Three) stores during the year.

During the year under review, the Company continued to focus on enhancing the capability of the organization and towards the achievement of this goal, the Company has been taking a number of initiatives.

3. Dividend

Implementation of landmark reforms and immense growth opportunity for the organised retail industry in India, your Directors intend to retain internal accrual for business growth of company. Therefore, the Board of Directors does not propose to declare any dividend for this year.

4. Transfer to Reserve

Your Directors do not propose to transfer any amount to the general reserve.

5. Material changes and commitments

No material changes and commitments have occurred

from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

6. Share Capital

The paid - up share capital of the Company was increased from ₹3392.27 lakhs to 3407.40 lakhs as on March 31, 2019.

During the year the Company made an allotment of 151,334 (One Lakh Fifty One Thousand Three Hundred Thirty Four) Equity shares at an exercise price (Face Value) of ₹10/- each to respective eligible employee pursuant to exercise of employee stock options under V2R - Employee Stock Option Scheme 2016 ("ESOP 2016"), amounting to ₹15.13 lakhs.

7. Transfer to Investor Education Protection Fund

Pursuant to the provisions of Section 205C of the Companies Act, 1956 (Section 125 of the Companies Act, 2013), your Company has not transferred any amount during the year 2018-19 to the Investor Education and Protection Fund.

8. Employee Stock Option Scheme

The Company has implemented a V2R-Employee Stock Option Scheme 2016 ('ESOP 2016'), which was approved by the members at the Annual General Meeting held on September 30, 2016. Your Directors have approved grant of options to the eligible employees of the Company under the scheme 'V2R-Employee Stock Option Scheme 2016' ('ESOP 2016').

The information required to be disclosed under SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2019 are as follows and respective disclosures are displayed on the website of the company i.e. www.v2retail.com.

Particulars	Details
Date of Shareholders Approval	September 30, 2016
Number of Options	12, 44,380 (Twelve lakhs forty four thousand three hundred eighty) options to be convertible into equal number of fully paid up Equity Shares of the Company of face value of ₹10 each.
Number of options outstanding at the beginning of the year	227,709
Number of options granted during the year	245,590
Number of options forfeited / lapsed	223,335
Number of options vested during the year	151,334
Number of options exercised during the year	151,334
Number of shares arising as a result of exercise of options	151,334
Money realized by exercise of options	151,3340
Number of options outstanding at the end of the year	98,630
Number of options exercisable at the end of the year	98,630
Exercise Pricing Formula	Exercise price is Face Value of the Share of the company as on date on which the options are exercised by employee.

Person-wise details of options granted, as on March 31, 2019:

Particulars	Details
Key Managerial Personnel	Vipin Kaushik, CFO, (2273 ESOP Option) Umesh Kumar, Company Secretary & Compliance Officer (2810 ESOP Option)
Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

9. Bonus issue

Company has not allotted/transferred or issued any bonus shares during the year.

10. Change in the nature of the Business, if any

There was no change in the nature of business of the Company during the financial year ended March 31, 2019. However Company is planning to broaden its operations by adding new retail stores for strengthening existence and to reach amongst the larger consumer base to enhance its turnover and operating revenue.

11. Internal Control systems and their adequacy

Your Company has in place, an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These systems are designed keeping in view the nature of activities carried out at each location and various business operations.

Your Company's in-house internal audit department carries out internal audits at all stores locations, offices and warehouse / distribution centre across all locations of the country. Their objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) and corporate policies.

Board of Directors of the company has appointed M/s Khubchandani & Associates, (FRN No. 009554C) Chartered Accountant, as the Internal Auditor of the Company to conduct the Internal Audit Functions for Financial Year 2018-19.

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review.

The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations, from time to time.

12. Internal financial controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of its operations. The Company has in place policies and procedures required to properly and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner.

13. Segment Reporting

The Board wishes to inform you that Segment Reporting is not applicable to the Company.

14. Cash Flow Analysis

The Cash Flow Statement for the year, under reference in terms of Regulation 36 of SEBI (LODR) Regulations, 2015 is annexed with the Annual Accounts of the Company.

15. Subsidiary companies, joint ventures and associate companies

The Company had no subsidiary and joint venture during the financial year 2018-19. Further, there are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

16. Consolidated financial statements

The Company is not having any Subsidiary Companies; therefore, applicable provisions of Companies Act, 2013 and the Accounting Standard AS-21 in relation to Consolidation of Financial Statements do not apply on the Company.

17. Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

18. Secretarial Standards of ICSI

The Ministry of Corporate Affairs has mandated SS-1, SS-2 and SS-3 with respect to board meetings, general meetings and payment of dividend respectively. The Company is in compliance with the same.

19. Auditors and Auditors' Report

Statutory audit

Your Company's Auditors, M/s. Walker Chandiook & Co LLP, Chartered Accountants, Delhi (Firm Registration No. 001076N/N500013), were appointed as the Statutory Auditors of the Company from the conclusion of 16th Annual General Meeting till the conclusion of the 21st Annual General Meeting of the Company subject to ratification by members every year.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting

The Company has received a certificate from the Auditor under section 141 of the Companies Act 2013 to the effect that they are eligible to continue as Statutory Auditors of the Company.

The Auditor's have put certain qualifications in their report to which the management has put forward the following below mentioned replies;

Qualification and response to Auditor's Report

- (i) As stated in Note 5 to the accompanying financial results, the Company's other equity as at 31 March 2019 includes an amount of ₹365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2018.

Management Response: The Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to ₹60,523.24 lakhs. The aforementioned reserve has been reconciled except for ₹365.36 lakhs which the Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.

- (ii) As stated in Note 6 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2019 include an amount of ₹2,512.37 lakhs relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2018.

Management Response: Out of contingent liabilities existing as at 31 March 2019, certain liabilities aggregating to ₹2,512.37 lakhs are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results.

Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sunpreet Singh & Associates, Company Secretaries, New Delhi, as its secretarial auditor to undertake the secretarial audit for FY 2018-19. The secretarial audit report certified by the secretarial auditors, in the specified form MR-3 is annexed herewith and forms part of this report and enclosed as **Annexure I**. The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

20. Frauds Reported By Auditor Under Section 143 (12) Other Than Those Which Are Reportable To The Central Government

There are no such frauds reported by auditor, which are committed against the Company by officers or employees of the Company.

21. Conservation energy, technology and foreign exchange outgo

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is annexed herewith and forms part of this Report and enclosed as **Annexure II**.

22. Extract of Annual Returns

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the annual return in form MGT 9 is annexed herewith and forms part of this Report as **Annexure III** and same is displayed on the website of the company i.e. www.v2retail.com.

23. Corporate social responsibility

Corporate social responsibility forms an integral part of your Company's business activities. Your Company is a responsible corporate citizen, supporting activities which benefit the society as a whole. In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy which is available at www.v2retail.com

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 shall be made as **Annexure – IV**.

24. Directors and key managerial personnel

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Mr. Akash Agarwal (DIN 03194632), Whole Time Director is liable to retire by rotation at the 18th Annual General Meeting "AGM" and being eligible, offer himself for reappointment.

Mr. Manshu Tandon has resigned as CEO of the company w.e.f March 20, 2019 and Mr. Akash Agarwal whole time Director of the company has been appointed of CEO of the company w.e.f. April 30, 2019

Mrs. Rochelle Susana D'Souza (representative of India 2020 fund II Ltd) has been appointed as additional Nominee Director w.e.f. November 28, 2018 and Mr. Harbir Singh Sidhu has been appointed as Additional Independent Director of the Company w.e.f. April 30, 2019 and Mr. Ravinder Kumar Sharma Independent Director has retired from the Board of Directors of the Company w.e.f. April 13, 2019 due to completion of his term of five year as Independent Director of the company.

All the Independent Directors have submitted their declaration to the Board confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of the Company is disqualified for being appointed as Director, as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A brief resume of the Director proposed to be reappointed, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

1. Mr. Ram Chandra Agarwal: Chairman & Managing Director
2. Smt. Uma Agarwal: Whole-time Director
3. Mr. Akash Agarwal : Whole-time Director
4. Mr. Umesh Kumar: Company Secretary & Compliance Officer
5. Mr. Vipin Kaushik : Chief Financial Officer*

* Mr. Vipin Kaushik, Chief Financial Officer of the company has resigned w.e.f. July15, 2019

25. Board induction, training and familiarization programme for Independent Directors

Prior to the appointment of an Independent Director, the Company sends a formal invitation along with a detailed note on the profile of the Company, the

Board structure and other relevant information. At the time of appointment of the Director, a formal letter of appointment which inter alia explains the role, functions, and responsibilities expected of him/her as a Director of the Company is given. The Director is also explained in detail about the various compliances required from him/ her as a Director under the various provisions of the Companies Act 2013, SEBI Listing Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations.

A Director, upon appointment, is formally inducted to the Board. In order to familiarise the Independent Directors about the various business drivers, they are updated through presentations at Board Meetings about the performance and Financials of the Company. They are also provided presentations/booklets about the business and operations of the Company.

The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors. The details of the Board familiarization programme for the Independent Directors can be accessed at www.v2retail.com

26. Performance evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of and the SEBI Listing Regulations and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has framed a policy for evaluating the annual performance of its Directors, Chairman, the Board as a whole, and the various Board Committees. The Nomination and Remuneration Committee of the Company has laid down parameters for performance evaluation in the policy, they include:

- Attendance
- Preparedness for the meeting
- Staying updated on developments
- Active participation in meetings
- Constructive contributions/positive attributes
- Engaging with and challenging management team without being confrontational or obstructive
- Protection of stakeholder interests
- Contribution to strategic planning
- Carrying out responsibilities as per the code of conduct

The Board also evaluated the performance of each of the Directors, the Chairman, the Board as whole and all committees of the Board. The process of evaluation is carried out in accordance with the Board Evaluation Policy of the Company and as per criteria suggested by SEBI.

27. Number of meetings of the Board

The Board of Directors held Ten meetings during the year on April 16, 2018; May 02, 2018; May 30, 2018; June 29, 2018; August 1, 2018; September 1, 2018; November 02, 2018; November 28, 2018; January 25, 2019; March 30, 2019. The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI's Listing Requirements, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

28. Separate meeting of Independent Directors

Details of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance forming part of this report.

29. Committees of the Board

The Company has constituted/reconstituted various Board level committees in accordance with the requirements of Companies Act 2013. The Board has the following committees as under:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders Relationship Committee
- IV. Corporate Social Responsibility Committee

Details of all the above Committees along with composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this report.

30. Whistleblower policy

The Company has established an effective whistle blower policy (vigil mechanism) and procedures for its Directors and employees; details of which are provided in the Report on Corporate Governance which forms part of this report. The policy on vigil mechanism may be accessed on the Company's website at: www.v2retail.com

31. Remuneration policy

The remuneration policy of the Company aims to attract, retain and motivate qualified people at the executive and at the board levels. The remuneration policy seeks to employ people who not only fulfil the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The remuneration policy also seeks to provide well-balanced and performance related compensation packages, taking into account shareholder interests, industry standards and relevant regulations.

The remuneration policy ensures that the remuneration to the directors, key managerial personnel and the senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The remuneration policy is consistent with the 'pay-for-performance' principle. The Company's policy on remuneration and appointment of Board members as mentioned in the Remuneration Policy has been disclosed at the company's website www.v2retail.com and annexed with the Directors' Report which forms part of the Annual Report as **Annexure VI**.

32. Related party transactions

All related party transactions entered into by the Company during the financial year were at arm's length. During the year the Audit Committee had granted an omnibus approval for transactions which were repetitive in nature for one financial year and all such omnibus approvals were reviewed by the Audit Committee on a quarterly basis. No material contracts or arrangements with related parties were entered into during the year under review. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. Your Company's policy on related party transactions, as approved by the Board, can be accessed at: www.v2retail.com. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

33. Particulars of loans, guarantees and investments

During the financial year ended March 31, 2019 the Company has made an investment of NIL in accordance with section 186 of the Companies Act 2013 are given in the notes to financial statements. During the year, the company has not granted loans, guarantee and or provided any security.

34. Particulars of employees and managerial remuneration

The information of employees and managerial remuneration, as required under Section 197(2) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other details are annexed herewith and forms part of this report as **Annexure V**.

35. Management discussion and analysis and Corporate Governance Report

As per Regulation 34(3) read with schedule V of the SEBI Listing Regulations 2015, Management Discussion Analysis, Corporate Governance Practices followed by your Company, together with a certificate from the Company's auditors confirming compliance of conditions of Corporate Governance are an integral part of this report.

36. Risk Management system

The Company has developed and implemented a risk management policy which is periodically reviewed by the management. In accordance with Regulation 21 of SEBI Listing Regulations, 2015, the enterprise risk management policy of the Company, which has been duly approved by the Board, is reviewed by the Audit Committee and the Board on a periodic basis. The risk management process encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objectives. Besides exploiting the business opportunities, the risk management process seeks to minimise adverse impacts of risk to key business objectives.

37. Prevention of sexual harassment at workplace

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

The Company has established a policy against sexual harassment for its employees. The policy allows every employee to freely report any such act and prompt action will be taken thereon. The policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there were no cases of sexual harassment reported to the Company pursuant to the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

38. Depository Systems

Company's shares are compulsorily tradable in electronic form. As on March 31, 2019, 271,35,166 Equity Shares stand with the NSDL Account and 68,06,262 Equity Shares stand with the CDSL and 1,32,590 Equity Shares stands in physical form.

The Company has entered into agreements with both National securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) whereby shareholders holding Shares in physical mode are requested to avail of the dematerialization facility with either of the depositories.

Your Company has appointed M/s Link Intime India Private Limited, a Category-I SEBI registered R&T Agent as its Registrar and Share Transfer Agent.

39. Listing Of Shares

The Company's shares are listed and actively traded on the below mentioned Stock Exchanges:-

- I. National Stock Exchange of India Limited (NSE)
"Exchange Plaza" C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051
- II. BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400001

40. Details of significant and material orders passed by regulators/courts/tribunals

There was no instance of any material order passed by any regulators/courts/tribunals impacting the *going concern* status of the Company.

41. Dividend Distribution Policy

The Company has formulated a dividend distribution policy which is enclosed as **Annexure VII** and the same is also displayed on the website of the company i.e. www.v2retail.com.

42. Industrial Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of Employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders

43. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- a) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to Directors or employees except allotment of shares to respective employees pursuant to ESOP Scheme of the Company.
- c) Purchase of or subscription for shares in the Company by the employees of the Company except ESOP.
- d) There is no subsidiary of the Company, so no policy on material subsidiary is required to be adopted.
- e) As there is no subsidiary or holding Company of your Company, so Managing Director and Whole Time Directors of the Company does not receive any remuneration or commission from any of such Companies.

44. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility statement, the Directors confirm that:

- 1) In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and no material departures have been made therefrom. The

Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date.

- 2) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 3) The annual accounts were prepared on a going concern basis.
- 4) The Directors have laid down effective internal financial controls to consistently monitor the affairs of the company and that such internal financial controls were adequate and operating effectively.
- 5) The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

45. Disclosure with Respect to DMAT suspense account /unclaimed suspense account;

No DMAT suspense account /unclaimed suspense account reported by RTA, NSDL and CDSL to the company.

46. Disclosure of details of any application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT;

No application has been filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT

47. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders – shareholders, bankers, dealers, vendors and other business partners for the excellent support received from them during the year under review. Your Directors recognise and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board

Ram Chandra Agarwal
Chairman and Managing Director
DIN 00491885

Place: Delhi
Date: 29-07- 2019

ANNEXURE - I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
V2 RETAIL LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by V2 RETAIL LIMITED ("hereinafter called as the Company/ Company"). The Company is a listed Company, having CIN: L74999DL2001PLC147724. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the financial year from 01st April, 2018 to 31st March, 2019("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under along with the provisions of the Companies Act, 1956 to the extent as applicable as amended;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made there under as amended;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as amended;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015 and Rules there under as amended;
 - c. SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended;
 - d. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 02nd September, 2015 as amended
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - (Not Applicable)
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client as amended;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable)
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)
 - j. The Employees' Provident Funds And Miscellaneous Provisions Act, 1952as amended
 - k. The Employees State Insurance Act, 1948as amended

Other laws applicable to the Company has been comply by the Company as per information provided by the company.

I have also examined compliance with the applicable clauses of the following:

- l. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
- m. Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We further report that, the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Rochelle Susana D'Souza has been appointed as Additional Nominee Director of the company w.e.f. November 28, 2018 and Mr. Manshu Tandon has resigned as CEO of the Company w.e.f. March 20, 2019.

Adequate notice is given to all its directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Decisions at Board Meeting and Committee Meeting are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period, there were no instances of:

- (i) (Public/Rights/Preferential issue of debentures/sweat equity except, the Company has made an allotment of 151,334 (One Lakh Fifty One Thousand Three Hundred Thirty Four) Equity shares at an exercise price (Face Value) of ₹10/- each to respective eligible employee pursuant to exercise of employee stock options under V2R - Employee Stock Option Scheme 2016 ("ESOP 2016"), amounting to ₹15.13 lakhs on May 2, 2018.
- (ii) Redemption/Buy back of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

For **Sunpreet & Associates**
(Practicing Company Secretaries)

Date: May 10, 2019
Place: New Delhi

CS Sunpreet Singh
M. No.: ACS-43116, C.P. No.: 16084

ANNEXURE - II

STATEMENT OF PARTICULARS UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy-

- (i) Steps taken or impact on conservation of energy:

The Board considers the conservation of energy as one of the most vital point and has taken steps for formulation of policy for energy consumption. During the year under review, further efforts were made to ensure optimum utilization of electricity.

- (ii) Steps taken by the Company for utilizing alternate sources of energy: Nil

- (iii) Capital invested on energy conservation equipment's: Nil

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(a) Details of technology imported - NA

(b) Year of import - NA

(c) Whether the technology been fully absorbed - NA

(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof - NA

- (iv) Expenditure incurred on Research and Development - Nil

(B) Technology absorption-

- (i) Efforts made towards technology absorption: The Company is implementing the updated software's and other technology in the operations.

- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil

(C) Foreign Exchange Earnings and outgo

The Company is not indulged into export of goods. No activities relating to exports have been undertaken by the Company during the financial year 2018-2019.

Particulars	2018-19	2017-18
Foreign Exchange Outgo		
Travelling	Nil	170,000
Consultancy	Nil	Nil
Others	Nil	Nil
Imports		
Raw Materials	Nil	Nil
Finished Goods	Nil	Nil
Capital Goods	Nil	Nil
Others		
Foreign Exchange Earnings		
Earnings in foreign exchange	Nil	Nil

(₹)

ANNEXURE - III

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L74999DL2001PLC147724
ii.	Registration Date:	23/07/2001
iii.	Name of the Company	V2 RETAIL LIMITED
iv.	Category / Sub-Category of the Company	Public Limited Company /Indian Non Government Company
v.	Address of the Registered office and contact details	Khasra No. 928, Extended Lal Dora Abadi, Village Kapashera, Tehsil VasantVihar, New Delhi - 110037 Tel : (011) 41771850 Email id- cs@vrl.net.in Website : www.v2retail.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any –	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Email: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	To carry on the business as traders, dealers, whole sellers, agents, distributors, consignors, consignee, retailers, job work, scourers, spinners, weavers, finishers, dyer, tailors and drapers, cutters, import and export of all garments of gentlemen, ladies and Children	Main Division 52 Group 523 Class 5232	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any subsidiaries during the financial year 2018-19. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

S.R No	Category of Shareholders	Shareholding at the beginning of the year – 2018 (01-04-2018)				Shareholding at the end of the year – 2019 (31.03.2019)				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	3706911	0	3706911	10.9275	3706911	0	3706911	10.8790	(0.0485)
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	13716844	0	13716844	40.4356	13716844	0	13716844	40.2560	(0.1796)
	Sub Total (A)(1)	17423755	0	17423755	51.3631	17423755	0	17423755	51.1350	(0.2281)
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	17423755	0	17423755	51.3631	17423755	0	17423755	51.1350	(0.2281)
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	606431	0	606431	1.7877	1526541	0	1526541	4.4801	2.6924
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	3201780	0	3201780	9.4385	3533008	0	3533008	10.3686	0.9301
(f)	Financial Institutions / Banks	61578	0	61578	0.1815	14885	0	14885	0.0437	(0.1378)
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	3869789	0	3869789	11.4077	5074434	0	5074434	14.8924	3.4847
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	4764679	8639	4773318	14.0712	4230478	7590	4238068	12.4378	(1.6334)
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	3258836	150000	3408836	10.0488	3731818	125000	3856818	11.3189	1.2701
(b)	NBFCs registered with RBI	0	0	0	0.0000	655	0	655	0.0019	0.0019
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	300982	0	300982	0.8873	300904	0	300904	0.8831	(0.0042)
	Non Resident Indians (Non Repat)	108925	0	108925	0.3211	95891	0	95891	0.2814	(0.0397)
	Non Resident Indians (Repat)	152072	0	152072	0.4483	185210	0	185210	0.5436	0.0953

S.R No	Category of Shareholders	Shareholding at the beginning of the year – 2018 (01-04-2018)				Shareholding at the end of the year – 2019 (31.03.2019)				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Clearing Member	125937	0	125937	0.3712	136297	0	136297	0.4000	0.0288
	Bodies Corporate	3759070	0	3759070	11.0813	2761986	0	2761986	8.1058	(2.9755)
	Sub Total (B)(3)	12470501	158639	12629140	37.2292	11443239	132590	11575829	33.9726	(3.2566)
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	16340290	158639	16498929	48.6369	16517673	132590	16650263	48.8650	0.2281
	Total (A)+(B)	33764045	158639	33922684	100.0000	33941428	132590	34074018	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	33764045	158639	33922684	100.0000	33941428	132590	34074018	100.0000	

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year – 2018 (01.04.2018)			Shareholding at the end of the year – 2019 (31.03.2019)			% change in Shareholding during the year
		No. Of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. Of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ricon Commodities Private Limited	6940000	20.4583	14.5611	6940000	20.3674	0.0000	(0.0909)
2	Unicon Marketing Private Limited	5444710	16.0504	16.0497	5444710	15.9791	2.2598	(0.0713)
3	Akash Agarwal	2488750	7.3365	0.0000	0	0.0000	0.0000	(7.3365)
4	Vishal Waterworld Pvt Ltd	1084134	3.1959	2.8285	1084134	3.1817	0.0000	(0.0142)
5	Ram Chandra Agarwal	719161	2.1200	2.1186	3207911	9.4145	0.0000	7.2945
6	Uma Agarwal	344000	1.0141	0.9286	344000	1.0096	0.0000	(0.0045)
7	Sunita Fashion Pvt Ltd	248000	0.7311	0.0000	248000	0.7278	0.0000	(0.0033)
8	Ramchandra Agarwal	155000	0.4569	0.0000	155000	0.4549	0.0000	(0.0020)
	Total	17423755	51.3631	2.2598	17423755	51.1350	2.2598	(0.2281)

iii) Change in Promoters' Shareholding

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cummulative Shareholding at the end of year – 2019 (31.03.2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	No. of shares held	% of total shares of the company
1	Ricon Commodities Private Limited	6940000	20.3674			6940000	20.3674
	Transfer			06 Apr 2018	(1000000)	5940000	17.4326
	Transfer			31 Dec 2018	1000000	6940000	20.3674
	At The End Of The Year					6940000	20.3674
2	Unicon Marketing Private Limited	5444710	15.9791			5444710	15.9791
	At The End Of The Year					5444710	15.9791
3	Ram Chandra Agarwal	719161	2.1106			719161	2.1106
	Transfer			26 Oct 2018	2488750	3207911	9.4145
	At The End Of The Year					3207911	9.4145
4	Vishal Waterworld Pvt Ltd	1084134	3.1817			1084134	3.1817
	At The End Of The Year					1084134	3.1817
5	Uma Agarwal	344000	1.0096			344000	1.0096
	At The End Of The Year					344000	1.0096
6	Sunita Fashion Pvt Ltd	248000	0.7278			248000	0.7278
	At The End Of The Year					248000	0.7278
7	Ramchandra Agarwal	155000	0.4549			155000	0.4549
	At The End Of The Year					155000	0.4549
8	Akash Agarwal	2488750	7.3040			2488750	7.3040
	Transfer			19 Oct 2018	(2488750)	0	0.0000
	At The End Of The Year					0	0.0000

(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
1	INDIA 2020 FUND II, LIMITED	2000000	5.8696			2000000	5.8696
	Transfer			06 Jul 2018	200000	2200000	6.4565
	AT THE END OF THE YEAR					2200000	6.4565
2	BENNETT, COLEMAN AND COMPANY LIMITED	2035065	5.9725			2035065	5.9725
	Transfer			08 Mar 2019	(200562)	1834503	5.3839
	AT THE END OF THE YEAR					1834503	5.3839
3	SBI SMALL CAP FUND	313000	0.9186			313000	0.9186
	Transfer			22 Jun 2018	(93000)	220000	0.6457
	Transfer			12 Oct 2018	150000	370000	1.0859
	Transfer			26 Oct 2018	190666	560666	1.6454
	Transfer			09 Nov 2018	137897	698563	2.0501
	Transfer			16 Nov 2018	71064	769627	2.2587
	Transfer			23 Nov 2018	41300	810927	2.3799
	Transfer			30 Nov 2018	58815	869742	2.5525
	Transfer			07 Dec 2018	60066	929808	2.7288
	Transfer			14 Dec 2018	171174	1100982	3.2311
	Transfer			21 Dec 2018	4170	1105152	3.2434
	Transfer			28 Dec 2018	4003	1109155	3.2551
	Transfer			31 Dec 2018	4737	1113892	3.2690
	Transfer			04 Jan 2019	9244	1123136	3.2962
	Transfer			11 Jan 2019	58607	1181743	3.4682
	Transfer			18 Jan 2019	28897	1210640	3.5530
	Transfer			25 Jan 2019	15188	1225828	3.5975
	Transfer			01 Feb 2019	26404	1252232	3.6750
	Transfer			08 Feb 2019	30321	1282553	3.7640
	Transfer			15 Feb 2019	13604	1296157	3.8039
	Transfer			22 Feb 2019	14611	1310768	3.8468
	Transfer			08 Mar 2019	205128	1515896	4.4488
	Transfer			15 Mar 2019	10645	1526541	4.4801
	AT THE END OF THE YEAR					1526541	4.4801
4	GOLDMAN SACHS INDIA LIMITED	954582	2.8015			954582	2.8015
	AT THE END OF THE YEAR					954582	2.8015
5	ASHISH KACHOLIA	0	0.0000			0	0.0000
	Transfer			25 May 2018	73998	73998	0.2172
	Transfer			01 Jun 2018	4497	78495	0.2304
	Transfer			08 Jun 2018	67583	146078	0.4287
	Transfer			15 Jun 2018	86516	232594	0.6826
	Transfer			22 Jun 2018	25997	258591	0.7589
	Transfer			30 Jun 2018	102171	360762	1.0588
	Transfer			06 Jul 2018	12028	372790	1.0941
	Transfer			10 Aug 2018	21944	394734	1.1585
	Transfer			17 Aug 2018	40000	434734	1.2759
	Transfer			31 Aug 2018	13639	448373	1.3159
	Transfer			07 Sep 2018	6070	454443	1.3337
	Transfer			05 Oct 2018	217957	672400	1.9734
	Transfer			12 Oct 2018	7019	679419	1.9940
	Transfer			19 Oct 2018	171500	850919	2.4973
	Transfer			09 Nov 2018	20000	870919	2.5560
	AT THE END OF THE YEAR					870919	2.5560
6	SANKARANARAYANAN SANGAMESWARAN	283304	0.8314			283304	0.8314
	Transfer			20 Apr 2018	9265	292569	0.8586
	Transfer			06 Jul 2018	4085	296654	0.8706
	Transfer			03 Aug 2018	7475	304129	0.8926

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
	AT THE END OF THE YEAR					304129	0.8926
7	SUSHMITA ASHISH KACHOLIA	0	0.0000			0	0.0000
	Transfer			18 May 2018	8740	8740	0.0257
	Transfer			25 May 2018	154595	163335	0.4794
	Transfer			15 Mar 2019	100700	264035	0.7749
	AT THE END OF THE YEAR					264035	0.7749
8	VINOD BASANTRAJ GANDHI	214100	0.6283			214100	0.6283
	Transfer			18 May 2018	5187	219287	0.6436
	Transfer			25 May 2018	755	220042	0.6458
	Transfer			08 Jun 2018	2427	222469	0.6529
	Transfer			15 Jun 2018	16298	238767	0.7007
	Transfer			22 Jun 2018	562	239329	0.7024
	Transfer			30 Jun 2018	1651	240980	0.7072
	Transfer			06 Jul 2018	345	241325	0.7082
	Transfer			13 Jul 2018	1362	242687	0.7122
	Transfer			27 Jul 2018	446	243133	0.7135
	Transfer			03 Aug 2018	4299	247432	0.7262
	Transfer			10 Aug 2018	108	247540	0.7265
	Transfer			17 Aug 2018	678	248218	0.7285
	Transfer			24 Aug 2018	1333	249551	0.7324
	Transfer			14 Dec 2018	(64551)	185000	0.5429
	AT THE END OF THE YEAR					185000	0.5429
9	PPF II (PMG PARTNERS FUNDS II) - PADMA INDIA FUND	0	0.0000			0	0.0000
	Transfer			18 May 2018	649	649	0.0019
	Transfer			25 May 2018	29409	30058	0.0882
	Transfer			01 Jun 2018	26112	56170	0.1648
	Transfer			08 Jun 2018	9437	65607	0.1925
	Transfer			15 Jun 2018	14000	79607	0.2336
	Transfer			30 Jun 2018	22201	101808	0.2988
	Transfer			06 Jul 2018	31000	132808	0.3898
	Transfer			20 Jul 2018	36121	168929	0.4958
	Transfer			17 Aug 2018	8000	176929	0.5192
	AT THE END OF THE YEAR					176929	0.5192
10	SADHANA VINOD GANDHI	148557	0.4360			148557	0.4360
	Transfer			06 Apr 2018	500	149057	0.4375
	Transfer			27 Jul 2018	1132	150189	0.4408
	Transfer			03 Aug 2018	868	151057	0.4433
	Transfer			12 Oct 2018	500	151557	0.4448
	Transfer			09 Nov 2018	18	151575	0.4448
	Transfer			16 Nov 2018	275	151850	0.4456
	Transfer			14 Dec 2018	(26582)	125268	0.3676
	AT THE END OF THE YEAR					125268	0.3676
11	SUBHKAM PROPERTIES LLP	355886	1.0444			355886	1.0444
	Transfer			06 Apr 2018	(70000)	285886	0.8390
	Transfer			12 Oct 2018	(145000)	140886	0.4135
	Transfer			19 Oct 2018	(50000)	90886	0.2667
	Transfer			26 Oct 2018	(90000)	886	0.0026
	Transfer			02 Nov 2018	(486)	400	0.0012
	Transfer			09 Nov 2018	(400)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
12	VIVEK LODHA	260000	0.7630			260000	0.7630
	Transfer			18 May 2018	(60000)	200000	0.5870
	Transfer			20 Jul 2018	(50000)	150000	0.4402
	Transfer			31 Aug 2018	(100000)	50000	0.1467
	Transfer			19 Oct 2018	(50000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	NARESH KUMAR BHARGAVA	240000	0.7043			240000	0.7043
	Transfer			18 May 2018	(40000)	200000	0.5870

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
	Transfer			30 Jun 2018	(43500)	156500	0.4593
	Transfer			19 Oct 2018	(70000)	86500	0.2539
	Transfer			02 Nov 2018	(86500)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	BOI AXA MID CAP EQUITY AND DEBT FUND	187931	0.5515			187931	0.5515
	Transfer			08 Jun 2018	(46766)	141165	0.4143
	Transfer			15 Jun 2018	(11853)	129312	0.3795
	Transfer			12 Oct 2018	(2834)	126478	0.3712
	Transfer			19 Oct 2018	(74370)	52108	0.1529
	Transfer			26 Oct 2018	(342)	51766	0.1519
	Transfer			02 Nov 2018	(20000)	31766	0.0932
	Transfer			09 Nov 2018	(31766)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholders Name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Date of Change and No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Directors							
1.	Siya Ram	0	0	0	0	0	0
2.	Ravinder Kumar Sharma	0	0	0	0	0	0
3.	Jitender	0	0	0	0	0	0
4.	Lalan Yadav	0	0	0	0	0	0
5.	Uma Agarwal	344000	1.11	0	0	344000	1.01
6.	Ram Chandra Agarwal	719161	2.32	2488750	7.30	3207911	9.41
7.	Akash Agarwal	2488750	8.0483	-2488750	-7.30	0	0
8.	Rochelle Susanna DSouza	0	0	0	0	0	0
Key Managerial Personnel							
7.	Manshu Tandon	0	0	0	0	0	0
8.	Umesh Kumar	0	0	0	0	0	0
9.	Vipin Kaushik	0	0	0	0	0	0

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-		-	
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-		-	
Change in Indebtedness during the financial year				
- Addition	145	931	-	1076
- Reduction				

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	145	931	-	1076
Indebtedness at the end of the financial year	145	931	-	1076
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	145	931	-	1076

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors:

(₹)

Sl. No.	Particulars of Remuneration	Name of Managing Directors and Whole-time Directors			Total
		Mr. Ram Chandra Agarwal	Mr. Akash Agarwal	Mrs. Uma Agarwal	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	36,00,000	60,00,000	1,56,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	-as % of profit -Other, specify				
5	Other, please specify				
	Total (A)	60,00,000	36,00,000	60,00,000	1,56,00,000
	Overall Ceiling as per the Act	10% of Net Profits of the Company for all Non-Executive Directors and further increment as per schedule V			

B. Remuneration to other directors:

(₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Siya Ram	Ravinder Kumar Sharma	Lalan Yadav	Jitender	
1.	Independent Directors • Sitting Fee for attending board • committee meetings • Commission • Others,	96,000	96,000	96,000	96,000	384,000
	Total(1)	96,000	96,000	96,000	96,000	384,000
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify		None			
	Total (2)		N.A.			
	Total (B)=(1+2)	96,000	96,000	96,000	96,000	384,000
	Total Managerial Remuneration					384,000
	Overall Ceiling as per the Act		1% of Net Profits of the Company for all Non-Executive Directors			

C. Remuneration to Key Managerial Personnel Other than Managing Director and Whole-time Directors

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Manshu Tandon, CEO	Mr. Umesh Kumar, Company Secretary & Compliance officer	Mr. Vipin Kaushik CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	71.22	9.21	17.64	98.07
2.	ESOP Stock option		8.09	6.54	14.63
3.	Sweat Equity				
4.	Commission -as % of profit , -Other, specify				
5.	Other, please specify				
	Total (A)	71.22	17.30	24.18	112.70

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

ANNEXURE – IV

Annual Report on Corporate Social Responsibility (CSR) Activities

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy), which has been approved by the Board. And the policy is available on Companies website under the link: www.v2retail.com

A brief outline of the policy for undertaking the CSR activities of the company includes the following:

- Promoting Healthcare, water and sanitation programmes;
- Promoting education, enhancing vocational skills and livelihood enhancement projects;
- Rural development, social upliftment programs and promotion of art and Culture.

These projects are in accordance with Schedule VII of the Companies Act, 2013. The aforesaid projects have

been carried out by the Company directly and/or through implementing agencies.

Details of Composition of CSR Committee has been mentioned in the Corporate Governance Report which form

part of the Director's Report.

Average net profit of the Company for last three financial years: **₹352,423,231**

Prescribed CSR expenditure (2% of the amount as in item 3 above): **₹7,048,465**

Details of CSR spent during the financial year: 2018-19

A) Total amount to be spent for the financial year: **₹7,048,465**

B) Amount unspent, if any for FY 16-17: **₹2,000,205**

C) Amount unspent, if any for FY 17-18: **₹5,756,640**

D) Amount unspent, if any for FY 18-19: **₹7,048,465**

E) Manner in which the amount spent during the financial year is detailed is as follows:-

S. No.	CSR Projects or activity identified	Sectors in which the project is covered	Projects or programmes 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs Subheads: 1) Direct expenditure on project or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
-	-	-	-	-	-	-	-

Reasons for not spending the amount: - During the year, the Company has not spent any amount against CSR due to previous debt restructuring, net worth and deferred tax assets. However Company is committed towards its social responsibility and CSR committee is in process of identifying the proposed CSR projects which will be implemented in following years.

RESPONSIBILITY STATEMENT

The implementation and monitoring of Corporate Social Responsibility (CSR) policy, is in compliance with CSR objectives and policy of the Company.

On behalf of the Board

Ram Chandra Agarwal

(Chairman and Managing Director)

DIN 00491885

Date: 29-07-2019

Place : New Delhi

ANNEXURE – V

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19

Sl. No.	Name	Ratio of Median Remuneration
1	Mr. Ram Chandra Agarwal	0.91
2	Smt. Uma Agarwal	0.91
3	Mr. Akash Agarwal	1.52
4	Mr. Siya Ram	NA
5	Ms. Rochelle Susanna D'Souza	NA
6	Mr. Ravinder Kumar Sharma	NA
7	Mr. Lalan Yadav	NA
8	Mr. Jitender	NA

ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in Financial Year 2018-19

Sl. No.	Name	Designation	% Increase in remuneration
1	Mr. Ram Chandra Agarwal	Chairman & Managing Director	-
2	Smt. Uma Agarwal	Whole Time Director	-
3	Mr. Akash Agarwal	Whole Time Director	-
4	Mr. Siya Ram	Independent Director	-
5	Mr. Jitender	Independent Director	-
6	Mr. Ravinder Kumar Sharma	Independent Director	-
7	Ms. Rochelle Susanna D'Souza	Nominee Director	-
8	Mr. Lalan Yadav	Independent Director	-
9	Mr. Manshu Tandon	CEO	-
10	Mr. Vipin Kaushik	CFO	28
11	Mr. Umesh Kumar	Company Secretary & Compliance Officer	34

iii. Percentage increase in the median remuneration of employees in the financial year: -7%

iv. Number of permanent employees on the rolls of Company as on March 31, 2019: 2730

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in Financial Year 2018-19 was 10.50 %. Percentage increase in the KMP, other than Directors, managerial remuneration for the year was 31 %.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high-performance staff. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

Details of Top Employees of the Company in terms of Remuneration Drawn for the Financial Year 2018-19

Sl. No.	Employee Name	Designation	Gross Remuneration paid (₹)	Nature of employment whether contractual or otherwise	Educational Qualifications	Experience (in years)	Date of joining	Previous Employment	% of equity shares held by the employee within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Pratik Adukia	Category Head	5415972	Permanent	Graduate	15 + Year	09-05-2011	Vishal Retail & VRL	-	-
2	Mohit Mendiratta	Vice President	5076960	Permanent	Graduate	20+ Year	20-03-2018			
3	Abhishek Khemka	General Manager	3993000	Permanent	Graduate	20+ Year	11-07-2016	City Life	-	-
4	Eklavya Abhimanyu Neogi	General Manager	3692304	Permanent	Graduate	20+ Year	07-05-2018		-	-
5	Rakesh ChanderJoshi	C O O	3618396	Permanent	Graduate	20+ Year	04-11-2017		-	-
6	Love Mendiratta	General Manager	3600000	Permanent	Graduate	15 + Year	09-04-2018			
7	Deepak Kumar	Asst. Vice president	3587088	Permanent	Graduate	15 + Year	26-02-2018			
8	Manoj Kumar Ramuka	Vice President	3000000	Permanent	Graduate	20+ Year	06-01-2018			
9	Ketan JayantilalJansari	General Manager	3000000	Permanent	Graduate	15 + Year	19-01-2018			
10	K M Ashok Kumar	Vice President	3000000	Permanent	Graduate	15 + Year	26-11-2018			

ANNEXURE – VI

REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MAMANGEMENT

The Board has delegated to the Nomination and Remuneration Committee in consultation with the Chairman of the Board, the responsibility for identifying and recommending to the Board, candidates for the Board, after considering the necessary and desirable competencies for new Board members and board also has delegated the power to Nomination and Remuneration Committee to act as Compensation Committee as per V2R 2016 ESOP Scheme.

Policy for Appointment and Re-Appointment of Director

The Board believes that its membership should comprise Directors with an appropriate mix of skills, experience and personal attributes that will best complement board effectiveness, cohesion and diversity and allow the Directors to individually, and as a Board collectively, to:

- (a) Discharge their responsibilities and duties under the law effectively and efficiently;
- (b) Assess the performance of management in meeting those objectives and goals.

Accordingly, in selecting potential new directors, the Nominations and Remuneration committee will seek to identify the competencies required to enable the Board to fulfill its responsibilities. In doing so, the Committee will have regard to the results of the annual appraisal of the Board's performance.

While recognizing that each director will not necessarily fulfill all criteria, the Nominations and Remuneration Committee have identified the following fundamental factors as relevant to the selection and appointment of new directors:

- (a) Outstanding in capability with extensive and senior commercial experience;
- (b) High level of personal integrity; and
- (c) Time available to meet the commitment required.

Remuneration payable to Managing Director and Whole Time Director

The Managing Director and Whole-Time Director are receiving remuneration from the Company as per the approval by the members of the Company in the Annual General Meeting (AGM).

The annual increments and performance incentive of the Managing Director and Whole Time Directors are linked to their performance and are decided by the Nomination and Remuneration Committee from time to time.

Remuneration payable to Non-Executive Directors

The Non-Executive Directors will be paid with the sitting fee, if any, subject to the approval of Board of Directors/ including any sub-committee thereof, upto the limit as specified under Companies Act, 2013 and also in Compliance with the Listing Agreement.

Evaluation

In addition to an annual self-evaluation by the Nomination and Remuneration Committee, the Board must review the effectiveness of the Committee annually.

Amendments

This policy can be modified or repealed at any time by the Board of Directors of the Company.

ANNEXURE – VII

DIVIDEND DISTRIBUTION POLICY

1. Purpose & Background

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions contained in Companies Act, 2013 read with the applicable Rules, regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable from time to time. However, this document does not solicit investments in the Company's equity shares.

2. Dividend,

Dividend is the payment made by the company to its shareholders out of the profit made by the company in proportion to the equity capital they hold, dividend included Interim Dividends.

3. Parameters for declaration of Dividend

The Board of Directors of the Company shall consider the following parameters for declaration of dividend:

Financial parameters (internal factors)

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends
- Net Worth of the company
- Accumulated Losses
- Deferred Tax
- Liabilities Including Contingent Liabilities

External Factor

- Prevailing legal requirements
- Regulatory conditions or restrictions laid down under the applicable laws including tax laws.
- Dividend pay-out ratio of companies in the same industry.

4. Circumstances under which the shareholders may or may not expect Dividend

- If the Company undertakes or proposes to undertake a significant expansion of business, project, acquisitions of business brand, company and/or joint ventures requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it proposes to utilize surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.
- If the company intend to retain internal accrual for Business growth of company
- Previous Accumulated Losses
- Negative Net Worth

5. Utilization of retained earnings

The retained earnings except declaration of the dividend if any if recommended by the board, shall be utilised in the manner as considered appropriate by the Board and subject to the applicable laws.

6. Parameters adopted with regard to various classes of shares:

Since the company has issued only one class of equity shares with equal voting rights, all the members of the company are entitled to the same dividend per share.

7. Review

The board of the company is authorised to make alterations in the policy if required from time to time. In case of any amendment(s), clarification(s) circular etc. issued by relevant authorities not being consistent to the provisions laid down under this policy then such amendment, clarification, circular etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment, clarification, circular etc.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Good governance practices stem from the culture and mindset of the organisation and at V2 Retail Limited we are committed to meet the aspirations of all our stakeholders. Our customers have benefited from products having value which is available at the most competitive prices.

The Company stringently complies with the corporate governance practices as enumerated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI Listing Regulations).

The Company lays a strong emphasis on ethical corporate citizenship and the establishment of good corporate culture. The corporate governance process and systems has gradually strengthened over the years. The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

The Company at the same time ensures full compliance with regulatory disclosure requirements. The Company further believes that the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects.

BOARD OF DIRECTORS

a. Introduction

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company,

management policies and their effectiveness besides ensuring that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined in this regard.

The Board meeting is conducted at least once in every quarter to discuss the performance of the Company and its Quarterly Financial Results, along with other corporate matters. The Board also meets to consider other business(es), whenever required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as inter-alia specified under Part A of Schedule II of Regulation 17(7) of the Listing Regulations. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto. The Chairman, Managing Director and Whole-time Directors are assisted by the CEOs/CFO/senior managerial personnel in overseeing the functional matters of the Company.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with statutory as well as business requirements. The Board Meetings are usually held at the registered office of the Company situated at Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil Vasant Vihar New Delhi South West Delhi – 110037.

b. Composition of the Board

The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on March 31, 2019, the Board comprised of 8 directors, 3 of them being Executive, 4 being Non Executive Independent Director and 1 being non executive nominee Director. The Company has one woman Directors on its Board. The Detailed profile of all the directors is available on the company's website www.v2retail.com. The Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations with respect to the Composition of the Board.

The Composition of the Board and category of Directors are as under:

Name and Category of Directors		
Promoter Directors (Executive Director)	Non-Executive Independent Directors	Non Executive Nominee Director
Mr. Ram Chandra Agarwal	Mr. Lalan Yadav	Ms Rochelle Susanna Dsouza
Mrs. Uma Agarwal	Mr. Ravinder Kumar Sharma	
Mr. Akash Agarwal	Mr. Siya Ram	
	Mr. Jitender	

At the time of appointment, every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down under the law. The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. While appointing/reappointing any independent Directors/ Non-Executive Directors on the Board, Nomination and Remuneration Committee (NR Committee) consider the criteria as laid down in the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, 2015. All the Independent Directors give a certificate confirming that they meet the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

c. Agenda papers distributed in advance

Agenda of the Meeting of Board of Directors/committees are circulated among the Directors/invitees; well in advance, in a structured format except unpublished price sensitive information. All material information is incorporated in the agenda papers to facilitate meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda and approval for the same is taken from the Board/committees as applicable. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

d. Directors' responsibilities

- i. The principal responsibility of the Board is to oversee the management of the Company and in doing so serve the best interest of the Company and its stakeholders. These include:
 - Reviewing and approving operating, financial and other corporate plans, strategies and objectives.
 - Evaluating whether the corporate resources are used for the appropriate business purposes.
 - Establishing a corporate environment that promotes timely and effective disclosures (including robust and appropriate control procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
 - Evaluating the performance of the Company.
 - Attending the meetings of the Board, committees and shareholders.
- ii. Exercise best business judgments: In discharging their fiduciary duties with care and loyalty, the Directors exercise their judgment to act in what they reasonably believe to be in the best interest of the Company and its stakeholders.
- iii. Understand the Company and its business: The Directors have an obligation to remain informed about the Company and its business, including principal operational and financial objectives, strategies and plans.
- iv. To establish effective systems: The Directors ensure that the effective systems are in place for periodic and timely reporting to the Board on matters concerning the Company.

e. The role of Company Secretary in the overall governance process

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision making at the meeting.

f. Compliance

The Company Secretary is required to ensure adherence to all the applicable laws and regulations primarily the Companies Act, 2013 read with the rules thereunder and SEBI Listing Regulations, 2015; besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others. The Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations.

A composite report of statutory compliances of all applicable laws, rules and regulations among others along with the Certificates of Compliance duly signed by the respective heads of Department are placed before the

Board on a quarterly basis. The Company has a dedicated team to monitor the compliance system and in turn is responsible for checking and reviewing the reports and preparing the Composite Compliance report. Based on the reports and certificates, a certificate of statutory compliances duly signed by the Managing Director and the CEO/CFO is also placed before the Board during the year under review.

The Audit Committee and the Board of Directors review the compliance reports of the laws applicable to the Company as well as instances of non-compliances, if any, together with their possible impacts on the business, if any. A strict internal audit system is also in place to monitor and certify the compliance system.

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015.

g. Risk management

The Company has a comprehensive Enterprise Risk Management System at work. The risk management system is periodically reviewed by the Audit Committee and the Board of Directors of the Company.

h. Number of Board meetings and the Directors present therein

The Board of Directors held ten meetings during the year.

Details of board meetings held during the financial year and the number of Directors present			
Sl. No.	Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
	April 16, 2018	7	7
	May 02, 2018	7	7
	May 30, 2018	7	7
	June 29, 2018	7	7
	August 1, 2018	7	7
	September 1, 2018	7	7
	November 02, 2018	7	7
	November 28, 2018	8	8
	January 25, 2019	8	8
	March 30, 2019	8	8

The maximum time gap between any two meetings was less than 120 days as prescribed under regulation 17(2) of SEBI Listing Regulations, 2015. Video conferencing facilities are also used to facilitate Directors at other locations to participate in the Board Meetings.

i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships held, Chairmanship or memberships of committees of each Director in various companies as at March 31, 2019.

Details of Board Meetings held during the financial year and the number of Directors present:

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board Meetings attended	Number of Directorship as on March 31, 2019 in other company*	Number of Committee positions held**	Attendance at the last AGM
1.	Mr. Ram Chandra Agarwal 00491885	Managing Director & Executive Promoter	Husband of Mrs. Uma Agarwal & Father of Mr. Akash Agarwal	23.07.2001	10	5	1	√
2.	Mrs. Uma Agarwal 00495945	Executive Promoter Director	Wife of Mr. Ram Chandra Agarwal & Mother of Mr. Akash Agarwal	23.07.2001	10	7	1	√
3.	Mr. Akash Agarwal 03194632	Executive Promoter Director	Son of Mr. Ram Chandra Agarwal & Mrs. Uma Agarwal	29.09.2017	10	3		√
4.	Mr. Lalan Yadav 07578390	Independent Director	N.A.	30.09.2016	10	0	3	√
5.	*Mr. Ravinder Kumar Sharma 06865804	Independent Director	N.A.	14.04.2014	10	2	3	
6.	Mr. Siya Ram 07350695	Independent Director	N.A.	05.05.2017	10	0	3	√
7.	Mr. Jitender 07905191	Independent Director	N.A.	29.09.2017	10	0	2	√
8.	Ms Rochelle Susanna Dsouza 07854452	Additional Nominee Director	N.A.	28-11-2018	3	1	-	√

*Mr. Ravinder Kumar Sharma DIN 06865804 has retired from the directorship of the Company with effect from 13th April, 2019 due to completion of his term of five year as independent director. Other directorships do not include alternate directorships,, Section 25, / 8 companies and companies incorporated outside India.

** In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees of public limited companies (Listed & Unlisted) only however we have covered the membership of Nomination and Remuneration committee also.

j. Information placed before the Board of Directors

The Company has complied with Part A of Schedule II of SEBI Listing Regulations, 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

The following items are generally tabled for information and review of the Board:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Company's annual financial results, financial statements, Auditors' Report and Report;
- Formation/reconstitution, terms of references and minutes of Board Committees including Audit Committee
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have been passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications for the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development on human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, among others;
- Sale of material nature of investment and assets, which is not in the normal course of business;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as delay in share transfer, among others;

- Appointment, remuneration and resignation of Director(s) and key managerial personnel;
- General notices of interest to the Directors including declaration of Independent Directors at the time of appointment/annually;
- Appointment of internal auditors, and secretarial auditors;
- Secretarial audit report submitted by secretarial auditor;
- Certificate of statutory compliance certifying compliance with all laws as applicable to the Company;
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulation, 1996;
- Dividend declaration;
- Grant of loans and making investments of surplus funds;
- Transactions with related parties;
- Review of the risk management policy;
- Any other important or critical matter

The Board is presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board meetings, or are tabled in the course of the Board meetings or meetings of the relevant committees. Functional heads are also called upon to provide additional inputs to the items being discussed by the Board/committee as and when required.

k. Presentation by the management

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on operations of the Company including performance of our private labels, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

l. Succession plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing members of the Board of Directors and Senior Management Personnel.

m. Training of Board members and familiarization programme for Independent Directors

At V2, all the members of the Board of Directors are well-experienced professionals who are well acquainted with nature of industry, business model and other aspects of the Company.

At each of the Board Meeting, Board members are provided presentations containing details about the Company, Retail Business, business model and stores opening among others.

The Company arranges discussions / meetings on risks associated with the Company's business wherein experts are invited and mitigation plans are discussed with the Executive Directors, such discussion form of trainings enables them for better decision-making in discharging their responsibilities.

The Executive Directors were imparted training on the Companies Act, 2013, the SEBI Listing Regulations 2015, Direct & Indirect Taxation, among others. During the year the Company has arranged a training session on the Companies (Amendment) Act, 2017 and Recommendation of Kotak Committee on Corporate Governance Committee and note on both the topics were circulated to the Board Members.

The relevant statutory changes/updates are discussed with the directors from time to time so that it helps them to make better and informed decisions.

All new Independent Directors inducted on the Board are given in a formal orientation.

The Company has initiated a familiarization programme for the Independent Directors as required under Regulation 25(7) of the SEBI Listing Regulations 2015.

Independent Directors are regularly informed and updated on the business activities of the Company by providing them with the details of businesses of the Company as well as details of competitors, changes in relevant laws, their duties/responsibilities and liabilities as a Director. Such information enables the Independent Directors to be familiarized with the Company's operations and the industry at large. The Company had also organized retail stores visits for the Independent Directors as a part of the familiarization programme.

Web link for familiarisation programmes imparted to independent directors: - www.v2retail.com

n. Whistleblower/ Vigil mechanism

The Company has a strong and effective whistleblower policy which aims to deter and detect actual or suspected, misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organization, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. Any employee may report such incident without fear to

the Chairman of the audit committee or alternatively may report to Head –Internal Audit. The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.v2retail.com.

The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its report, affirmed that no personnel have been denied access to the Audit Committee.

o. Criteria for selection of Directors

The selection process of Board members is dependent on several parameters. The Company recognizes and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilizing their varied skills, qualifications, professional experience, gender, knowledge, among others, of the members of the Board, which is necessary for achieving sustainable and balanced growth of the Company.

The Nomination and Remuneration Committee, in consultation with the Chairman of the Board, suggests appointment of suitable professionals who may be inducted into the Board. Upon fulfilment of the parameters, the Directors are appointed.

p. Terms and conditions for appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the applicable laws, including the Companies Act, 2013, SEBI Listing Regulations 2015 along with the Articles of Association of the Company. Each Independent Director is issued a letter specifying the details of appointment at the time of joining. Every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down under the law.

q. Board diversity policy

The Company recognizes and embraces the benefits of having a diverse Board of Directors. The Company believes that increasing diversity at the Board level is an essential element in maintaining a competitive advantage in the complex business that it operates. It recognizes that a Board comprising of appropriately qualified people, with a broad range of experience relevant to the business of the Company, is important to achieve effective corporate governance and sustained commercial success.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors, and Women Directors. The composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, SEBI Listing Regulations, 2015 and all other Statutory, Regulatory and Contractual obligations of the Company.

r. Board evaluation policy

The primary objective of the policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. The Company aims to achieve a balance of merit, experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process is carried out by the Nomination and Remuneration Committee.

s. Post -meeting follow-up mechanism

The important decisions taken at the Board/Board-level Committee meetings are promptly communicated to the concerned departments/divisions. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/committee for noting the same.

Code of conduct

The Company has its code of conduct for all the members of the Board including Independent Directors, Committees and employees working at the level of Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and Companies Act, 2013 the code of conduct suitably lays down the duties of the Independent Director. The said code is displayed on the Company's website, www.v2retail.com. All the Board Members and Employees have affirmed compliance with the said code for the year ended March 31 2019. A declaration signed by the managing director in this regard is annexed at the end of this Report.

Committees of the Board

With an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted under mentioned committees which complies with the requirements of the Companies Act, 2013 as well as SEBI Listing Regulations, 2015.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

Each of these committees has been mandated to operate within a given framework. The details of composition of the above mentioned committees is available on the company's website www.v2retail.com

1. Audit Committee

The Audit Committee acts as the link between the statutory auditors, the internal auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company.

The internal audit department governs its audit through modules/checklists to carry out process wise audit and to ensure effective discharges of their duties and compliance with SEBI Listing Regulations, 2015. The Audit process being used by Internal Audit Department is also reviewed from time to time with a view to bring it in line with the regulatory framework.

The representatives of statutory auditors are permanent invitees to the audit committee meeting. The Chairman & Managing Director is the member of the audit committee and CFO attends the Audit Committee as special invitees.

As on March 31, 2019 the Audit Committee comprises four (4) Directors out of whom three (3) are Independent Directors.

The Audit Committee held 6 (Six) meetings during the year on April 16, 2018, May 30, 2018, August 1, 2018, November 2, 2018, January 25, 2019 and March 30, 2019 .

Mr. Lalan Yadav, Chairman of the Committee was duly present in Annual General Meeting held on September 29, 2018.

The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI Listing Regulations, 2015. The functions of the committee include:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company;

- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related-party transactions;
 - Qualifications in the draft audit report; if any.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, among others), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the vigil mechanism and whistleblower mechanism;
- Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background among others of the candidate;
- Carrying out any other function mentioned in the terms of reference of the Audit Committee;
- Reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - Appointment, removal and terms of remuneration of the chief internal auditor.

Composition of the Committee and attendance of the Members at the meetings held during the year:

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Lalan Yadav	Chairman	Independent Director	6	6
Mr. Siya Ram	Member	Independent Director	6	6
Mr. Ram Chandra Agarwal	Member	Executive Director	6	6
Mr. Ravinder Kumar Sharma	Member	Independent Director	6	6

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of SEBI Listing Regulations read with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the nomination of Directors, and carries out evaluation of performance of individual Directors.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and for performance evaluation of Independent Directors. During financial year 2018-19, the Nomination and Remuneration Committee met on 5 times

The Committee comprises Four (4) Independent Directors and Mr. Umesh Kumar, Company Secretary and Compliance officer, as it's Secretary as on March 31st 2019.

The Committee held 5 (Five) meetings during the year on April 16, 2018, May 2, 2018, September 1, 2018, November 28, 2018, March 30, 2019.

Mr. Jitender, Chairman of the Committee was duly present at the Annual General Meeting held on September 29, 2018.

The functions of the Committee include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of the Directors, key managerial personnel and other employees.
- To formulate criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become a Director and who may be appointed in senior management.
- To evaluate, review and recommend to the Board, the remuneration of the Executive Directors, striking a balance between the performance and achievement.
- Whether to extend or continue the terms of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

Composition of the Committee and attendance of the Members at the meetings held during the year:

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Jitender	Chairman	Independent Director	3	3
Mr. Lalan Yadav	Member	Independent Director	5	5
Mr. Siya Ram	Member	Independent Director	5	5
Mr. Ravinder Kumar Sharma	Member	Independent Director	5	5

REMUNERATION POLICY

Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims to reward stellar performances on a periodical basis.

The Company has entered into agreement with each of the Executive Directors which may be terminated by either party by giving to the other party one month's notice of such termination.

Non-Executive Directors

The Non – Executive/ Independent Director of the Board shall be entitled for sitting fees for attending the meeting of the Board or Committees thereof. The sitting fees paid to the Directors are within the limits prescribed under the Companies Act, 2013. An Independent Director shall not be eligible to get any stock options and also shall not be eligible to participate in any shares based payment schemes of the Company. The Non – Executive Independent Director do not have any material pecuniary relationship or transactions with the Company. Tenure of Independent Directors is for 5 (Five) years from the date of appointment and can be terminated by either party by giving one month advance notice in writing. There is no

separate provision for payment of severance fees and a criterion of making payments to non-executive directors is available on the website of the Company i.e. www.v2retail.com.

The aggregate sitting fees paid to Non-Executive Directors for the FY 2018-19 amounted to ₹3.84 lakhs (excluding GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

Performance evaluation criteria for Independent Directors

As per the provisions of SEBI Listing Regulations, the Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and the Board. The Committee formulates evaluation criteria for the Independent Directors which is broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Level of oversight; and
- Professional conduct and independence.

In terms of Section 134 of the Companies Act 2013, the Directors' Report also includes a statement indicating the process in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Company also conducts familiarisation programme for Independent Directors covering business overview, store visits, operational updates & such other matters.

• The details of sitting fees paid during the financial year are as under:

(₹)

Particulars	Mr. Lalan Yadav	Mr. Siya Ram	Mr. Ravinder Kumar Sharma	Mr. Jitender
Sitting fees for the Board Meetings	96,000	96,000	96,000	96,000
Sitting fees the Committee Meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total	96,000	96,000	96,000	96,000

• Managing Directors & Executive Directors

During the year, Company has paid remuneration to its Executive Directors by way of salary and perquisites, within the limits stipulated under the Companies Act, 2013 and as per the approval sought from the shareholders of the Company. The details of remuneration paid to the Executive Directors of the Company during the financial year 2018-19 are as under:

(₹)

Name of the Director	Basic Salary	Contribution to PF	Value of Perquisites	Variable	Total
Mr. Ram Chandra Agarwal	60,00,000	-	-	-	60,00,000
Mrs. Uma Agarwal	60,00,000	-	-	-	60,00,000
Mr. Akash Agarwal	36,00,000	-	-	-	36,00,000
Total	1,56,00,000				1,56,00,000

Service contracts, notice period, severance fees:

Appointment of Whole time Directors is on contractual basis with the notice period of one month from either side, and there is no provision of payment of severance fees.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

Shares held by the Non –Executive Directors as on March 31, 2019

Sl. No.	Name of the Director	Category of Director	Number of Shares
1.	Mr. Lalan Yadav	Independent Director	-
2.	Mr. Jitender	Independent Director	-
3.	Mr. Siya Ram	Independent Director	-
4.	Mr. Ravinder Kumar Sharma	Independent Director	-
5.	Ms Rochelle Susanna Dsouza	Additional Nominee Director	-

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity other than receipt of sitting fees for the meetings of Board and its Committees and their shareholding, if any, in the Company. Criteria of making payment to non executive directors is disclosed on the website of the company i.e. www.v2retail.com

3. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

The Committee held 3 (Three) meetings during the year on April 16, 2018, September 1 2018, and March 30, 2019,

The functions of the committee include:

- Approval of transfer/transmission/consolidation of securities of the Company;
- Overseeing of the performance of the registrar and share transfer agents of the Company;
- Redressal of shareholders' complaints relating to transfer of shares, non-receipt of annual reports and non-receipt of declared dividend, among others;
- Disposal of old stationeries of dividend warrants, among others;
- Issue of duplicate share certificates;
- Recommending upgradation measures for the standard of service to investors;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition of the Committee and attendance of the Members at the meetings held during the year

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Jitender	Chairman	Independent Director	2	2
Mr. Lalan Yadav	Member	Independent Director	3	3
Mrs. Uma Agarwal	Member	Executive Director	3	3
Mr. Siya Ram	Member	Independent Director	3	3
Mr. Ravinder Kumar Sharma	Member	Independent Director	3	3

The Company Secretary is the Compliance Officer as per the SEBI Listing Regulations, 2015. During the year ended March 31, 2019, one complaint was received from stakeholder/shareholders and same was redressed. Details of the complaints received and redressed are given below:

Nature of Complaint	Pending as on 1st April 2018	Received During the Year	Disposed during the year	Pending as on 31st March 2019
Investor Complaints	0	1	1	0

4. Corporate Social Responsibility Committee

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

The committee has held three (3) meetings during the year on April 16, 2018, September 1, 2018 and March 30, 2019.

The Committee is delegated and empowered to do the following:

- Formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the CSR activities to be undertaken by the Company as specified in the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the expenses incurred as per the CSR policy of the Company from time to time;
- Any other matters as may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.

Composition, category of Directors and number of meetings attended:

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Siya Ram	Chairman	Independent Director	3	3
Mr. Ram Chandra Agarwal	Member	Executive Director	3	3
Mr. Lalan Yadav	Member	Independent Director	3	3
Mr. Ravinder Kumar Sharma	Member	Independent Director	3	3

Separate meeting of the Independent Directors

During the year under review, the separate meeting of Independent Director's was held as required under Schedule IV (Code of Independent Directors) of the Companies Act, 2013, and Regulation 25(3) of the Listing Regulations on 30.03.2019 inter alia to:

- Review the performance of Non - Independent Director's and the Board as a whole;
- Review the Performance of the Managing Director of the Company, taking in to account the views of Non - Executive Directors;
- Assess the quality, quantity and timeline of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- Develop understanding of Company's people and its key stakeholders.

Governance in subsidiary companies

The Company does not have a listed and non-listed subsidiary.

The Company has complied with Regulation 24 of the SEBI Listing Regulations, 2015 with respect to the subsidiary companies.

DISCLOSURES

a. Related-party transactions

In accordance with relevant provisions of the Companies Act 2013 and SEBI Listing Regulations, 2015 the Company has formulated a policy on materiality of related party transactions and on dealings with related party transactions. The policy for Transactions with Related Parties can be accessed at: www.v2retail.com

All related party transactions are approved by the audit committee prior to the transaction. Related party transactions of repetitive natures are approved by audit committee on omnibus basis for one financial year at a time. All transactions pursuant to omnibus approval are reviewed by the audit committee on a quarterly basis.

A confirmation as to compliance of related party transaction as per SEBI Listing Regulations is also sent along with quarterly compliance report on corporate governance.

There were no material significant related-party transactions and all contracts / agreements/ transactions entered into during the period with the related parties were carried out at arm's length at the fair market value.

Details of such transactions as per requirements of IND-AS-24 are disclosed in Notes to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of any non compliance.

c. Disclosure of Vigil Mechanism Policy and access to the Chairman of the Audit Committee

The Company has formulated Vigil Mechanism Policy, pursuant to which the Director(s) and employee(s) of the Company (including their representative bodies, if any) have open access to the Authorised Person/ Committee member, as the case may be, and also to the Chairman of Audit Committee, whenever exceptionally required, in connection with any grievance, which is concerned with unethical behavior, frauds and other illegitimate activities in Company. The Vigil Mechanism Policy adopted by the Company is available on the website of the Company i.e. www.v2retail.com.

The Company did not receive any complaint from any Director and employee pursuant to Vigil Mechanism Policy during the financial year 2018-19.

d. Policy on determination of materiality for disclosures

The Company has adopted a policy on determination of materiality for disclosures and same is available on the website of the Company i.e. www.v2retail.com. The company has complied with Regulation 23 of SEBI Listing Regulations.

e. Policy on archival and preservation of documents

The Company has adopted a policy on archival and preservation of documents. The company has complied with Regulation 19 of SEBI Listing Regulations.

f. Risk management

The Company has framed a comprehensive enterprise risk management policy and a new risk register, not only

to manage risks but also to minimize their impact. This policy is periodically reviewed by the management and the board in consultation with reputed and specialized consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The Risk Management procedures are discussed and reviewed by the Audit Committee and the Board of Directors every quarter.

g. Observance of the secretarial standards issued by the Institute of Company Secretaries of India (ICSI).

The ICSI has issued secretarial standards on board meetings, general meetings, payment of dividend, maintenance of register and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal among others. The Ministry of Corporate Affairs has mandated SS-1, SS-2 and SS-3 with respect to board meetings, general meetings and payment of dividend respectively.

The Company has complied with these three standards, besides voluntarily complying with the other standards.

h. Audit report for reconciliation of share capital:

A qualified practicing company secretary M/s. Sunpreet Singh & Associates, Company secretaries carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and the CSDL and the total issued and listed equity share capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

i. Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

j. Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Certificate From Company Secretary in Practice,

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from company secretary in Practice confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as director of the company by SEBI/Ministry of corporate affairs or any such regulatory authority. The Certificate is enclosed with this report.

k. Disclosure in relation to Sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013

- a) Number of complaint filed during the year: Nil
- b) Number of complaint disposed off during the year: Nil
- c) Number of complaint pending as on end of the financial year: Nil

l. Details of Fees paid to Statutory Auditor

The details pertaining to total fees paid to statutory auditor against services rendered by statutory auditor are as follows;

S. No.	Type of Service	Amount (in lakhs)
1.	Audit Fees including Limited Review Report	24.15
2.	Reimbursement of expenses	1.52
3.	Total	25.67

Declaration pursuant to Code of Conduct:

In terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board has laid down a Code of Conduct for its members and senior management personnel of the Company. The Code of Conduct is available on the website of the Company (www.v2retail.com). All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Managing Director has affirmed to the Board that this Code of Conduct has been compiled by the Board members and senior management personnel.

General shareholders' information

Resignation /Appointment of Director

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Mr. Akash Agarwal (DIN: 03194632) is liable to retire by rotation at this AGM and being eligible, offer himself for reappointment and appointment of Mrs. Rochelle Susana D'Souza (representative of India 2020 fund II Ltd) as Nominee Director w.e.f. November 28, 2018 who was appointed by the board as additional Nominee Director w.e.f. November 28, 2018.

GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings and special resolutions passed therein are as follows:

A) DETAILS OF LAST THREE ANNUAL GENERAL MEETING HELD

Financial year	Date	Time	Venue	Special resolution passed if any
2017-18	September 29, 2018	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	N.A.
2016-17	September 29, 2017	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> To appoint Mr. Siya Ram as an Independent Director of the Company. To appoint Mr. Jitender as an Independent Director of the Company. To appoint Mr. Akash Aggarwal as Whole Time Director of the Company To Re- appoint Mr. Ram Chandra Aggarwal as Chairman and Managing Director of the Company
2015-16	September 30, 2016	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> Appointment of Mr. Lalan yadav as an Independent Director for 5 (five) consecutive years from the date of 15th Annual General Meeting. Power given to Board of Directors of the Company to borrow moneys from time to time, at their discretion, upto a limit of Rupees Five Hundred Crores in excess of the aggregate of the paid-up-capital of the Company and its free reserves. Increment in payment of remuneration to Mr. Ram Chandra Agarwal (DIN: 00491885), Managing Director of the Company @ ₹5,00,000 per month. Increment in payment of remuneration to Mrs. Uma Agarwal (DIN: 00495945), Whole Time Director of the Company @ ₹500,000 per month. Approval for V2R-Employee Stock Option Scheme 2016 ('ESOP 2016') and grant of options to the eligible employee of the company under the scheme. Approval of shareholders to offer, issue and allot, in one or more tranches specified securities on preferential basis to Promoter and/ or Promoter Group and Non- Promoter and/ or Non Promoter Group.

B) DETAILS OF LAST THREE EXTRA ORDINARY GENERAL MEETING HELD

Financial year	Date	Time	Venue	Special business transacted and resolution passed if any
2017-2018	January 12, 2018	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> Alteration of the Article of Association of the company. Investment(S), Loans, Guarantees and Security In Excess Of Limits Specified Under Section 186 of Companies Act, 2013
2017-2018	October 6, 2017	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> To offer and issue equity Shares on preferential basis to Non- Promoter and/ or Non Promoter Group
2015-2016	April 20, 2015	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> To Increase the Authorized Share Capital of the company. To offer, issue and allot, in one or more tranches convertible warrants on preferential basis to Non-Promoter and/ or Non Promoter Group.

Whether any special resolution passed through postal ballot during the year:

During the financial year ended March 31, 2019, the Company has not passed any special/ordinary resolution through Postal Ballot.

Whether any special/ordinary resolution is proposed to be conducted through postal ballot: No**Details of resolutions passed through e-voting:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provided members the facility to exercise their right to vote on resolutions transacted at AGM by electronic means, provided by Central Depository Securities Limited (CDSL).

Green initiatives undertaken as per the directives of the Ministry of Corporate Affairs, Government of India

The Company as a responsible corporate citizen welcomes and supports the Green Initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders. The Company has already implemented to send the communication to the shareholders by electronic mode at their e-mail addresses registered with the depository/registrar and share transfer agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents avoiding loss in transit.

The Company had requested the shareholders to register their e-mail ids with the Registrar and Share Transfer

agents of the Company or to their depository participants so as to enable the Company to use the same for serving documents to them electronically.

Consolidation of Folios and avoidance of multiple mailing

The members who are holding multiple folios are requested to consolidate their holding under single folio to avoid multiple mailing which will reduce cost and duplicity of efforts.

Code for prevention of Insider-Trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations 2015 as amended, the Company Secretary is the compliance officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the code of conduct for trading in Company's securities under the overall supervision of the Board.

The Company has adopted a code of conduct for prevention of insider trading as well as a code of corporate disclosure practices. All the Directors on the Board, senior management at all locations and other employees who could be privy to unpublished price sensitive information of the Company are governed by this code. The Company has also formulated code of practices and procedures for fair disclosure of unpublished price-sensitive information which is available on the Company's website www.v2retail.com. A Declaration/certificate pursuant to Schedule V of SEBI (Listing Obligation Disclosure Requirements) Regulation 2015 is annexed herewith.

To,
Members of V2 Retail Limited

Sub: Declaration under Schedule V of SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015

I, Ram Chandra Agarwal, Chairman and Managing Director of V2 Retail Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2019.

Date : 31-03-2019
Place : New Delhi

Ram Chandra Agarwal
Chairman & Managing Director
DIN 00491885

Foreign Exchange Risk Management Policy

During the financial year company has not made any transaction pertaining to import and export of the goods however with an objective to indemnify the Company as a result of Foreign Exchange fluctuations, the Company has framed a structure of Foreign Exchange Risk Management Policy which elaborates on the process of risk management and to protect profits/ insulate itself against losses on account of forex fluctuations.

Dividend Distribution Policy

As required under Regulation 43A of the SEBI Listing Regulations 2015, Dividend Distribution policy is given separately in the Annual Report and same is also available at the Company's website at www.v2retail.com.

Means of communication

i. Quarterly /Annual results

The Notice and Financial Result are generally published in The Mint/Financial Express / Business Standard/Jansatta/Naya India within 48 Hours after approval of Board of Directors and are displayed on the Company's website www.v2retail.com

ii. Presentations/News releases

Presentations and official press release made to the media, analysts, and institutional investors, among others are displayed on the Company's website www.v2retail.com. The same are also disseminated to the Stock Exchanges as per the SEBI Listing Regulations, 2015.

iii. Website

The Company's corporate website www.v2retail.com contains comprehensive information about the Company. An exclusive section is for investors wherein annual reports, quarterly/half-yearly financial results, notices, shareholding patterns, policies among others are available for reference or download.

iv. Annual report

The annual report containing inter alia audited annual accounts, financial statements, reports of the auditors and directors, chairman's statement, management discussion and analysis report and other important information is circulated to the members and displayed on the Company's website.

v. Designated exclusive mail-id

The Company has designated email-id exclusive for investor services- investors' cs@vrl.net.in which has been displaced on the Company's website www.v2retail.com

vi. Intimation to stock exchanges

The Company intimates the Stock Exchanges about all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

vii. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organized by financial institutions, analyst and broking houses. A conference call is done every quarter after declaration of financial results to address the queries of analysts.

Shareholders' information

A) Company Registration Details:

The Company is registered in Delhi, India, under the jurisdiction of Registrar of Companies, Delhi. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74999DL2001PLC147724.

B) Financial Year

April 01, 2018 to March 31, 2019

C) Annual General Meeting For The Financial Year 2018- 19

DAY AND DATE	Saturday, September 7, 2019
TIME	10:00 A.M
VENUE (Registered Office of the Company)	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi - 110 038
FINANCIAL YEAR	April 01, 2018 to March 31, 2019
BOOK CLOSURE DATES	1st September , 2019 to 7th September, 2019
DIVIDEND PAYMENT DATE	N.A.
REGISTERED OFFICE	Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil VasantVihar New Delhi South West Delhi -110037
CORPORATE OFFICE	Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil VasantVihar New Delhi South West Delhi -110037

D) Stock Exchange Info

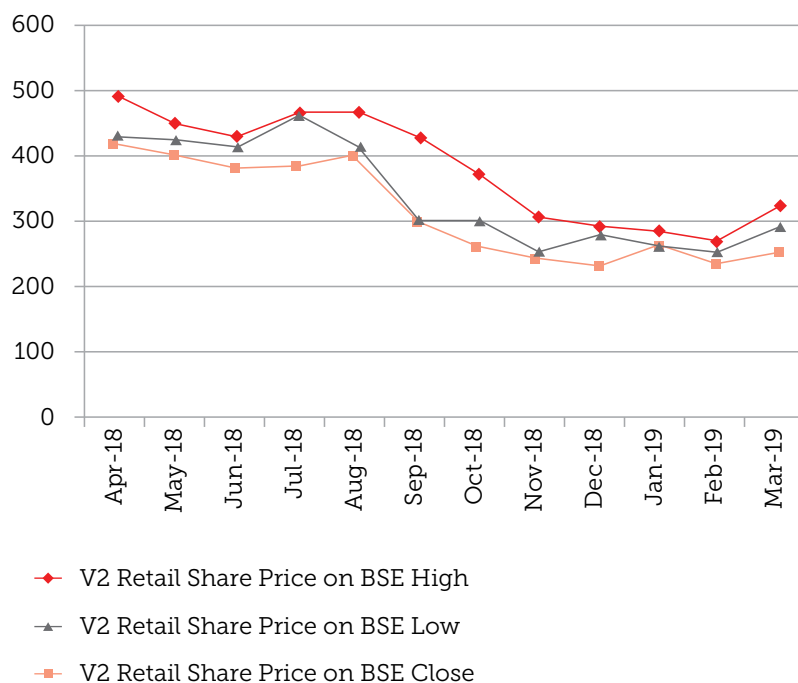
Stock Exchange on which shares are listed	BSE Limited - Mumbai National Stock Exchange of India Limited - Mumbai
Stock Code	BSE Limited : 532867 National Stock Exchange of India Limited : V2RETAIL
Script Id	V2RETAIL

E) Market Price Data

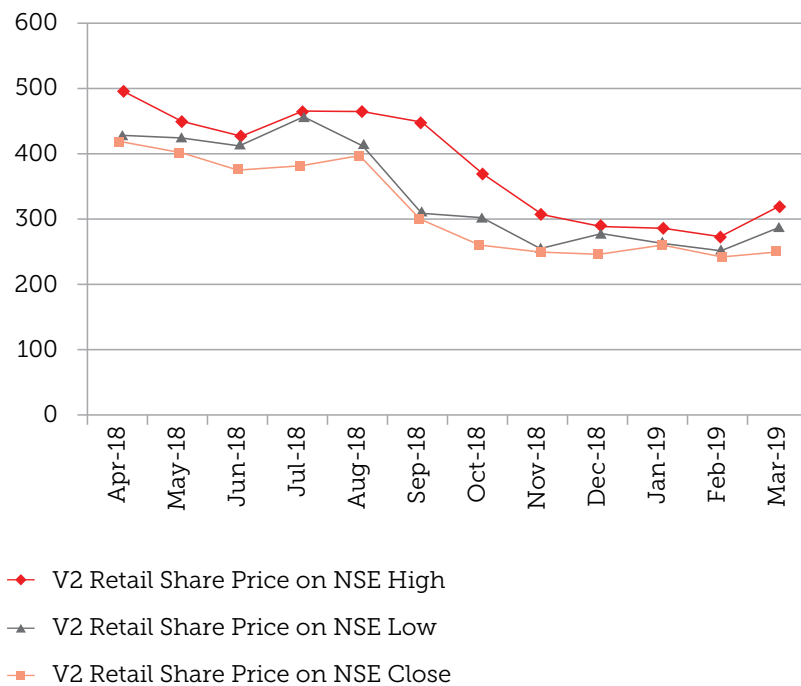
The Company's equity shares are listed on The BSE Limited & National Stock Exchange of India Limited. The high and low share prices and volumes of your Company's shares at BSE and NSE (based on closing price) for the year is as under:

Month	V2 Retail Share Price on BSE			V2 Retail Share Price on NSE		
	High	Low	Close	High	Low	Close
Mar-19	321	249.6	289.65	321.65	248.5	287.65
Feb-19	272.6	235	251.95	273.25	243	251.95
Jan-19	289	259.85	265.6	287.7	257	265.7
Dec-18	294.4	230	279.55	291.9	245.35	278.8
Nov-18	308	240	256.4	310	250.1	255.3
Oct-18	374	261.05	302.55	374.5	260	301.85
Sep-18	430.55	300	307.65	450	300	310.2
Aug-18	469	396	417.85	466	396	419
Jul-18	464.35	382	457.1	464	381	457.35
Jun-18	429.6	377	413.55	427.95	375.8	415.35
May-18	449.95	402	427.15	450	400.6	427.5
Apr-18	490.25	419.95	430.95	497.7	418	432.9

Graphical Representation of share price of V2 Retail Limited at BSE



Graphical Representation of share price of V2 Retail Limited at NSE



F) Distribution of Shareholding as on March 31, 2019

DISTRIBUTION OF SHAREHOLDING (SHARES)

SR. NO.	SHAREHOLDING OF SHARES	SHAREHOLDER	PERCENTAGE OF TOTAL	TOTAL SHARES	PERCENTAGE OF TOTAL	
1	1 to	500	21815	91.702	1902435	5.5832
2	501 to	1000	972	4.0859	750191	2.2017
3	1001 to	2000	476	2.0009	703046	2.0633
4	2001 to	3000	170	0.7146	433297	1.2716
5	3001 to	4000	85	0.3573	303741	0.8914
6	4001 to	5000	59	0.248	273938	0.8039
7	5001 to	10000	95	0.3993	683983	2.0073
8	10001 to	*****	117	0.4918	29023387	85.1775
	Total		23789	100	34074018	100

G) SHARE TRANSFER SYSTEM

Transfers of Equity Shares are handled by Link Intime India Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Link Intime India Private Limited at the above address in order to enable the Registrar and transfer agent to process the transfer and during the FY 18-19 company has complied with the process of transfer and consolidation of the shares.

Demat requests are confirmed within stipulated time period from the date of receipt of request. The Company obtains from a Company Secretary in Practice half yearly Certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

H) SHAREHOLDING PATTERN AS ON MARCH 31, 2019

Listing of shareholders category (Summary)							
Category	Demated_ Shares	Demated_ Holders	Physical_ Shares	Physical_ Holders	Total_ Shares	Total_ Value	Total_ Percent
Corporate Bodies (Promoter Co)	13716844	4	0	0	13716844	137168440	40.26
Clearing Members	136297	113	0	0	136297	1362970	0.40
Other Bodies Corporate	2761986	298	0	0	2761986	27619860	8.11
Financial Institutions	9526	1	0	0	9526	95260	0.03
Hindu Undivided Family	300904	579	0	0	300904	3009040	0.88
Mutual Funds	1526541	3	0	0	1526541	15265410	4.48
Non Nationalised Banks	5359	1	0	0	5359	53590	0.02
Non Resident Indians	185210	303	0	0	185210	1852100	0.54
Non Resident (Non Repatriable)	95891	137	0	0	95891	958910	0.28
Public	7962296	22267	132590	66	8094886	80948860	23.76
Promoters	3706911	5	0	0	3706911	37069110	10.88
Foreign Portfolio Investors (Corporate)	3533008	10	0	0	3533008	35330080	10.37
NBFCs registered with RBI	655	2	0	0	655	6550	0.00
TOTAL :	33941428	23723	132590	66	34074018	340740180	100.00

I) Dematerialization of Shares and Liquidity

The Equity Shares of your Company are under compulsory dematerialization mode as on March 31, 2019. The ISIN for the Equity Shares of the Company is INE945H01013.

99.61% of shares of the Company are dematerialized as on March 31, 2019. Trading in Equity shares of the Company is permitted only in Demat mode.

The Equity shares of your Company are regularly traded on 31st March 2019.

	BSE	NSE
Total Traded Quantity	4,649	66,544
Turnover	13,32,137	1,87,09,061.85

K) Outstanding GDRs / ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on Equity:

There are no GDR/ ADR/ Warrants or any Convertible Instruments pending conversion or any other instruments which can have an impact on the equity share capital of the Company.

L) Address of Correspondence:

Compliance Officer	R&T Agent: (Link Intime India Private Limited)	Correspondence with the Company
Mr. Umesh Kumar Company Secretary & Compliance Officer Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil VasantVihar New Delhi South West Delhi – 110037 Tel No: 011-41771850 Email: cs@vrl.net.in	C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 Email: delhi@linkintime.co.in	V2 Retail Limited Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil VasantVihar New Delhi South West Delhi - 110037 Tel No: 011-41771850 Fax: Email: cs@vrl.net.in

Financial calendar

Financial year: April 1, 2018 to March 31, 2019

The board meetings for approval of financial results for financial year 2018-19 were held on the following dates:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	01.08.2018	02.11.2018	25.01.2019	10.05.2019

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2019-20 are as follows:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	On or before August 14, 2019	On or before November 14, 2019	On or before February 14, 2020	On or before May 30, 2020

Registrar and Share Transfer Agent

Link Intime India Private Limited
(formerly known as Intime Spectrum Registry Limited)
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400083
Tel No: +91 22 49186000 Fax: +91 22 49186060
Email: delhi@linkintime.co.in

All activities in relation to both physical and electronic share transfer facility are maintained by the registrar and share transfer agent of the Company, a compliance certificate in this respect duly signed by the compliance officer and the authorised representative of the share transfer agent is submitted to the exchanges within one month from the end of each half of the financial with the requirements of sub- regulation 7(3) of SEBI Listing Regulations, 2015.

Applications for transfer of shares held in the physical form are received at the office of the Registrar and Share transfer agent of the Company. All valid transfers/requests are processed within 15 days from the date of receipt.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in all respects. Bad deliveries are immediately returned to depository participants under advice to the shareholders.

Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on the compliance of share transfer formalities on half yearly basis, quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the Stock Exchanges where the shares are listed.

Reconciliation of share capital audit report

Reconciliation of share capital audit report by M/s. Sunpreet Singh & Associates, Practicing Company Secretary for reconciliation of the share capital

confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the audit report is submitted to the Stock Exchanges where company's shares are listed

Mandatory requirements

The Company was fully compliant with mandatory requirements SEBI Listing Regulations, 2015.

Non-mandatory requirements:

1. The Board (maintenance of Chairman's office):
The Company has an Executive Chairman and as such does not require a Non-Executive Chairman's Office.
2. Shareholders' rights
The quarterly and half-yearly financial results are published in widely circulated national and local dailies and are displayed on the Company's website www.v2retail.com.
3. Audit qualification
.Statutory Auditor of the company has given the modified/qualified Auditor Report for the year ended March 31, 2019 and same has been specified in board report along with management response thereon.
4. Reporting of internal auditor
The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company. The internal audit or reports directly to the Audit Committee.

CEO/ CFO CERTIFICATION

A certificate from CFO on the financial statements of the Company was placed before the Board.

Certificate pursuant to Regulation 17 (8) of SEBI Listing Obligation Disclosure Requirements Regulation, 2015

- A) I/We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C) I/We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) I/We have indicated to the Auditor and the Audit committee;
- 1) Significant changes in internal control over financial reporting, if any, during the year;
 - 2) Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Vipin Kaushik

Chief Financial Officer

Date: - April 5, 2019

Place: - New Delhi

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

This certificate is issued in accordance with the terms of our engagement letter

We, M/s. Sunpreet Singh & Associates, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance Report prepared by the V2 Retail Limited ("the Company"), for the year ended on 31 March 2019, it contains details as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") with respect to Corporate Governance. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

The compliance of conditions of Corporate Governance Report is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sunpreet Singh & Associates

Practicing Company Secretary

Sunpreet Singh

Proprietor

Membership No.: 43116

COP: - 16084

Date: May 10, 2019

Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
V2 RETAIL LIMITED
Khasra No. 928 Extended Lal Dora
Abadi Village Kapashera Tehsil Vasant Vihar South West Delhi - 110037

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s V2 Retail Limited having CIN L74999DL2001PLC147724 and having registered office at Khasra No. 928 Extended Lal Dora Abadi Village Kapashera Tehsil Vasant Vihar South West Delhi – 110037 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such authority.

DIN	Name	Begin date
00491885	Ram Chandra Agarwal	23/07/2001
00495945	Uma Agarwal	23/07/2001
03194632	Akash Agarwal	29/09/2017
07350695	Siya Ram	05/05/2017
07578390	Lalan Yadav	30/09/2016
07854452	Rochelle Susanna Dsouza	28/11/2018
07905191	Jitender	29/09/2017
06865804	Ravinder Kumar Sharma	14/04/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sunpreet Singh & Associates
Practicing Company Secretary

Sunpreet Singh
Proprietor
Membership No.: 43116
COP: - 16084

Date: May 10, 2019
Place: New Delhi

Independent Auditor's Report

To the Members of
V2 Retail Limited

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of V2 Retail Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 16 (a) to the accompanying financial statements, the Company's other equity as at 31 March 2019 includes an amount of ₹365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial statements. Our auditor's report on the financial statements for the previous year ended 31 March 2018 was also qualified in respect of this matter.
4. As stated in 37 (iv) to the accompanying financial statements, the Company's contingent liabilities

as at 31 March 2019 include an amount of ₹2,512.37 lakhs relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and profit as at and for the year then ended. Our auditor's report on the financial statements for the previous year ended 31 March 2018 was also qualified in respect of this matter.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matter

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
7. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Allowance for Inventories Refer note 1 (iv) (k) for significant accounting policy and note 9 for the financial statement disclosure.</p> <p>At the end of each reporting period, management of the Company assesses whether there is adequate provision for inventory losses on account of physical count, net realizable value and obsolete inventory.</p> <p>The management applies judgement in determining appropriate provisions for inventory losses which include:</p> <ol style="list-style-type: none"> a) Applying specific identification process to ascertain slow moving and obsolete inventory. b) Assessing the net realizable value of such slow moving and obsolete inventory. <p>In addition to the above, the management adopts a cyclical count for physical verification of inventory which is a complex exercise owing to the nature of the inventory and the multiple locations covered by such cyclical counts.</p> <p>Considering the complexities involved in cyclical physical verification of inventory and specific management judgements and estimates required with respect to slow moving and obsolete inventory, allowance for inventory was determined to be a key audit matter for the current year audit.</p>	<p>Our audit included, but was not limited to, the following audit procedures over inventory allowances:</p> <ul style="list-style-type: none"> • Understood the management process for cyclical physical counts, identification of slow moving, non-moving or obsolete inventories and determining net realisable value, and evaluated whether such processes are consistently followed. • Evaluated design and tested the operating effectiveness of controls implemented around above mentioned processes throughout the year. <p>Cyclical physical counts:</p> <ul style="list-style-type: none"> • Inspected the management's inventory count records and observed physical inventory verification for locations selected based on materiality and risk considerations. • Performed independent test counts to corroborate the management count for the locations selected as above. • Tested the roll-forward of the cyclical counts performed by the management for locations where such counts were performed before the year end. • Tested the adjustment made to books of accounts basis the results of the cyclical physical counts performed by the management. <p>Slow-moving/obsolete inventory provisions:</p> <ul style="list-style-type: none"> • Tested inventory ageing obtained through system reports, where applicable. • Obtained from the management the list of slow and non-moving inventories identified as on 31 March 2019 and their corresponding expected sales in future periods. • Tested the computation for allowance for slow-moving, non-moving and obsolete inventories by performing an independent age-wise analysis of the inventory line items along with specific inquiries with the management with respect to planned sales, corroborating the same with our prior experience and understanding of the business. • Tested the net realizable value of traded goods inventory on a sample basis to recent selling prices. • Compared and assessed the actual utilization/sales to the previous estimates done by the management in prior periods to determine the efficacy of the process of estimation by the management. • Obtained written representations from management and those charged with governance on the completeness and adequacy of inventory allowance as at the year end.

Information other than the Financial Statements and Auditor's Report thereon

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free

from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
- a) we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
 - g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the

Company for the year ended on that date and our report dated 10 May 2019 as per Annexure II expressed modified opinion;

- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in note 37 to the financial statements, read with paragraph 4 of Basis of Qualification paragraph, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education

and Protection Fund by the Company during the year ended 31 March 2019;

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504774

Place: New Delhi

Date: 10 May 2019

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the previous year ended 31 March 2018 and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties [which are included under the head 'Assets classified as held for sale' of financial statements (refer note 14 to the accompanying financial statements)] are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. Material discrepancies noticed on such verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act.
- Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	30,208,391	7,500,000	2006-07 to 2010-11	Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	5,155,233	Nil	2006-07	Assistant Commissioner of Service Tax

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax Act, 2003	Sales tax	10,000,000	Nil	2007-08	Appellate Authority of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	17,353,962	Nil	2007-08	Joint Commissioner (Appeals) of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	1,525,511	Nil	2007-08	Assistant Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	6,810,980	Nil	2007-08	Deputy Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	8,387,111	Nil	2007-08	Deputy Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	50,000	Nil	2009-10	Assistant Commissioner of Service Tax
The Uttar Pradesh Value Added Tax Act, 2008	Sales tax	203,000	Nil	2009-10	Assistant Commissioner of Service Tax
West Bengal Value Added Tax Act, 2003	Sales tax	225,000,000	Nil	2009-10	Deputy Commissioner of Service Tax
The Assam Value Added Tax Act, 2003	Sales tax	720,420	Nil	2009-10	Deputy Commissioner (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution during the year. The Company has no loans or borrowings payable to a bank or government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been

disclosed in the financial statements etc., as required by the applicable Ind AS.

- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Place: New Delhi

Date: 10 May 2019

Membership No.: 504774

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of V2 Retail Limited ("the Company") as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR

includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2019:
- a) The Company's internal financial controls over retention of adequate information towards reconciliation of capital reserve in accordance with accounting principles generally accepted in India were not operating effectively, which could result in a potential material misstatement in Other equity in the Company's financial statements for the year ended 31 March 2019.
- b) The Company's internal financial controls over retention of adequate information towards estimating provisions and contingent liabilities with respect to outstanding litigations were not operating effectively, which could result in an inappropriate assessment of the accuracy and completeness of provisions and contingent liabilities, which is not in accordance with Indian Accounting Standard 37 - Provisions, Contingent Liabilities and Contingent Assets.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material aspects, adequate internal financial controls over financial reporting as at 31 March 2019, based on

the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as at 31 March 2019.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2019, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Place: New Delhi

Date: 10 May 2019

Membership No.: 504774

Balance Sheet as at 31 March 2019

(All amounts in ₹ in lakhs unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2 (i)	9,765.78	6,243.97
Capital work-in-progress	2 (ii)	-	65.69
Intangible assets	3 (i)	205.44	9.30
Intangible assets under development	3 (ii)	411.47	594.88
Financial assets			
Loans	4	483.00	343.74
Other financial assets	5	158.36	78.50
Deferred tax assets (net)	6	1,099.00	475.26
Other non-current assets	7	2,193.78	2,120.88
Income tax assets (net)	8	166.50	392.79
Total non-current assets		14,483.33	10,325.01
Current assets			
Inventories	9	27,107.89	16,019.07
Financial assets			
Investments	10	-	8,965.30
Cash and cash equivalents	11	828.52	476.89
Other financial assets	12	103.35	61.52
Other current assets	13	2,660.99	1,844.37
Total current assets		30,700.75	27,367.15
Assets held for sale	14	1,243.99	1,243.99
Total assets		46,428.07	38,936.15
EQUITY AND LIABILITIES			
Equity			
Share capital	15	3,407.40	3,392.27
Other equity	16	26,128.36	24,003.68
Total equity		29,535.76	27,395.95
Non-current liabilities			
Financial liabilities			
Borrowings	17	100.93	-
Other financial liabilities	18	11.04	8.50
Provisions	19	165.57	121.95
Other non-current liabilities	20	446.41	208.21
Total non-current liabilities		723.95	338.66
Current liabilities			
Financial liabilities			
Borrowings	21	931.20	-
Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		342.42	156.95
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,596.06	9,874.99
Other financial liabilities	23	192.31	277.17
Provisions	24	100.10	65.59
Other current liabilities	25	196.27	211.84
Total current liabilities		15,358.36	10,586.54
Liabilities directly associated with assets classified as held for sale		810.00	615.00
Total liabilities		46,428.07	38,936.15

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504822

Place: New Delhi

Date: 10 May 2019

For and on behalf of the Board of Directors of
V2 Retail Limited

Ram Chandra Agarwal

Chairman & Managing Director

DIN 00491885

Vipin Kaushik

Chief Executive Officer

Place: New Delhi

Date: 10 May 2019

Uma Agarwal

Director

DIN 00495945

Umesh Kumar

Company Secretary

Place: New Delhi

Date: 10 May 2019

Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in ₹ in lakhs unless otherwise stated)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	26	74,841.94	55,940.36
Other income	27	989.08	325.55
Total income		75,831.02	56,265.91
Expenses			
Purchase of stock-in-trade	28	61,675.99	42,460.50
Changes in inventories of stock-in-trade	29	(11,045.18)	(4,557.54)
Employee benefits expense	30	7,482.18	4,846.03
Finance costs	31	65.99	57.49
Depreciation and amortization expense	32	1,442.32	840.64
Other expenses	33	12,042.80	8,018.00
Total expenses		71,664.10	51,665.12
Profit before exceptional items and tax		4,166.92	4,600.79
Exceptional item	34	2,661.89	-
Profit before tax		1,505.03	4,600.79
Tax expense	6		
Current tax		76.05	-
Deferred tax		(620.31)	1,492.59
Total tax expense		(544.26)	1,492.59
Profit for the year		2,049.29	3,108.20
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement (loss) of defined employee benefit plans		(9.86)	(17.20)
Income tax relating to items that will not be reclassified to profit or loss		3.44	6.01
Other comprehensive income for the year		(6.42)	(11.19)
Total comprehensive income for the year		2,042.87	3,097.01
Significant accounting policies	1		
The accompanying notes form an integral part of these financial statements			
As per our report of even date attached			
Earnings per share (face value of ₹ 10 each)			
Basic earnings per share	36	6.02	9.62
Diluted earnings per share		6.02	9.62

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504822

Place: New Delhi
Date: 10 May 2019

For and on behalf of the Board of Directors of
V2 Retail Limited

Ram Chandra Agarwal
Chairman & Managing Director
DIN 00491885

Vipin Kaushik
Chief Executive Officer

Place: New Delhi
Date: 10 May 2019

Uma Agarwal
Director
DIN 00495945

Umesh Kumar
Company Secretary

Place: New Delhi
Date: 10 May 2019

Cash Flow Statement for the year ended 31 March 2019

(All amounts in ₹ in lakhs unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,505.03	4,600.79
Adjustments for:		
Depreciation and amortisation expense	1,442.32	840.64
Gain on investments carried at fair value through profit or loss (net)	(29.92)	(160.30)
Gain on sale of investments (net)	(68.44)	-
Interest income	(103.68)	(114.13)
Finance charges	65.99	57.49
Share based payments expense	81.80	329.92
Operating profit before working capital changes	2,893.10	5,554.41
Movement in working capital		
Increase in Trade payables	3,906.54	3,517.12
Increase in provisions	68.28	52.64
Increase/(decrease) in other liabilities	411.21	(191.56)
Increase in inventories	(11,088.83)	(4,557.54)
Increase in loans and advances	(139.26)	(123.57)
Increase in other financial assets	(121.68)	(11.05)
Increase in other assets	(889.52)	(1,469.98)
Cash flow from operating activities post working capital changes	(4,960.16)	2,770.47
Income tax paid (net)	150.22	(43.33)
Net cash flow from operating activities (A)	(4,809.94)	2,727.14
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (refer note 3 below)	(5,117.22)	(2,264.78)
Sale of property, plant and equipment	91.50	-
Purchase of intangible assets	(58.43)	(6.17)
Purchase of investments (net)	-	(8,805.00)
Proceeds from sale of investments (net)	9,063.66	-
Interest received	103.68	114.13
Net cash (flow from)/used in investing activities (B)	4,083.19	(10,961.82)

Cash Flow Statement for the year ended 31 March 2019

(All amounts in ₹ in lakhs unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share	15.13	300.00
Proceeds from money against share warrants	-	(187.50)
Proceeds from long term borrowings (net)	145.00	-
Proceeds from inter corporate deposits (net)	931.20	-
Change in share premium	-	8,035.00
Interest paid	(12.95)	(57.49)
Net cash flow from financing activities (C)	1,078.38	8,090.01
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	351.63	(144.66)
Cash and cash equivalents at the beginning of the year (refer note 11)	476.89	621.55
Cash and cash equivalents at 31 March	828.52	476.89
Cash and cash equivalents at the end of the year (refer note 11)		
Cash in hand	369.51	147.60
Cash management services (CMS) receivables	0.55	0.20
Balance with banks:		
-in current accounts	458.46	329.09
Total	828.52	476.89

Note:

- The figures in bracket indicate outflows.
- The cash flow has been prepared under the "Indirect method", as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.
- Additions to property, plant and equipment are stated inclusive of movements of capital work-in-progress (including capital advances) and the same has been treated as part of investing activities.

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504822

Place: New Delhi
Date: 10 May 2019

For and on behalf of the Board of Directors of
V2 Retail Limited

Ram Chandra Agarwal
Chairman & Managing Director
DIN 00491885

Vipin Kaushik
Chief Executive Officer

Place: New Delhi
Date: 10 May 2019

Uma Agarwal
Director
DIN 00495945

Umesh Kumar
Company Secretary

Place: New Delhi
Date: 10 May 2019

Statement of changes in equity for the year ended 31 March 2019

(All amounts in ₹ in lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2019	31 March 2018
Balance as at 1 April 2018	3,392.27	3,092.27
Changes in equity share capital during the year	15.13	300.00
Balance as at 31 March 2019	3,407.40	3,392.27

B. Other Equity

	Attributable to owners of V2 Retail Limited				Total
	Reserves and Surplus				
	Retained earnings	Securities premium reserve	Capital reserve	Share options outstanding account	
Balance as at 1 April 2018	(66,603.00)	29,191.45	61,043.56	371.68	24,003.68
Profit for the year	2,049.29	-	-	-	2,049.29
Other comprehensive income for the year (net of tax)	(6.42)	-	-	-	(6.42)
Total comprehensive income for the year	2,042.87	-	-	-	2,042.87
Employee stock options	-	-	-	81.80	81.80
Balance as at 31 March 2019	(64,560.13)	29,191.45	61,043.56	453.48	26,128.36

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504822

Place: New Delhi
Date: 10 May 2019

For and on behalf of the Board of Directors of
V2 Retail Limited

Ram Chandra Agarwal
Chairman & Managing Director
DIN 00491885

Vipin Kaushik
Chief Executive Officer

Place: New Delhi
Date: 10 May 2019

Uma Agarwal
Director
DIN 00495945

Umesh Kumar
Company Secretary

Place: New Delhi
Date: 10 May 2019

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results

Figure in ₹ Lakh, except for per share data

Statement on impact of audit qualifications for the financial year ended 31 March 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
1.	Turnover /total income	75,831.02	75,831.02
2.	Total expenditure	71,664.10	71,664.10
3.	Net profit for the period	2,049.29	2,049.29
4.	Earnings per share	6.02	6.02
5.	Total assets	46,428.07	46,428.07
6.	Total liabilities	16,892.31	16,892.31
7.	Net worth	(31,961.25)	(31,961.25)
8.	Any other financial item (as felt appropriate by the management)	Nil	Nil

II. Audit qualification (each audit qualification separately)

a. Details of audit qualifications:

The audit report of statutory auditors includes following qualifications on the audited financial statements/results:

- (i) As stated in Note 5 to the accompanying financial results, the Company's other equity as at 31 March 2019 includes an amount of ₹365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2018.
- (ii) As stated in Note 6 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2019 include an amount of ₹2,512.37 lakhs relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness

and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2018.

- b. **Type of audit qualification:** Qualified Opinion/Disclaimer of Opinion/Adverse Opinion
Qualified opinion
- c. **Frequency of qualification:** Whether appeared first time/repetitive/since how long continuing
Repetitive- Qualification stated in (i) is continuing from the financial year ended 31 March 2011.
Qualification stated in (ii) is continuing from the financial year ended 31 March 2012. However, the figure mentioned has been updated.
- d. **For audit qualification(s) where the impact is quantified by the auditor, Management's Views:**
Management's view: not applicable
- e. **For audit qualification(s) where the impact is not quantified by the auditor:**
 - (i) **Management's estimation on the impact of audit qualification:**
Not quantified

(ii) If management is unable to estimate the impact, reasons for the same:

- a) The Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to ₹60,523.24 lakhs. The aforementioned reserve has been reconciled except for ₹365.36 lakhs which the Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.
- b) Out of contingent liabilities existing as at 31 March 2019, certain liabilities aggregating to ₹2,512.37 lakhs are under appeal with different

authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results.

(iii) Auditor's comments on (i) and (ii) above:

Since management could not ascertain the impact, the auditors have given qualifications in their auditor's report.

Yours Sincerely,

For V2 Retail Limited

Mr. Ram Chandra Agarwal
Chairman & Managing Director
DIN00491885

Mr. Vipin Kaushik
Chief Financial Officer

Place: New Delhi
Date: 10 May 2019

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Mr. Lalan Yadav
Audit Committee Chairman

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

1. Corporate Information

i) V2 Retail Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company's ethos stands for "value and variety" and remains focused on selling quality fashion garments for significant lower prices targeting the very core of the nation. With currently 77 stores under its umbrella out of which 3 in Delhi-NCR, 18 in Bihar, 17 in Uttar Pradesh, 7 in Odisha, 4 in Assam, 6 in Karnataka, 3 in Madhya Pradesh, 7 in Jharkhand, 4 in Uttarakhand, 2 in Jammu & Kashmir and 1 each in Himachal, Rajasthan, Goa, Telangana, Arunachal Pradesh, Jammu and Kashmir and Tripura, it has been successfully serving the Indian retail market for more than 25 years.

The financial statements were authorised for issue in accordance with a resolution of the directors on 10 May 2019.

ii) Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared under the historical cost convention basis except for the following –

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iv) Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

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- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Property, Plant and Equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life which are equal to those prescribed under Schedule II of the Companies Act, 2013 except for furniture and fixtures and vehicles in which useful lives are different from those prescribed under Schedule II of the Companies Act, 2013. In respect of furniture and fixtures and vehicles, the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life as per the Schedule II	Useful Life as assessed by the management
Plant and machinery	15 Years	15 Years
Furniture and fittings	10 Years	8 Years
Vehicles	8 Years	8-10 Years
Office equipment	5 Years	5 Years
Computer equipment	3 Years	3 Years
Servers and networking equipment	6 Years	6 Years
Electrical equipment & fittings	10 Years	10 Years
Air conditioners	10 Years	10 Years
Generator sets	15 Years	15 Years

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The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

c) Intangible Assets

Recognition and initial measurement

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any.

Subsequent measurement (amortisation)

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The following useful lives are applied:

Intangible Assets	Useful life (in years)
Software	Amortized over a period of 3 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Impairment of non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of Profit and Loss.

e) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

f) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All

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other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) and other costs like finance charges in respect of the finance leases recognized in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign Currencies

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Exchange differences

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment based on expected credit loss method.

k) Inventories

The Company has only trading goods in its inventory which is valued at lower of cost and net realizable value. Cost of inventory comprises of cost of purchases and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Revenue Recognition

The Company operates a chain of retail stores selling quality fashion garments. Revenue from the sale of goods is recognised when Company sells a product to the customer

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligations are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts,

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volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position.

Sale of goods:

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

It is the Company's policy to sell its products to the end customer with a right of return within 30 days. No adjustment is made on the right of return as the exchanges are done by customers of one product for another of the same type, quality, condition and price (for example, one colour or size for another). This is not considered returns for the purposes of applying this Standard.

Income from services

Revenues from rent and display activities are recognized as per the terms of the contract.

Interest Income:

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

m) Financial Instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

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i. **Financial assets at amortized cost** – a financial instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. **Financial assets at fair value**

- **Investments in equity instruments other than above** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method (EIR).

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

n) Retirement and other employee benefits

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company makes defined contribution to Government Employee Provident Fund, Employee Deposit Linked Insurance and ESI which are recognized in the statement of profit and loss on accrual basis.

The Company recognizes contributions payable to the provident fund scheme as an expenditure, when an employee renders the related services. The Company has no obligation other than the contribution payable to the Provident Fund. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the actuarial valuation performed by an independent actuary using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

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o) Employee stock option plan

The cost of equity settled share-based plan is recognized based on the fair value of the options as at the grant date. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is period over which all of the specified vesting conditions are satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity. The fair value of options is determined using the Black Scholes valuation model.

p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r) Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognized outside profit or loss is recognized

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outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

s) Segment reporting

The Company is engaged in the business of retail trade of garments, textiles and accessories in India and there are no separate reportable segments as per Ind AS 108 'Segment Reporting'.

t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

v) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- i. **Useful lives of depreciable/amortizable assets**– Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.
- ii. **Defined benefit obligation (DBO)**– Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- iii. **Evaluation of indicators for impairment of assets**– The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- iv. **Recognition of deferred tax assets**- The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- v. **Contingent liabilities**– The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In

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the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

- vi. **Inventories** – The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

Standards issued but not yet effective

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Appendix C to Ind AS 12

Uncertainty over Income Tax Treatment: The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan Amendment, Curtailment or Settlement:

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind 23 Borrowing Costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company does not expect any effect of this amendment on its financial statements.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 2. Property, plant and equipment

(₹ in lakhs)

	Leasehold Land	Vehicle	Office Equipments	Plant & Machinery	Electrical Equipments	Furniture & Fixture	Computer -Hardware	Total
Gross carrying value								
As at 1 April 2017	37.46	52.26	1,614.86	133.22	1,517.39	2,544.42	688.02	6,587.63
Additions	-	102.84	414.66	43.01	344.44	766.23	335.02	2,006.20
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	37.46	155.10	2,029.52	176.23	1,861.83	3,310.65	1,023.04	8,593.83
Additions	239.31	181.34	1,101.48	401.67	789.39	1,785.62	511.11	5,009.92
Disposals	-	(102.84)	(13.58)	-	-	-	-	(116.42)
As at 31 March 2019	276.77	233.60	3,117.42	577.90	2,651.22	5,096.27	1,534.15	13,487.31
Accumulated depreciation								
As at 1 April 2017	24.55	20.16	209.22	22.65	243.60	654.58	354.06	1,528.82
Charge for the year	4.44	16.79	123.60	9.16	157.60	338.60	170.84	821.03
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	28.99	36.95	332.82	31.81	401.20	993.18	524.90	2,349.85
Charge for the year	17.79	14.41	295.30	28.56	226.90	537.05	276.60	1,396.61
Disposals	-	(18.78)	(6.14)	-	-	-	-	(24.92)
As at 31 March 2019	46.78	32.58	621.98	60.37	628.10	1,530.23	801.50	3,721.54
Net block as at 31 March 2018	8.47	118.15	1,696.70	144.42	1,460.63	2,317.47	498.13	6,243.97
Net block as at 31 March 2019	229.99	201.02	2,495.44	517.53	2,023.12	3,566.04	732.64	9,765.78

Notes:

a. Contractual obligations

Refer note 37(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b. Capitalised borrowing cost

The Company has not capitalised any borrowing costs during the year ended 31 March 2019 and 31 March 2018.

* Refer note 17 for Vehicle loans from financial institutions

2 (ii) Capital work-in-progress

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Capital work-in-progress	-	65.69
	-	65.69

Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at 1 April 2017	-
Add: Additions during the year	65.69
Capital work-in-progress as at 31 March 2018	65.69
Capital work-in-progress as at 1 April 2018	65.69
Less: Capitalisation during the year	(65.69)
Capital work-in-progress as at 31 March 2019	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 4.

(i) Intangible assets

(₹ in lakhs)

Description	Computer software	Total
Gross carrying value		
As at 1 April 2017	111.77	111.77
Additions	6.17	6.17
Disposals	-	-
As at 31 March 2018	117.94	117.94
Additions	241.84	241.84
Disposals	-	-
As at 31 March 2019	359.78	359.78
Accumulated amortization		
As at 1 April 2017	89.02	89.02
Amortisation	19.61	19.61
Disposals	-	-
As at 31 March 2018	108.63	108.63
Amortisation	45.71	45.71
Disposals	-	-
As at 31 March 2019	154.34	154.34
Net block as at 31 March 2018	9.30	9.30
Net block as at 31 March 2019	205.44	205.44

(ii) Intangible assets under development

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Intangible assets under development	411.47	594.88
	411.47	594.88

Particulars	Amount
Intangible assets under development as at 1 April 2017	-
Add: additions during the year	594.88
Less: capitalisation during the year	-
Intangible assets under development as at 31 March 2018	594.88
Add: additions during the year	-
Less: capitalisation during the year	(183.41)
Intangible assets under development as at 31 March 2019	411.47

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 4. Loans

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good (carried at amortised cost)		
Security deposits	483.00	343.74
	483.00	343.74

Refer note 45 for disclosure of fair values in respect of financial assets measured at amortised cost.

The carrying values are considered to be a reasonable approximate of their fair values.

Note 5. Other financial assets

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Fixed deposits having maturity of more than 12 months (held as margin money with banks towards bank guarantees and letter of credits)*	158.36	78.50
	158.36	78.50

*Bank guarantees issued to tax authorities

Note 6. (i) Deferred tax assets (net) [refer note 46(b)]

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Compulsory convertible debentures (CCD) of TPG Wholesale Private Limited	83.36	83.36
Security deposits	-	9.87
Provision for employee benefits	175.36	102.82
Expenses not allowed in Income-tax Act, 1961	-	47.28
Carried forward losses	695.43	181.26
Lease equalisation reserve	171.92	101.39
	1,126.07	525.98
Deferred tax liability arising on account of:		
Property, plant and equipment	25.79	50.72
Security deposits	1.28	-
	27.07	50.72
Net deferred tax assets	1,099.00	475.26

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

(a) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2019 is as follows: (₹ in lakhs)

Description	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / (reversed) in other comprehensive income	Closing Balance
Deferred tax assets/(liabilities) in relation to:				
Compulsory convertible debentures (CCD)	83.36	-	-	83.36
Security deposits	9.87	(11.15)	-	(1.28)
Provision for employee benefits	102.82	69.10	3.44	175.36
Expenses not allowed in Income-tax Act, 1961	47.28	(47.28)	-	-
Carried forward losses	181.26	514.17	-	695.43
Lease equalisation reserve	101.39	70.53	-	171.92
Property, plant and equipment	(50.72)	24.93	-	(25.79)
	475.26	620.31	3.44	1,099.00

(b) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2018 is as follows: (₹ in lakhs)

Description	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / (reversed) in other comprehensive income	Closing Balance
Deferred tax assets/(liabilities) in relation to:				
Compulsory convertible debentures (CCD)	137.05	(53.69)	-	83.36
Security deposits	9.87	-	-	9.87
Provision for employee benefits	69.76	27.05	6.01	102.82
Expenses not allowed in Income-tax Act, 1961	47.28	-	-	47.28
Carried forward losses	1,622.93	(1,441.67)	-	181.26
Lease equalisation reserve	97.72	3.67	-	101.39
Property, plant and equipment	(22.77)	(27.95)	-	(50.72)
	1,961.84	(1,492.59)	6.01	475.26

(ii) Tax expense

(₹ in lakhs)

The income tax expense consists of the following:

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
Current tax expense	76.05	-
Deferred tax expense/ (credit)	(620.31)	1,492.59
Total income tax expense	(544.26)	1,492.59

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

(a) The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.944% and the reported tax expense in profit or loss are as follows: ₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before income tax	4,166.92	4,600.79
Income tax using the Company's domestic tax rate *	34.94%	34.61%
Expected tax expense [A]	1,456.09	1,592.24
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Depreciation u/s 32 of Income-tax Act, 1961	24.96	(53.29)
Provision for lease equalisation reserve	70.53	25.77
Provision for employee benefits	69.09	33.07
Non-deductible expenses/non-taxable income	30.31	115.29
Rental income	-	(75.27)
Brought forward business loss set off	(1,118.21)	(3,095.71)
Others	11.49	(34.69)
Total adjustments [B]	(911.83)	(3,084.83)
Actual tax expense [C=A+B]	544.26	(1,492.59)
* Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	30%	30%
Surcharge (% of tax)	12%	12%
Cess (% of tax)	4%	3%
Applicable rate	34.94%	34.61%

(b) Unused tax losses and credits

(₹ in lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
Business losses brought/carried forward	Year of expiry		
2010-2011 (27 September 2010)	2018-19	-	13,745.01
2012-2013 (28 September 2012)	2020-21	-	851.70
2013-2014 (30 September 2013)	2021-22	-	520.75
		-	15,117.46
Potential tax benefit		-	5,282.65
Short-term gain losses brought/carried forward			
2011-2012 (28 September 2011)		-	1,803.12
		-	1,803.12
Potential tax benefit		-	630.08
Long-term gain losses brought/carried forward			
2012-2013 (28 September 2012)		185.61	185.61
2016-2017		1,127.49	1,127.49
		1,313.10	1,313.10
Potential tax benefit		458.85	458.85
Unabsorbed depreciation brought/carried forward			
2010-2011 (27 September 2010)		1,781.99	3,234.50
2012-2013 (28 September 2012)		292.19	292.19
2013-2014 (30 September 2013)		117.69	117.69
		2,191.87	3,644.38

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 7. Other non-current assets

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Prepaid lease rentals	445.46	351.38
Advance for services (refer note 48)	1,564.20	1,585.39
Advance with service tax department	75.00	75.00
Advance paid against dispute	109.12	109.11
	2,193.78	2,120.88

Note 8. Income tax assets (net)

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provision of tax)	166.50	392.79
	166.50	392.79

Note 9. Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Stock-in-trade	27,064.24	16,019.07
Stores and consumables	43.65	-
	27,107.89	16,019.07

Note 10. Investments - current

Current

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Investments at fair value through statement of profit and loss (FVTPL)		
Mutual funds*	-	8,965.30
	-	8,965.30
Aggregate amount of		
Quoted investments	-	8,965.30

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

*Details of investments are as follows:

(₹ in lakhs)

Particulars*	Units as at 31 March 2019	Amount as at 31 March 2019	Units as at 31 March 2018	Amount as at 31 March 2018
Aditya Birla Sun Life Short Term - Monthly Divided Reinvestment (31 March 2017: Nil; 1 April 2016: Nil)	-	-	60,24,718.56	707.50
Aditya Birla Sun Life Cash Plus - Growth Regular Plan units (31 March 2017: Nil; 1 April 2016: Nil)	-	-	73,412.90	204.26
Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth-Regular Plan (31 March 2017: Nil; 1 April 2016: Nil)	-	-	1,09,959.23	254.09
DHFL Pramerica Low Duration Fund- Growth units (31 March 2017: Nil; 1 April 2016: Nil)	-	-	10,76,690.51	255.47
DHFL Pramerica Short Maturity Fund- Growth units (31 March 2017: Nil; 1 April 2016: Nil)	-	-	15,99,953.92	509.07
DSP BlackRock Liquidity Fund - Regular Plan - Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	10,273.32	254.16
Edelweiss Ultra Short Term Fund - Regular Plan Growth units (31 March 2017: Nil; 1 April 2016: Nil)	-	-	24,612.00	511.00
Franklin India Low Duration Fund - Growth units (31 March 2017: Nil; 1 April 2016: Nil)	-	-	12,82,537.99	256.20
Franklin India Low Duration Fund - Monthly Dividend Reinvestment (31 March 2017: Nil; 1 April 2016: Nil)	-	-	94,79,032.38	1,016.22
Franklin India Ultra Short Bond Fund - Super Institutional Plan (31 March 2017: Nil; 1 April 2016: Nil)	-	-	21,29,381.20	512.18
HDFC Regular Saving Fund- Regular Fund (31 March 2017: Nil; 1 April 2016: Nil)	-	-	14,76,415.74	508.39
HDFC Banking and PSU Debt Fund - Regular Plan- Growth Option (31 March 2017: Nil; 1 April 2016: Nil)	-	-	72,10,897.11	1,013.74
HDFC Liquid Fund - Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	5,984.68	204.11
ICICI P1543-Saving Fund - Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	1,95,875.11	510.08
IDFC Money Manager Fund - Treasury Plan Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	18,82,501.77	508.84
IDFC Ultra Short Term Fund - Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	20,74,964.31	510.97
Kotak Low Duration Fund Standard Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	24,069.38	511.02
Kotak Low Duration Fund Standard Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	240.93	5.12
Reliance Medium term fund Growth Plan- Growth Option (31 March 2017: Nil; 1 April 2016: Nil)	-	-	13,95,930.58	508.68
SBI Premier Liquid Fund - Regular Plan - Growth (31 March 2017: Nil; 1 April 2016: Nil)	-	-	7,519.59	204.20
		-	3,60,84,971.20	8,965.30

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 11. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Cash in hand	369.51	147.60
CMS receivables	0.55	0.20
Balance with banks		
-in current accounts	458.46	329.09
	828.52	476.89

Notes:

- Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the reporting year and prior year.
- The carrying values are a reasonable approximate of their fair values.

Note 12. Other financial assets - current

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Advances recoverable in cash	25.20	25.20
Credit card receivables	78.15	30.64
Others	-	5.68
	103.35	61.52

The carrying values are considered to be a reasonable approximation of fair value.

Refer note 45 for disclosure of fair values in respect of financial assets measured at amortised cost.

Note 13. Other current assets

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	7.03	2.05
Prepaid lease rent	64.20	45.85
Advances recoverable in kind or value to be received	43.53	-
Advance to suppliers	555.51	1,078.33
Balance with statutory authorities	1,989.77	680.43
Others	0.95	37.71
	2,660.99	1,844.37

Note 14. Assets held for sale

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Building and land	1,243.99	1,243.99
	1,243.99	1,243.99

Notes:

(i) Details of assets held for sale :

The Company had entered into an agreement on 13 April 2017, for transfer of commercial property (building and land) in Hubli for a consideration of ₹3,010.00 lakhs . Due to unavoidable circumstances the transfer has been delayed beyond one year that was not originally envisaged. However, the Company is taking necessary action to

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

respond to the current conditions and favourable resolution is expected. Therefore, Company continues disclose such assets as held for sale

(ii) Non-recurring fair value measurements

Asset classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification. This is Level 3 measurement as per fair value hierarchy set out in fair value measurement disclosures (refer note 45).

Note 15. Equity share capital

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Authorised		
40,000,000 equity shares of ₹10 each (31 March 2018 : 40,000,000 equity shares of ₹10 each)	4,000.00	4,000.00
Issued, subscribed and fully paid-up		
34,074,018 equity shares of ₹10 each (31 March 2018: 33,922,684 equity shares of ₹10 each)	3,407.40	3,392.27
	3,407.40	3,392.27

(a) Reconciliation of number of shares

(₹ in lakhs)

	31 March 2019		31 March 2018	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,39,22,684	3,392.27	3,09,22,684	3,092.27
Changes during the year*	1,51,334	15.13	30,00,000	300.00
Equity shares at the end of the year	3,40,74,018	3,407.40	3,39,22,684	3,392.27

(b) Terms/rights attached to equity shares/warrants

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The Board of Directors of the Company has not declared any dividend during the reporting period.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the current year ended 31 March 2019, the Company has made allotment of 151,334 equity shares @ ₹10 per equity share to the eligible employees on exercise of employee stock option scheme.

During the previous year ended 31 March 2018, the Company had made allotment of 2,000,000 equity shares @ ₹380 (including share premium @ ₹10 per equity share) each to India 2020 Fund II, Limited non-promoter on 16 October 2017 and allotment of 1,000,000 equity shares @ ₹75 (including share premium @ ₹10 per equity share) each to Ricon Commodities Private Limited (promoter group) on 16 October 2017 pursuant to conversion of warrants

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 15. Equity share capital (Contd.)

(c) Details of shareholders holding more than 5% shares in the company

	31 March 2019		31 March 2018	
	No of shares	% holding	No of shares	% holding
Unicon Marketing Private Limited	54,44,710	15.98%	54,44,710	16.05%
Ricon Commodities Private Limited	69,40,000	20.37%	69,40,000	20.46%
Mr. Ram Chandra Agarwal	32,07,911	9.41%	-	-
Mr. Akash Agarwal	-	-	24,88,750	7.34%
Bennett, Coleman and Company Limited	18,34,503	5.38%	20,35,065	6.00%
India 2020 Fund II, Limited	22,00,000	6.46%	20,00,000	5.90%
	1,96,27,124		1,89,08,525	

Note 16. Other equity

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Securities premium account		
Opening balance	29,191.45	21,156.45
Change during the year	-	8,035.00
	29,191.45	29,191.45
Capital reserve [refer note (a) below]		
Opening balance	61,043.56	61,043.56
Change during the year	-	-
	61,043.56	61,043.56
Employees' stock option outstanding account		
Opening balance	371.68	41.75
Add: Charge for the year	81.80	329.93
	453.48	371.68
Retained earnings		
Opening balance	(66,603.00)	(69,700.01)
Add: Net profit for the year	2,049.29	3,108.20
Add: Remeasurement benefit of defined benefit plans (net of tax)	(6.42)	(11.19)
	(64,560.13)	(66,603.00)
	26,128.36	24,003.68

(a) The Company restructured its business in the financial year 2010-11 resulting in creation of Capital Reserve amounting to ₹60,523.24 lakhs. The aforementioned reserve has been reconciled except for ₹365.36 lakhs which the Company is in the process of reconciling. However, the management believes that there is no impact of same on Statement of Profit and Loss.

Nature and purpose of other reserves

Securities premium

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve:

This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of amalgamation done in prior years. This reserve is not available for the distribution to the shareholders.

Employees' stock options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 17. Non-current borrowings

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Term loan		
Secured		
Vehicle loans from financial institutions	145.00	-
	145.00	-
Less: Current maturities of long-term borrowings (refer note 23)	44.07	-
	100.93	-

Notes:

Vehicle loan from Volkswagen Finance Private Limited amounting to ₹145.00 lakhs (31 March 2018: Nil) carries an interest @ 9.26% per annum repayable in thirty six equal monthly instalments ending in March 2022. The loan is secured against hypothecation of vehicle.

Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

Note 18. Other non-current financial liabilities

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Security deposits*	11.04	8.50
	11.04	8.50

* The above amount includes security deposits received from shop-in-shop vendors.

Note 19. Provisions

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits		
Provision for gratuity	91.25	70.01
Provision for compensated absences	74.32	51.94
	165.57	121.95

For disclosures on Gratuity and Other post employment benefit obligation, refer note 41.

Note 20. Other non-current liabilities

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Lease equalisation reserve	446.41	208.21
	446.41	208.21

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 21. Short-term borrowings

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Unsecured		
Inter-corporate deposits from related parties repayable on demand (refer note a below)	931.20	-
	931.20	-

a. Unsecured inter corporate deposits from related parties amounting to ₹931.20 lakhs (31 March 2018: Nil) carries interest @ 9.5% per annum and is repayable on demand.

b. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

(₹ in lakhs)

	Equity share capital	Non-current borrowings	Current borrowings	Total
Balance as at 1 April 2018				
Cash flows:	3,392.27	-	-	3,392.27
Proceeds from borrowings				
Repayment of borrowings	-	145.00	2,448.20	2,593.20
Interest paid	-	-	(1,517.00)	(1,517.00)
Proceeds for issuance of share capital	-	-	(12.95)	(12.95)
Balance as at 31 March 2019	3,407.40	145.00	918.25	4,470.65

Note 22. Trade payables

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Dues to		
-micro enterprises and small enterprises	342.42	156.95
-due to others	13,596.06	9,874.99
	13,938.48	10,031.94

Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount remaining unpaid	342.42	156.95
Interest accrued and remaining unpaid as at year end	4.74	2.94
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	-
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	7.69	2.94
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 23. Other financial liabilities- Current

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Current		
Current maturities of long-term borrowings (refer note 17)	44.07	-
Interest accrued but not due on borrowings	53.04	-
Sundry creditors for fixed assets	95.20	268.20
Others	-	8.97
	192.31	277.17

Note 24. Provisions

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Current		
Provision for gratuity		
Provision for compensated absences	45.47	37.92
Provision for compensated absences*	54.63	27.67
	100.10	65.59

For disclosures on Gratuity and Other post employment benefit obligation, refer note 41

Note 25. Other current liabilities

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Statutory liabilities	146.09	171.07
Advance from customers	4.59	-
Lease equalisation reserve	45.59	40.77
	196.27	211.84

Note 26. Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Operating revenue		
Traded goods*	74,637.70	55,768.57
Other operating revenue		
Scrap sales	104.15	80.45
Display income	100.09	91.34
	74,841.94	55,940.36
*Details of sale of traded goods		
Apparels	69,697.68	53,901.07
Non-apparels	4,940.02	1,867.50
	74,637.70	55,768.57
Detail of Operating revenue by Geographical locations		
In India	74,637.70	55,768.57
Outside India	-	-
Total	74,637.70	55,768.57

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 27. Other income

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Interest from:		
Other financial assets carried at amortised cost	96.94	30.44
Bank deposits	6.74	83.69
Income tax refund	213.78	-
Other income		
Gain on investments carried at fair value through profit or loss (net)	29.92	160.30
Gain on sale of investments (net)	68.44	22.42
Net gain on sale of compulsory convertible debentures*	459.70	-
Gain on sale of assets (net)	54.45	-
Miscellaneous income	59.11	28.70
	989.08	325.55

*Amount represents consideration received towards sale of Compulsory Convertible debentures as part of settlement with bankers.

Note 28. Purchase of stock-in-trade

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of stock-in-trade (refer note below)	61,675.99	42,460.50
	61,675.99	42,460.50
a. Details of purchase of stock-in-trade		
Apparels	55,983.45	39,949.45
Non-Apparels	5,692.54	2,511.05
	61,675.99	42,460.50

Note 29. Changes in inventories of stock-in-trade

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Traded goods		
Closing stock (refer note below)	27,064.25	16,019.07
Opening stock	16,019.07	11,461.53
	(11,045.18)	(4,557.54)
a. Details of closing stock		
Apparels	23,565.64	15,002.58
Non-Apparels	3,498.61	1,016.49
	27,064.25	16,019.07

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 30. Employee benefit expense

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	6,586.11	4,006.30
Post-employment and other long-term benefits expense (refer note 41)	38.73	46.72
Contribution to provident and other funds	388.95	286.04
Staff welfare	386.59	177.05
Share based payments to employees (refer note 42)	81.80	329.92
	7,482.18	4,846.03

Note 31. Finance cost

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Interest on:		
Term loans	1.01	-
Unsecured loans	64.98	55.85
Working capital loans	-	1.64
	65.99	57.49

Note 32. Depreciation & amortization expense

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	1,396.61	821.03
Amortization of intangible assets	45.71	19.61
	1,442.32	840.64

Note 33. Other expenses

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Power, fuel and electricity	2,094.52	1,282.52
Repair and maintenance		
- Building	36.73	50.21
- Plant and machinery	8.66	0.61
- Others	240.09	202.15
Rent (refer note 39)	4,730.85	2,881.28
Insurance charges	29.71	22.49
Rates and taxes	40.25	72.61
Bank charges	116.70	100.46
Legal and professional	215.43	221.75
Motor vehicle expenses	8.02	6.90
Printing and stationery	88.84	76.47

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 33. Other expenses (Contd.)

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Packing materials & expenses	730.93	607.16
Security service charges	314.75	176.93
Housekeeping expenses	199.67	92.75
Telephone expenses	66.63	50.72
Traveling and conveyance	289.54	213.06
Postage and telephones	6.96	7.53
Payment to auditors (refer note a below)	25.67	22.37
Director's sitting fees	3.84	3.47
Credit cards charges	126.87	106.62
Advertisement & sales promotion	1,059.86	917.82
Commission charges	11.66	0.59
Transportation charges	1,552.81	883.02
Miscellaneous expenses	43.81	18.50
	12,042.80	8,018.00
a. Auditors' remuneration		
Statutory audit (including fees for limited reviews)	24.15	21.65
Out of pocket expenses	1.52	0.72
	25.67	22.37

Note 34. Exceptional items

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Liability towards the right to recompense (refer note 40)	2,661.89	-
	2,661.89	-

Note 35. Details of expenditure incurred in relation to CSR activities during the year

For recognition, measurement, presentation and disclosure of expenditure on activities related to CSR activities, the company has adopted the prescribed under Guidance note on "Accounting for expenditure on CSR activities" issued by ICAI on 15 May 2015. The said guidance note clearly states that no provision for the amount which is not spent for the purpose of CSR (i) in case there is shortfall in spending on CSR activities below the prescribed threshold) is required to be made in the books of accounts (except where the company has incurred a contractual liability in such regard)

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Average net profit of the Company for last three financial years	3,524.23	2,878.32
Prescribed CSR expenditure	70.48	57.57
Details of CSR spent during the financial year:		
Total amount to be spent for the financial year	70.48	57.57
Amount unspent, if any	70.48	57.57

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 36. Earnings per share

	Year ended 31 March 2019	Year ended 31 March 2018
Profit attributable to equity shareholders before exceptional items (A) (₹ in lakhs)	2,049.29	3,108.20
Nominal value per share (₹)	10.00	10.00
Weighted-average number of ordinary shares (basic)		
Numbers of weighted average equity share outstanding at the opening	3,39,22,684	3,09,22,684
Issued ordinary shares	1,38,481	13,72,603
Weighted average number of equity shares outstanding during the year (B)	3,40,61,165	3,22,95,287

Weighted-average number of ordinary shares (diluted)

Category	Grant date	No. of Options	
		31 March 2019	31 March 2018
A	7 January 2017	-	1,51,334
B	24 October 2017	37,400	54,671
C	24 October 2017	1,689	5,660
D	2 May 2018	7,926	24,527
E	2 May 2018	10,457	-
G	2 May 2018	41,157	-
Total ESOP's granted		98,629	2,36,192.42

Category	No. of Options	
	31 March 2019	31 March 2018
Average price of the share (₹)	346.93	364.07
Face Value (₹)	10	10
Exercise price (₹)	10	10
Diluted shares (nos.)	2,843	6,487
Weighted average number of equity shares adjusted for the effect of dilution (C)	3,40,64,008	3,23,01,774
Basic EPS (Amount in ₹) (A/B)	6.02	9.62
Diluted EPS (Amount in ₹) (A/C)	6.02	9.62

*Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to equity shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential equity shares.

Note 37. Contingencies and commitments

(₹ in lakhs)

	31 March 2019	31 March 2018
(A) Contingent liabilities		
Claims against the Company not acknowledged as debt [refer note (i) below]	2,087.01	2,025.37
Dispute under sales tax law (matters under appeal) [refer note (ii) below]	2,774.48	2,774.48
Dispute under service tax law (matters under appeal) [refer note (iii) below]	302.08	302.08
Possible exposure in respect of Provident fund contribution [refer note (v) below]	-	-

- (i) The Company has certain cases/disputes aggregating to ₹2,087.01 lakhs (31 March 2018 ₹2,025.37 lakhs) involving customers, vendors and ex-employees. Whilst the impact of these litigations on these financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial statements.
- (ii) The Company has certain litigations related to Sales tax and Values added tax (VAT) pending under Rajasthan Value Added Tax Act, 2003 aggregating to ₹492.83 lakhs (31 March 2018 ₹492.83 lakhs), West Bengal Value Added Tax Act, 2003 aggregating to ₹2,250 lakhs (31 March 2018 ₹2,250 lakhs), The Assam Value Added Tax Act, 2003 aggregating to ₹7.2 lakhs (31 March 2018 ₹7.2 lakhs) and The Uttar Pradesh Value Added Tax Act, 2008 aggregating to ₹24.45 lakhs (31 March 2018 ₹24.45 lakhs). Whilst the impact of these litigations on these financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial statements.
- (iii) The Company has pending litigation related to service tax under Finance Act, 1994 amounting to ₹302.08 lakhs (31 March 2018 ₹302.08 lakhs). Whilst the impact of these litigations on these financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial statements.
- (iv) Out of contingent liabilities existing as at 31 March 2019 as disclosed above, certain cases amounting to ₹2,512.37 lakhs (31 March 2018 ₹2,542.65 lakhs) comprising of claims against the Company not acknowledged as debt of ₹1,995.09 lakhs (31 March 2018 ₹2,025.37 lakhs) and Value added tax related disputes aggregating ₹517.28 lakhs (31 March 2018 ₹517.28 lakhs) [(included in point (i) and (ii) above) are under appeal with different authorities at different levels for which the management does not have necessary details and information. Whilst the impact of these contingent liabilities on the financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in the financial statements.
- (v) Honourable Supreme Court of India in ruling dated 28 February 2019 held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. As this ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating its impact.

(₹ in lakhs)

	31 March 2019	31 March 2018
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance on tangible assets	270.00	3,149.96

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 38. Segment information

In accordance with Ind AS 108, the Board of directors, being the Chief operating decision maker of the Company, has determined that the Company is engaged in the business of retail trade of garments, textiles and accessories in India and there are no separate reportable segments as per Ind AS 108. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement. The Company's operations are such that all activities are confined only to India and here are no customers accounting for more than 10% of its revenue.

Note 39. Leases

Company as lessee:

Operating Lease:

The Company has taken premises for showroom for 12 to 15 years lease/license period with lock in period of one to three year. The escalation clause is variable per between 12% to 15% after every three years and the company generally takes three month rent free time from the date of possession given by the lessor. There are no restrictions imposed on the Company under the lease arrangement.

The total of minimum future lease payments under non-cancellable operating lease is as under: (₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Lease payments for the year recognised in the Statement of Profit and Loss	4,730.85	2,881.28
Minimum lease payments:		
Not later than one year	5,250.72	2,746.36
Later than one year but not later than five years	18,953.64	9,979.97
Later than five years	19,454.90	7,158.39

Note 40. Exceptional item (liability towards the right to recompense)

Exceptional items amounting to ₹2,661.89 lakhs for the year ended 31 March 2019 represents, one time settlement amount which the Company has paid to the lenders for relinquishing their Right of Recompense (ROR) for the sacrifices made by them in Financial year 2010-2011 under the Corporate Debt Restructuring (CDR) package vide Master Restructuring Agreement (MRA) entered into in November, 2010.

Note 41. Gratuity and other post employment benefit plans

(₹ in lakhs)

Particulars	31 March 2019		31 March 2018	
	Current	Non-current	Current	Non-current
Gratuity	45.47	91.25	37.92	70.01
Total	45.47	91.25	37.92	70.01

A Gratuity

The Company operates gratuity plan where in every employee is entitled to benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the Gratuity plan:

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

(i) Amount recognised in the statement of profit and loss is as under: (₹ in lakhs)

Description	31 March 2019	31 March 2018
Current service cost	31.35	25.01
Interest cost	7.38	4.51
Amount recognised in the statement of profit and loss	38.73	29.52

(ii) Changes in the present value of the defined benefit obligation are as follows : (₹ in lakhs)

Description	31 March 2019	31 March 2018
Present value of defined benefit obligation as at the start of the year	107.94	69.35
Current service cost	31.35	25.01
Interest cost	7.38	4.51
Actuarial loss/(gain) recognised during the year	9.86	17.20
Benefits paid	(19.80)	(8.13)
Present value of defined benefit obligation as at the end of the year	136.73	107.94

(iii) Amount recognised in Other comprehensive income is as under: (₹ in lakhs)

Description	31 March 2019	31 March 2018
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	0.83	(0.69)
Actuarial (gain)/loss on arising from experience adjustment	9.03	17.88
Total actuarial (gain)/loss	9.86	17.19

(iv) The principal assumptions used in determining gratuity benefit obligations for the Company are shown below

Description	31 March 2019	31 March 2018
Discount rate	6.52%	6.84%
Retirement age	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Attrition at ages:		
- Upto 30 years	50.00%	50.00%
- From 31 to 44 years	50.00%	50.00%
- Above 44 years	50.00%	50.00%
Rate of increase in compensation	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Sensitivity analysis for gratuity liability (₹ in lakhs)

Description	31 March 2019	31 March 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	136.73	107.94
- Impact due to increase of 0.50 %	(1.38)	(1.04)
- Impact due to decrease of 0.50 %	1.41	1.07
Impact of the change in salary increase		
Present value of obligation at the end of the year	136.73	107.94
- Impact due to increase of 0.50 %	1.35	1.03
- Impact due to decrease of 0.50 %	(1.34)	(1.02)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Expected contribution

(₹ in lakhs)

Description	31 March 2019	31 March 2018
Expected contribution to Gratuity in next year	39,32,751	31,62,507
	39,32,751	31,62,507

(vi) Maturity profile of defined benefit obligation (undiscounted) (₹ in lakhs)

Description	31 March 2019	31 March 2018
Within next 12 months	45.47	37.92
Between 2-5 years	62.09	56.09
Beyond 5 years	29.16	13.92

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increase considered takes into account the inflations, seniority, promotion and other relevant factors on long term basis.
- The weighted average duration to the payment of these cash flows is 1.41 years (31 March 2018: 1.40 years).

B Defined contribution scheme

The Company's state governed provident fund scheme, employee state insurance scheme and labour welfare fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the statement of profit and loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds. The amount of contribution made by the Company to employees' provident fund is ₹242.05 lakhs (31 March 2018: ₹198.19 lakhs)

C Other long term employee benefits

Long term compensated absences

	31 March 2019	31 March 2018
(i) Principal assumptions for long term compensated absences		
Discount rate	6.52%	6.84%
Retirement age	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Attrition at ages:		
- Upto 30 years	50.00%	50.00%
- From 31 to 44 years	50.00%	50.00%
- Above 44 years	50.00%	50.00%
Rate of increase in compensation	10.00%	10.00%
(ii) Provision movement		
Opening balance	79.61	48.34
Addition during the year	85.81	45.66
Utilisation/reversal during the year	(36.46)	(14.39)
Closing provision	128.96	79.61

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 42. Share based payment

During the year ended 31 March 2019, the Company has granted 245,590 (net of ESOP lapsed during the year) employee stock options ("ESOP") as per scheme approved by "Nomination and Remuneration Committee", at an exercise price of ₹10 per option. Further, out of 227,709 ESOP outstanding as at the beginning of the year, the Company has forfeited 223,335 ESOP & Company has issued 151,334 ESOP and exercised the Option. Total outstanding ESOP at the year ended 31 March 2019 are 98,630. The vesting period of the ESOP is ranging from 15 months to 36 months. The granted options can be exercised after vesting at any time before the expiry of 3 months from vesting date. An amount of ₹81.80 lakhs has been recorded for the year ended 31 March 2019 as employee benefits expense, as the proportionate cost of ESOP granted.

The Company provides share-based payment scheme to its employees. During the year ended 31 March 2017, an Employee Stock Option Plan was introduced. The relevant details of the scheme and the grant as below, In the Annual General Meeting held on 30 September 2016, the Board of Directors ("Board") has approved the V2 R-Employee Stock Option Scheme 2016 ('ESOP 2016') and grant of options to the eligible employee of the company under the Scheme. The Details of the scheme are as below:

(a) Employee stock option scheme

Particulars	Tranche -I SAR	Tranche-II SAR	Tranche-III SAR	Tranche-IV SAR
No. of Options	1,51,334	50,779	5,660	19,936
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Date	7 April 2018	6 January 2020	6 January 2020	23 October 2020
Exercise Period On initiation of exercise period	6 July 2018	5 April 2020	5 April 2020	22 January 2021
Grant Date	7 January 2017	7 January 2017	17 April 2017	24 October 2017
Exercise price per share (₹)	10	10	10	10
Market price on the date of granting of option (₹)	121.85	121.85	183.4	521.1
Method of settlement	Cash	Cash	Cash	Cash

(b) Movement of Option Granted

Particulars	31 March 2019		31 March 2018	
	Number of options	Weighted average price (₹)	Number of options	Weighted average price (₹)
Options Outstanding at the beginning of the year	2,27,709	262.71	2,46,763	238
Granted during the year (net of lapsed)	2,45,590	415.35	25,596	459.85
Exercised during the year	1,51,334	237.74	-	-
Forfeited during the year	2,23,335	415.35	44,650	237.74
Options outstanding during the year	98,630	352.76	2,27,709	262.71
Options unvested at the end of the year	-	-	-	-
Option exercisable at the end of the year	-	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

c) Fair Valuation:

The fair valuation of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumption and fair value are as under:

Particulars	Tranche-I	Tranche-II	Tranche -III	Tranche -IV
Risk free Interest Rate (%)	6.25	6.25	6.25	6.00
Life (Years)	0.51	2.26	2.26	3.06
Expected Volatility (%)*	43.61	57.35	57.35	60.44
Expected Dividend Yield (%)	-	-	-	-
Weighted average Fair Value Per Option (₹)	237.74	237.74	459.57	459.93

Expected volatility of the Company's stock price is based on the Company's comparable peer Company's stock price on NSE based on the price data of the last three years upto the data of grant as the Company has been listed only for a few months prior to the date of grants.

Note 43. New standard adopted - Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on 1 April 2018 using modified retrospective approach with a cumulative catch-up adjustment made in retained earnings at the beginning of the current financial year, i.e., 1 April 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at 1 April 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any adjustments to the Company's revenue or net income.

Assets and liabilities related to contracts with customers*

(₹ in lakhs)

Description	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	4.59	-	-

*The Company does not have any significant impact of the Ind AS 115 on its financial statements on transition date.

Significant changes in contract assets and liabilities

There has been no significant changes in contact assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Disaggregation of revenue

Revenue arises mainly from the sale of traded goods:

(₹ in lakhs)

Description	Sale of goods
(A) Sale of goods	
Revenue from sale of goods	74,637.70
(B) Other ancillary revenue	
Scrap sales	104.15
Display income	100.09
	74,841.94

Note 44. Related party disclosures

(a) Directors

Mr. Ram Chandra Agarwal (Chairman and Managing Director)
 Mrs. Uma Agarwal (Director)
 Mr. Akash Agarwal (Director)
 Mr. Jitender Yadav (Non-executive director)
 Mr. Lalan Yadav (Non-executive director)
 Mrs. Rochelle Susanna Dsouza [w.e.f. 28 November 2018]
 Mr. Siya Ram (Non-executive director)
 Mr. Ravinder Kumar Sharma (Non-executive director)

(b) Key managerial personnel

Mr. Manshu Tandon (Chief Executive Officer) [from 16 October 2017 till 20 March 2019]
 Mr. Umesh Kumar (Company Secretary and Compliance Officer)
 Mr. Vipin Kaushik (Chief Financial Officer) [w.e.f 10 May 2017]
 Mr. Varun Kumar Singh (Chief Financial Officer) [till 23 May 2017]

(c) Companies in which Directors and Key Management Personnel or their relatives have control or significant influence

Unicon Marketing Private Limited
 Ricon Commodities Private Limited
 V2 Conglomerate Private Limited
 Vishal Water World Private Limited

(d) Summary of transactions with related parties:

(₹ in lakhs)

S. No.	Particulars	31 March 2019	31 March 2018
1	Loans accepted		
	Ricon Commodities Private Limited	155.00	-
	Vishal Water World Private Limited	255.00	386.00
	V2 Conglomerate Limited	2,038.20	1,213.50
2	Loans repaid		
	Ricon Commodities Private Limited	155.00	-
	Vishal Water World Private Limited	255.00	386.00
	V2 Conglomerate Limited	1,107.00	1,213.50

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 44. Related party disclosures (Contd.)

(₹ in lakhs)

S. No.	Particulars	31 March 2019	31 March 2018
3	Interest expense on loans taken		
	Vishal Water World Private Limited	2.53	3.31
	V2 Conglomerate Limited	52.03	4.80
	Ricon Commodities Private Limited	3.92	-
4	Remuneration		
	Mr. Ram Chandra Agarwal	60.00	60.00
	Mrs. Uma Agarwal	60.00	60.00
	Mr. Akash Agarwal	36.00	27.75
	Mr. Manshu Tandon	71.22	37.29
	Mr. Varun Kumar Singh	-	1.71
	Mr. Vipin Kaushik*	24.18	23.33
	Mr. Umesh Kumar*	17.30	18.70
5	Expenses incurred during the year		
	Vishal Water World Private Limited	1.83	-
6	Sales of property, plant and equipment during the year		
	Vishal Water World Private Limited	13.99	-
	Sales of Traded goods during the year		
	Vishal Water World Private Limited	4.04	-
7	Purchase of property, plant and equipment during the year		
	Vishal Water World Private Limited	16.20	-
8	Sitting fees#		
	Mr. Jitender Yadav	0.96	0.48
	Mr. Lalan Yadav	0.96	0.92
	Mr. Ravinder Kumar Sharma	0.96	0.92
	Mr. Rohit Singh Rautela	-	0.28
	Mr. Siya Ram	0.96	0.80
9	Balance outstanding as at the year end:		
	Loan payable		
	V2 Conglomerate Limited	931.20	-
	Interest payable		
	V2 Conglomerate Limited	52.03	-
10	Maximum amount outstanding at any time during the year:		
	Ricon Commodities Private Limited	155.00	
	Vishal Water World Private Limited	255.00	386.00
	V2 Conglomerate Limited	1,119.20	1,213.50

*including ESOP

#inclusive of Taxes

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 45. Fair value disclosures

i) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2019			31 March 2018		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets measured at fair value						
Investments measured at fair value through profit and loss	-	-	-	-	8,965.30	-
Financial assets measured at amortised cost						
Security deposits	-	-	483.00	-	-	343.74
Cash and cash equivalents	-	-	828.52	-	-	476.89
Other financial assets	-	-	261.71	-	-	140.02
Total	-	-	1,573.23	-	8,965.30	960.65
Financial liabilities measured at amortised cost						
Borrowings	-	-	1,032.12	-	-	-
Trade payable	-	-	13,938.47	-	-	10,031.94
Other financial liabilities	-	-	203.35	-	-	285.67
Total	-	-	15,173.94	-	-	10,317.61

ii) Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into two categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakhs)

31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Investments at FVTPL					
Mutual funds	10	-	-	-	-
Total financial assets		-	-	-	-
31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Investments at FVTPL					
Mutual funds	10	-	8,965.30	-	8,965.30
Total financial assets	10	-	8,965.30	-	8,965.30

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 45. Fair value disclosures (Contd.)

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

(₹ in lakhs)

Particulars	31 March 2019		31 March 2018	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Security deposits	483.00	580.59	343.74	419.66
	483.00	580.59	343.74	419.66
Liabilities				
Borrowings	1,032.12	1,032.12	-	-
	1,032.12	1,032.12	-	-

The management assessed that fair values of cash and cash equivalents, trade payables, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

Note 46(a). Financial risk management

i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Recognised variable rate financial liabilities denominated in Indian rupee (INR)	Cash flow forecasting	Company is in the process of reducing the debt component to reduce the interest rate risk
Market risk - security price	Investments in mutual funds	Sensitivity analysis	Company presently make investments in high rated mutual funds

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 46. Financial risk management (Contd.)

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk:

(₹ in lakhs)

Credit rating	Particulars	31 March 2019	31 March 2018
A: Low	Loans	483.00	343.74
	Other financial assets	261.71	140.02
	Cash and cash equivalents	828.52	476.89

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in lakhs)

31 March 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	975.27	100.93	-	1,076.20
Trade payable	13,938.48	-	-	13,938.48
Other financial liabilities	148.24	11.04	-	159.28
Total	15,061.99	111.97	-	15,173.96

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 46. Financial risk management (Contd.)

31 March 2018	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	-	-	-	-
Trade payable	10,031.94	-	-	10,031.94
Other financial liabilities	277.17	8.50	-	285.67
Total	10,309.11	8.50	-	10,317.61

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk: : (₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	-	-
Fixed rate borrowing	1,129.23	-
Total borrowings	1,129.23	-

Sensitivity

The Company does not have any variable rate borrowings and hence no effect of sensitivity in the statement for profit and loss.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b) Price risk

Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the year:

Impact on profit before tax

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Mutual funds	-	8,965.30
Net assets value – increase by 100 bps (100bps)	-	89.65
Net assets value – decrease by 100 bps (100bps)	-	89.65

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019

Note 46. Financial risk management (Contd.)

46(b) The Company has recognised deferred tax assets arising from unabsorbed depreciation and business losses to the extent there is reasonable certainty the Company would be able to realise the deferred tax assets against future taxable income.

Note 47: Capital management

The Company's capital management objectives are

- to safeguard their ability to continue as a going concern
- to maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio at 31 March 2019 and 31 March 2018 are as follows. (₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Total borrowings	1,076.20	-
Less: cash and cash equivalents	828.52	476.89
Net debt	247.68	(476.89)
Total equity	29,535.76	27,395.95
Adjusted net debt to adjusted equity ratio	0.84%	-1.74%

Note 48. Advertising advance to Bennett, Coleman and Company Limited (BCCL)

As on 31 March 2019, the Company has paid an advance of ₹1,564.20 lakhs to BCCL against Advertisement contract entered by the Company with the BCCL. The above advance would be adjusted against advertisement expense to be incurred by the Company in future. The Advertisement contract is effective till July 2020. The Company is currently evaluating various advertisement opportunities to utilize the above advance within the contractual period.

Note 49. No adjusting or significant non-adjusting events have occurred between the 31 March reporting date and the date of authorisation.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504822

Place: New Delhi
Date: 10 May 2019

For and on behalf of the Board of Directors of
V2 Retail Limited

Ram Chandra Agarwal
Chairman & Managing Director
DIN 00491885

Vipin Kaushik
Chief Executive Officer

Place: New Delhi
Date: 10 May 2019

Uma Agarwal
Director
DIN 00495945

Umesh Kumar
Company Secretary

Place: New Delhi
Date: 10 May 2019

V2 RETAIL LIMITED

Regd. Office: Khasra No. 928, Extended Lal Dora Abadi, Village Kapashera,
Tehsil VasantVihar New Delhi, South West Delhi – 110037, Phone: 011-41771850
E-mail: cs@vrl.net.in, Website: www.v2retail.com
CIN - L74999DL2001PLC147724

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING.

DP ID – Client ID* / Folio No.:	
Name of Member:	
Name of Proxy holder:	
No. of Share(s) held:	

I hereby record my presence at the **18th ANNUAL GENERAL MEETING** of V2 Retail Limited held on Saturday, September 7, 2019 at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi-110038

.....
Signature of Shareholder / Proxy

Notes:

1. Members / Proxy-holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
2. Members are requested to bring their copy of Annual Report for reference at the Meeting.

*Applicable for investors holding shares in electronic form.



Proxy Form

Form MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

V2 RETAIL LIMITED

Regd. Office: Khasra No. 928, Extended Lal Dora Abadi, Village Kapashera, Tehsil VasantVihar, New Delhi, South West Delhi – 110037, Phone: 011-41771850

E-mail: cs@vrl.net.in, Website: www.v2retail.com

CIN - L74999DL2001PLC147724

18th Annual General Meeting on Saturday, September 7, 2019 at 10.00 A.M

Name of the member(s): Registered Address:	E-mail Id: DP Id - Client Id*/ Folio No
---	--

I/We, being the member(s) of..... shares of V2 Retail Limited, hereby appoint:

- 1) Name:..... Address:.....
E-mail id: Signature:.....
or failing him
- 2) Name:..... Address:.....
E-mail id: Signature:.....
or failing him
- 3) Name:..... Address:.....
E-mail id: Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on **Saturday, September 7, 2019** at 10.00 a.m. at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi-110038 and any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

S. No.	Resolutions	For	Against
1.	Adoption of Audited Financial Statements along with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2019		
2.	To appoint a director in place of Mr. Akash Agarwal (DIN: 03194632), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.		
3.	Alteration of Article of Association of Company		
4.	Appointment of Ms Rochelle Susanna Dsouza as Nominee Director of the company		
5.	Appointment of Mr. Harbir Singh Sidhu as Independent Director of the company		

* Applicable for investors holding shares in electronic form.



Signed this.....day of, 2019

.....
Signature of Shareholder



Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTES:

1. This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person of shareholder.
4. ** This is only optional. Please put a `X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Corporate Information

Chairman & Managing Director

Mr. Ram Chandra Agarwal

Chief Executive Officer

Mr. Akash Agarwal*

Chief Financial Officer

Mr. Vipin Kaushik**

Company Secretary & Compliance Officer

Mr. Umesh Kumar

Directors

Mrs. Uma Agarwal
(Whole Time Director)

Mr. Akash Agarwal
(Whole Time Director)

Mr. Lalan Yadav
(Independent Director)

Mr. Ravinder Kumar Sharma#
(Independent Director)

Mr. Siya Ram
(Independent Director)

Mr. Jitender
(Independent Director)

Ms. Rochelle Susana D'Souza
(Nominee Director)

Mr. Harbir Singh Sidhu*
(Independent Director)

Board Committees

Audit Committee

Mr. Lalan Yadav, Chairman
Mr. Siya Ram
Mr. Ram Chandra Agarwal
Mr. Ravinder Kumar Sharma#
Mr. Harbir Singh Sidhu*

Nomination and Remuneration Committee

Mr. Jitender, Chairman
Mr. Lalan Yadav
Mr. Siya Ram
Mr. Ravinder Kumar Sharma#

Stakeholders Relationship Committee

Mr. Jitender, Chairman
Mr. Lalan Yadav
Mrs. Uma Agarwal
Mr. Siya Ram
Mr. Ravinder Kumar Sharma#

Corporate Social Responsibility Committee

Mr. Siya Ram, Chairman
Mr. Ram Chandra Agarwal
Mr. Lalan Yadav
Mr. Ravinder Kumar Sharma#

Statutory Auditors

Walker Chandiook & Co LLP
Chartered Accountants

Registrar & Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
Tel : +91 22 49186000 Fax: +91 22 49186060
Email: delhi@linkintime.co.in

Registered & Corporate Office

Khasra No. 928, Extended Lal Dora Abadi,
Village - Kapashera, Tehsil -Vasant Vihar,
New Delhi 110 037
Tel : +91 11 41771850
E-mail: cs@vrl.net.in

Warehouse / Distribution Centre

Village Mubarikpur, Farrukh Nagar,
Gurgaon-122506

Website: www.v2retail.com

CIN: L74999DL2001PLC147724

*w.e.f. 30 April, 2019, **Resigned w.e.f. 15 July, 2019, #Retired w.e.f. 13 April, 2019



Registered & Corporate Office

Khasra No. 928, Extended Lal Dora Abadi,
Village - Kapashera, Tehsil -Vasant Vihar,
New Delhi 110 037
Tel : +91 11 41771850
E-mail: cs@vrl.net.in