



Date: 08<sup>th</sup> July 2019

PRICE "LESS" FASHION

Ref. No. : CS/S/L-351/ 2019-20

To,

To: The Listing Department <b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> "Exchange Plaza" Bandra-Kurla Complex Bandra (E), Mumbai-400 051 <b>Scrip Code: VMART</b> Fax: 022-26598120 Email: <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a>	To: The Corporate Relationship Department <b>THE BSE LTD</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 <b>Scrip code: 534976</b> Fax: 022-22723121 Email: <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a>
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**Sub: Annual Report for the Financial Year 2018-19**


Dear Sir/Madam,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2018-19 which inter alia includes notice of 17<sup>th</sup> Annual General Meeting scheduled to be held on Friday, August 2, 2019 at 9:30 a.m. at India Islamic Cultural Center, 87-88 Lodhi Road, Near Lodhi Gardens, New Delhi-110003. The same will be made available on the Company's website, at [www.vmart.co.in](http://www.vmart.co.in).

We request you to kindly take the same on record.

Thanking you,

For V-Mart Retail Limited

  
**Megha Tandon**  
Company Secretary  
(Encl.- as above)

**V-MART RETAIL LTD.**

CIN- L51909DL2002PLC163727

Corporate Office : Plot No. 862, Udyog Vihar, Industrial Area Phase V, Gurgaon - 122 016 (Haryana)



annual report | 2018-19

DELIVERING  
VALUE FASHION.  
WHERE INDIA  
MEETS 'BHARAT'.

## The inside story

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To view this report online, please visit:  
[www.vmart.co.in](http://www.vmart.co.in)

#### Cautionary Statement

The statements made in this report describe the Company's objectives, projections, expectations and estimations, which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. The future results can differ materially from those expressed or implied, depending on the economic and climatic conditions, Government policies, and other incidental factors which are beyond the control of the Company. This report does not constitute a prospectus or placement memorandum or an offer to acquire any securities" after the word Company.

WITH A RAPIDLY GROWING RETAIL FOOTPRINT, THAT SPANS 17 STATES AND 170 TOWNS REPRESENTING A MOSAIC OF CULTURES, V-MART IS A CONSTANT COMPANION OF MILLIONS OF ASPIRATIONAL FAMILIES IN THEIR OCCASIONS OF CELEBRATION AND JOY.



Led by a unique focus on locations where the urban and rural India meet, and are united by the common aspiration to look good and dress fashionably, V-Mart delivers affordable fashion to the aspiring class in Tier II, III and IV towns.

Underlying this V-Mart value proposition is a strong ethos of diversity that is called India, aimed at bringing smiles through a diversified and exciting portfolio of latest value fashion delivered to the aspiring consumer in small towns. By consistently delivering on its promise, the Company has earned the trust of consumers, more than 35 million of whom visited V-Mart stores this year.

The commitment to deliver unmatched value to customers, and create sustained value for all stakeholders, remains at the heart of V-Mart's business philosophy. It is what drives V-Mart to be the most preferred one-stop family fashion destination.

DELIVERING  
VALUE FASHION.  
WHERE INDIA  
MEETS 'BHARAT'.



# CHAIRMAN'S OVERVIEW

The Indian retail industry growth story continues to evolve, best exemplified in a fascinating mix of retail formats. Those with mass appeal, many with niche positioning, and yet others that are creating new, previously undiscovered market segments. With aspirational consumption, especially among the youth and young families, reaching new highs, fashion retailing is on an unprecedented growth trajectory. This is even more evident in smaller towns, the confluence of India and Bharat, where the aspiring class has an unmet need for value fashion, designed to satiate their desire for fashionable apparel while giving them value for money

## Well-equipped to harness opportunity

Broader demographic and socio-economic shifts in the consumer landscape, rising penetration of the Internet and social media, and the enabling GST structure have all been catalysts in driving the growth of organised retail, yielding greater benefits for the economy. The value fashion market, in particular, is witnessing a new level of adoption, both from consumers and organised retailers, with Tier IV towns also eagerly adopting the trend of Tier II and III towns of seeking fashionable, but affordable apparel. With the aspiration gap between the small and large towns narrowing, organised retail is getting bigger and better – a trend that augurs well for us, at V-Mart. With our pulse firmly on the evolving consumer needs and aspirations across the diverse tapestry of 17 states where we operate, your Company is well placed to shape as well as harness the unfolding consumption story in newer locations, even as we continue to

delight customers in towns where we have been present for long.

That said, we are aware, of course, that the growing interest and foray of many organised retail players, both regional and national, into markets where V-Mart has traditionally focussed, has intensified competition. But, that only goes to establish more firmly the case for untapped opportunity and potential in these markets, a theme that remains topmost on our strategic radar. Focussed on this opportunity, and aided by the first-mover advantage in these markets, which means we understand the consumer better than others, have a tried-and-tested sourcing, supply chain and expansion model, and are therefore, better positioned to deliver on evolving customer needs and aspirations. Moreover, the differentiators we have built over the years, driven by internal capabilities and processes, and by consistently accumulating customer trust and loyalty, gives us a sustainable advantage amidst growing competition.

## Pursuing ethical, profitable growth

Our distinctive value-centric business model is focussed on the entire stakeholder ecosystem, putting shared and ethical value creation as its guiding philosophy. This means, we operate our business and conduct our relationships with all stakeholders – customers, employees, vendors, investors and local communities – with equal commitment and focus. Over the years, this philosophy has been unwaveringly applied through a proven track record of strategically scaling our capabilities and processes, to harness the potential of new markets, while consolidating our presence in existing ones.

Having established our market-leading presence in Tier II towns, it has been our endeavour to penetrate the Tier III and Tier IV towns with equal success. Our expertise and experience give us a cutting-edge advantage in delivering the best product and the best fashion at the best price. It has lent us the strategic understanding that enables us to connect with the needs of the



**LALIT AGARWAL**

Chairman and Managing Director

CORPORATE OVERVIEW

STATUTORY REPORTS

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new-age customers, who aspire to live better, explore possibilities, and spend wisely. This is a class of consumers in smaller towns who prefer the 'touch and feel' shopping experience in a comfortable retail mall-like environment, and for whom buying fashion apparel for themselves and their family is a much-awaited and carefully budgeted occasion of celebration. While shopping, they choose affordable products that excite them and make them feel good. We have long observed that this is a class that does not want to dig too deep into their relatively smaller wallets while experimenting with fashion. Now, thanks to high awareness because of easy access to digital media, these aspirational consumers in smaller towns have a growing urge to be seen as early fashion adopters in their peer group, just like their counterparts in metros and bigger towns.

We are continuously relooking at and reimagining our value-creation approach to make our business strategy more relevant to evolving customers, who seek lesser mind-to-market time and faster delivery of newer fashion. We have structured our strategic approach to give them all this, thus making them visit our stores more frequently to satiate their fashion needs and feel more connected with V-Mart as a fashion destination of choice. We are also cognizant that though these customers do not prefer the e-commerce route to buying fashion goods, they want a seamless digitally-driven brand experience. We are, thus, designing a 360-degree omnichannel experience, seamlessly integrated with and across the entire customer lifecycle. Taking a strategic

stance, we foresee the digitally connected and informed consumer landscape as an opportunity, through which exciting possibilities exist to create more value for all stakeholders.

### Roadmap for growth

Quite evidently, the market opportunity in affordable fashion segment is large, and expanding as the migration of customers from unorganised to organised value retailing fold is accelerating. While we have to be continually ready to leverage this opportunity, we must also respond to a dynamic environment that is witnessing growing competitor presence, more 'fashion-ready' consumers, and the unlocking of aspiration to consume in Tier II, III and IV towns. Looking ahead at how the consumption story is unfolding in our target markets and consumer segments, we have put together a strategic roadmap that is responsive and adaptable, and equally, also aligned with our vision and mission.

There are three defining elements of this strategic roadmap. One, we are preparing to be more customer-centric, by designing processes and nurturing capabilities that make us more agile and responsive to evolving customer needs. Driven by this intent, there is an increased thrust on making our buying and planning processes more aligned with regional fashion tastes and preferences. Two, we are focussing on making our 'hardware', i.e. the organisational structure, supply chain, logistics, and technology backbone more robust and future-ready to support scalable growth and expansion into new markets, and enhance data-driven



WITH CUSTOMER-CENTRICITY AS A CORE VALUE, CUSTOMER SATISFACTION AND RETENTION IS AN IMPORTANT GROWTH DRIVER FOR US, AND WE AIM TO BE AN INDUSTRY-LEADING BENCHMARK ON THIS PARAMETER.

decision-making. This has translated into investments in setting up an organisation-wide data analytics platform, preparing to add a second warehouse closer to our eastern markets and a fully-integrated CRM and customer loyalty platform. And, three, we are equally focussed on reinforcing the 'software', i.e. beefing up our leadership pipeline and middle management capabilities, and reinforcing organisational culture and values that guide us like a beacon in what we choose to do, and how we do it.

We understand that, as a pioneer in the value retailing space in India, we have an enduring responsibility towards all stakeholders to stay committed and focussed on our vision. This reflects in our uncompromising approach to maintaining product quality, accelerating the past CAGR growth at a consistent pace, retaining our balance sheet strength, and engaging deeply with local communities where we operate. Driven by an enduring vision, we have to navigate through a rapidly-changing business, consumer and competitive landscape. In this endeavour, instead of being reactive, we are taking a longer-term view on how we chart our path and the steps we must take to fully unlock our potential.

### **Priorities for the future**

We believe that, driven by our strategic roadmap, sustained efforts to build internal capabilities and organisational structure, improve processes and systems through advanced technology and digitalisation, investments in talent pipeline, and increasing cost efficiencies will propel us on a faster

growth trajectory. While growth is a priority, we continue to temper our targets with caution, as we are clear that we want to create sustained value for the entire ecosystem.

With customer-centricity as a core value, customer satisfaction and retention is an important growth driver for us, and we aim to be an industry-leading benchmark on this parameter. Our customer focus has consistently yielded strong benefits for us, as manifested in the addition of many new customers even during the post demonetisation period. Our strong loyalty programme, coupled with small but engaging marketing initiatives with local communities, is powering customer accretion. We believe our brand equity is helping us create a powerful customer pull and thus continue to invest in our brand building exercise. We have positioned ourselves as a family-focussed trusted value fashion provider – a positioning that is resonating well with aspirational customers in smaller towns, and has encouraged us to establish our presence in remote places like Tejpur (Assam) and Jowai (Meghalaya).

### **Outlook**

Going forward, we shall continue to equip and empower ourselves for the next phase of transformational growth, in which digitalisation will play a key role, with both our customers and employees largely coming from a young and rising India. Another key differentiator for our business will be People, who we see as an important partner in our growth plans. As we press the pedal on our expansion plans, we are taking our people empowerment plans to the next level and have recently implemented an

organisation-wide HR management software platform to deliver exceptional employee experience to our vastly distributed workforce.

The prospects ahead are promising, especially in the Indo-Gangetic plain, where we see significant growth opportunities propelled by new consumption patterns. Our two biggest markets, Bihar and Uttar Pradesh, look particularly promising in the region, where we will continue to follow our cluster-based expansion strategy, opening new stores in the same vicinity of nearby towns and cities, where our brand salience and presence is high. Last year, we opened stores in three new states, and this exploration of opportunities and setting up signposts in new, or even unfamiliar markets will continue.

The growth strategy we have mapped for ourselves will, in my view, steer us successfully towards higher and sustained value creation for all our stakeholders. The stakeholder trust and confidence we have earned, is owing to our transparent, prudent and holistic approach, and will continue to drive our onward journey of collective progress for all of us.

Warmest Regards,

**Lalit Agarwal**

Chairman and Managing Director



# AN ENDURING LEGACY OF DELIVERING VALUE FASHION

## V-MART AT A GLANCE

In the business of providing value fashion across Tier II, Tier III and Tier IV towns since 2002, V-Mart Retail Limited (V-Mart) has pioneered the concept of ‘Organised Value Retail’, emerging as the frontrunner in the segment.

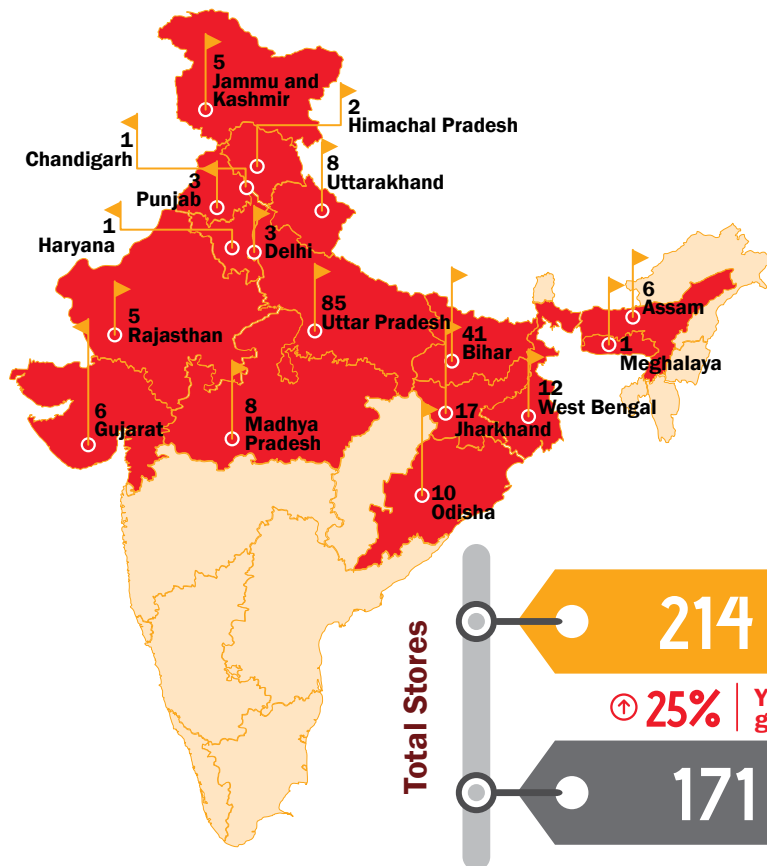
Operating on the key guiding principle of Price “Less” Fashion, we cater to the ‘aspiring class’ and ‘middle class’ demographics, with added focus on youth and young families. Currently present across 170 cities in 17 states and UTs, we get more than 35 million footfalls annually, with 12 million customers enrolled in our loyalty programme, endorsing our growing pan-India popularity in the value fashion-seeking population of the country.

### Growing pan-India presence

Our stores, located over a total retail area of 18 Lakhs sq. ft. in prime states/UTs such as Bihar, Chandigarh, Gujarat, Haryana, Jammu and Kashmir, Madhya Pradesh, New Delhi, Punjab, Rajasthan, Uttarakhand and Uttar Pradesh, are designed to cater to the needs of the entire family. Based in New Delhi, V-Mart has operations spread across northern, western and eastern parts of India.

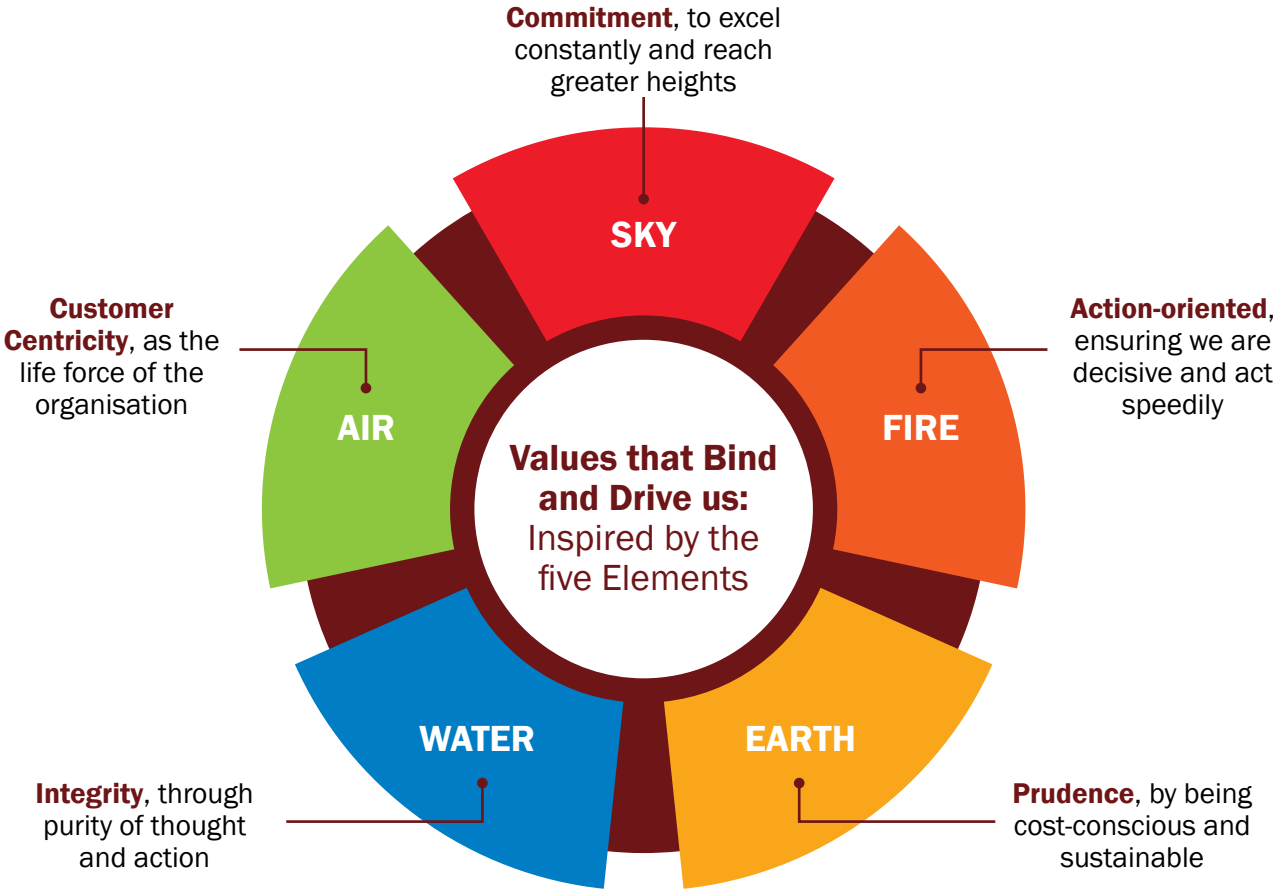
### Expanding network of stores

To deliver on our promise of taking value fashion to the doorstep of our growing expanse of customers pan-India, we have developed a robust network of 214 stores, spread strategically across markets that we target.



**VISION that leads V-Mart**  
Create value and make our ecosystem proud

**Focused on our MISSION**  
Care for customer aspirations, discover and nurture talent, sustained ethical growth for stakeholders and harness vendor relationships



# CUSTOMER-CENTRIC BUSINESS MODEL

In line with our business philosophy, we have evolved a highly customer-centric business model, with a chain of ‘value retail’, company-operated departmental stores that cater to the entire family. We remain strategically focussed on developing a relevant and innovative business model, targeted at aspirational consumers in Tier II, Tier III and Tier IV towns. Our business approach is based on the primary concept of ‘value retailing’, that seeks to provide the latest fashion in apparel and non-apparel categories.

## Cluster-based approach

Our Cluster approach of ‘creeping expansion’ is aimed at generating visibility, supply chain efficiencies, rapid scalability leading to buying/procurement flexibility and cost savings. It ensures that all new locations are strategically placed within a 50-150 km radius from an existing city. The locations are identified and vetted by an in-house new store operations (NSO) team, based on a multi-dimensional business assessment matrix.

## Sourcing efficiencies

Our strong sourcing capability is backed by an efficient logistics network, which is supported by a robust IT infrastructure, systems and processes, thus enabling us to achieve our concept of “value retailing”. We secure our merchandise optimally to ensure there is no compromise on quality while keeping prices affordable. To optimise costs, we have implemented several technological changes at the warehouse, as well as at the stores.

## Asset-light model

As a strategic initiative, we rent stores on long-term leases instead of getting saddled with expensive real estate, capex that would have compromised scalability and/or led to high debt burden.



*With over 600 districts in India, majority of which are in the tier II/III category, the highly scalable and efficient business model of V-Mart has charted a well-calibrated plan to grow and expand at the current pace for several years to come. It is our endeavour to ‘take fashion to the remotest areas’.*

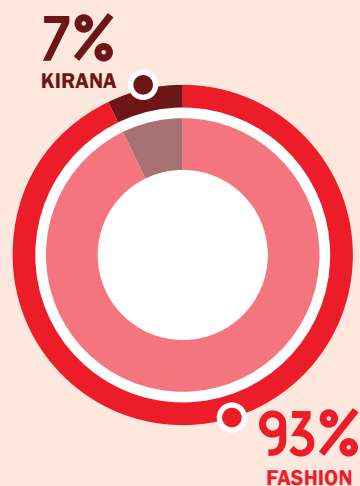
# DIVERSIFIED & COMPREHENSIVE PRODUCT PORTFOLIO

The diversity of V-Mart's offerings has emerged as a key propeller of its journey to deliver value fashion to the aspirational consumers and their unique needs, across diverse regions of the country. Guiding our value fashion portfolio is our deep understanding of the emerging needs and aspirations of consumers.

Our stores, located on a standalone basis in high-street areas and shopping hubs serve to provide a comfortable and aspirational shopping experience to new-age customers in Tier II, III and IV towns. We provide them a vast range of products, including apparels, home furnishings, footwear, kirana and general merchandise, all under one roof.



## Contribution of segments to total revenue in 2019



₹14,397 million | Total revenue in 2019

↑17% | Revenue growth in 2019

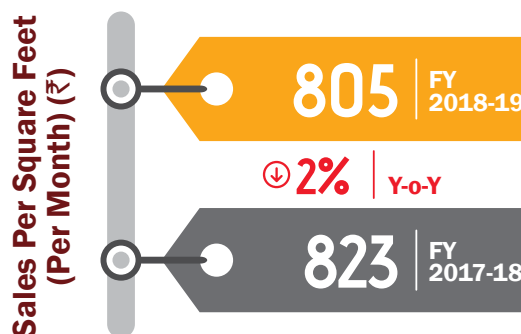
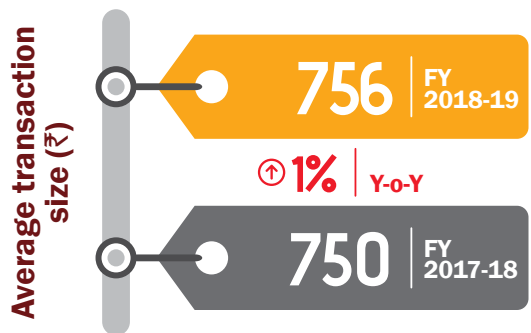
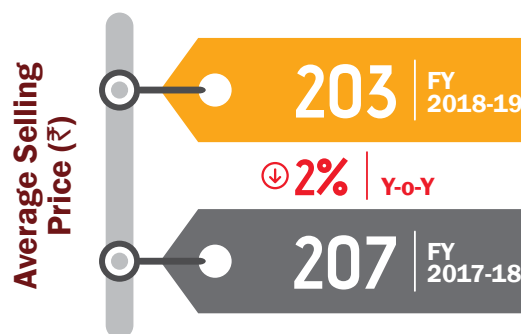
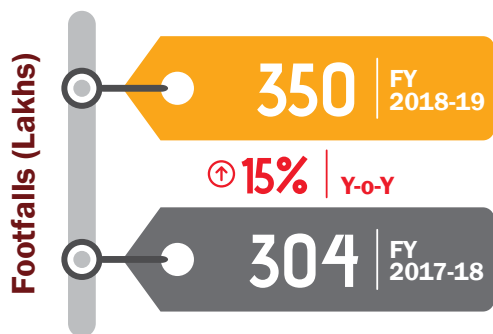
# MEN'S & WOMEN'S APPAREL



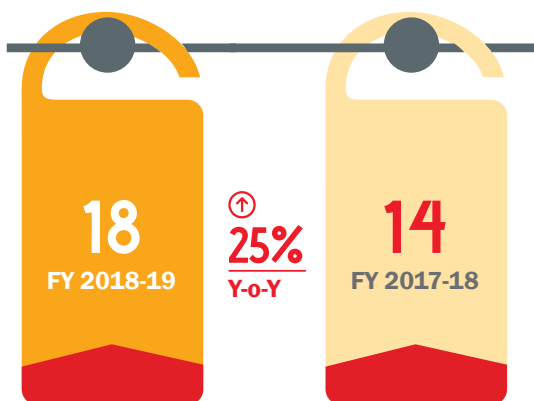
# BOYS' & GIRLS' APPAREL



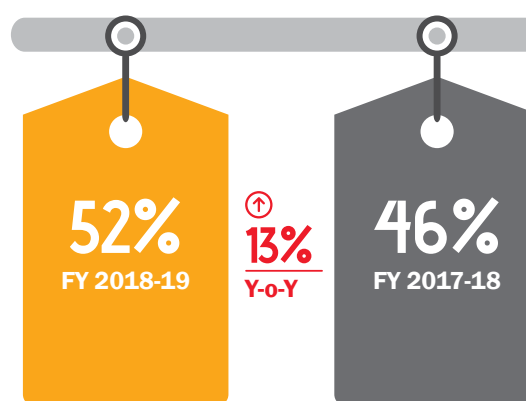
# OPERATIONAL HIGHLIGHTS FY 2018-19



**Total Retail Space (Lakhs sq. ft.)**

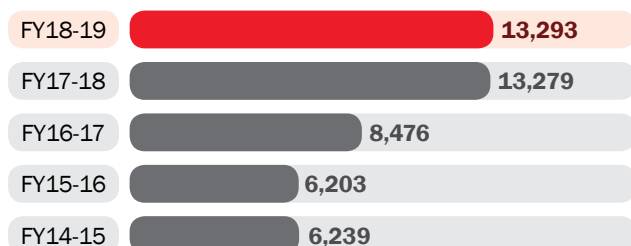


**Repeat Sales from Loyal Customers (%)**



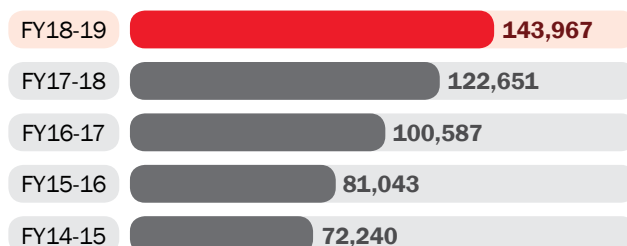
# FINANCIAL HIGHLIGHTS FY 2018-19

## EBITDA\* (₹ Lakhs)



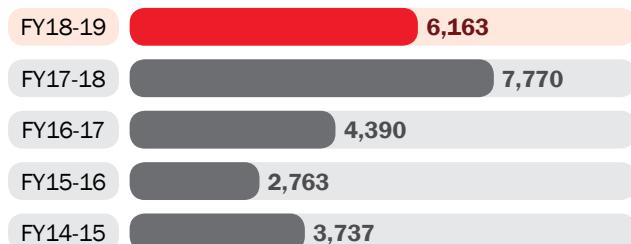
↑ 0.08% | Y-o-Y

## Total revenue (₹ Lakhs)



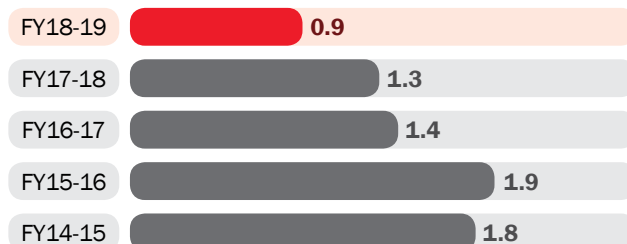
↑ 17% | Y-o-Y

## PAT (₹ Lakhs)



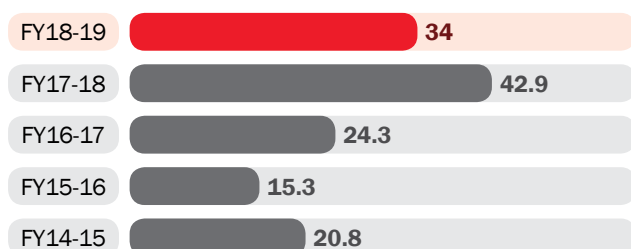
↓ 21% | Y-o-Y

## Shrinkage (% of sales)



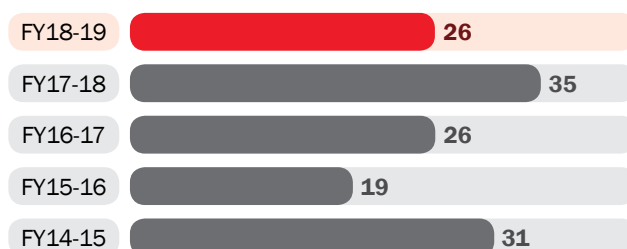
↓ 31% | Y-o-Y

## EPS\*



↓ 21% | Y-o-Y

## ROCE (%)



↓ 26% | Y-o-Y

\* basic



# BOARD OF DIRECTORS



**Lalit Agarwal**  
*Chairman and Managing Director (CMD)*

Founder of V-Mart, Lalit is a retail entrepreneur credited with pioneering the concept of organised value retailing in India, with focus on affordable fashion, in Tier II, III and IV cities. He was nominated to the Niti Aayog' Champions of Change initiative, in 2017. A Bachelor in Commerce from Bombay University and Diploma holder in Financial Management from Narsee Monjee Institute of Management Studies (NMIMS), Mumbai, Lalit is Chairman of Retailers Association of India (RAI) for the Northern Region. Lalit was recognised as the retail leader for the year 2018 by Franchise India.



**Madan Agarwal**  
*Whole Time Director*

With more than four decades of entrepreneurial experience in the fashion retail industry, Madan is a mentor and a guiding force for the Company. He has been instrumental in imbuing customer-centricity and cost-consciousness in the DNA of V-Mart. A Bachelor in Arts from the City College, University of Calcutta, he started his career by opening a tailoring shop in the 1970s, and later opened a popular and highly successful apparel and footwear retail store - 'Shreeman Shreemati' - in Cuttack.



**Aakash Moondhra**  
*Independent Director*

Currently, the Global CFO of Naspers Fintech arm - PayU. Aakash has held senior positions at Nokia India Private Limited, Baring Private Equity Partners (India) - where he headed the retail vertical, Bharti Retail Private Limited, Bharti Airtel Limited and AT&T Corporation, as well CFO of Snapdeal. A member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India, he holds a Bachelor's Degree in Commerce from the University of Delhi and an MBA from Southern Methodist University, Texas. He secured the IDP-C certification for driving corporate governance at Board level at the International Directors Programme at INSEAD in 2017.



### **Murli Ramachandran**

*Independent Director*

Murli is a Management Consultant and CXO coach, specialising in transformation & strategy, performance improvement, leadership development and change management. He has about 30 years of rich and varied experience at leadership level in various companies including RPG Enterprises, Accenture & KPMG. Murli is also a Director on the Board of Junior Achievement (JA) India - part of Junior Achievement Worldwide™, the world's largest organisation dedicated to educating students about Work Readiness, Financial Literacy and Entrepreneurship. He holds a BE (Hons) degree in Mechanical Engineering and an MMS from BITS Pilani. He also has an MS in Industrial Engineering from Columbia University, New York.



### **Sonal Mattoo**

*Independent Director*

A lawyer with 20+ years of experience, Sonal specialises in preventing workplace harassment, diversity issues, mediations and negotiation. She is also the founder Director of Helping Hands, an NGO that helps implement policies against sexual harassment, and other forms of harassment and discrimination at the workplace, besides carrying out training and investigation on related complaints. She is also the founder partner of Mantran Consultants, a firm specialising in CSR, Counselling and implementing, diverse policies. She holds a B.A., LL.B. (Hons) degree from the prestigious National Law School of India University, Bangalore.

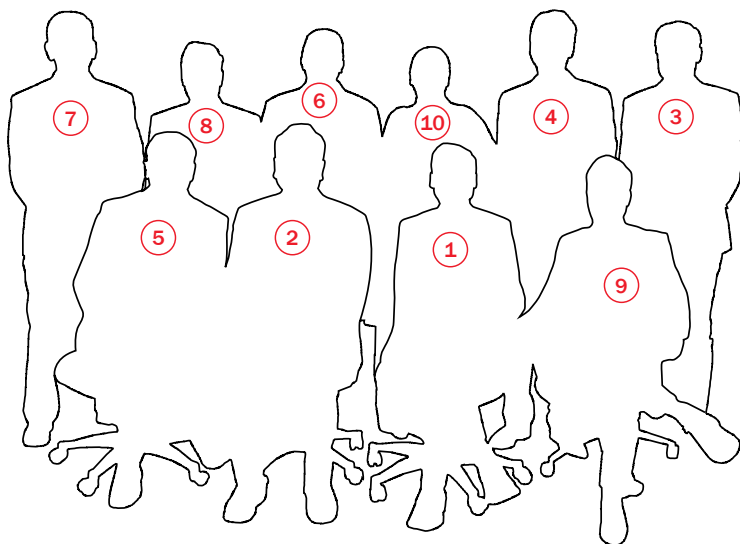


### **Govind Shridhar Shrikhande**

*Independent Director*

Govind possesses rich cross-functional experience of more than three decades in the Textiles, Apparel and Retail industry. He has worked across the fabric-apparel value chain, and multi-format retailing, including department stores, hypermarket, airport retail, books and music, etc. He was previously Managing Director at Shoppers Stop, where he started as Vice President, Buying & Merchandising, before moving on to become COO. His earlier stints included Mafatlal, Johnson & Johnson, and Bombay Dyeing. He holds an MBA in Marketing from Symbiosis, Pune University, and B. Tech. in Textile Technology from VJTI, Mumbai University.

# LEADERSHIP TEAM



- ① **Lalit Agarwal**  
– Chairman and Managing Director (CMD)
- ② **Madan Agarwal** – Whole Time Director
- ③ **Samir Misra** – Chief Operating Officer
- ④ **Anand Agarwal** – Chief Financial Officer
- ⑤ **Rajan Sharma**  
– President, Sourcing & Procurement
- ⑥ **Snehal Shah**  
– Sr. VP, Operations & Marketing
- ⑦ **M. Srinivasan**  
– VP, Planning and Supply Chain
- ⑧ **Ramesh Agarwal**  
– VP, Supply Chain Management & FMCG
- ⑨ **Ranjan Kumar** – VP, Strategy and Corporate Communication
- ⑩ **Anjali Goel** – AVP, Human Resources

# CORPORATE INFORMATION

## Board of Directors

### Lalit Agarwal

Chairman & Managing Director

### Madan Gopal Agarwal

Whole-time Director

### Aakash Moondhra

Non-Executive, Independent

### Murli Ramachandran

Non-Executive, Independent

### Sonal Mattoo

Non-Executive, Independent

### Govind Shridhar Shrikhande

Non-Executive, Independent

## Board Committees

### Audit Committee

Aakash Moondhra - Chairman

Murli Ramachandran - Member

Sonal Mattoo - Member

Govind Shridhar Shrikhande - Member

### Nomination & Remuneration Committee

Murli Ramachandran - Chairman

Aakash Moondhra - Member

Sonal Mattoo - Member

Govind Shridhar Shrikhande - Member

### Stakeholders' Relationship Committee

Sonal Mattoo - Chairperson

Lalit Agarwal - Member

Madan Gopal Agarwal - Member

### Corporate Social Responsibility (CSR) Committee

Lalit Agarwal - Chairman

Madan Gopal Agarwal - Member

Aakash Moondhra - Member

Sonal Mattoo - Member

Govind Shridhar Shrikhande - Member

### Risk Management Committee

Aakash Moondhra - Chairman

Murli Ramachandran - Member

Sonal Mattoo - Member

Govind Shridhar Shrikhande - Member

## Company Secretary & Compliance Officer

### Megha Tandon

## Statutory Auditors

### M/s S.R. Batliboi & Co. LLP,

Chartered Accountants

4<sup>th</sup> Floor, Office 405, World Mark - 2

Asset No. 8, IGI Airport

Hospitality District,

Aerocity New Delhi - 110 037 India

Tel: +91 11 61229500,

Fax: +91 11 24-4644050

Contact Person: Vikas Mehra, Partner  
Membership No. 094421

Firm Registration No: 301003E/  
E300005

## Secretarial Auditor

### M/s. VKC & Associates

Company Secretaries

C-140, Sector-51, Noida - 201 303, U.P.

Tel:+ 91-120-4131444

Website: www.vkcindia.com

Contact Person: Mohit K Dixit, Partner

Membership No.:49021

CP No-17827

## Internal Auditors

### KPMG (Registered)

Building No. 10, 8th Floor,

Tower-C, DLF Cyber City,

Phase-II, Gurugram - 122 002

Tel.:+91-124-3074000

Website: www.kpmg.com/in

## Bankers

State Bank of India

ICICI Bank

Deutsche Bank

HDFC Bank

Axis Bank

Yes Bank Limited

## Registered Office

### V-Mart Retail Limited

610-611, Guru Ram Dass Nagar,

Main Market, Opp. SBI Bank,

Laxmi Nagar, New Delhi - 110 092

## Corporate Office

Plot No. 862, Udyog Vihar, Industrial

Area, Phase - V, Gurgaon,

Haryana - 122 016 , India.

Tel: +91 124 - 4640030,

Fax: +91 124 - 4640046

Email: info@vmart.co.in

Website: www.vmart.co.in

CIN - L51909DL2002PLC163727

## Warehouse

Bilaspur, Haryana

## Registrar & Share Transfer Agent

### M/s Karvy Fintech Private Limited

Karvy Selenium Tower B,

Plot Nos. 31 & 32,

Financial District, Nanakramguda,

Serilingampally Mandal

Hyderabad, Telangana - 500 032

Phone No.: 040 67162222

Toll Free: 180 0345 4001

Fax No.: 040 23420814

Email: support@karvy.com

Website: www.karvy.com

## Senior Management Personnel

Anand Agarwal - Chief Financial Officer

Samir Misra - Chief Operating Officer

Rajan Sharma - President  
(Procurement & Sourcing)

Snehal Shah - Sr. Vice President  
(Operations & Marketing)

Venugopal Konchada - Vice President  
(Retail Store Operations)

Ramesh Agarwal - Vice President  
(Supply Chain Management & FMCG)

M. Srinivasan - Vice President  
(Planning & Supply Chain)

Anjali Goel - Assistant Vice President  
(Human Resource)

Dinesh Srivastava - Assistant Vice  
President (Information Technology)

Ranjan Kumar - Vice President (Strategy  
and Corporate Communication)

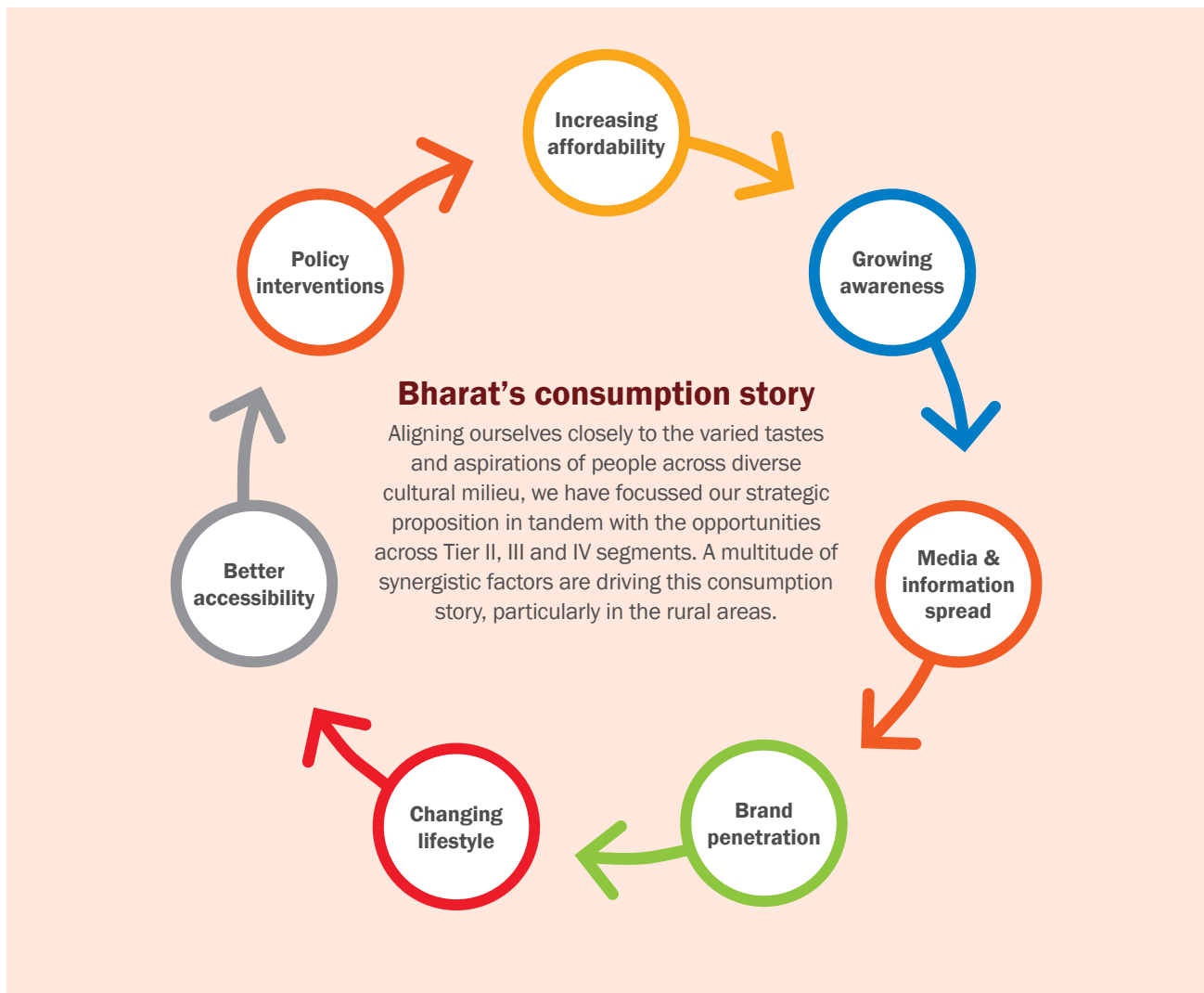


THE MILESTONES OF BHARAT'S ASPIRATIONAL JOURNEY ARE MOST SIGNIFICANTLY MANIFEST IN V-MART'S FORAY INTO NEW GEOGRAPHIES, REGIONS, CULTURAL PROFILES AND CUSTOMER SEGMENTS. WE HAVE STRATEGICALLY ALIGNED OUR EXPANSION STRATEGY TO THE EMERGING MARKET TRENDS AND EVOLVING CONSUMER NEED, WITH FOCUS ON DELIVERING A MORE ENGAGING EXPERIENCE TO OUR CUSTOMERS.

# CONSUMER AT THE HEART OF OUR FUTURE-CENTRIC STRATEGY.

Amid the transforming consumer landscape, with distinctive aspirational fashion trends providing an exciting canvas of diverse cultural hues, delivering a cohesive and all-encompassing value proposition requires a visionary focus. It also requires a strong understanding of the evolving needs and desires of the people in the small towns, which are slowly but steadily embracing change while continuing to seek value for money in their quest for a more fashionable lifestyle.

At V-Mart, not only have we developed a deep understanding of the aspirations of the new fashion-conscious Bharat, that lives and thrives in the Tier II, III and IV segments of the country, but have also successfully reoriented our business model to deliver to their needs. Led by a strong research-oriented vision, that enables us to see and identify opportunities in some of India's most untapped markets, we have built our capabilities to harness these opportunities to expand across the country.



## A compelling Bharat-led strategy

V-Mart, with its finger on the pulse of Bharat, has structured its strategy to the rapidly growing aspiration of the masses to consume and embrace fashion. Cognizant of the vast untapped potential unleashed by this emerging consumption story, we have oriented our business approach to cater to the rising aspirational desire of consumers in Tier II, III and IV towns to look and feel good. It is a differentiated desire of a value fashion seeking class of consumers, requiring a differentiated business model that is built on the platform of Trust and Transparency.

We, at V-Mart, have strategically reoriented our business outlook to provide a differentiated bouquet of offerings that are designed to fulfil the innate need of Bharat to live India's fashion, without cutting too deep into their pocket. We have transformed our approach to create a more enabling environment for consumers in the smaller towns to nurture their aspiration for affordable fashion.

Led by our strong understanding of the emerging need of the consumers in these towns, we have strategically shifted focus from driving margin-led growth to catalysing a value-centric business proposition. We have revisited our business philosophy to make our brand more relevant and connected to Bharat's consumers, bringing affordable fashion to their doorstep and making it integral to their lives, not just for special occasions but as a part of their day-to-day apparel choice.

## Investing in change

At the core of our reoriented strategy is an increased thrust on restructuring the organisation, strengthening systems and processes along the fashion value chain, and imbibing an analytical culture across the enterprise. We have adopted a multi-pronged approach to steer an enterprise-wide transformation that is equipping us to fulfil the consumer aspiration for affordable fashion in the markets of our presence.



Seeking to drive a more seamless and engaging customer experience, we are making significant investment in strengthening the nucleus of our business strategy to further augment our systems and processes, and sharpen our technological edge. Our marketing and branding initiatives are designed to reach out more effectively and engagingly to our customers through simple yet impactful messaging, across mass and social media. We are, at the same time, boosting our customer interface at the front end with more focussed initiatives to make our stores more customer-friendly, appealing and inviting.

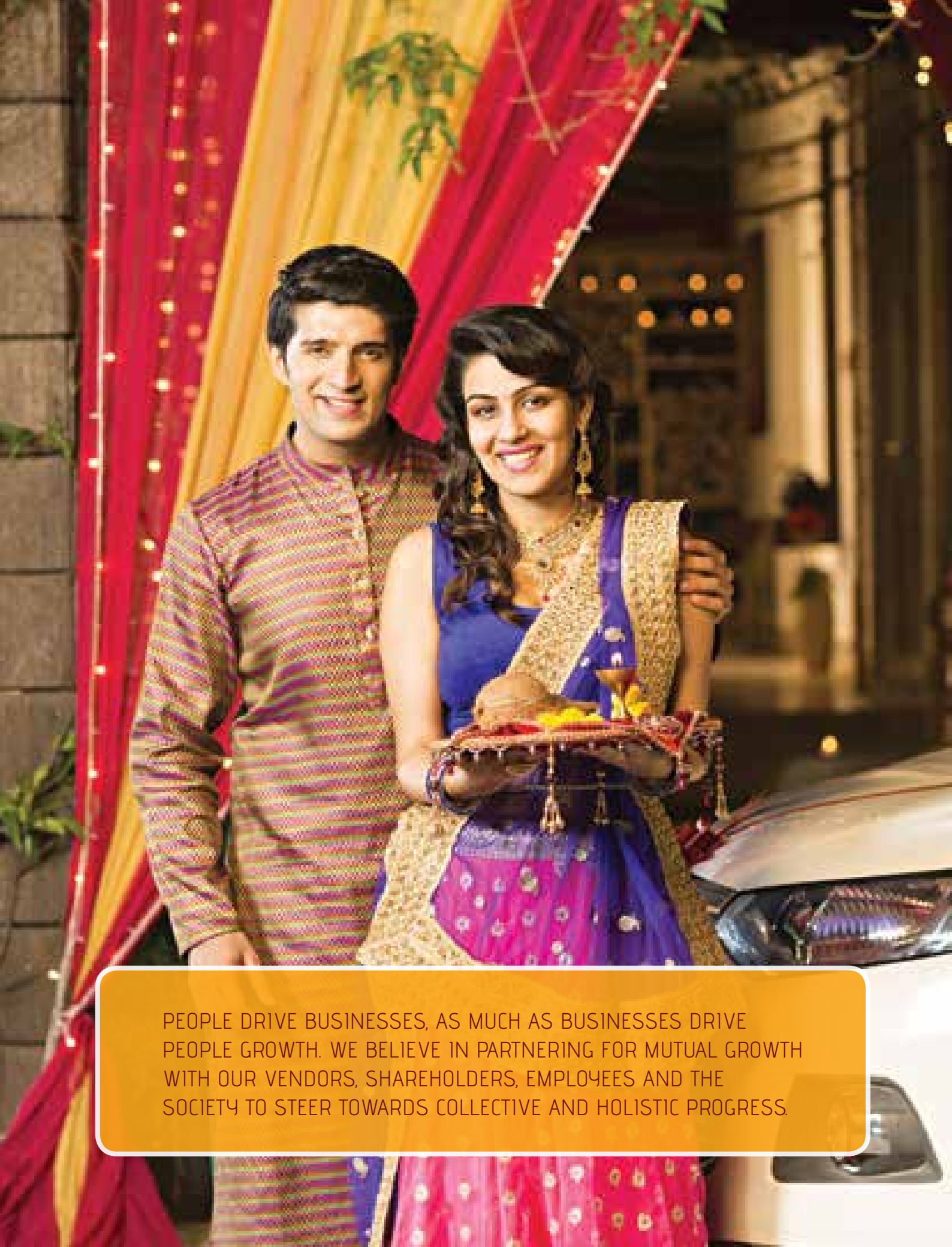
## Propelling growth through Trust

Collectively, these initiatives are driving consistent and sustainable growth for the Company, while augmenting the Trust ethos which has emerged as a powerful enabler of our customer retention and growth strategy. The year-on-year growth of our own brand underscores the deep-rooted Trust that our customers have in V-Mart, which they see as a credible, transparent, value-centric and reliable partner in their journey to transform their lifestyle.

***Going forward, we remain committed to nurturing the Trust ethos, which is keeping us connected not only to the consumers but also to other stakeholders, including our partners, vendors, people and the society at large.***







PEOPLE DRIVE BUSINESSES, AS MUCH AS BUSINESSES DRIVE PEOPLE GROWTH. WE BELIEVE IN PARTNERING FOR MUTUAL GROWTH WITH OUR VENDORS, SHAREHOLDERS, EMPLOYEES AND THE SOCIETY TO STEER TOWARDS COLLECTIVE AND HOLISTIC PROGRESS.

# DELIVERING STAKEHOLDER VALUE. ON THE PLATFORM OF TRUST.

We believe that being future-ready is not simply about investing in processes and technology to create a scalable platform for future growth. It is equally important to prepare ourselves to drive consistent growth in value for all our stakeholders, to ensure continuous augmentation of their trust in the Company.

From our partners and customers, to our vendors, shareholders, investors, employees and the communities of our operations, we remain committed to nurturing the trust we have built over the years through our robust Corporate Governance framework, our sustained Environmental, Social & Governance (ESG) efforts and various other focussed initiatives aimed at consistent value creation.

## Value-led growth

We have strategically targeted a store level EBIDTA of 15%, with a corporate level loading of 5%, to aim for a net EBITDA of 10% and PAT of 4-5%. It is our endeavour to sustain this EBIDTA and PAT range, to enable us to deliver value to all stakeholders - employees, customers and vendors.

2019 was our fifth consecutive year of Free Cash Flow generation, with pre-tax ROCE at 26%, which is industry leading (value retailing) numbers in India.

## Our customer value proposition

We have, through the years, been consistently delivering on our customer promise of 'Price "Less" Fashion', as reflected in our industry leading price/value equation. At an average selling price of ₹ 320 (apparels), V-Mart remains committed to provide a compelling value proposition for the aspirational customers.

## Our vendor value proposition

Our robust supply chain is serviced by more than 600 vendors, most of whom have been with the Company for ten years or longer. Our long-term vendor relationships underscore our commitment to shared value-led growth for all our stakeholders.

AS PER BLOOMBERG DATA, V-MART WAS THE 'BEST PERFORMING DEPARTMENTAL STORE CHAIN GLOBALLY' IN 2018, AMONGST 105 PEERS WITH A MINIMUM M-CAP OF \$200 MILLION, MAKING US THE SEGMENT LEADER GLOBALLY, IN WEALTH CREATION.

## Our community value proposition

It is our belief that holistic growth alone can deliver long-term progress for the Company, with community outreach and development as an integral component of our business philosophy. We continue to create value, on a sustained basis, for the local communities where we have stores, through employment generation and CSR initiatives.

- We are triggering the investment and consumer spending cycle in states and towns that are 'off-the-radar', thus contributing to their economic empowerment. With better and more affordable choices for the consumer, we are instrumental in unlocking the consumption potential of small towns and local communities. V-Mart stores are not only shopping destinations, but also a place for families to socialise, bond and celebrate in a shared environment of fashion that brings joy.
- Almost our entire store workforce is hired locally, so the opening of a new V-Mart store means direct employment generation for at least 35-40 families in that locality. More importantly, by triggering the consumption cycle and organised retail presence in these previously 'laidback' locations, we are instrumental in developing the entire ecosystem of consumption, employment and community empowerment.
- We have launched Project Hunar, a skill development and employment initiative focussed on local communities, targeting underprivileged youth from poor

and extremely poor families. Currently, this is operational in the four most populous states in India, (population ranging from 32-224 million people), which are also locations where we have the majority of our stores. Through Project Hunar, we have developed an infrastructure to identify local, underprivileged youth, enrol them in an industry-certified skill development programme of six-month duration, train them at our skill development centres and ensure gainful employment for them in the retail and hospitality sector, including at our stores.

## Our employee value proposition

From a few hundred employees a decade back, V-Mart has grown to more than 7,000 employees today. It is our constant endeavour to continuously empower our people, while deepening our employee engagement, as an equal-opportunity player.

- We have in place a structured talent management and career growth programme that fast-tracks deserving employees, thereby creating future leadership pipeline for the expanding retail store operations.
- We have been an early pioneer of the most extensive ESOP plan in our peer group, by ensuring grants to not only those in leadership roles, but also the level 1 and level 2 managers who are eligible for this reward and retention programme.
- Our 'open door' culture enables employees to directly connect with the Chairman in weekly sessions, both via townhalls and webinars.

## Going hi-tech with HRMS

During 2019, we rolled out a company-wide HR management software platform, to adopt automation and mobility, for providing our employees with an exceptional experience at work. Through this platform, we are enabling a unified experience from Onboarding to Exit – be it our retail frontline workforce or the business teams in the corporate office. These tools are also helping employees get 24X7 access touchpoint to HR. At the same time, they are making available to our leadership access to single view of data for timely decision-making.

***V-Mart has an impeccable track record, in terms of enjoying the trust and confidence of some of the world's best/largest institutional investors, as well as its customers, vendors, partners and employees. We shall continue to invest in augmenting this trust and create more value for all our stakeholders.***



# EMBRACING CSR. AS A VALUE CHARTER.

Led by the philosophy of making a meaningful contribution to the society and the environment through long-term and sustained initiatives, we have, over the years, engaged in several CSR activities with the mission to ‘create value and make the ecosystem proud’.

Our CSR programmes are anchored on the continuing commitment to improve the quality of life and opportunities for the underprivileged sections of society, without regard to their faith, origin or gender.

## Project Koshish

Leveraging the powerful influence of team sports in shaping young minds and local communities, V-Mart organises talent scout camps for football, selecting underprivileged kids, providing adequate infrastructure and training them to play professionally at state and national level.

More than 65 children are currently being groomed through this initiative.

## Project Readvantage

Realising the importance of English language skills in bringing about a transformation for underprivileged students and their families, V-Mart, in conjunction with Stones2Milestones, has reached 4,000+ underprivileged children and is providing them access to English books, as well as developed and integrated an easy-to-understand teaching module at their schools.

## Project Ujjwal Bhavishya

The Company has teamed up with NGO's to support 600+ meritorious, but economically underprivileged students every year in pursuing higher education. The students are selected on the basis of their performance in grade 10 exams, and receive a scholarship amount of ₹ 10,000 annually to support their further studies. The programme is now being expanded to support students through their higher education needs as well.

WITH ALMOST 95% OF OUR EMPLOYEES FROM TIER II, III AND IV TOWNS OF INDIA, WHICH SUFFER FROM SCARCITY OF LIVELIHOOD AND EMPLOYMENT OPPORTUNITIES FOR THE YOUTH, WE ARE CREATING EMPLOYMENT PIPELINES IN THESE REGIONS THROUGH EMPLOYMENT OF PEOPLE LOCALLY. WE TRAIN AND EMPOWER THESE PEOPLE TO RUN OUR STORES, THEREBY MAKING A COMMUNITY IMPACT, IN ADDITION TO POSITIVE IMPACT ON OUR BUSINESS AND PEOPLE.



*Project  
Readvantage*

*Project Koshish*

*Project Ujjwal  
Bhavishya*



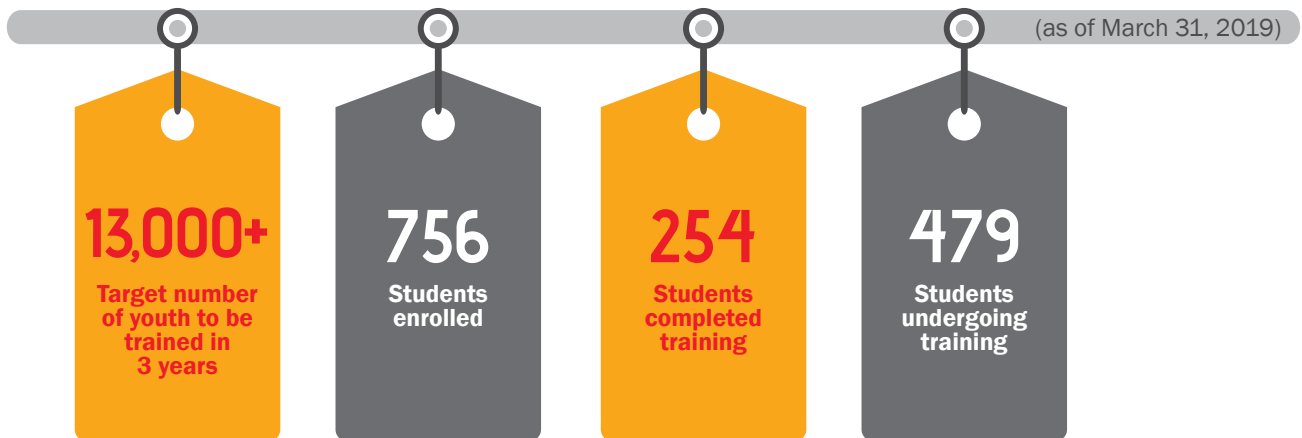
# SKILL DEVELOPMENT INITIATIVE

## Skilling to drive value

Our Skill Development initiative is aimed at underprivileged youth in remote areas, belonging to poor families. We identify and enrol such youth in our skill development initiative and impart to them job-centric training in retailing skills. Our four skill development centres in UP, Odisha, Rajasthan and Bihar are equipped to train these youth to make them employable. After completion of the skill development programme, we help these youth secure gainful employment at our stores and with other reputed employers in the retail and hospitality sector.

During 2019, we underwent through 50 government audits without single major compliance issue.

We have received an Award from RSLDC (Rajasthan government) for Best Project Implementation Agency.



# Management discussion and analysis



## Global Economic Overview

Followed by an upsurge in cyclical growth in the last two years, the global economy is on the path to stabilize, but its momentum uncertain and is exposed to certain challenges. As estimated by IMF, global growth is now projected to soften from 3.6% in 2018 to 3.3% in 2019, before returning to 3.6% in 2020. The escalation of US-China trade tensions, disruptions to the auto sector in Germany, disagreements over Brexit, tighter credit policies in China and gradual financial tightening in developed economies are all adversely impacting global sentiments, thereby reducing overall spending.



India's labour force is expected to touch 160-170 million by 2020, on the back of factors such as population growth, increased labour force participation, and higher education enrolment.

## Outlook

Global growth forecasts combine the effects of slowdown in advanced economies and a gradual upsurge in emerging economies. Despite weaker performance projected in advanced economies, growth in emerging markets is expected to decline marginally from 4.5% in 2018 to 4.4% in 2019, before increasing to 4.8% by 2020. As fiscal stimulus recedes, the United States is expected to face growth challenges. Chinese expansion is also projected to moderate, while Europe is expected to be weighed down by concerns around Brexit. Across the emerging markets, the view is that tech and oil-exporting economies may likely struggle in relative terms.

## Indian Economic Overview

India's GDP growth is estimated to have grown by 6.8% in FY2018-19 as compared to 6.7% in FY2017-18. The on-going structural reforms and liberal policies such as GST - One Nation One tax", "Start-Up India", Digital India", "Make in India", "Skill India", FDI liberalisation etc. are now beginning to show their results. With this, India is expected to become one of the top three economic powers in the world, possibly over the next decade. India's labour force is expected to touch 160-170 million by 2020, on the back of factors such as population growth, increased labour force participation, and higher education enrolment.

## Outlook

According to a Boston Consulting Group (BCG) report, India is poised to become the third-largest consumer market, behind the US and China, with consumption expected to treble to US\$ 4 trillion by 2025. This is owing to a shift in consumer behavior and expenditure pattern. World Economic Forum has predicted that by 2030, domestic private consumption, which accounts for 60% of the country's GDP, is expected to develop into a US\$ 6 trillion growth opportunity. Making India one of the world's most dynamic consumption environments.



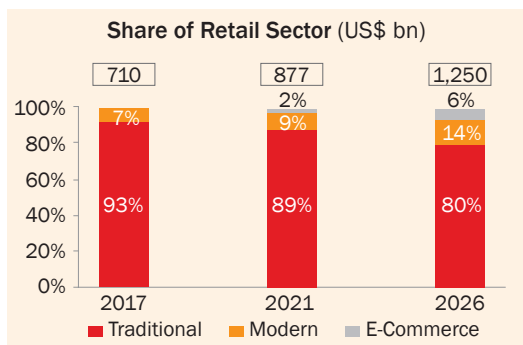
### Retail Sector

Global Retail Industry was valued at US\$ 23,460 billion in 2017 and is expected to register a CAGR of 5.3% to reach US\$ 31,881 billion by 2023 as per Retail Market Global Report (2018-2023). The retail market is mature and highly competitive in the developed economies of Europe and North America. On the other hand, the developing economies of Asia-Pacific, Middle East, and Latin America have been influential in driving the market growth. The growth in developing economies will mainly be driven by higher consumer spending, increase in online as well as offline shopping, and more global players entering these markets.

India is considered to be Asia's third-largest retail market and the world's fourth-largest, after the US, China, and Japan. It is one of the fastest growing major economies in the world, in turn leading to high growth in consumer and retail markets. Food and grocery contributed to a majority share (67%) of the 2017 retail market in India, followed by apparel and footwear, consumer durables and IT. The retail industry in India is projected to grow from US\$ 710 billion in 2017 to US\$ 877 billion by 2021 and US\$ 1,250 billion by 2026, mainly driven by increase in private consumption.

#### Modern Retail is Gaining Prominence

The "Traditional Unorganised Retail Market" constitutes 89% of India's retail sector as compared to the unorganized retail contribution of 15-20% to the total retail sales in countries such as U.K., U.S. etc. Modern Retail penetration in India is expected to increase from 9% in 2017 to 14% by 2022. This will be largely at the expense of traditional retail. In addition E-Commerce has also started gaining prominence over traditional retail.



Source: Technopak: India business of Fashion Report 2018

The modern retail market in India is expected to increase twofold, from around US\$ 79 billion in 2017 to US\$ 175 billion by 2022. Modern retailing in India has entered in the form of huge malls and supermarkets with a variety of formats, such as discount stores, supermarkets, hypermarkets to specialty chains. However, kirana shops still continue to score over modern formats primarily due to the convenience factor.

With a number of international brands entering the market, there is ample opportunity and dynamism for the industry. The Government has also approved 51% FDI (Foreign Direct Investment) in multi-brand retail and 100% in single-brand retail under the automatic route. Growing incomes, increasing awareness and high aspirations in Tier II & III cities have been encouraging several retailers to make a beeline to these smaller markets.

#### Fashion Retail

According to McKinsey 'The State of Fashion 2019 Report', the Fashion retail market is exposed to external shocks and growth will be restricted in 2019. McKinsey Global Fashion Index (MGFI) forecasts growth of 3.5% to 4.5% for 2019, slightly below 2018 growth, predicted at 4% to 5%. In 2019, most of the growth in retail will be led by luxury segment and emerging markets in Asia. The MFGI Growth in APAC Emerging market is expected between 6.5% - 7.5% in 2019.

The Fashion Market in India is estimated to grow at a CAGR of 7.7% from US\$ 56bn (Organised - US\$ 14bn) in 2017 to US\$ 103bn by 2027. India has become a focal point for the fashion industry, led by its high middle-class consumer base and a strengthened manufacturing sector.

The fashion Industry in India is dominated by Apparels, which contributes 79% of the total. The share of Apparel is expected to decline to 73% by 2022, which can be attributed to higher spending in Accessories and Footwear by working women.

Commensurate with healthy growth in GDP, there is an improvement in lifestyles and aspiration levels. With the steady increase in the overall retail spending, particularly in the fashion segment, India has seen a rapid increase in brands, both local and international, in recent years. The advent of brands has made it evidently clear that the old lines between fashion consumers in big cities and small towns is fast



**The Government has also approved 51% FDI (Foreign Direct Investment) in multi-brand retail and 100% in single-brand retail under the automatic route. Growing incomes, increasing awareness and high aspirations in Tier II & III cities have been encouraging several retailers to make a beeline into these smaller markets.**



**The Indian kids wear market in 2017 was estimated at US\$ 10 billion, accounting for 20.8% of the total apparel market. Kids wear is expected to grow at CAGR of 8.1% to reach US\$ 22 bn by 2025.**

blurring. Tier II & III cities have ready customers, hungry for branded fashion. While global brands are looking to expand in metros, homegrown brands are moving into Tier II & III cities with a ready base of customers. The share of branded retail is expected to increase from 37% in 2017 to 50% in 2022.

In 2017, 24% of Fashion Retail was categorised into modern retail and this share is expected to be 33% by 2022.

### The Apparel Market

India is the 5<sup>th</sup> largest market for textile and apparel products in the world. According to McKinsey FashionScope, Greater China is expected to overtake the US as the largest fashion market in the world in 2019. Apparel and accessories contribute approx. 8% of the total merchandise retail market and is the 2<sup>nd</sup> largest after food & grocery. Apparel market in India is estimated to grow at a CAGR of 8% from US\$ 51 billion to US\$ 97 billion by 2025. The growth in Indian Apparel Market is the highest among the top ten countries by apparel market size.

Menswear holds the largest share in the Indian apparel market accounting for 42% of the total

market. Womenswear contributes almost 37%, while kids wear contributes 21% of the market. However, in mature markets like USA and UK, the ratio of women's wear to men's wear is approximately 2:1. Women's share is expected to outpace men's wear and occupy 41% market share by 2025. This growth will be mainly driven by increase in the number of working women and the emergence of several big branded players in this segment.

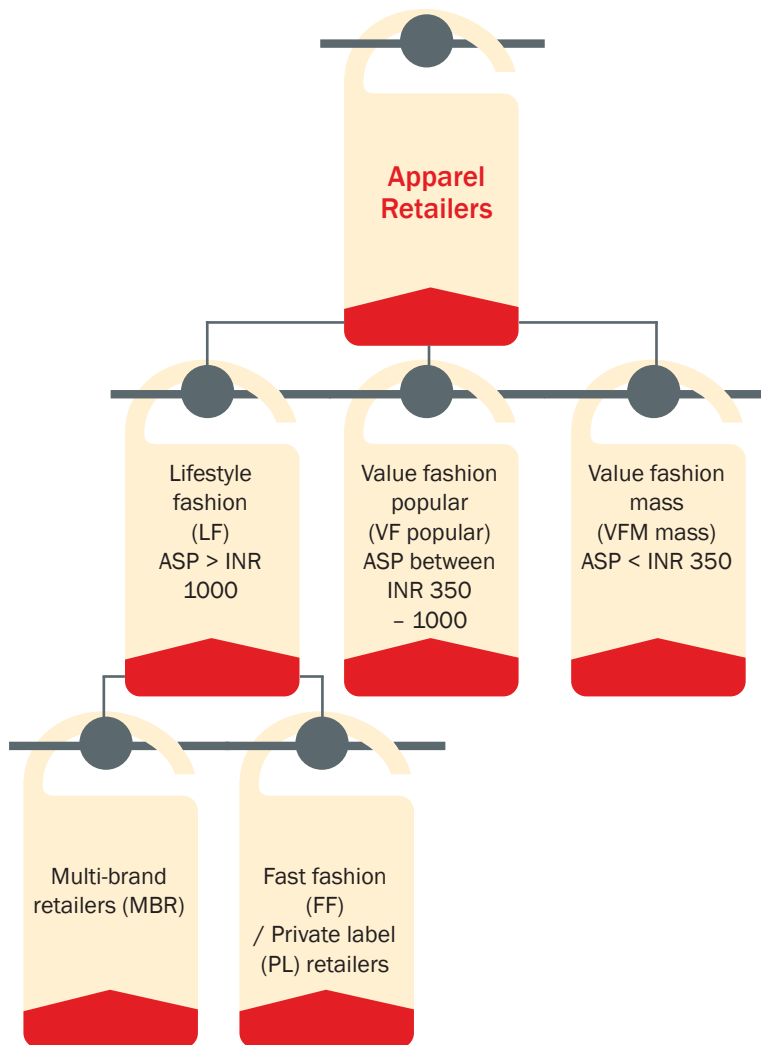
### Value Fashion

The Indian consumer though while increasingly looking for new trends and fashions, is largely an extremely value conscious buyer. Consequently, Value Fashion is expected to be the key growth pillar of this industry.

Better product assortment, right pricing and presence in the right categories will all be key objectives for companies in the sector. Further, private labels are becoming key and playing a more constructive role in adapting to changing preferences and new trends. Companies that innovate, understand the consumer and have a vibrant portfolio of private labels are expected to possess a distinctive edge going forward.



Apparel retailers are classified into three broad categories based on the average selling price (ASP) of their products pricing:



Source: Antique, Stock Broking Limited, Retail Sector Report January 2019

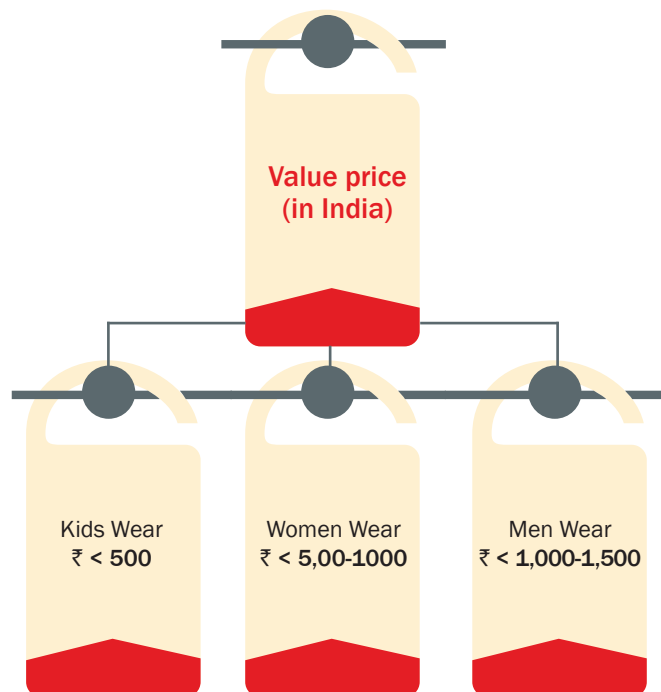
Value Fashion Popular and mass-priced products currently constitute about 57% of the total fashion market. Product pricing remains the key performance driver both in India and globally. As per a report, by Antique, Value fashion retailers, backed by value pricing in India outperformed LF retailers during FY13-18.

Fast Fashion and Value fashion popular (INR350-1000) are growing at 15-20%. Younger consumers, particularly in Tier II & III towns, are more prepared to experiment and try something new, but are well aware of their options and value. Consequently, due to the larger base of

target consumers and higher expected growth, retailers are focusing more on the value segment to drive their volume growth.

Apparel retailing industry in India is primarily concentrated between medium price range of INR 1000-1500 and economy price range of INR 500-1000, which constitutes 29% and 28% of market share, respectively. The sweet spot value price or average selling price (ASP) in kids wear is < INR 500, in women wear it is between INR 500-1000 and, in men wear, between INR 1,000-1,500.

## Value price in men, women, and kids



Source: Antique, Stock Broking Limited, Retail Sector Report January 2019

VFM mass retail market is concentrated in North and East India both in terms of number of players and geographical presence. With increasing competition, VFM retailers are planning to drive revenue growth by expanding into less-penetrated markets. Higher growth is expected in women and kids wear in VF mass with gradual upgrading of women from unorganized to organized in rural areas.

Expansion plans of VF mass retailers coupled with higher penetration by VF popular will drive overall growth in retail industry.

### Trends and Growth Drivers for Fashion Retail including Value Fashion in India

Indian Retail Industry is well-placed for steady and healthy growth as consumers' affordability is on the rise and aspirations are growing rapidly. Healthy economic growth, increasing disposable income and urbanisation results into an upgraded lifestyle with people looking for value and improved options. A growing young population is more exposed to the latest styles and trends. With the implementation of GST, the movement

of goods across states has been simplified due to a standardized set of rules in place. BCG Group expects 60-70% of the branded apparel market will be digitally driven by easy availability of plastic money in the form of credit and debit cards. Although, digital influence in fashion has increased by more than 5x since 2013, there are an increasing number of digital customers who prefer to seek latest trends and design online, but purchase offline for touch, feel, fit.

### Key Challenges in Fashion Retail

Despite India being one of the most attractive and lucrative markets, reaching out to smaller markets in Tier III, IV and V cities is a major challenge from both a bandwidth and logistic perspective. Further, rapidly changing consumer preferences has led brands in the fashion industry to usually roll-out their new collection seasonally, which results in longer time-to-market. Heavy discounts offered by different players plays a large role in online fashion retailing growth, which intensifies competition. Similarly, an overall slowdown in the economy may result in customers reducing their purchases. Companies that can best manage these factors and consistently deliver consumer delight are well poised to do well in this segment.



Having opened the first store at Ahmedabad way back in 2003, the Company today has a strength of 214 physical stores spread across 170 towns in 17 states and Union territories.

## V-Mart Retail

V-Mart Retail's business model has been built around "value retailing in emerging India", to address the huge gap between aspirations and the presence of organised retail. All the stores of the Company are located in the relatively "under-serviced" India, extending across Tier II, III & IV locations. The Company's philosophy is to deliver on its brand promise, deliver product quality and not only affordable, but latest fashion, in a retail-mall like shopping environment.

Having opened the first store at Ahmedabad in 2003, the Company today has 214 physical stores spread across 170 towns in 17 states and Union territories. It was recognised by Bloomberg as "The World's Best Performing Department Store" in 2018.

The Company's key differentiators have been its ability to better understand the target consumers and cater to their needs by creating the right product experience and environment for them. Aspirations of these customers are sometimes very different from those in Tier I cities and metros. As it has the experience and understands these customers and preferences well, V-Mart has the capability to create considerable value. The emphasis is on delivering on a want that creates customer delight, but may not necessarily be cheap. For our customers, it is the experience and identity of the brand and their purchase that matters. Our initiatives are led by a lot of experimentation which includes marketing activities and advertising.

V-Mart is amongst the largest Value Fashion mass retailers and has developed several private label brands like Flick, Twist, Kidistan & Charcoal. The Company is also taking several initiatives towards enhancing its Value Fashion capabilities by focusing on widening product portfolio, enhancing the display and experience and ensuring availability of all the latest and relevant trends.

Concurrently, the thrust is on enhancing efficiencies and strengthening back end operations which translates into cost savings and a stronger competitive position.

## Operational Review

A calibrated addition of stores, and scaling up the support infrastructure is a key focus area for the company. During the year under review, the company opened 44 new stores across the focus regions.

Same Store Sales growth for the year stood at 3.7%, while it amounted to 8.0% by volume. The Sales per sq. feet (per month), which is a key performance metric, stood at ₹ 805 as against ₹ 823 in previous year. In line with our strategy, revenue contribution continued to be largely weighted to Fashion, which contributed close to 93%.

Other performance metrics also showed good traction. Footfalls improved by 15.1%, well assisted by various promotions. The increase in footfalls has been accompanied by an increase in bill size too, which is an indication that our strategy is yielding the right results.

Our focus continues to be on enhancing the experience for the customer – not necessarily offer cheap goods, but present them with various options across price points and tweak the offering so as to bring them the best value.

## Financial Analysis FY2018-19

V-Mart Retail Limited follows the accrual basis of accounting under the historical cost convention. Its accounts were prepared on the basis of accounting standards as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 .

### Balance Sheet

- Net worth increased to ₹ 40,927 Lakhs as on 31<sup>st</sup> March 2019, compared to ₹ 34,744 Lakhs as on 31<sup>st</sup> March 2018.
- Borrowings as on 31<sup>st</sup> March 2019 stood at ₹ 32.25 Lakhs, compared to ₹ 59.53 Lakhs as on 31<sup>st</sup> March 2018.

### Profit and loss statement

- Total revenues increased to ₹ 1,43,967 Lakhs compared to ₹ 1,22,651 Lakhs in FY2017-18.
- EBITDA for FY2018-19 is ₹ 13,293 compared to ₹ 13,279 Lakhs in FY2017-18.
- Depreciation and amortization stood at ₹ 2,762 Lakhs in FY2018-19, compared to ₹ 2,293 Lakhs in FY2017-18.
- Profit after Tax stood at ₹ 6,163 Lakhs in FY2018-19, compared to ₹ 7,770 Lakhs in FY2017-18.

### Working Capital Management

- Current assets as on 31<sup>st</sup> March 2019 stood at ₹ 42,158 Lakhs, compared to ₹ 36,742 Lakhs as on 31<sup>st</sup> March 2018.



**Net worth increased to ₹ 4,093 million as on 31<sup>st</sup> March 2019, compared to ₹ 3,474 million as on 31<sup>st</sup> March 2018.**



**Current assets as on 31<sup>st</sup> March 2019 stood at ₹ 42,158 Lakhs, compared to ₹ 36742 Lakhs as on 31<sup>st</sup> March 2018.**

- Inventories as on 31<sup>st</sup> March 2019 stood at ₹ 32,898 Lakhs, as compared to ₹ 30,711 Lakhs as on 31<sup>st</sup> March 2018.
- Cash and bank balances stood at ₹ 1,659 Lakhs as on 31<sup>st</sup> March 2019, compared to ₹ 1837 Lakhs as on 31<sup>st</sup> March 2018.
- Current liabilities stood at ₹ 21,144 Lakhs as on 31<sup>st</sup> March 2019, compared to ₹ 19440 Lakhs as on 31<sup>st</sup> March 2018.

	₹ Lakhs		
	FY2016-17	FY2017-18	FY2018-19
<b>Profit and loss statement</b>			
Total Revenue	1,00,580	1,22,651	1,43,967
PBT	6,682	11,247	9,981
Depreciation and amortization	1,855	2,293	2,763
EBIDTA	8,890	13,279	13,293
PAT	4,390.4	7,770	6,163
Basic EPS	24.30	43	34
<b>Balance sheet</b>			
Networth	27,004	34,744	40,927
Borrowings	3,547	32	3
Cash and Bank Balance	287	1,837	1,659
<b>Key Ratios</b>			
Inventory Days	86	86	81
EBIDTA Margin	8.8%	10.9%	9.3%
PAT Margin	4.4%	6.3%	4.3%
Lease and rental cost (% of revenues)	4.5%	4.3%	4.7%

#### Awards & Recognitions

V-Mart Retail is delighted to have received several recognitions in the year under review. In Jan 2019 V-Mart was bestowed the 'Transforming India Through Retail' award, for "transforming lives in Tier II & III cities" by the Honorable Union Minister of Textiles. The Company was also bestowed with the Retail Champion Award for Apparel & Lifestyle by Retail Association of India. The Company was recognised in 2018 as The World's Best Performing Department Store as per Bloomberg data. Lalit Agarwal, the Chairman and Managing Director was also conferred the award of the 'Retail Leader of the Year-2018' by Franchise India. Additionally the Company was the 2018 Winner of "Best Practice in Learning Transfer for Improving Business Bottom Line" at the World HRD Congress.

At the IMAGES Fashion Awards 2019, the Company was awarded:



In addition V-Mart Retail won the 'Indian Retail Champions Awards' at the Retail Leadership Summit 2019, was recognized as North India's Best Employer Brand at the 13th Employer Branding Awards and was bestowed the "Value Retailer of Choice" 2018" recognition by Progressive Grocer.

### Human Resources

The Company believes that employees are the most valuable resource and play a crucial role for its growth. Being a customer interfacing service organization, V-Mart remains focused on attracting talent with strong capabilities. In addition, the Company ensures nurturing them through robust learning, training and development mechanisms, and retaining them through opportunities for learning and growth.

The Company trusts in harnessing its leadership and people capabilities by encouraging creativity and innovation within the organisation and a modest, respectful and caring attitude when interacting with customers. V-Mart hosts awareness campaigns, health camps, monthly games and quizzes, encouraging employees to practice, learn and grow interactively.

V-Mart has well-structured HR system & processes in place to provide better growth for employees, both at personal and professional levels. A reward and recognition mechanism is implemented to keep employee morale high and formally appreciate the efforts of a competitive and talented workforce based on their performance.

The Company also recognises the importance of employee engagement and their valuable feedback. V-Mart has a strong Whistle blower & Grievance Redressal Mechanism in place. It has an open door policy that ensures employees can freely approach senior management in case of any issue and that all complaints are resolved in a timely manner.

All these initiatives result in an organization with strong capabilities, a sense of belonging and a thirst for success.

### Enterprise Risk Management

The Board of Directors has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the company. The committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Company has a robust risk management policy in place to identify, manage and mitigate significant business risks As part of the framework, the company:

- Assessed the strategic and significant risks and opportunities in the operating environment and business ecosystem
- Evaluated competitive position in key markets and the impact of intensifying competition & in a dynamic regulatory environment
- Regularly monitored the progress of strategic initiatives and projects for remediation & treatment of risks identified
- Reviewed & monitored financial, operational and information security risks through internal risk registers, external assessments, internal audit findings and incidents

The Company is cognizant of the risks its business may encounter and has put in place systems and processes to address these. These include:

#### Merchandise Risk

An inappropriate understanding of market trends can result in lowered sales.

**Mitigation:** V-Mart has longstanding presence in Tier-II and III locations and is thus well-acquainted with varied and evolving consumer preferences in these regions. This experience results in relevant production and higher conversion to sales.

#### Total Revenues (₹ In Lakhs)

FY 17	100,587
FY 18	1,22,651
FY 19	1,43,967



**The Company trusts in harnessing its leadership and people capabilities by encouraging creativity and innovation within the organisation and a modest, respectful and caring attitude when interacting with customers.**

### Inventory Risk

Unsold inventory can result in working capital crisis which may affect long-term sustainability.

**Mitigation:** The Company has automated its central warehouse and automated stock replenishment for ensuring availability of 'right inventory' at 'right place'. As part of liquidation framework, slow moving inventory are sold by offering promotional discounts or are transferred to other store locations.

### Inventory Sales Days

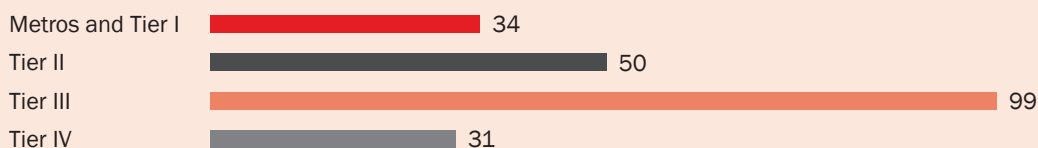


### Locational Risk

The Company's expansion plans by entering into new towns could adversely impact its profitability if the new location does not deliver adequate demand.

**Mitigation:** Before commissioning new stores in a new location, the Company conducts manner survey for calculating the potential demand in that area. Moreover, the risk is further mitigated by V-Mart's inherent ability to offer quality products at reasonable prices.

### V-Mart Stores



### Margins Risk

In a low-margin business, it may be unviable for the company profitable to operate.

**Mitigation:** V-Mart has an efficient and proven business model of integrating market penetration, expansion & product development to build a strong & sustainable organic growth model. Widespread market reach, growing consumerism, efficient sourcing and optimizing of costs on a larger base constitutes key pillars of success for the company.

### EBITDA margin %



### Rental Risk

High urban rentals can reduce profitability

**Mitigation:** The Company is strategically present in Tier-II, III and IV cities. This well diversified presence has helped reduce lease and rental costs significantly.

### Lease and Rental cost (% of revenues)



### Information Risk

Improper investment in people, processes and technology could adversely impact the Company.

**Mitigation:** The Company's aspiration to adequately invest in three important parameters (people, processes and technology) has helped it precisely analyse the market leading to right and perfect decision.



The company has an effective risk management framework in place to identify, monitor and remediate risk while harnessing opportunities



### EBITDA



### People Risk

Retention of Expert talent & reducing attrition

**Mitigation:** The company has lucrative compensation & benefit structure across all levels for fulfilling the aspirations of motivated employees. Special focus on innovation, people development, skill enrichment and engagement activities have facilitated the company to have a continuously evolving human capital.



The continuing objective for the Company is to enhance customer experience through a combination of consumer insight and technology.

### Total No. of Employees



### Internal control systems and their Adequacy

The Company has an effective internal control system in place that ensures the internal processes comply with regulated business policies and procedures. The Board of Directors has adopted appropriate measures ensuring orderly and efficient conduct of its business. These controls have been designed to provide reasonable assurance with regard to adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The audit committee ensures that the financial reporting process and the disclosure of its financial information are correct, sufficient and credible in line with the provisions of Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 that these are reviewed by the management and recommendations are made prior to the finalisation of financial statements. Reports of internal auditors are reviewed by the Audit Committee, and corrective measures are carried out towards further improvement in systems and procedures and compliance with Internal Control System.

### Outlook and Opportunities

The organised retail segment, as discussed earlier, is on the cusp of strong growth and V-Mart Retail is optimally positioned to leverage the opportunities therein. With a large component of economic growth expected to come from Tier II & III towns,

V-Mart Retail with the most established presence in these regions, is excited about its prospects. The Company's emphasis will be three-fold:

- Aggressively grow store network:** The Company already has 214 stores. Its thrust will be on continuing to deliver affordable value fashion to the aspiring class to best connect to all its target audience.
- Enhance customer experience:** The continuing objective for the Company is to enhance customer experience through a combination of consumer insight and technology. V-Mart is focused on strengthening its position through diversified offerings at reasonable prices.
- Technology:** V-Mart Retail is cognizant of the increasing relevance of technology across all paradigms of its business and is focused on building its team and capabilities to maintain its cutting-edge technology.

### Cautionary Statement

This discussion contains statements about expected future, events, financial and operating performance of V-Mart retail. The statements are made making certain assumptions the basis of which may change going forward. The Company does not undertake to amend these assumptions or outlook on a continuing basis. The reader is hence advised not to completely rely on the commentary herein but to read this report in conjunction with other materials (s) he refers to.

# V-MART RETAIL LIMITED

(CIN - L51909DL2002PLC163727)

Regd. Office: 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi – 110092

Corp office: - Plot No.862, UdyogVihar, Industrial Area, Phase V, Gurugram – 122016 (Haryana)

Tel. No. : 0124-4640030, Fax No. 0124-4640046, Website: www.vmart.co.in, Email – info@vmart.co.in

## NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held on 02, August, 2019 at 09:30 am at India Islamic Cultural Centre, 87-88 Lodhi Road, Near Lodhi Gardens, New Delhi - 110003 to transact the following Business:

### ORDINARY BUSINESS:

To consider and, if thought fit, to pass the following resolutions as **Ordinary Resolutions**

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, along with the reports of the Auditors and the Board thereon.**

“RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and of the Auditors thereon be and are hereby received, considered and adopted.”

2. **To declare a dividend at the rate of Rs. 1.70 per equity share for the financial year 2018-19.**

“RESOLVED THAT a dividend of Rs 1.70 per equity share of Rs. 10/- each fully paid-up for the financial year 2018-19, as recommended by the Board, be and is hereby approved and declared.”

3. **To appoint Mr. Madan Gopal Agarwal (DIN 02249947) as a Director, liable to retire by rotation.**

“RESOLVED THAT Mr. Madan Gopal Agarwal (DIN 02249947), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

### SPECIAL BUSINESS:

4. **To appoint Mr. Govind S. Shrikhande (DIN: 00029419) as an Independent Director of the Company**

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 Section 149, Section 150, Section 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Govind S. Shrikhande (DIN 00029419) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors on the recommendation of Nomination and Remuneration Committee with effect from November 2, 2018 in term of section 161(1) of the Act and who holds office till the date of the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Non-Executive Director of the Company not liable to retire by rotation, to hold office for a period of five (5) years with effect from November 2, 2018 up to November 2, 2023”

**RESOLVED FURTHER THAT** Mr. Lalit Agarwal, Chairman & Managing Director & Ms. Megha Tandon, Company Secretary be and are hereby severally authorized to do all such acts, deeds, things as may be required to give effect to this resolution.”

5. **To re-appoint Mr. Aakash Moondhra (DIN: 02654599) as an Independent Director of the Company**

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 149, Section 150, Section 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Aakash Moondhra (DIN 02654599) whose current period of office is expiring on 22 September, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149 of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for another term of 5 (Five) consecutive years on the Board of the Company w.e.f. 22 Sept., 2019 upto 22 Sept., 2024.

**RESOLVED FURTHER THAT** Mr. Lalit Agarwal, Chairman & Managing Director & Ms. Megha Tandon, Company Secretary be and are hereby severally authorized to do all such acts, deeds, things as may be required to give effect to this resolution."

6. **To approve the revision/variation in the remuneration of Mr. Lalit Agarwal, (DIN: 00900900) Managing Director of the Company.**

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

**"RESOLVED THAT** in pursuance of Section 196, Section 197, Section 198, Section 203 and the Rules made thereunder, read with Schedule-V of the Companies Act, 2013 and other applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013, and any other laws, regulations prevailing for the time being in force, and such other approvals as may be necessary in this regard, approval of the members of the Company be and is hereby accorded for revision/variation in terms of appointment and remuneration of Mr. Lalit Agarwal (DIN: 00900900) Managing Director of the Company, designated as Chairman and Managing Director, with effect from 1st April 2019 till his remaining tenure ending on 31st May, 2022 as Chairman & Managing Director of the Company, as recommended by the Nomination & Remuneration Committee and noted hereunder:

**A. Salary:**

Basic salary of Rs. 85.39 Lakhs per annum.

**B. Commission:**

One per cent (1%) commission on the net profits of the Company in each financial year, subject to the overall limit as stipulated in Section 197 of the Companies Act, 2013.

**C. Perquisites:**

In addition to salary and commission, the Managing Director shall be entitled to perquisites and allowances, Company provided residential facility/house, in terms and accordance with the Management Regulations of the Company, as applicable and in force from time to time and as per employment agreement dated 30th May, 2012.

He shall also be eligible for expenses incurred on education of his children (upto 2 children), whether, in India or abroad, subject to the maximum limit of Rs. 50 Lakhs per annum.

The overall value of the perquisites shall be subject to the overall limit of Rs. 90 Lakhs per annum.

**D. Other terms and conditions:**

In the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to the minimum remuneration as mentioned herein above without any variance except that no commission shall be payable, subject to the overall limit as specified in the schedules to the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter or vary the above terms and conditions so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 in case the Company has inadequate profits or within the limits approved by the Central Government, if required, as the case may be.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment of Mr. Lalit Agarwal (holding DIN 00900900) as Managing Director, as approved by the Board of Directors and Shareholders of the Company in their meetings held on 21st May, 2012 and 22nd May, 2012, respectively remain the same.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment of Mr. Lalit Agarwal, (holding DIN 00900900) as Managing Director, as recorded in the employment agreement dated 30th May, 2012

executed between the Company and Mr. Lalit Agarwal (holding DIN 00900900) shall remain same.

**RESOLVED FURTHER THAT** Chief Financial Officer of the Company and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

7. **To approve the revision/variation in the remuneration of Mr. Madan Gopal Agarwal, (DIN: 02249947) Whole Time Director of the Company.**

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

“**RESOLVED THAT** in pursuance of Section 196, Sections 197, Sections 198, Sections 203 and the Rules made thereunder, read with Schedule-V of the Companies Act, 2013 and other applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013, and any other laws, regulations prevailing for the time being in force, and such other approvals as may be necessary in this regard, approval of the members of the Company be and is hereby accorded for revision/variation in terms of appointment and remuneration of Mr. Madan Gopal Agarwal (DIN: 02249947) Whole Time Director of the Company with effect from 1st April 2019 till his remaining tenure ending on 31<sup>st</sup> May, 2022 as Whole Time Director of the Company, as recommended by the Nomination & Remuneration Committee and noted hereunder:

**E. Salary:**

Basic salary of Rs. 31.31 Lakhs per annum.

**F. Commission:**

0.33% commission on the net profits of the Company in each financial year, subject to the overall limit as stipulated in Section 197 of the Companies Act, 2013.

**G. Perquisites:**

In addition to salary and commission, the Whole-time Director shall be entitled to perquisites and allowances, in terms and accordance with the Management Regulations of the Company, as applicable and in force from time to time and as per employment agreement dated 30th May, 2012.

**H. Other terms and conditions:**

In the event of absence or inadequacy of profits in any financial year, the Director shall be entitled

to the minimum remuneration as mentioned herein above without any variation except that no commission shall be payable, subject to the overall limit as specified in the schedules to the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter or vary the above terms and conditions so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 in case the Company has inadequate profits or within the limits approved by the Central Government, if required, as the case may be.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment of Mr. Madan Gopal Agarwal, Whole-time Director (holding DIN- 02249947), as approved by the Board of Directors and Shareholders of the Company in their meetings held on 21st May, 2012 and 22nd May, 2012, respectively remain the same.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment of Mr. Madan Gopal Agarwal (holding DIN 02249947) as Whole-time Director, as recorded in the employment agreement dated 30th May, 2012 executed between the Company and Mr. Madan Gopal Agarwal (holding DIN- 02249947) shall remain same.

**RESOLVED FURTHER THAT** Chief Financial Officer and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

8. **Increase in Borrowing limits under Section 180 (1)(c) over and above the aggregate, for the time being, of the paid-up capital and free reserves of the Company:**

To consider and if thought fit, with or without modification(s), to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 180 (1)(c), Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow money, time to time as they may think fit, any sum or sums of money not exceeding Rs. 75,000 Lakhs [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or

unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid-up capital of the Company and its free reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed (i.e. the principal amount) by the Board and outstanding (i.e. the principal amount) at any point of time, shall not exceed the sum of Rs. 75,000 Lakhs (Rupees Seventy Five Thousand Lakhs Only).

**“RESOLVED FURTHER THAT** Mr. Lalit Agarwal, Chairman & Managing Director, Mr. Anand Agarwal Chief Financial officer & Ms. Megha Tandon, Company Secretary, of the Company be and are hereby severally authorized to do all such acts, deeds, things as may be required to give effect to this resolution.”

**9. To approve the increase in the limits applicable for making investment / extending loans and giving guarantees or providing securities in connection with loans to persons / Bodies Corporates**

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

**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment

thereof for the time being in force) and subject to such other consents, sanctions and permissions as may be necessary, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject to that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 1,50,000 Lakhs (Rupees One Lakhs Fifty Thousand Lakhs only) notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** Mr. Lalit Agarwal, Chairman & Managing Director, Mr. Anand Agarwal Chief Financial officer & Ms. Megha Tandon, Company Secretary, of the Company be and are hereby severally authorized to do all such acts, deeds, things as may be required to give effect to this resolution.”

By order of the Board  
For **V-Mart Retail Limited**

**Megha Tandon**  
Company Secretary  
M. No. ACS 35532

**Place:** Gurugram  
**Date:** 10<sup>th</sup> May, 2019

## NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 9 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") & Secretarial Standard-2 of the person seeking re-appointment as Director under Item No. 3, 4 & 5 of the Notice are also annexed.
2. In terms of Section 152 of the Companies Act, 2013, Mr. Madan Gopal Agarwal (DIN: 02249947), Director, retiring by rotation at the Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Duly completed, signed and stamped Proxy Form should be deposited to the Registered Office of the Company, not less than FORTY EIGHT (48) HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.
4. 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 person or shareholder.
5. Each member present at meeting shall be entitled to one vote for every equity share held.
6. The Company has notified closure of Register of Members and Share Transfer Books from Friday, 26<sup>th</sup> July 2019 to Monday, 5<sup>th</sup> August, 2019 (both days inclusive) in connection with Annual General Meeting and for the purpose of Dividend.
7. The Board of Directors of the Company at their Meeting held on 10<sup>th</sup> May, 2019 have recommended a dividend at the rate of Rs 1.70 per Equity Share as final dividend for the financial year 2018-19. The dividend, if approved by the Shareholders at the Annual General Meeting, shall be paid to those Members/ Beneficial Owners whose names appear in the Register of Members/ depository records as on 25<sup>th</sup> July, 2019 as under:
  - I. to all shareholders in respect of equity shares held in electronic form, as per the data made available by the National Securities Depository Limited and Central Depository Services (India) Limited, as the close of business hours on 25<sup>th</sup> July, 2019; and
  - II. to all shareholders in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the Close of business hours on 25<sup>th</sup> July, 2019.
8. Members are requested to send all communications relating to shares (Physical & Electronic Mode) to our Registrar & Share Transfer Agent (R & T Agent) at the following address:

Karvy Fintec Private Limited  
"Karvy Selenium Tower- B", Plot No. 31 & 32,  
Gachibowli, Financial District, Nanakramguda,  
Serilingampally Hyderabad – 500 032  
Phone No. +91-40-67162222, 33211000  
Toll Free: 1800345 4001  
Fax No. ++91-40-2331-1968  
E-mail: support@karvy.com  
Website: [www.karvy.com](http://www.karvy.com)
9. Members/Proxies are requested to bring their attendance slip duly filled in to the Meeting. 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.
10. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e- voting are given in this Notice. The Company will also send communication relating to remote e- voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.
11. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
12. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Karvy Fintech Private Limited

("Karvy") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
14. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agents.
15. Members holding Shares in Physical form may write to Company's Share Transfer Agents / the Company for any change in their address and bank mandates; members having shares in Electronic Form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
16. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
17. Members desirous of getting any information on the accounts of the Company are requested to forward their queries to the Company at least seven working days prior to the Meeting, so that the required information can be made available at the Meeting.
18. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all rights in the shares shall vest in the event of death of sole holder or all joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.
19. Electronic copy of the Annual Report for the financial year 2018-19 along with Notice for 17<sup>th</sup> Annual General Meeting is being sent to all those members who have opted to receive electronic communication or who have registered their email addresses with the Company/ depository participants. The Annual Report is also available on the website of the Company, i.e. www.vmart.co.in. For members who have not registered their email address, physical copies of the Annual Report and Notice for the Annual General Meeting is being sent in the permitted mode.
20. Electronic copy of the Notice for 17<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and the manner of remote e- voting along with Attendance Slip and Proxy Form is being sent to all those members who have opted to receive electronic communication or who have registered their email addresses with the Company/ depository participants. The Notice of the 17<sup>th</sup> Annual General Meeting of the Company is also available on the website of the Company, i.e. www.vmart.co.in. For members who have not registered their email address, physical copies of the Notice for the 17<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and the manner of remote e- voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
21. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21<sup>st</sup> March, 2013 issued by the Securities and Exchange Board of India, Listed Companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/ RECS (Regional ECS) / NECS (National ECS)/ NEFT etc. for making cash payments like dividend etc. to the members.
22. Members are requested:
  - a) To bring Attendance slip duly completed and signed at the meeting and not to carry brief case or bag inside the meeting venue for security reasons; and
  - b) To quote their Folio No. / DP-ID – Client ID in all correspondence.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. In case of members holding securities in physical form are requested to send a request to Karvy Fintech Private Limited "Karvy Selenium Tower- B", Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 or the Company Secretary of the Company at Plot No.862, Udyog Vihar, Industrial Area, Phase – V, Gurugram – 122016.
23. 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 to the Company / Karvy.

24. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
25. Non-Resident Indian Members are requested to inform Karvy, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) 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.
26. Members who have not registered their e-mail addresses so far, are requested to register their-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
27. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7<sup>th</sup> September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the Shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority.

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016. The Company also simultaneously uploaded on the "Investors Section" of the Website of the Company viz. [www.vmart.co.in](http://www.vmart.co.in) in giving details of such shareholders whose dividend is unclaimed or unpaid.

28. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

#### Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of Companies Act, 2013 and pursuant to the provisions of Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 17<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e- voting Services provided by Karvy Fintech Private Limited.

The Company has appointed Mr. Mayank Vashist, Practicing Company Secretary as the Scrutinizer for conducting the remote e- voting process in a fair and transparent manner. E-voting is optional.

The E- voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on 25<sup>th</sup> July, 2019 being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically. The members as on the cut-off date viz Thursday, 25<sup>th</sup> July, 2019, shall only be eligible to vote on the resolution mentioned in Notice of AGM through e- voting as well as at the AGM.

#### The instructions for remote e- voting are as under:

Use the following URL for e-voting from KARVY website: <http://evoting.karvy.com>

1. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
2. Enter the login credentials [i.e., user id and password mentioned in the e-voting sheet]. Your Folio No/DP ID/ Client ID will be your user ID. However, if you are already registered with KARVY for e-voting, you can use your existing User ID and password for casting your vote.
3. After entering the details appropriately, click on LOGIN.
4. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,



etc.). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e. V-Mart.
7. On the voting page, enter the number of shares as on the cutoff date under "FOR/AGAINST" or alternately you may enter partially any number in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed the total shareholding. You may also choose the option "ABSTAIN" and the shares will not be counted under either head.

Institutional Shareholders (i.e. Members other than individuals, HUF, NRIs etc.) are required to send a scanned copy of the Board Resolution/authority letter to the Scrutinizer via email at [scrutinizer.vmacs@gmail.com](mailto:scrutinizer.vmacs@gmail.com) with copy marked to [evoting@karvy.com](mailto:evoting@karvy.com) & [inward.ris@karvy.com](mailto:inward.ris@karvy.com)

8. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
9. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.

10. Once the vote on the Resolution is cast by the Member, he/she shall not be allowed to change it subsequently. Further, the Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Annual General Meeting. However, those Members shall not be allowed to cast their vote again at the general meeting.
11. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members shall be available at the download section of <http://evoting.karvy.com> or contact KARVY at Tel No.1800 345 4001 (toll free).
12. The Portal will remain open for voting from: 9.00 a.m. on Tuesday, 30<sup>th</sup> July, 2019 to 5.00 p.m. on Thursday, 1<sup>st</sup> August, 2019 (both days inclusive).
13. The Scrutinizer shall immediately after the conclusion of the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairperson of the Company. The Chairperson or any other person authorised by the Chairperson, shall declare the result of the voting forthwith.
14. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the website of the Company [www.vmart.co.in](http://www.vmart.co.in) and on the website of KARVY <https://evoting.karvy.com> within three days of passing of the Resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, for placing the same in their website.

### Important Communication to Members

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. To support this green initiative of the Government in letter and spirit, the Company has taken an initiative to collect e-mail addresses of all its members.

Members holding shares in physical form are requested to provide / update their e-mail addresses to Karvy Fintech Pvt. Ltd. (Registrar and Share Transfer Agent).

Note: Members holding shares in dematerialized form may kindly update their e-mail addresses with their respective Depository Participant (DP's).

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

#### Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Govind S. Shrikhande as an Additional Director in capacity of Independent Non-Executive Director of the Company with effect from November 2, 2018 to hold office for a term of five years subject to approval of the members at next General Meeting.

As an Additional Director, Mr. Shrikhande holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received the necessary declaration(s) from Mr. Shrikhande confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Govind S. Shrikhande is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director on the Board of the Company.

Mr. Shrikhande possesses rich cross-functional experience in the Textiles, Apparel and Retail industry. In his last professional role, he was the Managing Director of Shoppers Stop, where he started his stint in 2001 as the Vice President of Buying & Merchandising function, growing to the role of Chief Operating Officer Role before being elevated as the MD. Prior to Shoppers Stop, he was associated with Mafatlal and Johnson & Johnson. He has the unique distinction of being part of the team that launched Arvind Denim & Arrow, brand in India. Mr. Shrikhande has also worked with Bombay Dyeing.

In the opinion of the Board, Mr. Govind S. Shrikhande fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Considering the rich and vast experience of Mr. Shrikhande, your Board believes that his induction on the Board will bring strength to the Company. As a Non-executive Director, Mr. Shrikhande will be entitled to sitting fee for attending Board/ Committee meeting(s) and commission on profits of the Company, as approved by the Board of Directors or the members of the Company, from time to time

A copy of the letter of appointment, setting out his terms and conditions of appointment will be available for inspection, without any fee, by the members at the Company’s registered office during normal hours on working days (except Saturday & Sunday) up to the date of the AGM, and also at the Meeting.

Save and except Mr. Govind S. Shrikhande and his relatives; to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the members.

#### Item No. 5

The Member of the Company in its 12th Annual General Meeting held on 23rd September, 2014 appointed Mr. Aakash Moondhra as an Independent Director of the Company for 5 (five) consecutive years from the date of 12th Annual General Meeting.

In terms of the provisions of Section 149 of the Companies Act, 2013 (“the Act”), read with the rules made thereunder and MCA (Ministry of Corporate Affairs) vide General Circular No. 14/2014 dated 9th June, 2014, Mr. Aakash Moondhra is eligible for re-appointment as an Independent Director for one more term of 5 years, on passing of a Special Resolution by the Members.

The Board of Directors of the Company at its meeting held on May 10, 2019, after due consideration of the performance of the Director, approved the re-appointment of Mr. Aakash Moondhra as an Independent Director of the Company w.e.f. from 22 September, 2019, for another term of 5 (five) years, subject to approval of Members of the Company. The Board of Directors is of the opinion, that his continued association as an Independent Director, will benefit the Company.

Mr. Moondhra currently, the Global CFO of Naspers Fintech and PayU. Previously, Aakash has held senior positions at Nokia India Private Limited, Baring Private Equity Partners (India) - where he headed the Retail vertical, Bharti Retail Private Limited, Bharti Airtel Limited and AT&T Corporation, as well CFO of Snapdeal. A member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India, he holds a Bachelor’s Degree in Commerce from the University of Delhi and an MBA from Southern Methodist University, Texas. He secured the IDP-C certification for driving corporate governance at Board level at the International Directors Programme at INSEAD in 2017.

The Company has also received- (a) declaration of independence from Mr. Aakash Moondhra; (b) his consent

to act as Director; and (c) declaration to the effect that he is not disqualified from being appointed as Director in terms of Section 164 (2) of the Act. In the opinion of the Board, Mr. Moondhra possesses appropriate skills, experience & knowledge and fulfills the conditions specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his re-appointment as an Independent Director of the Company.

Mr. Moondhra is independent of the management and is not related to any Director or Key Managerial Personnel of the Company. As a Non-executive Director, Mr. Moondhra will be entitled to sitting fee for attending Board/ Committee meeting(s) and commission on profits of the Company, as approved by the Board of Directors or member of the Company from time to time. Considering the qualification and experience of Mr. Moondhra, his re-appointment as Independent Director shall be beneficial to the Company.

A copy of the letter of appointment, setting out his terms and conditions of appointment will be available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days (except Saturday & Sunday) up to the date of the AGM, and also at the Meeting.

Save and except Mr. Aakash Moondhra and his relatives; to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 5 of the Notice for the approval of the members.

#### **Item No. 6 & 7**

The Board of Directors and Shareholders of the Company in their meetings held on 21<sup>st</sup> May, 2012 & 22<sup>nd</sup> May, 2012, respectively, have approved the appointment of Mr. Lalit Agarwal (DIN 00900900), as Managing Director, designated as Chairman & Managing Director and Mr. Madan Gopal Agarwal (DIN 02249947), as Whole-time Director of the Company w.e.f. 1<sup>st</sup> June, 2012 for a period of five years each.

On the recommendation of Nomination & Remuneration Committee the Board of Directors of the Company at its meeting held on 3<sup>rd</sup> May, 2017 has pursuant to the provisions of Section 203, 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 (Act) and other laws, regulations, approved the appointment of Mr. Lalit Agarwal (DIN 00900900) as Managing Director, (designated as Chairman & Managing Director) and

Mr. Madan Gopal Agarwal (DIN 02249947) as Whole-time Director of the Company for the period of five years from 31<sup>st</sup> May, 2017 to 30<sup>th</sup> May, 2022 and the shareholders has approved the same in its meeting held on 18<sup>th</sup> Sep., 2017,

In the light of enhanced responsibilities of the top management and having regard to valuable contribution in growth of the Company made by Mr. Lalit Agarwal (DIN 00900900), Chairman and Managing Director, and Mr. Madan Gopal Agarwal (DIN 02249947), Whole-time Director of the Company, and as per the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on 10<sup>th</sup> May, 2019 approved the revision/variation in the payment of remuneration to Mr. Lalit Agarwal (DIN 00900900) as Managing Director, (designated as Chairman & Managing Director) and Mr. Madan Gopal Agarwal (DIN 02249947) as Whole-time Director of the Company for the period from 1<sup>st</sup> April, 2019 till their tenure i.e. upto 30<sup>th</sup> May, 2022, the details of revised remuneration are mentioned in the resolution no's. 6 & 7.

Further, pursuant to the provisions of Sections 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the Shareholders in the Annual General Meeting.

Thus, in view of the above your Directors proposed for the approval of Members as special resolution for item nos. 6&7 with regard to revision/alteration of remuneration of Mr. Lalit Agarwal (DIN 00900900), Managing Director, Mr. Madan Gopal Agarwal (DIN - 02249947), Whole-time Director of the Company. The relevant disclosures pursuant to Companies Act, 2013 and rules made thereunder, SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 are given below.

None of the Directors and Key Managerial Personnel of the Company (except Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal) or their relatives is in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 6&7 of the Notice for the approval of the members.

#### **Item No. 8**

Section 180 (1) (c) of the Companies Act, 2013 permits the Company to borrow money along with the money already borrowed by the Company, except the temporary loans obtained from the Companies banker in ordinary course of business, beyond the paid -up capital and free reserve of the Company, only if the same is approved by the Members of the Company.

In view of the Company's business requirements and growth plans, it is proposed to increase the borrowing limits to a sum not exceeding Rs. 75,000 Lakhs (Rupees Seventy Five Thousand Lakhs only) under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act")

Hence, members of the Company are requested to give their approval to borrow the money along with the money already borrowed by the Company in excess of its paid –up capital and free reserve i.e. Up to Rs. 75,000 Lakh.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution except to the extent of their shareholding, if any, in the Company.

#### Item No. 9

Section 186 of the Companies Act, 2013 permits the Company to invest the surplus funds of the Company in shares and securities of any other body corporates in excess of the 60% of the aggregate of the paid-up share capital and free reserves and securities premium account of the Company or 100% of its free reserves and securities premium account of the Company, whichever is more, if the same is approved by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure it is proposed to give powers to the Board of Directors to make investments,

providing loans or give guarantee or provide security in connection with loans for an amount not exceeding Rs. 1,50,000 Lakhs (One Lakhs Fifty Thousand Lakhs only).

Hence, members of the Company are requested to give their approval to invest the surplus funds of the Company in excess of the Hundred per cent of its free reserves and securities premium account of the Company i.e upto Rs. 1,50,000 Lakh.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution except to the extent of their shareholding, if any, in the Company.

#### Inspection

All documents referred to in the Notice shall be open for inspection at the registered office of the Company during normal business hours on all working days (except Saturday and Sunday), up to and including the date of the Annual General Meeting.

By order of the Board  
For V-Mart Retail Limited

**Megha Tandon**  
Company Secretary  
M. No. ACS 35532

**Place:** Gurugram  
**Date:** 10<sup>th</sup> May, 2019

### Details of Directors seeking Appointment / Re-appointment/Revision – Variation in remuneration at the Annual General Meeting

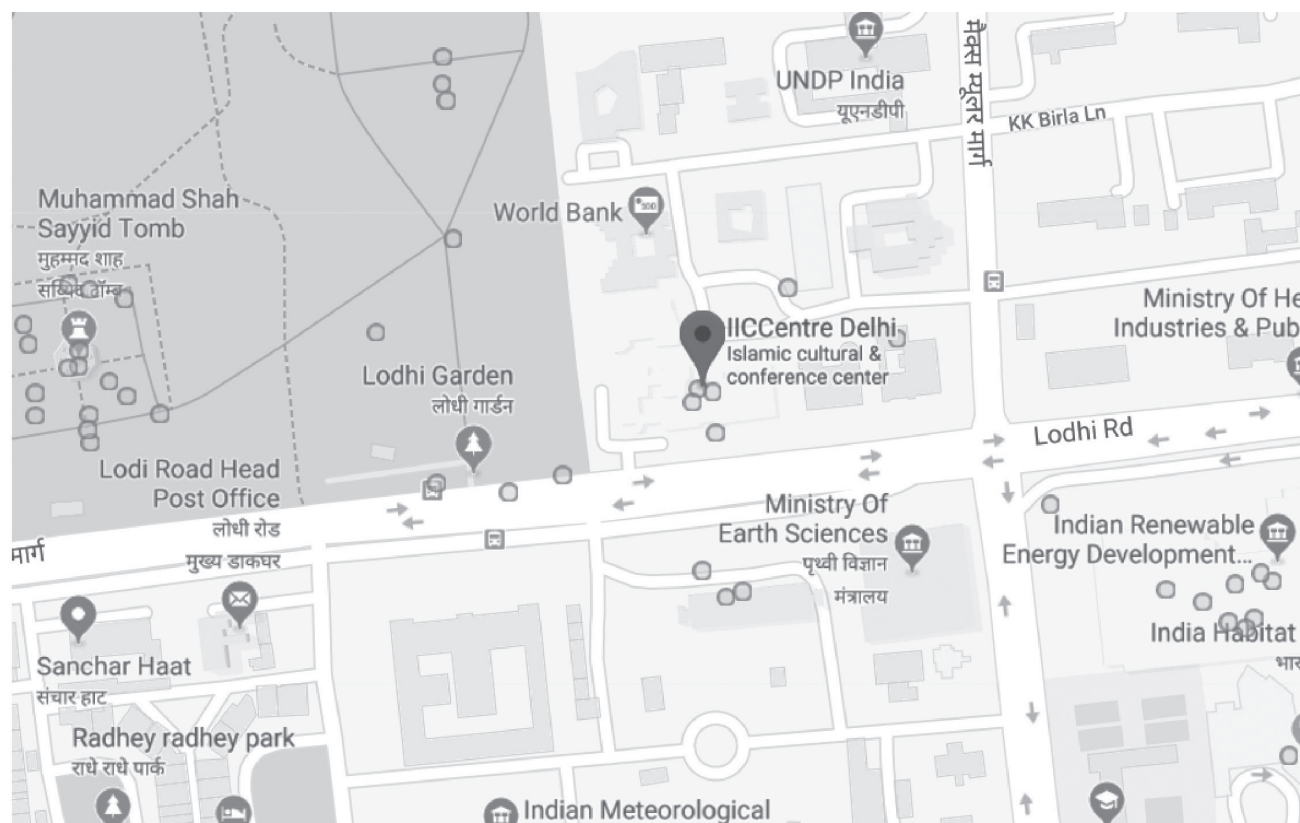
(Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015) & Secretarial Standard-2

Sr. No	Particulars	Mr. Madan Gopal Agarwal	Mr, Lalit Agarwal	Mr. Govind S. Shrikhande	Mr. Aakash Moondhra
1	DIN	2249947	00900900	0029419	2654599
2	Age	75	49	59	46
3	Qualification	Bachelor's Degree in Arts from the City College, the University of Calcutta	Bachelor's Degree in commerce from Bombay University & Diploma in Finance Institute of Management studies, Mumbai	MBA in Marketing, Symbiosis, Pune University, B. Textile Technology, VJTI, Mumbai University	Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He holds a Bachelor's Degree in Commerce from the University of Delhi and an MBA from Southern Methodist University
4	Experience	He has more than four decades of experience in retail industry.	He has more than 19 years of experience in retail industry.	He possesses rich cross-functional experience of more than three decades in the Textiles, Apparel and Retail industry	He is an accomplished professional with diverse global experience.
5	Term and condition of appointment	As per the resolution	As per the resolution	As per the resolution	As per the resolution

Sr. No	Particulars	Mr. Madan Gopal Agarwal	Mr. Lalit Agarwal	Mr. Govind S. Shrikhande	Mr. Aakash Moondhra
6	Details of remuneration to be paid	As per the resolution	As per the resolution	Sitting fees & commission as approved by Members	Sitting fees & commission as approved by Members
7	Remuneration last drawn (during the F.Y 2018-19)	Rs. 62.79 Lakh	Rs. 223.56 Lakh	Rs. 7.55 Lakh	Rs. 18.89 Lakh
8	Date of appointment at Board	21/05/2012	21/05/2012	2/11/2018	18/03/2010
9	Shareholding in the company as on 31st March, 2019	Nil	Nil (7.05% though HUF)	Nil	924 shares
10	Relationship with other Directors/KMP/Managers	Father of Mr. Lalit Agarwal, Chairman & Managing Director of the Company	Son of Mr. Madan Gopal Agarwal, Director of the Company	None	None
11	No. of Board Meeting attended during the year (2018-19)	5	5	2	5
12	Other Directorship	Conquest Business Services Pvt. Ltd.	Conquest Business Services Pvt. Ltd	India Retails & Hospitality Private Limited	Payu Payments Private Limited
13	Membership / chairmanship of committee of other Board	Nil	1	Nil	2

### Route Map/Directions for the venue of AGM from Nearest Metro station

India Islamic Cultural Centre, 87-88 Lodhi Road, Near Lodhi Gardens, New Delhi - 110003



# Director's Report



Dear Members,

Your Company's Directors are pleased to present the 17<sup>th</sup> Annual Report of the Company, along with Audited Accounts, for the financial year ended 31<sup>st</sup> March, 2019.

## FINANCIAL RESULTS

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

Particulars	(₹ in Lakhs)	
	For the year ended 31.3.2019	For the year ended 31.3.2018
Revenue	1,43,967	1,22,651
Profits/(Loss) before Depreciation & Tax	13,724	13,540
Less: Depreciation	2,763	2,293
Profit before exceptional item & tax	9,981	11,247
Exceptional Items	980	-
Less: Tax Expense	3,818	3,476
Prior period items-(income)/expenses	-	-
<b>Net profit for the period</b>	<b>6,163</b>	<b>7,770</b>
Less: Utilized for Dividend Issue	437	272
Other comprehensive income	(36)	29
<b>Balance carried forward to Balance Sheet</b>	<b>5,690</b>	<b>7,527</b>

## PERFORMANCE REVIEW

India is considered to be Asia's third-largest and the world's fourth-largest retail market after the US, China, and Japan. It is one of the fastest growing major economies in the world, in turn leading to high growth in consumer and retail markets. The retail sector contributes over 10% to India's GDP and employs around 8% of the total workforce. It is the world's fifth-largest global destination in the retail space. The retail industry in India is projected to grow from USD 795 billion in 2017 to USD 1,200 billion by 2021. The sector has been experiencing solid growth, with retail development taking place across the country, but is more pronounced in Tier II & III cities

Resonating the trend, the Net Sales of the Company increased by 17 % to ₹ 1,43,217 Lakhs in financial year 2018-19 from ₹ 1,22,097 Lakhs in F.Y. 17-18. The Company has posted Operating Profits (EBITDA) of ₹ 13,293 Lakhs in F.Y. 18-19. The Company posted Profit after Tax (PAT) of ₹ 6,163 Lakhs in the current financial year as against a PAT of ₹ 7,770 Lakhs and EBITDA of ₹ 13,279 Lakhs in the previous financial year.

A detailed analysis of Company's operations in terms of performance in markets, business outlook, risks and concerns forms part of the Management Discussion and Analysis, a separate section of the Annual Report.

## OPERATIONS REVIEW

During the year under review, your Company continued to focus on enhancing the organizational scalability across all dimensions including as Sourcing, Supply Chain, Logistics, Technology, Business Intelligence, and People etc. to make it more robust and future-ready for supporting scalable growth. Towards the achievement of this goal, your Company has been taking a number of initiatives such as:

### Expansion to new markets

During the year, your Company continued with its existing approach to endeavour to establish its growth pattern in the Retail Industry with a chain of stores under the “V-Mart” brand in the north, western and eastern parts of India. Marking a new milestone, your company has opened 44 new stores and closed one store in the previous year. With this addition, the cumulative count of the company’s stores increased to 214, spread over an area of 18 Lakhs sq.ft. V-Mart added three new states i.e. Assam, Meghalaya, and Himachal Pradesh to expand the footprint to 17 states. The value fashion markets are witnessing a new level of adoption, wherein Tier IV towns are eagerly adopting the trend in Tier-II and III towns of seeking affordable & fashionable apparel and, your company aims to replicate success in exploring & harnessing opportunities in Tier IV markets also.

### Optimizing Supply Chain for enhancing Operational excellence

- Improved the average inventory sales days from 86 to 81 days for faster replenishment of merchandise with the latest trends
- Express delivery from the centralized distribution centre to north-east for the sustenance of store freshness
- Capacity building at the warehouse for catering to growth requirements the operations
- Launched an automated online requirement portal and requests management system for enhancing efficiency and serving internal customers

### Revamping Sourcing & Product Assortment:

- Congruency in buying and planning processes with regional fashion tastes and preferences for optimal procurement
- Sustaining growth through increasing share of private labels to 65%
- Launching new ranges of fresh products across all customer segments
- Identification & development of vendors for long term growth

### Building robust and future-ready operations

- Built new pillars of leadership sustenance by on boarding a new Independent Director, Chief Operating Officer (COO), Strategy Head and Head of Retail Operations at the leadership level.
- Reinforcing cluster model for rapid scalability, supply chain efficiencies, procurement flexibility, cost savings, and better implementation by placing new locations strategically within 50-150 km radius from existing cities
- Adding new team to launch and run omnichannel
- Revamped the visual merchandising team and quality team
- Capacity building in terms of adding new office space
- Instituting Zonal Business structures for driving higher ownership & regimental execution
- Made investments in the digital ecosystem by setting up an organization-wide data analytics platform and developing analytics that make the system more agile and responsive
- Launched a unified people management software solution for managing ‘hire to retire’ processes and mobility for providing an exceptional experience to all employees
- Augmented technical capabilities by adding a new data center, re-innovating replenishment engine, and launching Mobile POS machines at stores
- First-Time Marketing Initiatives - Localizing ATL through TVC of regional festivals, engaging prominent Brand Ambassadors for brand awareness & positioning and enhancing store appeal through better visual merchandising
- Launched fully-integrated Customer Relationship Management & loyalty platform

### Embracing Digital Channel - Launching Omnichannel

Your company is in the process of designing a 360° omnichannel experience, seamlessly integrated across the entire customer lifecycle to deliver a digital experience at the stores as well as to online consumers. For responding to an intensifying competition that is also witnessing the entry of global e-retailers, your company aims to unlock and serve the aspirations of more ‘digitally aware’ customers in all part of the country.

## AWARDS & ACHIEVEMENTS

Your Company received several recognitions during the year under review. Your Company was recognised in 2018 as The World’s Best Performing Department Store as per data compiled by Bloomberg. Mr. Lalit Agarwal, the Chairman and

Managing Director was also conferred the award of the 'Retail Leader of the Year-2018' by Franchise India. Additionally the Company was the 2018 Winner of "Best Practice in Learning Transfer for Improving Business Bottom Line" at the World HRD Congress. The Company was also bestowed with the Retail Champion Award for apparel & lifestyle by Retail Association of India.

At the IMAGES Fashion Awards 2019, the Company was well recognized

- as the 'IMAGES Most Admired Affordable Fashion Retailer of the Year
- with the 'IMAGES Excellence Awards, North India
- with the IMAGES Most Admired Retailer of the Year (Marketing and Promotion), North India.

In addition your Company won the 'Indian Retail Champions Awards at the Retail Leadership Summit 2019, and was also recognized as North India's Best Employer Brand at the 13th Employer Branding Awards and was bestowed the "Value Retailer of Choice" 2018" recognition by Progressive

### OPERATING RESULTS AND BUSINESS

Your Company completes its seventeenth year in the field of fashion retailing. The existing business model of the Company with a focus on the consumption story based on the growing aspiration for fashion in the Tier-II and Tier-III cities continues to provide more promising results.

During the year under review, your company opened 44 new stores across the focus regions. Same Store Sales growth for the year stood at 4%, by value and 8.0% by volume. Other performance metrics also showed good traction. Footfalls improved by 15.1%, well assisted by the various promotions. The increase in footfalls has been accompanied by an increase in bill size too, which is an indication that our strategy is yielding the right results.

Total revenues increased to ₹ 1,43,967 Lakhs compared to ₹ 1,22,651 Lakhs in FY 2017-18. Average inventory sales days improved to 81 days in FY 2018-19 against 86 days in FY 2017-18.

Sales per square foot is lower compared to the previous year, primarily because of the significant number of stores opened in the year under review. These stores would understandably take some time to ramp up.

### DIVIDENDS

In terms of Dividend Distribution policy, your Directors in its meeting held on 10<sup>th</sup> May, 2019, recommended a dividend of ₹ 1.70 per share @ 17% excluding the dividend distribution tax, for the financial year ended 31<sup>st</sup> March, 2019. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

### RESERVES

The Company during the year transferred ₹ 6,163 Lakhs to the reserves. Post transfer, the reserves stood at ₹ 29,241 Lakhs for financial year 2018-19.

### CREDIT RATING

Investment Information and Credit Rating Agency of India Limited (ICRA) has upgraded its long-term rating to [ICRA] AA- (pronounced ICRA double A minus) from [ICRA] A+ (pronounced ICRA A plus) on the ₹ 110 crore cash credit limits of V-Mart Retail Limited (VMPL). ICRA has also reaffirmed its short-term rating at [ICRA] A1+ (pronounced ICRA A one plus) on the ₹ 15 crore non-fund-based limits of the company. The outlook on the long-term rating is revised to Stable from Positive.

The rating upgrade factors in the improvement in Company's performance over the last few quarters with the company reporting a year-on-year (YOY) increase in turnover and net profits by 22% and 77%, respectively in FY2018. The top line and bottom line further registered a YOY increase of 15% and 11%, respectively in Q1 FY2019. The turnover of the company increased because of higher sales volumes in new as well as existing stores due to more footfall. This indicates the growing popularity of the Company's retail chains. The profitability improved because of operational efficiencies including decline in shrinkages, lesser discounts during the year and benefits on account of imposition of GST. The ratings continue to take into account the established track record of the promoters and the long presence of the Company in the value-retail industry. The revised credit rating of the Company is as under:

Facilities	Earlier Rating	Revised Rating
Long term bank limits	[ICRA] A+ (ICRA A plus)	[ICRA] AA- (ICRA double A minus) (with stable outlook)
Short term bank limits	[ICRA] A1+ (ICRA A one plus)	ICRA A1+ (ICRA A one plus)

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis for the period under review as required under Schedule V read with Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been dealt with extensively in a separate section forming part of the Annual Report.

### LISTING

The equity shares of your Company continue to be listed at BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE)

Exchange	Scrip Code	ISIN
NSE	VMART	INE665J01013
BSE	534976	



The listing fees for fiscal 2019 have been paid for all of the above stock exchanges where the equity shares of the Company are listed.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of Annual Return in prescribed form MGT – 9 is appended as Annexure-A to this Report.

### **CORPORATE GOVERNANCE**

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the detailed Report on Corporate Governance is appended as Annexure to this Report.

### **NUMBER OF MEETINGS OF THE BOARD**

The Board met four times (4) during the financial year 18-19, the details of which are given in Corporate Governance report Forming part of this report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 & SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

### **BOARD EVALUATION**

The annual evaluation process of the Board of Directors (“Board”), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Companies Act, 2013 and as per the Corporate Governance requirements prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The Board and the Nomination & Remuneration committee reviewed the performance of the Board, Committees and individual Directors on the basis of the criteria and framework adopted by the Board.

The evaluation criteria included various aspects such as, functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision making, roles & responsibility including monitoring, benchmarking, feedback relationship with the stakeholder's and as provided by the Guidance Note on Board Evaluation issued by SEBI on 5<sup>th</sup> January 2017.

In a separate meeting of the Independent Directors, performance of the Non-Independent Directors, the Board as a whole and the chairman were also evaluated, basis a set out criterion.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors consists of six members, of which four are Independent Directors. The Board also comprise of one Woman Independent Director.

In pursuance of section 203 of the Companies Act, 2013, the key managerial personnel of the Company are – Mr. Lalit Agarwal, Chairman & Managing Director, Mr. Anand Agarwal, Chief Financial Officer and Ms. Megha Tandon, Company Secretary.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Madan Gopal Agarwal (DIN: 02249947) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

During the year Mr. Govind Shridhar Shrikhande (DIN: 00029419 ) was appointed to the Board as Independent Director of the Company w.e.f. 2<sup>nd</sup> November 2018, for the period of five years subject to the approval of the members of the Company. The Company has received declaration from Mr. Shrikhande confirming that he meets with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Board of Directors recommend his appointment and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

Mr. Aakash Moondhra (DIN 02654599) Independent Director whose current period of office is expiring on 22<sup>nd</sup> September, 2019. and who has submitted a declaration confirming the criteria of Independence under Section 149 of the Companies Act, 2013 read with the Listing regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and the Listing Regulations. The Board of Directors recommends his re-appointment for a term of 5 years and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary disclosures from each of its four Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets all the criteria laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than payments towards the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The policy of the company aims to have a mix of Independent and Executive Directors on its Board and to separate out its functions of governance and management.

The policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 is appended as Annexure-B to this report.

The appointment of Directors and remuneration paid during the financial year 2018-19 is as per the provisions of the Companies Act, 2013 and as per the terms laid down in the Nomination & Remuneration policy of the Company.

## TRAINING OF INDEPENDENT DIRECTORS

Every new Independent Director of the Board attends an induction program. Every Senior-Management Personnel makes a presentation to inductees about the Company's strategy, operations, product and market, finance, risk management etc.

The details of familiarization programme have been provided under Corporate Governance Report forming part of this Report.

## RETIREMENT BY ROTATION

In terms of the provisions of Section 152 of the Companies Act, 2013 and Articles of Associations of the Company, Mr. Madan Gopal Agarwal, Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

## COMMITTEES OF THE BOARD

At present, there are five Board committees namely: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance report section which is forming part to this Annual Report.

## DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, Corporate Governance Report with auditors' certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

The Company has also complied with disclosing the required details on the website of the company on [www.vmart.co.in](http://www.vmart.co.in) which are as follows:

- Details of its business
- Composition of various Committees

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As required under Schedule V, Clause E read with Regulation 34(3) and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Practising Company Secretary's certificate on Corporate Governance is enclosed as Annexure to the Board Report.

## SHARE CAPITAL

- Buy Back of Securities:** The Company has not bought back any of its securities during the year under review.
- Issue of Sweat Equity:** The Company has not issued any sweat equity shares during the year under review.
- Issue of Bonus Shares:** The Company has not issued any bonus shares during the year under review.
- Employees Stock Option / Restricted stock units:** The Company has adopted ESOP Scheme, 2012 as per the applicable SEBI regulations and approved by the members at Annual General Meeting.

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated 2<sup>nd</sup> July 2012 and 10<sup>th</sup> July 2012 respectively ('the V-Mart ESOP Scheme 2012'), consequent to which 300,000 equity shares of ₹ 10 each were to be granted upon exercise as stock options (ESOPs) to eligible employees. Subsequently the shareholders in its meeting held on 18<sup>th</sup> September 2017 approved an amendment in the said ESOP scheme by increasing the total number of stock option from 300,000 to 600,000 options. The exercise price of these options will be determined by the Nomination & Remuneration Committee and the options will vest over a period of 12 months to 36 months of continued employment from the grant date. The grant details under the scheme during the year are as follows:

Grants	Vesting	Time line
During the financial year 2018-19 - 3 grants have been made comprising total 62,717 options	30% of the Total Grant	After 12 months from the date of grant
	30% of the Total Grant	After 24 months from the date of grant
	40% of the Total Grant	After 36 months from the date of grant

Details of equity shares allotted under ESOP during the year are as follows:

Sr. No.	Date of Allotment	No. of shares allotted
1	24 <sup>th</sup> May 2018	26,140
2	23 <sup>rd</sup> July, 2018	3,708
3	5 <sup>th</sup> February, 2019	2,790
Total		32,638

Pursuant to the above allotment of shares, the paid up capital of the Company stands increased to ₹ 18,12,99,930 as on 31<sup>st</sup> March, 2019.

The information required to be disclosed under SEBI (Share Based Employee Benefits) Regulations, 2014 as on 31<sup>st</sup> March, 2019 are as follows:

Particulars	Details																																							
Date of Shareholders Approval	10 <sup>th</sup> July, 2012																																							
Maximum Terms of options granted	Options to be exercised within 8 years of vesting																																							
Sources of Shares	Primary Issuance																																							
Variation of terms of options	Nil																																							
Number of options outstanding at the beginning of the year	97219																																							
Number of options granted during the year	62717																																							
Number of options forfeited / lapsed during the year	4192																																							
Number of options vested during the year	29711																																							
Number of options exercised during the year	32638																																							
Number of shares arising as a result of exercise of options	32638																																							
Money realized by exercise of options (₹ in Lakhs)	186.41																																							
Number of options outstanding at the end of the year	123106																																							
Number of options exercisable at the end of the year	25629																																							
Pricing Formula	The Nomination & Remuneration Committee is authorized to determine the exercise price of ESOPs.																																							
Person-wise details of options granted during the Financial Year 2018-2019:																																								
i) Senior managerial personnel/key managerial personnel	Mr. Samir Misra Mr. Snehal Shah Mr. Dinesh Shrivastava Mr. Ramesh K Agarwal Ms. Anjali Goel Mr. M. Srinivasan Ms. Megha Tandon Mr. Anand Agarwal Mr. Syed Ali Athar Mr. Rajan Sharma Mr. Ranjan Kumar																																							
ii) No of options granted and its exercise price	<table border="1"> <thead> <tr> <th style="text-decoration: underline;">Name</th> <th style="text-decoration: underline;">Number of shares</th> <th style="text-decoration: underline;">Exercise price per share</th> </tr> </thead> <tbody> <tr> <td>Mr. Samir Misra</td> <td>11,658</td> <td>2,047</td> </tr> <tr> <td>Mr. Samir Misra</td> <td>1,698</td> <td>2,044</td> </tr> <tr> <td>Mr. Snehal Shah</td> <td>2,585</td> <td>2,044</td> </tr> <tr> <td>Mr. Dinesh Shrivastava</td> <td>506</td> <td>2,044</td> </tr> <tr> <td>Mr. Ramesh K Agarwal</td> <td>3,357</td> <td>2,044</td> </tr> <tr> <td>Ms. Anjali Goel</td> <td>2,748</td> <td>2,044</td> </tr> <tr> <td>Mr. M. Srinivasan</td> <td>2,069</td> <td>2,044</td> </tr> <tr> <td>Ms. Megha Tandon</td> <td>646</td> <td>2,044</td> </tr> <tr> <td>Mr. Anand Agarwal</td> <td>3,648</td> <td>2,044</td> </tr> <tr> <td>Mr. Syed Ali Athar</td> <td>2,419</td> <td>2,044</td> </tr> <tr> <td>Mr. Rajan Sharma</td> <td>4,246</td> <td>2,044</td> </tr> <tr> <td>Mr. Ranjan Kumar</td> <td>3,426</td> <td>2,286</td> </tr> </tbody> </table>	Name	Number of shares	Exercise price per share	Mr. Samir Misra	11,658	2,047	Mr. Samir Misra	1,698	2,044	Mr. Snehal Shah	2,585	2,044	Mr. Dinesh Shrivastava	506	2,044	Mr. Ramesh K Agarwal	3,357	2,044	Ms. Anjali Goel	2,748	2,044	Mr. M. Srinivasan	2,069	2,044	Ms. Megha Tandon	646	2,044	Mr. Anand Agarwal	3,648	2,044	Mr. Syed Ali Athar	2,419	2,044	Mr. Rajan Sharma	4,246	2,044	Mr. Ranjan Kumar	3,426	2,286
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Mr. Ranjan Kumar	3,426	2,286																																						

Particulars	Details
ii) Any other employee who received a grant in any one year of options amounting to 5% or more options granted during the year	Nil
iii) Identified employees who are granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
Fully-diluted EPS pursuant to issue of shares on exercise of options in accordance with relevant Accounting Standards	33.9
Lock-in	Nil
Impact of the difference on the profits of the Company and on the EPS	Impact on profit: ₹ 306.5 Lakhs Impact on EPS: 0.11
Difference, if any, between employee compensation cost (calculated according using the intrinsic value of stock options) and the employee compensation cost (calculated on the basis of fair value of stock options)	178.7 Lakhs
Weighted average exercise price of options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise price exceeds market price : Not applicable Exercise price equals market price : Not applicable Exercise price is less than market price: As mentioned in below table
Weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise price exceeds market price : Not applicable Exercise price equals market price : Not applicable Exercise price is less than market price : As mentioned in below table
Method and significant assumptions used to estimate the fair value of options granted during the year	The fair market value has been calculated on the basis of the 'Black Scholes model'.

Particulars	ESOPs	ESOPs	ESOPs	ESOPs	ESOPs	ESOPs	ESOPs	ESOPs	ESOPs
	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII	Grant IX
Price per option (In ₹)	150	450	573	470	900	1260	2047	2044	2286
Risk free return (In%)	8.42	8.32	8.16	7.93	7.80	7.64	7.45	7.42	7.37
Expected Life (In years)	4	4	4	4	4	4	3	3	3
Expected Volatility	25%	41%	38.74%	30.13%	42.48%	50.76%	40.30%	41.49%	22.23%
Dividend Yield	0.27%	0.20%	0.20%	0.24%	0.18%	0.10%	0.10%	0.10%	0.10%
Closing market price of share as on date of option grant	210 (IPO)	539.30	615.40 (NSE) (BSE)	511.30 (NSE) (BSE)	1214.85 (NSE) (BSE)	1413.80 (NSE) (BSE)	2274.05	2270.95	2540.25
Weighted average exercise price (In ₹)	150	450	573	470	900	1,260	2,047	2,044	2,286
Weighted average fair value of stock option (In ₹)	50.9	263	248	211	673	727	902	913	792

#### EMPLOYEE STOCK OPTION DETAILS:

Grant Date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options forfeited	Options out-standing
20 <sup>th</sup> July, 2012	150	1,53,252	1,53,252	-	1,23,264	29,988	-
5 <sup>th</sup> January, 2015	450	22,350	22,350	-	18,700	3,650	-
28 <sup>th</sup> December, 2015	573	13,645	13,645	-	8,186	-	5,459
30 <sup>th</sup> January, 2017	470	76,225	44,076	32,149	16,357	12,919	46,949
12 <sup>th</sup> July, 2017	900	6,395	1,918	4,477	1,918	-	4,477
09 <sup>th</sup> November, 2017	1,260	9,300	2,790	6,510	2,790	2,772	3,738
24 <sup>th</sup> May, 2018	2,047	18,527	-	18,527	-	-	18,527
23 <sup>rd</sup> July, 2018	2,044	40,764	-	40,764	-	234	40,530
2 <sup>nd</sup> November, 2018	2,286	3,426	-	3,426	-	-	3,426
Total		3,43,884	2,38,031	1,05,853	1,71,215	49,563	1,23,106

## MOVEMENT OF STOCK OPTIONS DURING THE YEAR:

Total for all grants	No. of options	Weighted average exercise price (K)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	97,219	635	NIL
Granted during the year	62,717	2058	6.56
Forfeited/ Cancelled during the year	4192	1080	6.56
Expired during the year	NIL	-	NIL
Exercised during the year	32,638	571	NIL
Outstanding at the end of the year	123,106	1320	NIL
Exercisable at the end of the year	25,629	491.94	NIL

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There were no materially significant related party transactions made by the Company with the Promoters, Key Management Personnel or other designated persons and have no potential conflict with interest of the Company at large.

The Company has formulated a policy on Related Party Transaction which is available on the website of the Company at the link <http://www.vmart.co.in/corporate.html>. The details of related party transactions entered during the year are provided in the accompanying financial statements.

The particular of contract or arrangement with related parties referred in section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2, is annexed as annexure-G to this report.

### DEPOSITS

During the FY 2018-19, your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable laws and as such no amount of principal or interest was outstanding as on date of the Balance Sheet.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

Loan, guarantees & investment covered under the provisions of Section 186 of the Companies Act, 2013, if any, form part of the notes to the financial statement provided in this annual report

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31<sup>ST</sup> MARCH, 2019 AND THE DATE OF BOARD'S REPORT

There have been no such material changes and commitments affecting financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### SUBSIDIARY COMPANIES, JOINT VENTURES & ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

### REGISTERED OFFICE

Registered Office of the company is situated at 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi – 110092.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has constituted a Corporate Social Responsibility Committee of the Board comprising of five members, namely Mr. Lalit Agarwal (Chairman), Mr. Madan Gopal Agarwal, Mr. Aakash Moondhra, Ms. Sonal Mattoo (Members) and Mr. Govind Shridhar Shrikhande (Member). The Committee is responsible for formulating and monitoring the CSR policy of the Company. Details about the CSR policy of the Company and initiatives taken by the Company on CSR during the year are available on the company's website.

As per the Companies Act, 2013, every company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during any financial year shall spend in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial year, in pursuance of its Corporate Social Responsibility Policy. Accordingly our Company was required to spend ₹ 148 Lakhs on CSR activities during the year.

During the year under review your Company has spent amount ₹ 66 Lakhs towards Corporate Social Responsibility.

The annual report on CSR Activities is appended as Annexure-C to this Board Report.

### JUSTIFICATION FOR NOT SPENDING THE PRESCRIBED AMOUNT ON CSR ACTIVITIES

Our CSR vision is to enhance the quality of life indicators of the local communities where we conduct our business. This is by way of various initiatives, e.g. in education, sports coaching, skill development and capacity building, social infrastructure upkeep and maintenance (school, parks, etc.) and livelihood programs.

In order to spend the average of 2% of Average Net profits of preceding three financial years, the CSR committee had a number of meetings. Many potential funding avenues and initiatives were discussed and implemented, while several more proposals are being currently evaluated. Since much needed due diligence is involved in this process before finalizing the real beneficiaries which consumes a lot of time due to which the Company couldn't spend the prescribed full CSR amount under Companies Act, 2013.

We are committed to spending the mandated CSR funds in line with our vision and objectives, and the project pipeline is being streamlined accordingly. We expect to fulfill our accumulated CSR spending commitments in this financial year on projects that are in the impact areas related to our CSR vision.

### CONSERVATION OF ENERGY

The operational activity of the Company does not involve large energy consumption. In any case, conservation of energy is considered to be a priority and therefore ensuring minimum consumption by way of better energy conservation programs, training/ awareness of the employees, layout of machines and prompt upkeep is a continuous exercise.

The Company has taken many energy initiatives such as:

- Installation of LED lights and power saving equipments at all stores to conserve electricity usage
- Optimum use of air conditioner (AC) at the stores in order to reduce the electricity consumption
- Automation of processes to reduce use of paper
- Installation of glass doors, walls and windows at the stores to use daylight and reduce electricity consumption
- Plantation of trees for combating air pollution at warehouse
- Elimination of the use of plastic carry bags at the stores

The Company is in process of evaluating the usage of solar panel at the stores; feasibility study to implement the same is in process.

### TECHNOLOGY ABSORPTION

Your Company is taking care of latest development and advancements in technology and all steps are being taken to adopt the same. We believe that, driven by our strategic road map, sustained efforts to build internal capabilities and organizational structure, improve processes and systems through advanced technology and digitalisation, investments in talent pipeline, and increasing cost efficiencies will propel us on a faster growth path. We are focusing on making our 'hardware', i.e. the supply chain,

logistics, and technology backbone more robust and future-ready to support scalable growth and expansion into new markets, and enhance data-driven decision-making

During the year under review, several technological changes have been implemented at the company's Headoffice, warehouse, as well as at the stores which includes:

- Installation of new business intelligence tool
- Setting up an organization-wide data analytics platform
- Adding a new data center
- Digitalisation of product catalogue
- Upgradation of network backbone
- Investment for launching omnichannel retail
- Launching Mobile POS Machine
- Launched people management software solution
- Implementation of new design tools and platform
- Upgradation in replenishment software and rule engine.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. No.	Particulars	Foreign Exchange Earning (Amount in ₹)	Foreign Exchange outgo (Amount in ₹)
1		Nil	Nil
	Total		

### CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down directives to counter such acts. The Code has also been posted on the Company's website.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy/ Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The purpose of this mechanism is to provide a framework to report concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and provide adequate safeguards against victimization of the person availing this mechanism. This Policy has been appropriately communicated within the organization and is effectively operational. The policy provides mechanism whereby whistle blower may send protected disclosures directly to the Chairman of Audit Committee or Vigilance Officer. The Policy is available on the website of the Company i.e. [www.vmart.co.in](http://www.vmart.co.in).

## PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has in exercise of powers conferred under Securities and Exchange Board of India, Act, 1992 has made the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 to amend the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

In view of the above the code of conduct to regulate, monitor & report trading by insider, has been approved by the Board of Directors at their duly convened meeting.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the code.

## RISK MANAGEMENT

Your Company is working in an open environment and hence faces various types of risk. Company has analyzed all the possible types of risk and constituted a Risk Management Committee of the Board comprising of four members, namely Mr. Aakash Moondhra (Chairman), Mr. Murli Ramachandran (Member), Ms. Sonal Mattoo (Members) and \*Mr. Govind Shridhar Shrikhande (Member).

*\* Mr. Govind Shridhar Shrikhande appointed Independent Director of the Company with effect from Nov 2, 2018.*

The Committee is responsible for formulating and monitoring the Risk Management policy of the Company.

## HUMAN RESOURCE MANAGEMENT

The focus for the year was on Capability Building, Employee Engagement and Key Talent Management. We are focused to attract and retain talented skills and make them motivated through various skill-development programmes. We provide quality workplace to our employees and provide platform to develop and to grow.

The statement containing the names and other particulars of employees in accordance with section 197 (12) of the Companies Act, 2013, read with rules 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure-D to the Board Report.

The details of the employees of the Company employed throughout the financial year was in receipt of a

remuneration of ₹ 1.02 Crores or more, or employed for the part of the year and in receipt of ₹ 8.5 Lakhs or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in Annexure D to this report.

## STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 16<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> June, 2018 until the conclusion of 21<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2023, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided. However, Vide notification dated 7<sup>th</sup> May, 2018 issued by Ministry of Corporate Affairs, the requirement of annual ratification has been omitted.

## AUDITORS REPORT

There was no observation or qualification in the Auditors Report for the financial year ended 31<sup>st</sup> March 2019. The Notes on Financial Statements referred to in the Auditors' report are self-explanatory and therefore do not require any further comments.

## SECRETARIAL AUDITOR & REPORT

M/s. VKC & Associate Company Secretaries, a partnership firm was appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for the FY 2018-19, pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit report in form MR- 3 is enclosed herewith as Annexure-E to the Board's Report.

The Secretarial Audit Report does not contain any observation or adverse remark.

## INTERNAL FINANCIAL CONTROL

The Board has adopted adequate policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## SIGNIFICANT AND MATERIAL ORDERS

There was no such order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future during the year under review.

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company laid down an Anti-Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any.

The disclosures for the period under review as per the Anti-Sexual Harassment Policy of the Company and applicable Act, thereof are as follows:

- (a) Number of complaints of sexual harassment received during the year: 5
- (b) Number of complaints disposed off during the year: 5
- (c) Number of cases pending for more than ninety days: Nil
- (d) Number of workshops on awareness program against sexual harassment carried out: 1
- (e) Nature of action taken by the employer or district officer: Appropriate Action taken by the Company.

## **INCIDENT OF FRAUD**

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

## **INVESTORS EDUCATION & PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer & Refund) Rules 2016 all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by Central Government after completion of seven years. Further details of unpaid or unclaimed dividend are provided on our website at [www.vmart.co.in](http://www.vmart.co.in).

## **BUSINESS RESPONSIBILITY REPORT**

As stipulated in term of the provisions of Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Business Responsibility Report describing the initiatives undertaken by the Company from environmental, social and governance perspective is presented in a separate section forming part of this Annual Report.

## **COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the

Companies Act, 2013 are not applicable for the business activity carried out by the Company

## **DIVIDEND DISTRIBUTION POLICY**

Pursuant to Regulation 43A of the SEBI (Listing obligations and Disclosures Requirements) Regulations 2015 ("the listing regulations"), the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters that will be taken into consideration by the Board of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is enclosed as Annexure-F to the Board's Report and is also available on the Company's website at the link [http://www.vmart.co.in/nimda/product\\_image/investor/Dividend\\_Distribution\\_Policy4.pdf](http://www.vmart.co.in/nimda/product_image/investor/Dividend_Distribution_Policy4.pdf)

## **SECRETARIAL STANDARDS**

During the year under review, your Company has complied with all applicable secretarial standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 (10) of the Companies Act, 2013.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors hereby state and confirm that :

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) 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 at the end of the financial year and of the profit or loss of the company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors have laid down Internal Financial Controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws



and that such systems are adequate and operating effectively.

on records their appreciation for the contribution made by employees at all levels.

#### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-ordination extended by the shareholders, customers, suppliers, bankers and all other business associates. Your Directors gratefully acknowledges ongoing co-operation and support provided by Central Government and State Government and all regulatory authorities. Your Directors also place

**By the order of Board  
or and on behalf of Board of Directors**

Place: Gurugram  
Date: 10<sup>th</sup> May, 2019

**Lalit Agarwal**  
Chairman & Managing Director  
DIN: 00900900

## ANNEXURE - A to Board Report

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31<sup>st</sup> March, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L51909DL2002PLC163727
ii	Registration Date	24/07/2002
iii	Name of the Company	V-MART RETAIL LIMITED
iv	Category/Sub-category of the Company	LIMITED BY SHARES/INDIAN NON- GOVERNMENT COMPANY
v	Address of the Registered office & contact details	610-611, GURU RAM DASS NAGAR, MAIN MARKET, OPP. SBI BANK, LAXMI NAGAR, NEW DELHI - 110092 TEL. NO.- 011-45580999, FAX NO. - 0124-4640046, E-mail - info@vmart.com
vi	Whether listed company	LISTED
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KARVY FINTECH PRIVATE LIMITED KARY SELENIUM, TOWER - B, PLOT NO. 31&32, FINANCIAL DISTRICT, NANAKRAMGUDA, SERILINGAMPALLY MANDAL, HYDERABAD 500032 TOLL FREE - 18003454001 E-mail - einward.ris@karvy.com, website - www.karvy.com

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY - RETAIL TRADE

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
	RETAIL SALE VIA STALLS & MARKETS	478	100

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	NIL				

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the FY 18-19				No. of Shares held at the end of the FY 18-19				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	in %
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	2,304,265	-	2,304,265	12.73	2,118,037	0	2,118,037	11.68	-186,228	-8.08
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	7,489,798	0	7489798	41.39	7489798	0	7489798	41.31	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:</b>	<b>9,794,063</b>	<b>-</b>	<b>9,794,063</b>	<b>54.12</b>	<b>9,607,835</b>	<b>-</b>	<b>9,607,835</b>	<b>52.99</b>	<b>-186,228</b>	<b>-1.90</b>
<b>(A) (1)</b>										

Category of Shareholders	No. of Shares held at the beginning of the FY 18-19				No. of Shares held at the end of the FY 18-19				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	in %
<b>(2) Foreign</b>										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>9,794,063</b>	<b>-</b>	<b>9,794,063</b>	<b>54.12</b>	<b>9,607,835</b>	<b>0</b>	<b>9,607,835</b>	<b>52.99</b>	<b>(186,228)</b>	<b>-1.90</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	497,428	0	497,428	2.75	1,018,496	0	1,018,496	5.62	521,068	104.75
b) Banks/Fl	6,919	0	6,919	0.04	1,063	0	1,063	0.01	(5,856)	-84.64
c) Central govt	-	0	-	0	-	0	-	0	-	0
d) State Govt.	-	0	-	0	-	0	-	0	-	0
e) Venture Capital Fund	-	0	-	0	-	0	-	0	-	0
f) Insurance Companies	-	0	-	0	-	0	-	0	-	0
g) FII's	5,659,560	0	5,659,560	31.27	5,601,670	0	5,601,670	30.90	(57,890)	-1.02
h) Foreign Venture Capital Funds	-	0	-	0	-	0	-	0	-	0
i) Others (specify)	-	0	-	0	-	0	-	0	-	0
<b>SUB TOTAL (B)(1):</b>	<b>6,163,907</b>	<b>0</b>	<b>6163907</b>	<b>34.06</b>	<b>6621229</b>	<b>0</b>	<b>6621229</b>	<b>36.52</b>	<b>457,322</b>	<b>7.42</b>
<b>(2) Non Institutions</b>										
a) Bodies corporates	401,119	0	401,119	2.22	148,812	0	148,812	0.82	(252,307)	-62.90
<b>b) Individuals</b>										
i) Individual shareholders holding nominal share capital upto ₹ 2 Lakhs	723,953	118	724,071	4	753,537	168	753,705	4.16	29,634	4.09
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 Lakhs	799,011	0	799,011	4.42	694,655	0	694,655	3.83	(104,356)	-13.06
<b>c) Others (specify)</b>										
Non- Resident Indians	37,702	0	37,702	0.21	32,671	0	32,671	0.18	(5,031)	-13.34
Clearing Members	71,940	0	71,940	0.4	4,347	0	4,347	0.02	(67,593)	-93.96
NBFC	1,719	0	1,719	0.01	21,330	0	21,330	0.12	19,611	1,140.84
AIF	86,590	0	86,590	0.48	225,500	0	225,500	1.24	138,910	160.42
NRI Non Repatriable	16,883	0	16,883	0.09	19,478	0	19,478	0.11	2,595	15.37
Trusts	350	0	350	0	431	0	431	0	81	23.14
<b>SUB TOTAL (B)(2)</b>	<b>2,139,267</b>	<b>118</b>	<b>2,139,385</b>	<b>11.82</b>	<b>1,900,761</b>	<b>168</b>	<b>1,900,929</b>	<b>10.49</b>	<b>-238,456</b>	<b>-11.15</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>8,303,174</b>	<b>118</b>	<b>8,303,292</b>	<b>45.88</b>	<b>8,521,990</b>	<b>168</b>	<b>8,522,158</b>	<b>47.01</b>	<b>218,866</b>	<b>2.64</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>18,097,237</b>	<b>118</b>	<b>18,097,355</b>	<b>100</b>	<b>18,129,825</b>	<b>168</b>	<b>18,129,993</b>	<b>100</b>	<b>32,638</b>	<b>0.18</b>

## (ii) Share Holding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the FY 18-19			Shareholding at the end of the FY 18-19			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	LALIT AGARWAL	0	0	0	0	0	0	0
2	SANGEETA LALJI AGARWAL	0	0	0	0	0	0	0
3	UMA DEVI AGARWAL	0	0	0	0	0	0	0
4	LALIT M AGARWAL HUF	12,77,275	7.06	0	12,77,275	7.05	0	0
5	MADAN GOPAL AGARWAL HUF	0	0	0	0	0	0	0
6	SANGEETA AGRAWAL	0	0	0	0	0	0	0
7	SMITI AGARWAL	4,48,505	2.48	0	3,63,505	2	0	-18.95
8	HEMANT AGARWAL	2,04,500	1.13	0	1,40,008	0.77	0	-31.54
9	HEMANT AGARWAL (HUF)	3,73,985	2.07	0	3,37,249	1.86	0	-9.82
10	MADAN GOPAL AGARWAL	0	0	0	0	0	0	0
11	MADAN GOPAL KANDOI	0	0	0	0	0	0	0
12	CONQUEST BUSINESS SERVICES PVT. LTD.	74,89,798	41.39	0	74,89,798	41.31	0	0
	<b>Total</b>	<b>97,94,063</b>	<b>54.13</b>	<b>0</b>	<b>96,07,835</b>	<b>52.99</b>	<b>0</b>	<b>-1.90</b>

## (iii) Change in Promoters' Shareholding (Specify if there is Change)

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>1</b>	<b>SMITI AGARWAL</b>							
	At the beginning of the year (01.04.2018)	4,48,505	2.48					
	Change	-85000	-0.48	3/22/2019	(85,000)	Sold	3,63,505	2.00
	At the end of the year	3,63,505	2					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>2</b>	<b>HEMANT AGARWAL</b>							
	At the beginning of the year (01.04.2018)	2,04,500	1.13					
	Change	-64,492	-0.48	6/15/2018	(64,492)	Sold	1,40,008	0.77
	At the end of the year	1,40,008	0.77					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>3</b>	<b>HEMANT AGARWAL (HUF)</b>							
	At the beginning of the year (01.04.2018)	3,73,985	2.07					
	Change			6/15/2018	1,415	Transfer from his one account to another	3,75,400	2.07
		-36,736		7/9/2018	(14,527)	sold	3,60,873	1.99
				7/10/2018	(624)	sold	3,60,249	1.99
				2/21/2019	(23,000)	sold	3,37,249	1.86
	At the end of the year	3,37,249	1.86					

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>1</b>	<b>JWALAMUKHI INVESTMENT HOLDINGS</b>							
	At the beginning of the year	17,88,102	9.88	31/08/2018	-38,200	sold	17,49,902	9.65
				07/09/2018	-25,203	sold	17,24,699	9.51
				21/09/2018	-1,48,330	sold	15,76,369	8.69
				07/12/2018	-153	sold	15,76,216	8.69
				08/02/2019	-21,357	sold	15,54,859	8.58
				01/03/2019	-9,881	sold	15,44,978	8.52
				08/03/2019	-2,759	sold	15,42,219	8.51
				15/03/2019	-25,339	sold	15,16,880	8.37
	Change	-2,71,222						
	At the end of the year (or on the date of separation, if separated during the year)	15,16,880	8.37					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>2</b>	<b>DSP EQUITY &amp; BOND FUND</b>							
	At the beginning of the year	0	0					
	Change			27/07/2018	99,090	Purchase	99,090	0.55
				03/08/2018	32,746	Purchase	1,31,836	0.73
				10/08/2018	58,605	Purchase	1,90,441	1.05
				14/09/2018	15,678	Purchase	2,06,119	1.14
				21/09/2018	1,55,384	Purchase	3,61,503	1.99
				12/10/2018	45,841	Purchase	4,07,344	2.25
				19/10/2018	76,078	Purchase	4,83,422	2.67
				02/11/2018	3,155	Purchase	4,86,577	2.68
				23/11/2018	5,953	Purchase	4,92,530	2.72
				01/02/2019	8,522	Purchase	5,01,052	2.76
				15/02/2019	(1,020)	Sold	5,00,032	2.76
		4,90,848		02/02/2019	(9,184)	Sold	4,90,848	2.71
	At the end of the year (or on the date of separation, if separated during the year)	4,90,848	2.71					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>3</b>	<b>FIL INVESTMENTS (MAURITIUS) LTD</b>							
	At the beginning of the year	4,58,865	2.54					
	Change			14/12/2018	(27,000)	Sold	4,31,865	2.38
				21/12/2018	(19,380)	Sold	4,12,485	2.28
				18/01/2019	(59,771)	Sold	3,52,714	1.95
		-1,59,053		25/01/2019	(52,902)	Sold	2,99,812	1.65
	At the end of the year (or on the date of separation, if separated during the year)	2,99,812	1.65					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year		
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding	
4	<b>WASATCH EMERGING INDIA FUND</b>								
	At the beginning of the year		4,41,846	2.44					
					27/04/2018	5,020	Purchase	4,46,866	2.46
					08/06/2018	(356)	Sold	4,46,510	2.46
					24/08/2018	(2,944)	Sold	4,43,566	2.45
					31/08/2018	(4,525)	Sold	4,39,041	2.42
					21/09/2018	(2,980)	Sold	4,36,061	2.41
					05/10/2018	(5,960)	Sold	4,30,101	2.37
					12/10/2018	(38,205)	Sold	3,91,896	2.16
					23/11/2018	(2,310)	Sold	3,89,586	2.15
					30/11/2018	(3,341)	Sold	3,86,245	2.13
Change		-55601							
At the end of the year (or on the date of separation, if separated during the year)		386245	2.13						

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year		
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding	
5	<b>STEADVIEW CAPITAL MAURITIUS LIMITED</b>								
	At the beginning of the year		0	0					
	Change				13/04/2018	98,491	Purchase	98,491	0.54
					13/07/2018	1,19,325	Purchase	2,17,816	1.20
					27/07/2018	1,75,000	Purchase	3,92,816	2.17
		3,92,816							
		-55,601							
At the end of the year (or on the date of separation, if separated during the year)		3,92,816	2.17						

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year		
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding	
6	<b>WASATCH MICRO CAP FUND</b>								
	At the beginning of the year		3,17,634	1.76					
	Change				21/12/2018	(3,456)	Sold	3,14,178	1.73
					28/12/2018	(9,237)	Sold	3,04,941	1.68
					31/12/2018	(2,375)	Sold	3,02,566	1.67
					04/01/2019	(3,890)	Sold	2,98,676	1.65
					11/01/2019	(30,793)	Sold	2,67,883	1.48
					18/01/2019	(9,591)	Sold	2,58,292	1.42
			-59,342						
At the end of the year (or on the date of separation, if separated during the year)		2,58,292	1.42						

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>7</b>	<b>BOTTOM BILLION FUND</b>							
	At the beginning of the year	1,05,873	1.76					
				11/05/2018	7,865	Purchase	1,13,738	0.63
				18/05/2018	17,104	Purchase	1,30,842	0.72
				15/06/2018	3,901	Purchase	1,34,743	0.74
				06/07/2018	3,397	Purchase	1,38,140	0.76
				13/07/2018	5,141	Purchase	1,43,281	0.79
				10/08/2018	5,215	Purchase	1,48,496	0.82
				09/11/2018	29,947	Purchase	1,78,443	0.98
				23/11/2018	3,566	Purchase	1,82,009	1.00
				30/11/2018	12,981	Purchase	1,94,990	1.08
				07/12/2018	13,416	Purchase	2,08,406	1.15
				14/12/2018	32,887	Purchase	2,41,293	1.33
				21/12/2018	12,300	Purchase	2,53,593	1.40
				28/12/2018	1,236	Purchase	2,54,829	1.41
				08/02/2019	26,757	Purchase	2,81,586	1.55
				22/03/2019	1,639	Purchase	2,83,225	1.56
				29/03/2019	23,724	Purchase	3,06,949	1.69
	Change: NIL	2,01,076						
	At the end of the year (or on the date of separation, if separated during the year)	3,06,949	1.69					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>8</b>	<b>MUKUL AGRAWAL</b>							
	At the beginning of the year	2,50,000	1.38		0		2,50,000	1.38
	Change							
					0			
	At the end of the year (or on the date of separation, if separated during the year)	2,50,000	1.38					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>9</b>	<b>'ALCHEMY INDIA LONG TERM FUND LIMITED</b>							
	At the beginning of the year	2,33,599	1.29					
	Change			13/04/2018	(43,360)	Sold	1,90,239	1.05
				08/06/2018	(46,724)	Sold	1,43,515	0.79
				06/07/2018	(42,675)	Sold	1,00,840	0.56
		-1,84,113		03/08/2018	(51,354)	Sold	49,486	0.27
	At the end of the year (or on the date of separation, if separated during the year)	49,486	0.27					

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>10</b>	<b>MOTILAL OSWAL FOCUSED EMERGENCE FUND</b>							
	At the beginning of the year	82,090	0.45	06/04/2018	5,800	Purchase	87,890	0.48
				22/06/2018	20,800	Purchase	1,08,690	0.60
				06/07/2018	1,22,810	Purchase	2,31,500	1.28
				27/07/2018	39,500	Purchase	2,71,000	1.49
	Change	1,38,910		15/03/2019	(50,000)	Sale	2,21,000	1.22
	At the end of the year (or on the date of separation, if separated during the year)	2,21,000	1.22					

**(v) Shareholding of Directors & KMP**

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>1</b>	<b>Lalit Agarwal</b>							
	At the beginning of the year	0	0%					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) - NIL							
	At the end of the year	0	0					

\* The change in % of total shares of the Company is due to allotment of shares, under ESOP.

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>2</b>	<b>MADAN GOPAL AGARWAL</b>							
	At the beginning of the year	0	0%					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) - NIL							
	At the end of the year	0	0					

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>3</b>	<b>AAKASH MOONDHRA</b>							
	At the beginning of the year	924	0.01					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) - NIL							
	At the end of the year	924	0.01					



Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>4</b>	<b>MURLI RAMACHANDRAN</b>							
	At the beginning of the year	0	0					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) - NIL							
	At the end of the year	0	0					

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>5</b>	<b>SONAL MATTOO</b>							
	At the beginning of the year	0	0					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) - NIL							
	At the end of the year	0	0					

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>6</b>	<b>GOVIND SHRIDHAR SHRIKHANDE</b>							
	At the beginning of the year	0	0					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)-NIL							
	At the end of the year	0	0					

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>7</b>	<b>ANAND AGARWAL</b>							
	At the beginning of the year	0	0					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) - NIL			7/23/2018	1,918	ESOP	1,918	0.01
				2/5/2019	1,602	ESOP	3,520	0.02
	At the end of the year	3,520	0.02					

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Date (mm/dd/yy)	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No of shares	% of Shareholding
<b>8</b>	<b>MEGHA TANDON</b>							
	At the beginning of the year	0	0					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)							
	At the end of the year	0	0					

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In Lakhs)

Indebtness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	59.5	-	-	59.5
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>59.5</b>	<b>-</b>	<b>-</b>	<b>59.5</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	27.2	-	-	27.2
<b>Net Change</b>	<b>27.2</b>	<b>-</b>	<b>-</b>	<b>27.2</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	32.2	-	-	32.2
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>32.2</b>	<b>0</b>	<b>0</b>	<b>32.2</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager		
		LALIT AGARWAL (MD)	MADAN GOPAL AGARWAL (WTD)	Total Amount
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	85.4	28.5	113.8
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	34.2	-	34.2
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	103.9	34.3	138.3
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>223.6</b>	<b>62.8</b>	<b>286.3</b>
	Ceiling as per the Act	(being 10% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)		

**B. Remuneration to other directors:**

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of the Directors			
		AAKASH MOONDHRA	MURLI RAMACHANDRAN	SONAL MATTOO	GOVIND SHRIDHAR SHRIKHANDE
1	(a) Fee for attending board committee meetings	2	2	1.5	1
	(b) Commission**	16.9	16.9	16.9	6.5
	(c) Others, please specify	-	-	-	-
	Total				
	<b>Total (1)</b>	18.9	18.9	18.4	7.5
	<b>Other Non Executive Directors</b>	N.A.			
2	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify.				
	Total (2)				
	<b>Total (B)=(1+2)</b>				
	<b>Overall Ceiling as per the Act.</b>	(being 1% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)			

\*Mr. Govind Shridhar Shrikhande appointed as an Independent Director of the Company with effect from Nov 2, 2018

\*\* Commission mentioned above is based on estimated performance. However, payment is made based on actual assessment after the year end

1. Mr. Aakash Moondhra	-	₹ 18
2. Mr. Murl Ramachandran	-	₹ 14.4
3. Ms. Sonal Mattoo	-	₹ 14.1
4. Mr. Govind S. Shrikhande	-	₹ 6

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		ANAND AGARWAL	MEGHA TANDON
1	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	87.1	6.3
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option	37.5	
3	Sweat Equity		
4	Commission as % of profit		
5	Others, please specify		
	<b>Total</b>	<b>124.5</b>	<b>6.2</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties / punishment/ compounding of offences for the year ending 31<sup>st</sup> March, 2019

## ANNEXURE - B to Board Report

### NOMINATION & REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

#### 1. Preamble

1.1 The Nomination & Remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

1.2 The policy would be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

#### 2. Aims & Objectives

2.1 The aims and objectives of this Nomination & Remuneration policy may be summarized as follows:

2.1.1 The Nomination & Remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.

2.1.2 The Nomination & Remuneration policy seeks to enable the company to provide a well-balanced and performance related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.3 The Nomination & Remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

2.1.4 The Nomination & Remuneration policy will ensure that remuneration to Directors and Executives 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.

#### 3. Principles of remuneration

3.1 **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

3.2 **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3.3 **Internal equity:** The Company shall remunerate the board members and the Executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

3.4 **External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.

3.5 **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

3.6 **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

3.7 **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

#### 4. Nomination and Remuneration Committee

4.1 The Board of Directors has constituted the Nomination & Remuneration Committee by

renaming the existing Remuneration Committee. The members of the Committee comprises of three independent directors.

4.2 The Committee is responsible for:

4.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;

4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.

4.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions; are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:

4.4.1 Operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make

amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and Director should possess the highest personal and professional ethics, integrity;

4.4.3 review the terms of executive Directors' service contracts from time to time; and

4.4.4 perform such other acts, things and take such other decisions as provided and authorized by the Board of Directors of the Company to the Committee in terms of the provisions of Companies Act, 2013 and other applicable laws.

## 5. Procedure for selection and appointment of the Board Members

### 5.1 Board membership criteria

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

### 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid

above, as certain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

## 6. Procedure for selection and appointment of Executives other than Board Members

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market;
- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- 6.5 Before the selection of Employee, the recommendations and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

## 7. Compensation Structure

### (a) Remuneration to Non-Executive Directors:

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors is ₹ 50,000 per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company may also be paid other remuneration or profits based commission, subject to requirements of applicable laws.

The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

### (b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company.

The Executive Directors of the Company are also entitled for commission on the profits of the Company as approved by the Board of Directors and Shareholders of the Company in Annual General Meeting.

## **8. Role of Independent Directors**

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and Employees and have a prime role in appointing and where necessary recommends removal of executive directors and Employees.
- 8.3 The Independent Directors shall submit its recommendations/ proposals/decisions to the Committee which the Committee shall consult and take to the Board of Directors.

## **9. Approval and publication**

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

## **10. Supplementary provisions**

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

## ANNEXURE - C to Board Report

### ANNUAL REPORT ON CSR ACTIVITIES

Pursuant to Section 135 of the Companies Act, 2015

The Company focus on sustainable business practices encompassing economic, environmental, and social imperatives that not only cover business, but also to that of communities around us. Our Corporate Social Responsibility, thus is not limited to philanthropy, but also includes various initiatives, that lead to social development & welfare.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

We have a CSR Committee that provides oversight of CSR Policy execution to ensure that the CSR objectives of the Company are met. Our CSR Committee comprises:

- Mr. Lalit Agarwal, Chairman
- Mr. Madan Gopal Agarwal, Member
- Mr. Aakash Moondhra, Member
- Ms. Sonal Mattoo, Member
- Mr. Govind S. Shrikhande\*

\*Mr. Govind Shridhar Shrikhande appointed as an Independent Director of the Company with effect from Nov 2, 2018.

#### FINANCIAL DETAILS

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribes that every company having a Net

Worth of ₹ 500 Crores or more, or Turnover of ₹ 1,000 Crores or more or, Net Profit of ₹ 5 Crores or more made during any financial year shall ensure that the company spends, in every financial year, at least 2% of the Average Net Profits made during the immediately preceding three Financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to Corporate Social Responsibility as prescribed under the Companies Act, 2013 are applicable to V- Mart Retail Limited. The financial details as sought by the Companies Act, 2013 are as follows:

Particulars	(₹ in Lakhs)
Average net profit of the company for last three financial years	7419.46
Prescribed CSR Expenditure (Two percent of the average net profit as computed above)	148.39
Details of CSR spent during the financial year.	
(a) Total amount to be spent for the financial year :	148.39
(b) Amount spent	66.48
(b) Amount unspent, if any ;	81.91

#### THE MANNER OF THE AMOUNT SPENT DURING THE FINANCIAL YEAR IS GIVEN:

CSR project or activity identified	Sector in which the project is covered	Location of the Project or Programs	Amount outlay (budget) Project or Programs	Amount spent on the projects or program	Cumulative expenditure upto the reporting period	Amount spent direct/ implementing agency
Aura Education Trust	Education	Haryana	-	930,000	930000	Through Implementing agency
Chatrapati Shivaji Samaaj Kalyan Avam Shiksha Prachar Samati	Health & Society Welfare	Maharashtra	-	46,000	976000	Through Implementing agency
Jan Sharnam	Welfare of underprivileged children, women and old people	Delhi	-	1,268,040	2244040	Through Implementing agency
Contribution for society welfare	Child welfare, Old age peoples welfare	U.P	-	77,220	2321260	Through Implementing agency
The Earth Saviours Foundation(Sundry Debtors)	Welfare of old age people, mentally ill people, rehabilitation of homeless women, and victims of sexual & physical abuse.	Haryana	-	147,000	2468260	Through Implementing agency
Contribution to V-Mart Foundation	Child education	Pan India	-	4,180,000	6648260	Through Implementing agency
<b>Total</b>			-	<b>6,648,260</b>		



### **JUSTIFICATION FOR NOT SPENDING THE PRESCRIBED AMOUNT ON CSR ACTIVITIES**

Our CSR vision is to enhance the quality of life indicators of the local communities where we conduct our business. This is by way of various initiatives, e.g. in education, sports coaching, skill development and capacity building, social infrastructure upkeep and maintenance (school, parks, etc.) and livelihood programs.

In order to spend the average of 2% of Average Net profits of preceding three financial years, the CSR committee had a number of meetings. Many potential funding avenues and initiatives were discussed and implemented, while several more proposals are being currently evaluated. Since much needed due diligence is involved in this process before finalizing the real beneficiaries which consumes a lot of time due to which the Company couldn't spend the prescribed full CSR amount under Companies Act, 2013.

We are committed to spending the mandated CSR funds in line with our vision and objectives, and the project pipeline is being streamlined accordingly. We expect to fulfill our accumulated CSR spending commitments in this financial year on projects that are in the impact areas related to our CSR vision.

### **Our CSR Responsibilities**

We hereby affirm that the CSR Policy, as approved, by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR Objectives.

Date: 10<sup>th</sup> May, 2019  
Place: Gurugram

**Lalit Agarwal**  
Chairperson CSR Committee  
& CMD  
DIN:00900900

## ANNEXURE - D to Board Report

### Disclosures in Board Report as per Section 197 (12) of the Companies Act, 2013 and Rules made thereunder:

The information as per Rule 5(1) are as follows:

1 & 2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY 18-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 18-19 are as under:

Sr. No.	Name of Director, KMP & Designation	% increase/decrease in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Lalit Agarwal Chairman & Managing Director	4.88% Decrease	324.56
2	Mr. Madan Gopal Agarwal Whole-time Director	5.52% Decrease	91.18
4	Mr. Aakash Moondhra Independent Director	43% Decrease	27.42
5	Mr. Murli Ramachandran Independent Director	31% Decrease	27.54
6	Ms. Sonal Mattoo Independent Director	29% Decrease	26.81
7	Mr. Govind Shridhar Shrikhande Independent Director*	NA	10.95
8	Mr. Anand Agarwal Chief Financial Officer	88% Increase	126.47
9	Ms. Megha Tandon Company Secretary	29% Increase	9.16

\*Mr. Govind Shridhar Shrikhande appointed as an Independent Director of the Company with effect from Nov 2, 2018.

- The median remuneration of employees of the Company during the financial year 17-18 was ₹ 58,000. Whereas in FY 18-19 it is ₹ 68,901. Therefore in the FY 18-19, there is an increase of 19% in the median remuneration of employees.
- Number of Permanent Employees on the rolls of Company as on 31<sup>st</sup> March, 2019: 6273
- The Average percentile increase/decrease in the salaries of the employees (other than Managerial Personnel) for FY 18-19 is 8% whereas the average percentile increase/decrease in the managerial remuneration for the FY 18-19 is 18%. The Company's variable compensation philosophy for its managerial personnel is to ensure its competitiveness in the markets in which it operates for attracting & retaining the best talent.

- It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**The information as per Rule 5 (2) are as follows:**

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of the Annual Report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary

1. The details of Employees who were employed throughout the FY 18-19 and were in receipt of minimum aggregate Remuneration of ₹ 1.02 Crores:

Sr. No	Employee Name	Designation	Educational Qualification	Nature of Employment	Experience (in years)	Age	Date of joining	Remuneration in Fiscal 2019 (in Lakhs)	% of Equity shares held by the Employee in the Company	If relative of Director, Name of such director	Previous employment and designation
1.	Mr. Lalit Agarwal	Chairman & Managing Director	B.com	Permanent	15	47	1/10/2003	223.6	0%*	NA	Vishal Retail
2.	Mr. Anand Agarwal	CFO	CA/CS	Permanent	25	45	5/6/2017	124.5	0.01%	NA	HT Media Ltd

\*% of equity shares held by Mr. Lalit Agarwal does not include HUF holding

2. The details of Employees who were employed for the part of FY 18-19 and for that part they received minimum aggregate remuneration of ₹ 8.5 Lakhs per month: NIL
3. The details of Employees who were employed during FY 18-19 (whether for full year or part thereof) and were drawing remuneration [i.e. either ₹ 1.02 Crores or 8.5 Lakhs per month] which is in excess of the remuneration drawn by MD or WTD or Manager and along with this, he is holding minimum 2% of the equity shares of the company together with his wife & dependent children.: NIL

## ANNEXURE - E to Board Report

### FORM No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2018-19

[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,  
**V-MART RETAIL LIMITED**  
CIN L51909DL2002PLC163727  
610-611, Guru Ram Dass Nagar, Main Market,  
Opp. SBI Bank, Laxmi Nagar, New Delhi (East Delhi) -110092, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **V-MART RETAIL LIMITED** (hereinafter called 'the Company'). 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 audit period covering the financial year ended on 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (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;
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; - **Not Applicable**
  - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; - **Not Applicable**

(vi) The Company has identified following laws applicable specifically to the Company:

1. The Shop & Establishment Act, 1954;
2. The Legal Metrology Act, 2009;
3. The Food Safety & Standard Act, 2006.

We have also examined compliance with the applicable provisions of the following: -

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

**We further report that** there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has the following specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

- During the year, the company has issued 32,638 equity shares to its employees pursuant to V-Mart ESOP Scheme, 2012. Further, the Company has granted 62,717 equity options to its employees under aforesaid Scheme.

**FOR VKC & ASSOCIATES;**  
(Company Secretaries)

**CS MOHIT K. DIXIT**  
Partner  
ACS No. 49021  
C P No. 17827

Date: 10<sup>th</sup> May, 2019  
Place: New Delhi

*Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

To,  
The Members,  
**V-MART RETAIL LIMITED**  
CIN L51909DL2002PLC163727  
610-611, Guru Ram Dass Nagar, Main Market,  
Opp. Sbi Bank, Laxmi Nagar, New Delhi (East Delhi) -110092, India

Our report of even date is to be read along with this letter.

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

**FOR VKC & ASSOCIATES;**  
(Company Secretaries)

**CS MOHIT K. DIXIT**  
Partner  
ACS No. 49021  
C P No. 17827

Date:  
Place: New Delhi

## ANNEXURE - F to Board Report

### DIVIDEND DISTRIBUTION POLICY

#### 1. Background and Applicability

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), which requires top 500 listed entities (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

V-Mart Retail Limited being one of the top 500 listed entities as per market capitalization as on the last day of immediately preceding financial year, has framed this Dividend Distribution Policy in compliance with this regulation.

#### 2. Dividend distribution philosophy

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

#### 3. Circumstances Under Which The Shareholders Of The Company May Or May Not Expect Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any

previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans requiring higher capital allocation
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- iii. Requirement of higher working capital for the purpose of business of the Company
- iv. Proposal for buy-back of securities
- v. In the event of loss or inadequacy of profit

#### 4. Parameters/Factors considered by the Company while declaring dividend

The Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to shareholders:

##### A) Financial Parameters / Internal Factors:

- (a) Financial performance including profits earned (standalone), available distributable reserves etc;
- (b) Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net debt: Equity, including maintaining a targeted rating – domestically and internationally;
- (c) Alternate usage of cash viz. acquisition/ Investment opportunities or capital expenditures and resources to fund such opportunities/expenditures, in order to generate significantly higher returns for shareholders;

- (d) Debt repayment schedules;
- (e) Fund requirement for contingencies and unforeseen events with financial implications;
- (f) Past Dividend trend including Interim dividend paid, if any; and
- (g) Any other factor as deemed fit by the Board.

**B) External Factors:**

- (a) Macroeconomic environment
- (b) Capital markets
- (c) Global Conditions
- (d) Statutory provisions and guidelines
- (e) Dividend payout ratio of competitors

**5. Utilization Of The Retained Earning**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The retained earnings of the Company may be used in any of the following ways:

- i. Funding organic growth needs including working capital, capital expenditure, repayment of debt, etc.

- ii. Investment in new business(es) and/or additional investment in existing business(es),
- iii. Declaration of dividend,
- iv. Buy back of shares,
- v. General corporate purposes, including contingencies,
- vi. Any other permissible purpose.

**6. Parameters with regard to various classes of shares**

Presently, the Company has issued only one class of equity shares with equal voting rights. Accordingly, all the shareholders of the Company are entitled to receive the same amount of dividend per share. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

**7. Policy Review And Amendments**

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved by the Board of Directors.



## ANNEXURE - G

### FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

<b>1. Details of contracts or arrangements or transactions not at arm's length basis</b>	<b>NIL</b>
<b>2. Details of material contracts or arrangement or transactions at arm's length basis</b>	
Name(s) of the related party and nature of relationship	Snehal Shah, Son-in-law of Mr. Madan Gopal Agarwal (Whole Time Director)
Nature of contracts/arrangements/transactions	Employment
Duration of the contracts/arrangements/transactions	NA
Salient terms of the contracts or arrangements or transactions including the value, if any:	In the Normal Course of Business
Date(s) of approval by the Board, if any:	24 <sup>th</sup> May, 2018
Amount paid as advances, if any:	NIL

For and on behalf of the Company

**Lalit Agarwal**  
Managing Director  
DIN: 00900900

# BUSINESS RESPONSIBILITY REPORT

## ABOUT THIS REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and National Guidelines on Responsible Business Conduct (NGRBC) as issued and revised by Ministry of Corporate Affairs (MCA), Government of India, the “Business Responsibility Report” (BRR) of the Company for the financial year 2018-19 forming part of this Annual Report is as follows:

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number of the Company	L51909DL2002PLC163727
2. Name of the Company	V-Mart Retail Limited
3. Registered address	610-611 Guru Ram Dass Ngar, Main Market, Opp. SBI Bank, Laxmi Nagar New Delhi-110092
4. Website	<a href="http://www.vmart.co.in">www.vmart.co.in</a>
5. E-mail id	<a href="mailto:info@vmartretail.com">info@vmartretail.com</a>
6. Financial Year reported	2018-19
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	478
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Retail
9. Total number of locations where business activity is undertaken by the Company	A)Number of International Locations – Nil B)Number of National Locations-The Company has 214 V-Mart stores + warehouse + corporate office
10. Markets served by the Company	National

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR):	18,12,99,930/-
2. Total Turnover (INR Lakhs):	1,43,217
3. Total profit after taxes (INR Lakhs):	6,163
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1% of total CSR
5. List of activities in which expenditure in 4 above has been incurred:-	Refer the <b>Annexure C</b> to the Board’s Report

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	No
2. Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	NA
3. Do any other entity/entities (e.g. Suppliers, distributors etc.) That the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number:	00900900
2. Name:	Lalit Agarwal
3. Designation:	Chairman & Managing Director

(b) Details of the BR head

Sr. No	Particulars	Details
1.	DIN Number (if applicable)	00900900
2.	Name	Lalit Agarwal
3.	Designation	Chairman & Managing Director
4.	Telephone number	0124-4640030
5.	e-mail id	<a href="mailto:info@vmart.co.in">info@vmart.co.in</a>

2. Principle-wise (as per NVGs) BR Policy/policies :

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chain.

Principle 4: Businesses should respect the interests of, and be responsive to all its stakeholders.

Principle 5: Businesses should respect and promote human rights

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers in a responsible manner

(a) Details of compliance (Reply in Y/N)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for;	Y	N	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify (50 words)	The policies has been drafted on the basis of applicable law, code of conduct & applicable standards.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 (the Act) and the SEBI (listing obligations and disclosures requirements) Regulation, 2015 are approved by the Board and other policies are approved by the Managing Director / functional heads of the Company as appropriate from time to time.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y		Y	Y	Y	Y	-	Y	Y

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	Policies mandated to be displayed on website the Company as per the Act and LODR are displayed at the <a href="http://www.vmart.co.in/investor">http://www.vmart.co.in/investor</a> and all other policies are displayed on our intranet								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	-	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	-	N	N	N	N	-	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year				√			√		
6	Any other reason (please specify)									

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The BR performance is assessed annually by the Management/ Board of Directors and its Committees.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is second Business Responsibility Report being published by the Company. It is available on the website of the Company at [www.vmart.co.in](http://www.vmart.co.in) as part of annual report.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1 Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The Company has formulated Code of Conduct, to conduct the business in an ethical manner as well as to create a work environment that is conducive to all stakeholders.

Further, the Company has adopted a Whistle Blower Policy through which its directors and employees can report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. It also provides adequate safeguards against victimization of persons who use such mechanism

The Company has an established Code of Conduct and Business Ethics, Whistle Blower Policy, and Supplier Code of Conduct. The Code, policies and standards communicate our zero tolerance approach to ethical violations, and communicate our commitment and requirement for legal compliance and ethical good practice.

To ensure that all employees are well-versed with the Code, a mandatory training is provided for new recruits, and refresher workshops on anti-corruption policies and procedures are conducted for all the employees at various levels.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholder's viz. shareholders, customers, employees etc. There are dedicated resources to respond to the complaints within a time bound manner.

The company has stakeholder relationship committee (SRC) which reviews the shareholders complaint and their resolution. During the year ended March 31, 2019 opening balance of the complaints was NIL and No complaints were received from the shareholders during the year under review.

Further, Customer complaints are addressed in the normal course of business by Customer Care Department of the Company.

#### Principle 2 Product Responsibility

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The company is intended to increase the use of natural fibre like cotton.

The company strictly forbidden hires or use of child force at work place and expect its vendors to follow the same.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Considering the nature of business of the Company the said questions are not applicable to the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
  - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is putting in place procedure for sustainable sourcing of products sold by the Company

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company is contributing to the society at large by procuring goods & services from small scale industries and small producers including from communities surrounding its place of work.

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We have encouraged MSMED vendors and work with them to improve their capabilities & capacity. We have shorter payment cycle for MSMED vendors. We provide early payment facility so that they are able to manage their finance without any difficulties

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company is not into manufacturing, thus there is not much waste generation in the Company, the waste generated at its offices and stores are managed as per the applicable laws & internal waste disposal process.

### Principle 3 Wellbeing of Employees

1. Please indicate the Total number of employees. : 6,273
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. 4
3. Please indicate the Number of permanent women employees: 1,248
4. Please indicate the Number of permanent employees with disabilities: 47
5. Do you have an employee association that is recognized by management: NA
6. What percentage of your permanent employees is members of this recognized employee association?:NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	-	-
2.	Sexual harassment	5	NIL
3.	Discriminatory employment	-	-

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees: 100%
  - (b) Permanent Women Employees: 100%
  - (c) Casual/Temporary/Contractual Employees: 100%
  - (d) Employees with Disabilities: 100%

### Principle 4 Responsiveness to Stakeholders

1. Has the company mapped its internal and external stakeholders? **Yes**
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

**Yes.** The Company recognizes the vital role played by the Society at large in its growth and development. Details of CSR initiatives executed by the Company during the year under review are given in Annexure C of the Board Report.

### Principle 5 Human Rights:

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

**Human Rights policy is aligned to internationally recognized Human rights norms as established in the Universal Declaration on Human rights and is a mandate to the Company, the facilities that we own, or manage. The Company also expects all its employees, consultants, independent contractors and suppliers to observe these principles.**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**The Company has not received any complaints relating to human rights during the year.**

### Principle 6 Environmental Responsibility:

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

**The Company's Environmental, health & safety policy extends to all units, employees and contractors in service to the business and the Company.**

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

**The Company has taken many energy initiatives such as:**

- Installation of LED lights & power saving equipment at all stores to reduce the electricity consumption
- optimum use of air conditioner (AC) at the stores in order to reduce the electricity consumption
- Automation of processes to reduce the use of paper
- Installation of glass doors, walls and windows at the stores to use the daylight and reduce electricity consumption
- Plantation of trees for combating air pollution at warehouse

- **Eliminate the use of plastic carry bags at the stores**

**The Company is in process of evaluating the usage of solar panel at its stores ; feasibility study to implement the same is in process**

3. Does the company identify and assess potential environmental risks?

**We have performed a risk assessment to identify these risk, owing to the nature of the business involved, no significant aforementioned potential risk is foreseen as of now.**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**No such project has been undertaken yet, however the initiative undertaken by the company for energy conservation are mentioned in point no. 2 of this principle.**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

**The initiatives taken by the Company towards energy conservation during the year under review are given in the Board Report**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

**Not applicable, since the Company is in the business of Retail**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

**Nil**

#### **Principle 7 Public Policy Advocacy**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

**The Company generally conveys its policy positions through its membership with Retailers Association of India (RAI) & Confederation of Indian Industries (CII)**

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

**The Company has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders.**

#### **Principle 8 Inclusive Growth and Equitable Development**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**Corporate Social Responsibility (CSR) is a strategy of a Company to integrate social, environmental and economic concerns in its values and operations to improve the welfare of society and stakeholders**

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

**The Company's CSR initiatives are implemented through internal team as well as in partnership with Non- Governmental Organizations (NGOs).**

3. Have you done any impact assessment of your initiative?

**Periodic review of all the CSR initiatives is being done by CSR committee**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

**An amount of Rs. 66.48 Lakhs was spent towards CSR initiatives during the financial year 2018-19. The details thereof are given in Annexure- C of the Board Report.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**Yes, the CSR initiative undertaken by the Company does focus on community participation, empowerment and community development**

**Principle 9 Engagement with Customers**

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

**Customer Satisfaction is of utmost important for the Company. The Company has a dedicated customer care representative/cell to handle the day to day complaints of the customers. As at the end of financial year, there were 2 ongoing consumer cases.**

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws?

**The requisite information as mandated as per the local laws is mentioned on all the product labels of the Company.**

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

**There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anticompetitive behavior. There are a few consumer product complaints pending in the normal course of business, which the Company defends appropriately.**

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**Yes, the Company regularly conducts consumer surveys.**



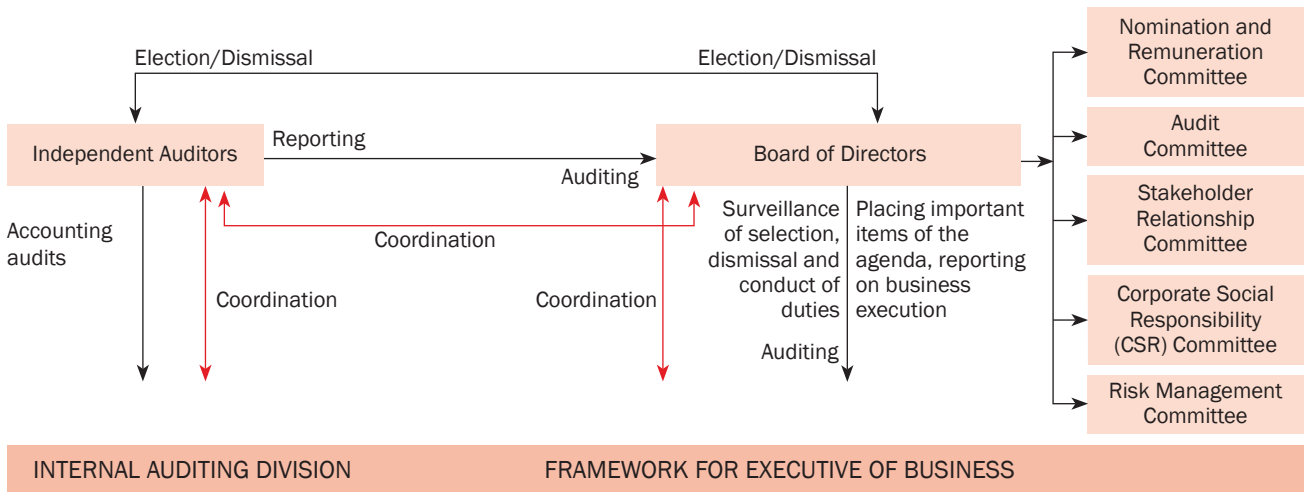


# Corporate Governance Report

Corporate Governance indicates transparency, accountability and reliability of any organization.

## THE CORPORATE GOVERNANCE FRAMEWORK

### GENERAL MEETING OF SHAREHOLDERS



### INTERNAL AUDITING DIVISION      FRAMEWORK FOR EXECUTIVE OF BUSINESS

One of the core missions of your organization is to achieve excellence in all spheres, be it profitability, growth in market share are providing superior quality of products and services to the satisfaction of the stakeholders through an efficient and effective code of governance.

We aim at providing fairness, clarity and transparency in all our dealings and increasing the value of all stakeholders of the Company.

The Corporate Governance Report of the Company for the period of 12 months ended 31<sup>st</sup> March, 2019 is as follows:

### BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objectives of creating long term value for the Company's stakeholders. The Board currently comprises of 6 Directors.

### Composition of Board

The composition of the Board as on 31<sup>st</sup> March, 2019 is as follows:

- 1) Executive Promoter Directors - 2
- 2) Non-Executive Directors (All Independent Directors)-4

The composition of the Board is in conformity with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received necessary disclosures from each of its four Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets all the criteria laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

#### Skills/expertise/competence of the Board of Directors

As per SEBI listing Regulation, the "required" as well as "the actually available" skills/expertise/competence of the Board of Directors are listed as below:

Board of Directors: Mapping Skills/Expertise/Competence						
Skills/Expertise/Competence Required	Lalit Agarwal	Madan Gopal Agarwal	Aakash Moondhra	Govind S. Shrikhande	Murli Ramachandran	Sonal Mattoo
	Chairman & Managing Director	Wholetime Director	Independent Director	Independent Director	Independent Director	Independent Director
Buying & Procurement	✓	✓				
Supply Chain & Logistics	✓					
Planning & Allocation	✓	✓		✓		
Retail Operations	✓			✓		
Visual Merchandizing	✓	✓		✓		
CRM & Analytics			✓	✓		
Digital Technology			✓	✓		
Labour Relations & Compliance						✓
Financial Planning & Analysis	✓		✓	✓	✓	
Leadership Development	✓					
Talent Management				✓	✓	✓
Change Management				✓		
Diversity & Inclusion						✓
Corporate Governance			✓	✓	✓	✓
Investor Relations	✓		✓	✓		
Strategic Planning			✓	✓	✓	
Scalability & Expansion	✓		✓	✓	✓	
Project Management			✓	✓	✓	

#### Name of the listed entities where the person is a director

Name of the director	Indian Listed Companies	Relationship Between Directors
<b>Executive Directors</b>		
Mr. Lalit Agarwal	V-Mart Retail Limited	Son of Mr. Madan Gopal Agarwal
Mr. Madan Gopal Agarwal	V-Mart Retail Limited	Father of Mr. Lalit Agarwal
<b>Non - Executive and Independent Directors</b>		
Mr. Aakash Moondhra	V-Mart Retail Limited	-
Mr. Murli Ramachandran	V-Mart Retail Limited	-
Ms. Sonal Mattoo	V-Mart Retail Limited Ashiana Housing Limited	-
Mr. Govind S. Shrikhande	V-Mart Retail Limited	-

## Board Procedures

Detailed agenda with explanatory notes and all other related information is circulated to the members of the Board in advance of each meeting. Detailed presentations are made to the Board covering all major functions and activities. The requisite strategic and material information is made available to the Board to ensure transparent decision making by the Board.

## Number of Board Meetings

During the financial year 2018-19, four Board Meetings were held. The maximum time gap between any two Board Meetings was not more than 120 days. These meetings were held on 24/05/2018, 23/07/2018, 02/11/2018 and 05/02/2019.

The necessary quorum was present for all the meetings.

The Composition of the Board of Directors, their attendance in the Board Meetings and other particulars are as follows:

Name of Director	Category	No. of Board Meeting attended during financial year 2018-19	No. of other directorships in public companies* as on 31/03/2019	Attendance in the last AGM	No. of Committee** positions held in other public companies as on 31/03/2019	
					Chairman	Member
Mr. Lalit Agarwal (Chairman & Managing Director)	Promoter Executive	4	-	Yes	-	-
Mr. Madan Gopal Agarwal (Whole-time Director)	Promoter Executive	4	-	Yes	-	-
Mr. Aakash Moondhra	Independent Non-Executive Director	4	1	No	-	-
Ms. Sonal Mattoo	Independent Non-Executive Director	3	3	Yes	1	1
Mr. Murli Ramachandran	Independent Non-Executive Director	4	1	No	-	-
***Mr. Govind S. Shrikhande	Independent Non-Executive Director	2	-	NA	-	-

\* Alternate directorships and directorships in private companies, foreign companies and Section 8 companies are excluded.

\*\* Includes chairmanships/memberships of only Audit Committee and Shareholders'/Investors' Grievance Committee.

\*\*\* Appointed as an Independent Director of the Company with effect from Nov 2, 2018.

During the financial year 2018-19, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

The number of Directorship, Committee Membership and Chairmanship of all the Directors of the Company are within the respective limits prescribed under Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements Regulations, 2015).

## INDEPENDENT DIRECTORS

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation

16(1) (b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 ("Act") and the Rules framed thereunder.

An Independent Director shall possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

The Company Board has adopted a Familiarization Programme for Independent Directors, ("The Familiarization Programme"). The Programme lays down, in detail, the Familiarization procedure of Independent Directors with the company, their roles, rights, responsibilities in the Company,

nature of the industry in which the Company operates, business model of the Company, etc.

A copy of the Programme has been posted on the Company's website [www.vmart.co.in](http://www.vmart.co.in)

### Meeting

During the year, 1 Meeting of Independent Directors was held on Feb 05, 2019 the attendance whereat is as follows:

<u>Name of Independent Director</u>	<u>Meeting attended</u>
Mr. Aakash Moondhra	Yes
Ms. Sonal Mattoo	Yes
Mr. Murli Ramachandran	Yes
Mr. Govind S. Shrikhande*	Yes

\*Appointed as an Independent Director of the Company with effect from Nov 2, 2018.

The Independent Directors meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations was convened on Feb 05, 2019, to review the performance of Non-Independent Directors, the Board as a whole, and the performance of the Chairman, taking into account the views of Executive and Non-Executive Directors. The quality, and timeliness of flow of information between the management and the Board is also assessed.

### Certificate from Company Secretary in practice

A per the requirements of the listing regulations, a certificate from practicing Company Secretary, confirming that none of the directors of Board of the Company has 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 as **Annexure-II**.

### Information provided to the Board

The information being provided to the Board includes:

- Annual operating plans and budgets and Regular Business updates.
- Capital budgets and updates.
- Quarterly results for the entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board of Directors.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.

- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the entity or taken an adverse view regarding another enterprise that may have negative implications on the entity.
- Details of any joint venture or collaboration agreement, if applicable.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Details of Equity shares held by the Directors in the Company as on 31<sup>st</sup> March, 2019 are as follows:

<u>Name of Director*</u>	<u>No. of Equity Shares held</u>
Mr. Lalit Agarwal	Nil
Mr. Madan Gopal Agarwal	Nil
Mr. Aakash Moondhra	924
Mr. Murli Ramachandran	Nil
Ms. Sonal Mattoo	Nil
Mr. Govind S. Shrikhande	Nil

\*includes only as Director does not include HUF and shares held by spouse.

### COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

The Company has constituted an Audit Committee in line with the provisions of Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee include:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure

that the financial statements are correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees/remuneration.
3. Review and monitor the auditor's independence, performance and effectiveness of audit process;
4. Examination of the financial statement and the auditors' report thereon.
5. Approval or any subsequent modification of transaction(s) of the Company with related party/(ies);
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertaking or assets of the Company, wherever it is necessary;
9. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to;
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report ;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Modified opinion/Qualifications in the draft audit report and Limited Review Reports.
10. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized 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.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Evaluation of internal financial controls and risk management systems.
14. 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.
15. Discussion with internal auditors any significant findings and follow up there on.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
17. 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.
18. 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.
19. To review the functioning of the Whistle Blower/Vigil mechanism.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. The Audit Committee may call for the comments of the auditors about internal control system, the scope of the audit, including the observations of the auditors and

review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and management of the Company.

23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.

24. The Audit Committee shall also perform other functions/roles as may be specified/prescribed/ applicable under Companies Act, 2013, rules made thereunder, including any amendment and Listing Agreement with the stock exchanges from time to time.

The Audit Committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
- (4) The appointment, removal and terms of remuneration of the chief internal auditor.
- (5) Statement of deviations, if any.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be recorded in the Board minutes and the same has to be communicated to the Shareholders. The Chairman of the Committee is required to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### Meetings of the Committee:

During the financial year 2018-19, four meetings of the Audit Committee were held. The meetings were held on 24/05/2018, 23/07/2018, 02/11/2018, and 05/02/2019. The time gap between any two meetings was not more than 120 days.

The composition of the Committee and details of attendance at the Meetings are as follows:

Name of Members	Category	Status	No. of meeting attended
Mr. Aakash Moondhra	Independent	Chairman	4
Mr. Murli Ramachandran	Independent	Member	4
Ms. Sonal Mattoo	Independent	Member	4
Mr. Govind S. Shrikhande*	Independent	Member	1

\*Become the Member of the Audit Committee w.e.f. 5th Feb. 2019.

The Chief Financial Officer, Statutory Auditors and the Internal Auditors are permanent invitees to the Committee Meetings.

The Company Secretary acts as the Secretary to the Audit Committee.

#### AUDIT COMMITTEE REPORT

Dear Shareholders,

During the year, the Committee has continued to play a key role within the V- Mart governance framework to support the Board in matters relating to Internal control, Risk management and Financial reporting and other Retail Operations Management of the Company. During this period, the remit of the Audit Committee has been expanded to reflect its greater focus on the following areas:

- Development & Enhancement of the risk management process, and Internal Controls Framework;
- Assessment and reporting of the companies in view of amended regulatory requirements.

The Committee also conducted review of the Company's compliance mechanism during the year. The Committee continues to focus on the various future prospects considering the potential and growth aspects.

**Aakash Moondhra**

Chairman - Audit Committee

#### NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee in accordance with provisions of Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

#### Brief description of terms

The purpose of the Committee is to screen and to review individuals qualified to serve as Executive Directors, Non-

Executive Directors and Independent Directors, consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM. It also designs, benchmarks and reviews the compensation program for the Chairman & Managing Director, Senior Executives and the Board against the achievement of measurable performance goals, and structures of senior executive compensation to ensure it is competitive in the markets in which we operate to attract and retain the best talent.

The Committee makes recommendations to the Board on candidates for (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled. It may act on its own identifying potential candidates, inside or outside the Company or may act upon proposals submitted by the Chairman of the Board. The Nomination & Remuneration Committee annually reviews and approves for the Chairman & Managing Director, the executive Directors and executive officers : (a) the annual base salary; (b) the annual incentive bonus, including the specific performance based goals and amount; (c) equity compensation; (d) employment agreements, severance arrangements and change in control agreements/ provisions; and (e) any other benefits, compensation or arrangements. It reviews and discusses all matters pertaining to candidates and evaluates the candidates. The Nomination & Remuneration Committee coordinates and oversees the annual self-evaluation of the Board and of individual Directors. It also reviews the performance of all the executive Directors on such intervals as may be necessary on the basis of the detailed performance parameters set for each Director. The Nomination & Remuneration Committee may also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

#### Meetings of the Committee:

The Nomination & Remuneration Committee met four times on 24/05/2018, 23/07/2019, 02/11/2018 and 05/02/2019 during the financial year 2018-19.

The composition of the Committee and details of attendance at the Meetings are as follows:

Name of Members	Category	Status	No. of meeting attended
Mr. Murlu Ramachandran	Independent	Chairman	4
Mr. Aakash Moondhra	Independent	Member	4
Ms. Sonal Mattoo	Independent	Member	4
Mr. Govind S. Shrikhande*	Independent	Member	1

\*Become the Member of the Nomination & Remuneration Committee w.e.f. 5<sup>th</sup> Feb. 2019

The Company Secretary acts as the Secretary to the Nomination & Remuneration Committee.

#### BOARD EVALUATION

The annual evaluation process of the Board of Directors ("Board"), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Companies Act, 2013 and as per the Corporate Governance requirements prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Board and the Nomination & Remuneration committee reviewed the performance of the Board, Committees and individual Directors on the basis of the criteria and framework adopted by the Board.

The evaluation criteria included various aspects such as, functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision making, roles & responsibility including monitoring, benchmarking, feedback relationship with the stakeholder's and as provided by the Guidance Note on Board Evaluation issued by SEBI on January 5th, 2017.

In a separate meeting of the Independent Directors, performance of the Non-Independent Directors, the Board as a whole and the chairman were also evaluated, basis a set out criterion.

#### Remuneration to Directors

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission on profits of the Company within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Committee and approved by the Board.

The Chairman & Managing Director and other Executive Directors of the Company are paid remuneration by way of salary, (fixed component), benefits, perquisites and commission (variable component) on the net profits of the Company as approved by the Shareholders & Board of Directors of the Company and as recommend by the Nomination & Remuneration Committee.

The Non-Executive Directors (Including Independent Directors) are paid sitting fees of ₹ 50,000 per meeting for attending the meetings of the Board.

Further, shareholders at the Annual General Meeting held on 29<sup>th</sup> September, 2015 approved a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, to be paid and distributed among some or all of the Directors of the Company (other than the Managing Director and Whole-time Directors) in a manner decided by the Board of Directors & its Committees and this payment will be made with respect to the profits of the Company for each year. The criteria for the above mentioned commission to be paid to Non – Executive Directors has been considered based on the following factors:

- Revenue achieved by the Company during the year;
- Profits for the year;
- Performance/contribution of the each Director;
- Any other criterion, if applicable.

Further, we have paid ₹ 52 Lakhs to our Independent Directors as commission for the financial year ended 31st March, 2019.

The details of remuneration paid (including commission due as on 31/03/2019 but not paid) to the Directors (including Independent Directors) for the period of 12 months ended on March 31, 2019 are given below:

Name of Member	Salary	Commission	Value of perquisites u/s 17(2) of the Income tax Act, 1961	(Amount in ₹ Lakhs)	
				Sitting Fee	Total
Mr. Lalit Agarwal	85.39	103.94	34.23	-	223.56
Mr. Madan Gopal Agarwal	28.46	34.30	-	-	62.76
Mr. Aakash Moondhra	-	16.89*	-	2	
Mr. Murli Ramachandran	-	16.89*	-	2	
Ms. Sonal Mattoo	-	16.89*	-	1.5	
Mr. Govind S. Shrikhande	-	6.55*	-	1	

\*\* Commission mentioned above is based on estimated performance. However, payment is made based on actual assessment after the year end

1. Mr. Aakash Moondhra	-	₹ 18	3. Ms. Sonal Mattoo	-	₹ 14.1
2. Mr. Murli Ramachandran	-	₹ 14.4	4. Mr. Govind S. Shrikhande	-	₹ 6

## NOMINATION & REMUNERATION COMMITTEE REPORT

Dear Shareholders,

During the financial year 2018-19, the Nomination & Remuneration Committee inter-alia dealt with the following areas:

- Payment of commission to Non – Executive Directors; preview of ESOP Scheme evaluate appointment of Senior Managerial Personnel.
- Board evaluation
- Remuneration of Senior Managerial Personnel
- Appointment of Independent Director
- Re-appointment of Independent Director

Stock options were approved and granted to the eligible employees of the Company during the year with a view to attracting and retaining the best talent, encouraging employees to align individual performance with the Company's objective.

During the year, the Committee discussed the retirement of the Directors by "Retire by Rotation" according to statutory requirements. As per the provisions under the Companies Act, 2013, Independent Directors are not liable to retire by rotation. As such, none of the Independent Directors will retire at the ensuing AGM. Further, following the provisions of the Companies Act, 2013, Mr. Madan Gopal Agarwal will retire in the ensuing AGM. The Committee considered his performance and recommended that the shareholders may consider the necessary resolutions for the re-appointment of Mr. Madan Gopal Agarwal.

With the steps taken this year, we are confident that we have a strong Board and efficient working criteria to take the Company forward beyond the current turnaround period. Having said that, the Committee will continue to refresh and review succession plans. The Committee will also keep the timing of further Board effectiveness evaluations under consideration and assess appropriate performance evaluation review for the senior Management Personnel & directors of the company.

**Murli Ramachandran**

Chairman - Nomination & Remuneration Committee



## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted Stakeholders Relationship Committee in accordance with provisions of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee has been constituted to specifically look into the Redressal of Shareholders and Investors complaints and other Shareholder related issues. The Committee approves transfer, transmission of shares and issues like split, subdivision, consolidation of securities, issue of duplicate share certificates, dematerialization/re-materialization of shares etc.

The Stakeholders Relationship Committee comprises of one Independent Director and two Executive Directors.

### Meeting of the Committee

The meeting of the Committee was held on and 24/05/2018 during the financial year 2018-19. The composition and attendance of the Stakeholders Relationship Committee is as under:

Name of Members	Category	Status	No. of meeting attended
Ms. Sonal Mattoo	Independent	Chairperson	1
Mr. Lalit Agarwal	Promoter Executive	Member	1
Mr. Madan Gopal Agarwal	Promoter Executive	Member	1

## STAKEHOLDERS RELATIONSHIP COMMITTEE REPORT

Dear Shareholders,

Under the purview of the Statutory requirements and other applicable provisions, the Committee has worked on the following details of Shareholders' queries/complaints received and resolved during the year under review:

Particulars	Complaints
Received during the year	0
Disposed off during the year	0
Remaining unresolved as on 31 <sup>st</sup> March, 2018	Nil

The committee stands committed to resolve all complaints / queries from shareholders and to service them at all times.

### Sonal Mattoo

Chairperson - Stakeholders Relationship Committee

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with Section 135 of the Companies Act, 2013 read with (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors to formally look into the CSR activities of the Company in line with requirements of the Companies Act, 2013.

The composition and attendance of Corporate Social Responsibility Committee are as under:

Name of Members	Category	Status	No. of meeting attended
Mr. Lalit Agarwal	Promoter Executive	Chairperson	4
Mr. Madan Gopal Agarwal	Promoter Executive	Member	4
Mr. Aakash Moondhra	Independent		4
Ms. Sonal Mattoo	Independent		4
Mr. Govind S. Shrikhande*	Independent	Member	1

\*Became the Member of the Corporate Social Responsibility Committee w.e.f. 5<sup>th</sup> Feb. 2019.

### Meeting of the Committee

The committee met four times on 24/05/2018, 23/07/2018, 02/11/2018 and 05/02/2019 during the financial year 2018-19.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE REPORT

The CSR report as required under the Companies Act, 2013 for the year ended 31<sup>st</sup> March, 2019 is attached with the Boards Report.

## RISK MANAGEMENT COMMITTEE

During the year the Company has constituted a Risk Management Committee in accordance with provisions of Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 134 of the Companies Act, 2013.

The Risk Management Committee has been constituted to specifically ensure that a risk management framework is established, implemented and maintained. The Committee shall be responsible for framing, implementing and monitoring the risk management plan, assign the roles and responsibilities in relation to enterprise risk management, ensuring that the chosen risk approach is aligned to the organizational vision, mission, strategy, goals and objectives etc.

The composition and attendance of Risk Management Committee are as under:

Name of Members	Category	Status	No. of meeting attended
Mr. Aakash Moondhra	Independent	Chairman	1
Mr. Murli Ramachandran	Independent	Member	1
Ms. Sonal Mattoo	Independent	Member	1
Mr. Govind S. Shrikhande	Independent	Member	1

### Meeting of the Committee

The committee met once on 05/02/2019 during the financial year 2018-19.

#### RISK MANAGEMEN COMMITTEE REPORT

Dear Shareholders,

During the year 2018-19 the Company has constituted Risk Management Committee in accordance with provisions of Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 134 of the Companies Act, 2013

Risk Management as a process shall enable the organization to identify, assess and treat risks. Which is a collective responsibility of everyone in the organization viz. Board, Management Team and all the personnel. Risk Management applies to all functions, verticals and operations within the organization.

The Risk Management Committee (RMC) shall:

- Ensure that a risk management framework is established, implemented and maintained in accordance with this policy;
- Be responsible for framing, implementing and monitoring the risk management plan;
- Assign the roles and responsibilities in relation to enterprise risk management;
- Ensuring the chosen risk approach is aligned to the organizational vision, mission, strategy, goals and objectives.
- Nominate a Risk Management Steering Committee (RM-STECCO) for identifying, analyzing, evaluating, consulting, treating, monitoring, reviewing and communicating the strategic, operational, regulatory, compliance and cyber-security risks (RM-STECCO shall comprise of Chief Financial Officer (CFO), Chief Operating Officer (COO).The RMC is authorized to nominate any other member in the RM-STECCO.); and
- Be responsible for regular overview of risk management activities in the organization and meet at least once a year to review the risks identified by the RM-STECCO.

**Aakash Moondhra**

Chairman - Audit Committee

#### COMPLIANCE OFFICER

In terms of Regulation 7 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, Ms. Megha Tandon, Company Secretary, was designated as the Compliance Officer for complying with the requirements of Securities Laws and Listing Regulations with the Stock Exchanges in India.

#### GENERAL BODY MEETINGS

The details of Annual General Meetings held during the last three years are as follows:

Financial Year	Day & Date	Time	Location of the Meeting	Special Resolution Passed
2017-18	Friday, 29 <sup>th</sup> June, 2018	9.30 a.m	Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Purim, New Delhi - 110022	Yes
2016-17	Monday, 18 <sup>th</sup> September, 2017	9.30 a.m	Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Purim, New Delhi - 110022	Yes
2015-16	Wednesday, 28 <sup>th</sup> September, 2016	9.30 a.m	Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Purim, New Delhi - 110022	Yes

During the period of last four years, no Extra-Ordinary General Meeting of the members was held.

## POSTAL BALLOT

During the year under review, no special resolution has been passed through the exercise of postal ballot.

### Code of Conduct

The Company Board has adopted a Code of Conduct for members of the Board and Senior Management (“Code”). The Code lays down, in detail, the standards of business conduct, ethics and governance.

A copy of the Code has been posted on the Company’s website [www.vmart.co.in](http://www.vmart.co.in).

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director to this effect is given below:

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management an affirmation that they have complied with the Code in the financial year 2018-19.

**Lalit Agarwal**

Chairman & Managing Director

## INFORMATION TO SHAREHOLDERS

### 1. Date, time and Venue of the 17<sup>th</sup> Annual General Meeting

Friday 2<sup>nd</sup> August, 2019 at 9:30 a.m.

AGM venue: India Islamic Cultural Centre,  
87-88 Lodhi Road, Near Lodhi Gardens,  
New Delhi - 110003

### 2. Financial Year

1<sup>st</sup> April to 31<sup>st</sup> March

### 3. Date of Book Closure

From 26<sup>th</sup> July, 2019 to 05<sup>th</sup> August, 2019  
(both days inclusive)

### 4. Dividend

The Board of Directors of the Company has recommended a dividend of ₹ 1.70 per equity share, subject to approval of shareholders at the ensuing Annual General Meeting. The dividend, if approved, at the ensuing Annual General Meeting, will be paid/credited to those members/beneficial owners whose

names appear on the register of members/depository records as on 25<sup>th</sup> July, 2019. (Cut-off Date)

The dividend, if approved, at the ensuing Annual General Meeting, shall be paid within stipulated time as prescribed under the applicable law.

### 5. Registered Office

610-611, Guru Ram Dass Nagar,  
Main Market, Opp. SBI Bank,  
Laxmi Nagar, New Delhi - 110092.

### 6. Corporate Office

Plot No. 862, Udyog Vihar, Industrial Area, Phase V,  
Gurgaon-122016 (Haryana)

## LISTING IN STOCK EXCHANGES

The Equity Shares of the Company are listed in the following Stock Exchanges:

### National Stock Exchange Of India Limited

“Exchange Plaza”  
Bandra-Kurla Complex  
Bandra (E), Mumbai-400 051  
**Scrip Code: VMART**

AND

### BSE Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001  
**Scrip code: 534976**

**ISIN No. INE665J01013**

## LISTING FEES

Listing fees, as prescribed for the financial year 2019-20, has been paid to all Stock Exchanges where the shares of the Company are listed.

## SHAREHOLDERS ISSUE

The Shareholders may send their queries to the e-mail address – [info@vmart.co.in](mailto:info@vmart.co.in), proactively managed by the Company under the Investor section of Company’s website.

## ANALYST

Analyst may schedule their conference calls and meetings with:

- 1) Mr. Anand Agarwal, Chief Financial Officer and
- 2) Mr. Girish Garg, Treasury Head

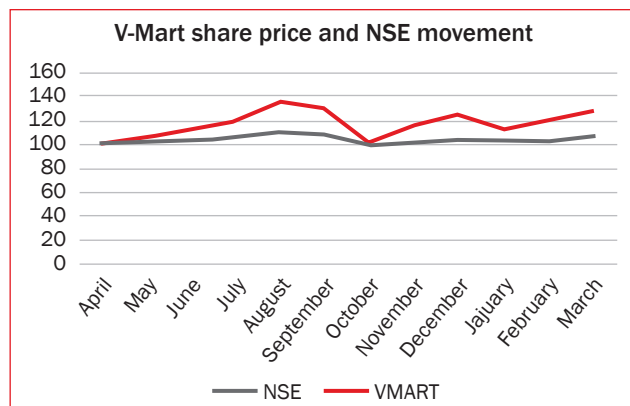
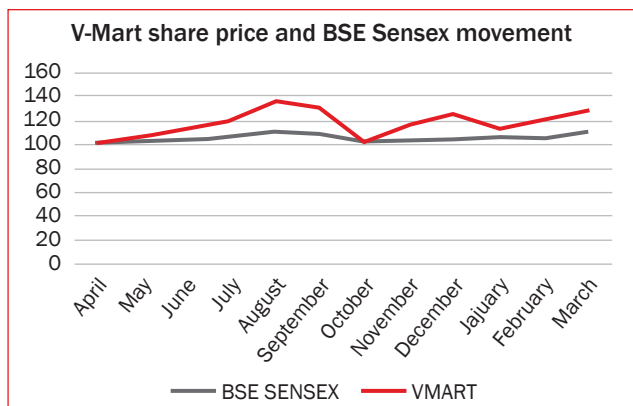
Through the e-mail addresses [info@vmart.co.in](mailto:info@vmart.co.in) under the Investor section of Company’s website.

## STOCK MARKET DATA

Monthly High and Low Share Price of V-Mart Retail Ltd. for the year 2018-2019 at BSE and NSE

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-18	2325	1894.75	2328.1	1890.7
May-18	2515	1960	2516	1956.7
Jun-18	2792	1902	2799	1895
Jul-18	3288	2129.85	3294	2137.4
Aug-18	3298	2417.75	3195	2418
Sep-18	3295.6	2428	3299	2414.2
Oct-18	2635	1874	2610	1933.95
Nov-18	2903.9	2155	2901	2151.1
Dec-18	2850	2468	2839	2458
Jan-19	2645	2168	2645	2191
Feb-19	2743	2342.60	2755	2336
Mar-19	2867	2523	2863.9	2340

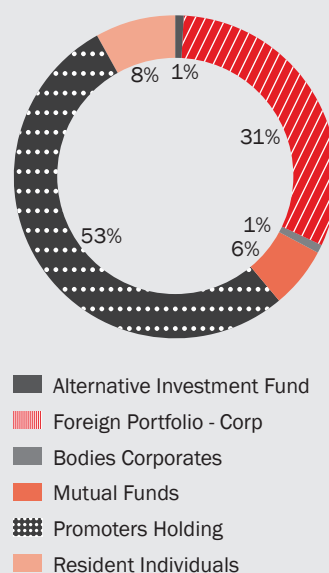
## PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX & NSE-NIFTY 500



## SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2019

Sl No.	Description	Folio	Shares	% Equity
1	PROMOTERS HOLDING	5	96,07,835	52.99
2	FOREIGN PORTFOLIO - CORP	91	55,93,392	30.85
3	RESIDENT INDIVIDUALS	19,092	13,84,684	7.64
4	MUTUAL FUNDS	9	10,18,496	5.62
5	ALTERNATIVE INVESTMENT FUND	2	2,25,500	1.24
6	BODIES CORPORATES	451	1,48,812	0.82
7	EMPLOYEES	26	46,362	0.26
8	NON RESIDENT INDIANS	529	32,671	0.18
9	NBFC	2	21,330	0.12
10	NRI NON-REPATRIATION	188	19,478	0.11
11	H U F	131	17,314	0.1
12	FOREIGN INSTITUTIONAL INVESTOR	1	8,278	0.05
13	CLEARING MEMBERS	41	4,347	0.02
14	BANKS	1	384	0
15	INDIAN FINANCIAL INSTITUTIONS	1	679	0
16	TRUSTS	4	431	0
	<b>Total</b>	<b>20,574</b>	<b>1,81,29,993</b>	<b>100</b>

## Shareholding Pattern as on 31<sup>st</sup> March 2019



## DISTRIBUTION SCHEDULE AS ON 31<sup>st</sup> March, 2019

S. No	Category	Cases*	% of Cases	Amount	% Amount
1	1 - 5000	20526	98.36	37,60,220	2.07
2	5001 - 10000	98	0.47	7,31,710	0.40
3	10001 - 20000	68	0.33	10,01,000	0.55
4	20001 - 30000	29	0.14	7,29,540	0.40
5	30001 - 40000	24	0.12	8,56,170	0.47
6	40001 - 50000	7	0.03	3,16,600	0.17
7	50001 - 100000	39	0.19	29,99,110	1.65
8	100001 & ABOVE	78	0.37	17,09,05,580	94.27
<b>Total</b>		<b>20,869</b>	<b>100</b>	<b>18,12,99,930</b>	<b>100</b>

\*Folio wise data

## UNCLAIMED SHARES

Disclosure in regard to the provisions of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V (F) are given below:

- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year: Nil
- Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year: Nil
- Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year: Nil
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year: Nil

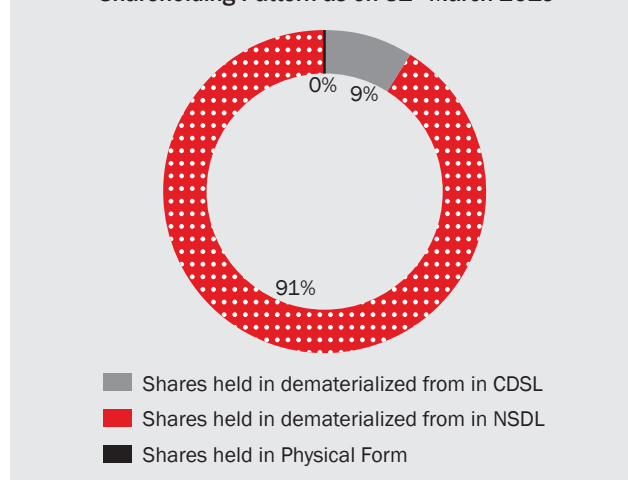
## DEMATERIALIZATION OF SHARES

The shares of the Company are in the compulsory demat segment. The Reconciliation of the Share Capital Audit Report of the Company obtained from the Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time period. The below mentioned table contains detail break – up of share capital, held in dematerialized or physical mode, of the Company as on 31<sup>st</sup> March, 2019

## No. of shares held in dematerialized and physical mode:

Sl No.	Particulars	Number of Shares	% of Total issued Capital
1	Shares held in dematerialized form in CDSL	17,08,874	9.43
2	Shares held in dematerialized form in NSDL	1,64,20,951	90.57
3	Shares held in physical form	168	00
<b>Total</b>		<b>1,81,29,993</b>	<b>100</b>

Shareholding Pattern as on 31<sup>st</sup> March 2019



## Outstanding GDRs / ADRs / Warrants / Options

The Company has not issued any GDRs or ADRs or Warrants or Convertible instruments.

## Registrar and Share Transfer Agent

The Company in compliance with SEBI guidelines has appointed a common Share Transfer Agent for both the physical and electronic form of Shareholding. The Company's Registrar and Share Transfer Agent (RTA) namely, **Karvy Fintech Private Limited** who can be contacted at the following address:

## Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot No 31 & 32  
Gachibowli, Financial District, Nanakramguda,  
Serilingampally, Hyderabad – 500 032.  
**Tel No.:** +91 40-67162222 **Toll Free:** 1800 0345 4001  
**Fax No.:** +91 40-2331-1968  
**Email:** support@karvy.com  
**Website:** www.karvy.com

## SHARE TRANSFER SYSTEM

The Company's shares held in the dematerialized form are electronically traded. In the case of transfers in physical form which are lodged at the above offices of the Registrar and Share Transfer Agent, such transfers are processed within the stipulated time period. All share transfers are approved by the officials authorized by the Board and thereafter ratified by the stakeholders Relationship Committee.

## DIVIDEND INTIMATION THROUGH E-MAIL

As a "Go Green" Initiative and as per regulatory requirements, the Company has taken an initiative of sending intimation of dividend for financial year 2018-19 by e-mail. Physical credit intimation will be sent to only those shareholders whose e-mail addresses are not registered with the Company/RTA and for cases where email has bounced back. Shareholders are requested to register their e-mail addresses with Karvy Fintech Private Limited (for shares held in physical form) and with their Depository Participant (for shares held in electronic form) for receiving dividend credit intimation on e-mail.

## UPDATE E-MAILS FOR RECEIVING NOTICE/ DOCUMENTS IN E-MODE

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by Companies including notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavor

In accordance of the same, your company will send notice calling General Meetings, Annual Report and other documents in electronic mode to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report alongwith notice will be sent to the shareholders in electronic mode at their email addresses. Physical copy will be sent to only those shareholders whose e-mail addresses are not registered with the Company or RTA.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the RTA of the Company i.e. **Karvy Fintech Private Limited** to better service shareholder correspondence through e-mode.

## COMMUNICATION

### Financial Results

The Results of the Company are furnished to the Stock Exchanges on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors.

The results are normally published in "Financial Express, Business Standard, Jansatta" Newspapers within 48 hours after the approval by the Board.

The details of the publications of the financial results in the year under review are as under:

Description	Result Declaration Date	Date of Publication
Unaudited financial results for the first quarter ended 30 <sup>th</sup> June, 2018	23 <sup>th</sup> July, 2018	24 <sup>th</sup> July, 2018
Unaudited financial results for the second quarter and the half year ended 30 <sup>th</sup> September, 2018	2 <sup>nd</sup> November, 2018	3 <sup>rd</sup> November, 2018
Unaudited financial results for the third quarter and the nine months ended 31 <sup>st</sup> December, 2018	5 <sup>th</sup> February, 2019	6 <sup>th</sup> February, 2019
Audited financial results for the fourth quarter and the year ended 31 <sup>st</sup> March, 2019	10 <sup>th</sup> May, 2019	11 <sup>th</sup> May, 2019

The details of the financial results and shareholding pattern are hosted on the Company's website: www.vmart.co.in. All other official news, press releases and presentation made to the Institutional Investors or Analysts and their transcripts are published on the same website.

The Annual Report, Quarterly Results and Shareholding Pattern of the Company are also posted by the BSE and NSE on their websites.

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary hence, no such provision is applicable.

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Practising Company Secretary regarding compliance of conditions of corporate governance as mandated in Regulation 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The certificate is annexed as **Annexure-I** of this Annual Report.

## STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 16th Annual General Meeting held on 29th June, 2018 until the conclusion of 21st Annual General Meeting of the Company to be held in the calendar year 2023, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided. However, Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of annual ratification has been omitted.

## DETAILS OF THE TOTAL FEES PAID TO THE STATUTORY AUDITORS

The details of the total fees for all the services paid by the Company to statutory auditors are as follow:

Type of service	Fees paid in FY 2018-19 (Amount in Lakhs)
Audit Fees (Including limited review)	30
Tax Audit Fees	2
Reimbursement of expenses	2
<b>Total</b>	<b>34</b>

## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has in exercise of powers conferred under Securities and Exchange Board of India, Act, 1992 has made the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 to amend the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

In view of the above the amended the code of conduct to regulate monitor & report trading by insider, has been approved by the Board of Directors at their duly convened meeting. The code prohibits purchase /sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The V-Mart Insider code is available on the Company's corporate website.

## DISCLOSURES

**Disclosures of related party transactions:** There have been no significant material related party transactions. The related party transactions are disclosed in the Notes to the Accounts in this Annual Report. All details relating to business transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions nor do they vote on such matters

**Details of non-compliance by the Company:** During the last three years there has been no instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

**CEO/CFO Certification:** Managing Director and Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters as required under Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

There was no pecuniary relationship or transactions of Non-executive Directors with the Company.

The Company has complied with all mandatory requirements and non mandatory requirements as applicable.

The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents as per the requirements of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 which has been disclosed on the website of the company on the following link- (<http://www.vmart.co.in/corporate.html>)

## WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a Vigil Mechanism / Whistleblower Policy. The purpose of this mechanism is to provide framework to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethic's policy and provide adequate safe guards against victimization of the person availing this mechanism. This policy has been appropriately communicated within the organization and is effectively operational. This policy provides mechanism whereby Whistle Blower may send protected disclosure directly to the Chairman of Audit Committee.

The said policy has been also put up on the website of the Company at the following link:- (<http://www.vmart.co.in/corporate.html>)

## Non-mandatory requirements:

- **Chairman of the Board:** The Board of Directors of the Company had appointed Mr. Lalit Agarwal as Chairman and Managing Director of the Company. As there is no separate office of the Chairman being maintained, no reimbursement of expenses is being made for maintenance of separate Chairman's office.
- **Shareholders' Rights/Information:** Information like financial results, official news releases, press releases, presentation to analyst etc. is displayed on the Company's website. i.e. [www.vmart.co.in](http://www.vmart.co.in).
- **Unmodified audit opinions / reporting:** The Company follows a regime wherein the opinion whether modified or unmodified is reported to the members of the Board and its committee formed for this purpose.
- **Internal Auditor Reporting:** The Internal auditor presents reports on the audit being done for the time period directly to the audit committee wherein the detailed discussion takes place.

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
**The Members of V-MART RETAIL LIMITED**

We have examined the compliance of conditions of Corporate Governance by **V-Mart Retail Limited** ("the Company") for the year ended on March 31, 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period ended March 31, 2019.

**Managements' Responsibility**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and the representations made by directors and the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 of SEBI Listing Regulations, as applicable.

We state that such compliance 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 Vashist M & Associates**

**Mayank Vashist**  
ACS No. 48820  
COP No. 19885

Date: 10<sup>th</sup> May, 2019

Place: 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**  
**V-MART RETAIL LIMITED**  
**610-611, Guru Ram Dass Nagar, Main Market,**  
**Opp. SBI Bank, Laxmi Nagar, New Delhi 110092**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of V-Mart Retail Limited having CIN L51909DL2002PLC163727 and having registered office at 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi 110092 (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](http://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.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Govind Shridhar Shrikhande	00029419	02/11/2018
2.	Sonal Mattoo	00106795	22/01/2015
3.	Murli Ramachandran	00264018	22/01/2015
4.	Lalit Madangopal Agarwal	00900900	24/07/2002
5.	Madan Gopal Agarwal	02249947	24/07/2002
6.	Aakash Moondhra	02654599	18/03/2010

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 Vashist M & Associates**

**Mayank Vashist**  
 Membership No.: 48820  
 CP No.: 19885

Date: 10<sup>th</sup> May, 2019  
 Place: Delhi

## **Financial Standalone Statements**

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# Independent Auditor's Report

To  
The Members of  
V-Mart Retail Limited

## Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of V-Mart Retail Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 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 audit opinion on the Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Estimated markdown due to slow moving and obsolete inventories (including shrink) (as described in note 33 and 45 of the Ind AS financial statements)</b></p> <p>As at March 31, 2019, the carrying amount of inventories (including packing and accessories) amounted to ₹ 32,898.41 Lakhs, after considering markdown inventory obsolescence and shrink of 795 Lakhs.</p> <p>The assessment process in determining the markdown to be made to the inventory involves significant estimates of anticipated future recoverability of such inventory items, the estimated costs to sell (if any). In addition, the Company also makes an assessment of expected shrink basis the most recent full inventory count.</p>	<p>Our procedures over provision for slow moving and obsolete inventories and shrink included the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to inventory markdown.</li> <li>We have obtained management's policy with respect to estimated markdown and inventory shrink.</li> </ul>

Considering the above, this area has been treated as a Key Audit Matter.

- We obtained ageing of inventory and tested on a sample basis the ageing of inventories, and have further obtained calculation for inventory markdown from the Company.
- We have re-performed the calculation of the inventory markdown as per the policy of the Company and historic sales trend.
- We have assessed the evaluation of markdown and estimated loss on account of inventory shrink based on historical sales performance of the products and average value of inventory loss from last inventory count as a % of sales respectively.
- We assessed the adequacy of the disclosures concerning this in Note 33 on significant accounting estimates and judgements and Note 45 to the financial statements.
- We observed the inventory count performed by management on test basis at various stores across the year.
- We have obtained management representation in respect of correctness of management assessment for estimated markdown due to slow moving and obsolete inventories (including shrink).

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Ind AS Financial Statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 SAs 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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 expressing 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 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.

### **Other Matter**

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 24, 2018.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the

Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34(iii) to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per **Vikas Mehra**

Partner

Place of Signature: New Delhi

Membership Number:

Date: 10<sup>th</sup> May, 2019

094421

## **“Annexure 1” referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report**

**Re: V-Mart Retail Limited (“the Company”)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for location of few assets which are transferred from one store to another.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals except for goods in transit amounting to Rs. 10.12 crores, which have not been verified at the end of the year. Discrepancies noted on physical verification were material and have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company. 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, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provision relating to duty of custom and duty of excise is not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to duty of custom and duty of excise is not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (in Lakhs)	Amount paid under protest (in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	68.86	37.69	June 1, 2007 to March 31, 2010	Hon'ble Supreme Court of India
The Income Tax Act, 1961	Income tax	14.59	-	FY 2012-13	Commissioner of Income Tax (Kolkata, West Bengal)
The Bihar Value Added Tax 2005	Value added tax	402.79	80.56	FY 2012-13 & FY 2013-14	Joint Commissioner of Commercial tax (Patna, Bihar)
The Uttar Pradesh, 2008	Value added tax	6.14	6.14	FY 2012-13	Assistant Commissioner Tax (Ghaziabad, U.P.)
The Uttar Pradesh, 2008	Value added tax	8.76	8.76	FY 2013-14	Assistant commissioner Mobile Squad (Muzaffarnagar, U.P.)
The Uttar Pradesh, 2008	Value added tax	12.55	12.55	FY 2015-16	Assistant commissioner Mobile Squad (Lucknow, U.P.)
The Uttar Pradesh, 2008	Value added tax	8.60	-	FY 2016-17	Sales Tax Department, (Mathura, U.P.)
The Uttarakhand Value Added Tax Act, 2005	Value added tax	1.90	1.90	FY 2016-17	Additional Commissioner Tax (Uttarakhand)
Haryana Value Added Tax Act, 2003	Value added tax	5.00	5.00	FY 2015-16	Hon'ble High Court (Haryana and Punjab )
<b>Total</b>		<b>529.19</b>	<b>152.60</b>		

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any loans or borrowings from government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**Per Vikas Mehra**

Partner

Place of Signature: New Delhi

Membership Number:

Date: 10<sup>th</sup> May, 2019

094421



## **“Annexure-2” to the Independent Auditor’s Report of even date on the financial statements of V-Mart Retail Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of V-Mart Retail Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management 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 issued by the Institute of Chartered Accountants of India. 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 its 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 Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit

of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company’s internal financial control over financial reporting with reference to these financial statements 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 internal financial control over financial reporting with reference to these financial statements includes 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 With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as

at March 31, 2019, 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 issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**Per Vikas Mehra**

Partner

Place of Signature: New Delhi

Date: 10<sup>th</sup> May, 2019

Membership Number:

094421

## Balance Sheet as at 31 March 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	16,220.79	14,122.69
Capital work in progress	3	400.98	351.02
Intangible assets	4	328.67	352.03
<b>Financial assets</b>			
Investments	5	982.48	634.18
Loans	7	960.17	719.52
Other financial asset	8	117.65	126.75
Deferred tax assets (net)	9	1,182.99	920.10
Other non-current assets	10	832.12	1,022.00
		<b>21,025.85</b>	<b>18,248.29</b>
<b>Current assets</b>			
Inventories	11	32,898.41	30,711.20
<b>Financial assets</b>			
Investments	6	5,085.29	2,769.13
Loans	7	5.61	7.73
Cash and cash equivalents	12	1,231.71	1,373.71
Other bank balances	13	426.88	463.57
Other financial assets	8	256.98	111.68
Other current assets	10	2,253.22	1,305.08
		<b>42,158.10</b>	<b>36,742.10</b>
		<b>63,183.95</b>	<b>54,990.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,813.00	1,809.74
Other equity	15	39,114.04	32,934.40
		<b>40,927.04</b>	<b>34,744.14</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	2.60	32.24
Other financial liabilities	18	599.51	416.66
Employee benefit obligations	19	510.77	356.85
		<b>1,112.88</b>	<b>805.75</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
<b>Trade payables</b>			
a) total outstanding dues of micro enterprises and small enterprises	17	2,362.61	82.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	12,463.39	16,595.54
Other financial liabilities	18	4,233.95	1,529.12
Employee benefit obligations	19	211.64	63.30
Current tax liabilities (net)	19	971.75	236.90
Other current liabilities	20	900.69	932.98
		<b>21,144.03</b>	<b>19,440.50</b>
		<b>63,183.95</b>	<b>54,990.39</b>
<b>Summary of significant accounting policies</b>	<b>2.2</b>		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R. Batliboi & Co. LLP**

Firm Registration No.: 301003E/E300005

Chartered Accountants

per **Vikas Mehra**

Partner

Membership Number: 094421

Place: New Delhi

Date: 10<sup>th</sup> May, 2019

For and on behalf of the board of directors of

**V-Mart Retail Limited**

**Madan Gopal Agarwal**

Director

DIN No. 02249947

**Anand Agarwal**

Chief Financial Officer

PAN: ADDPA0633P

**Lalit Agarwal**

Managing Director

DIN No. 00900900

**Megha Tandon**

Company Secretary

Mem. No. A35532

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

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>REVENUE</b>			
Revenue from operations	21	1,43,374.48	1,22,237.19
Other income	22	411.79	265.54
Finance Income	23	180.51	148.57
<b>Total Revenues (I)</b>		<b>1,43,966.78</b>	<b>1,22,651.30</b>
<b>EXPENSES</b>			
Purchase of traded goods	24	99,216.07	86,820.49
(Increase) in inventories	25	(2,187.21)	(3,793.65)
Employee benefits expense	26	12,572.51	9,839.05
Finance costs	29	161.27	152.89
Depreciation and amortization expense	30	2,762.57	2,293.12
Other expenses	27	20,480.53	16,092.74
<b>Total Expenses (II)</b>		<b>1,33,005.74</b>	<b>1,11,404.64</b>
<b>Profit before exceptional items and tax (I)-(II)</b>		<b>10,961.04</b>	<b>11,246.66</b>
Less: Exceptional items	28	979.94	-
<b>Profit before tax</b>		<b>9,981.10</b>	<b>11,246.66</b>
<b>Tax expense</b>			
Current tax (including earlier years)	31	4,062.21	3,625.59
Deferred tax	31	(243.73)	(149.34)
<b>Total tax expense</b>		<b>3,818.48</b>	<b>3,476.25</b>
<b>Profit for the year</b>		<b>6,162.62</b>	<b>7,770.41</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of post employment benefit obligations		(54.83)	44.01
Income tax on above		19.16	(15.23)
<b>Total Other Comprehensive Income</b>		<b>(35.67)</b>	<b>28.78</b>
<b>Total Comprehensive Income for the year</b>		<b>6,126.95</b>	<b>7,799.19</b>
<b>Earnings per share [nominal value of share ₹ 10 (March 31, 2018 : ₹ 10)]</b>	32		
Basic		34.01	42.94
Diluted		33.90	42.79
<b>Summary of significant accounting policies</b>	2.2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For **S.R. Batliboi & Co. LLP**  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership Number: 094421

Place: New Delhi  
Date: 10<sup>th</sup> May, 2019

For and on behalf of the board of directors of  
**V-Mart Retail Limited**

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
PAN: ADDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Mem. No. A35532

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

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	No.	Amount
<b>A. Equity share capital</b>		
<b>Balance as on April 1, 2017</b>	<b>18,068,160</b>	<b>1,806.82</b>
Issue of equity share capital under Employee Stock Option Scheme	29,195	2.92
<b>Balance as on March 31, 2018</b>	<b>18,097,355</b>	<b>1,809.74</b>
Issue of equity share capital under Employee Stock Option Scheme	32,638	3.26
<b>Balance as on March 31, 2019</b>	<b>18,129,993</b>	<b>1,813.00</b>

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
<b>B. Other equity</b>					
<b>Balance as on April 1, 2017</b>	<b>8,929.49</b>	<b>154.76</b>	<b>16,023.64</b>	<b>89.07</b>	<b>25,196.96</b>
Profit for the year	-	-	7,770.41	-	7,770.41
Remeasurement of defined benefit obligations	-	-	28.78	-	28.78
Payment of dividend on equity shares #	-	-	(226.22)	-	(226.22)
Payment of dividend distribution tax	-	-	(46.05)	-	(46.05)
Recognition of share based payment expenses	-	-	-	118.67	118.67
Transfer from share option outstanding account on exercise of options	46.72	-	-	(46.72)	-
Received during the year against issue of shares to employees under ESOP scheme	91.85	-	-	-	91.85
<b>Balance as on March 31, 2018</b>	<b>9,068.06</b>	<b>154.76</b>	<b>23,550.56</b>	<b>161.02</b>	<b>32,934.40</b>
Profit for the year	-	-	6,162.62	-	6,162.62
Remeasurement of defined benefit obligations	-	-	(35.67)	-	(35.67)
Payment of dividend on equity shares #	-	-	(362.47)	-	(362.47)
Payment of dividend distribution tax	-	-	(74.51)	-	(74.51)
Recognition of share based payment expenses	-	-	-	306.53	306.53
Transfer from share option outstanding account on exercise of options	93.93	-	-	(93.93)	-
Received during the year against issue of shares to employees under ESOP scheme	183.14	-	-	-	183.14
<b>Balance as on March 31, 2019</b>	<b>9,345.13</b>	<b>154.76</b>	<b>29,240.53</b>	<b>373.62</b>	<b>39,114.04</b>

# Transactions with owners in their capacity as owners

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements.

For **S.R. Batliboi & Co. LLP**

Firm Registration No.: 301003E/E300005

Chartered Accountants

per **Vikas Mehra**

Partner

Membership Number: 094421

Place: New Delhi

Date: 10<sup>th</sup> May, 2019

For and on behalf of the board of directors of

**V-Mart Retail Limited**

**Madan Gopal Agarwal**

Director

DIN No. 02249947

**Anand Agarwal**

Chief Financial Officer

PAN: ADDPA0633P

**Lalit Agarwal**

Managing Director

DIN No. 00900900

**Megha Tandon**

Company Secretary

Mem. No. A35532

## Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Operating activities</b>			
Profit before tax and other comprehensive income		9,926.27	11,290.67
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortization expense		2,675.76	2,217.98
Loss on sale / write-off of fixed assets		69.74	45.56
Employee stock option scheme		306.53	118.67
Provision against doubtful advances		19.87	-
Balances written off		17.25	54.95
Finance costs		161.27	152.89
Impairment in value of investments		979.94	-
Expense on fair valuation of security deposits		76.63	50.69
Dividend income		-	(47.14)
Interest income		(180.51)	(148.57)
Profit on sale of investments (net)		(184.12)	(110.39)
Income on investment designated at FVTPL		(66.97)	(50.64)
Liabilities written back		(148.48)	(26.35)
<b>Operating profit before working capital changes</b>		<b>13,653.18</b>	<b>13,548.32</b>
<b>Changes in working capital :</b>			
(Increase) in financial assets		(315.52)	(133.43)
(Increase) in other assets		(883.14)	(945.84)
(Increase) in inventories		(2,187.21)	(3,793.65)
(Decrease) / increase in trade payables		(1,852.20)	687.88
Increase in other financial liabilities		2,233.82	182.46
Increase/ (decrease) in other liabilities		4.58	(31.26)
Increase in provisions		302.26	67.46
<b>Cash generated from operations</b>		<b>10,955.77</b>	<b>9,581.94</b>
Taxes paid (net of refunds)		(3,321.47)	(3,810.96)
<b>Net cash flow from operating activities</b>		<b>7,634.30</b>	<b>5,770.98</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances		(4,069.00)	(4,791.06)
Purchase of investments		(47,027.65)	(3,403.31)
Proceeds from sale of investments		43,634.34	7,355.74
Proceeds from sale of fixed assets		3.83	13.54
Interest received		107.93	99.71
Movement in margin money deposits		13.37	(117.84)
<b>Net cash used in investing activities</b>		<b>(7,337.18)</b>	<b>(843.22)</b>

## Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of equity shares including securities premium		186.40	94.77
Repayment of long term borrowings		(27.28)	(23.29)
(Repayments of)/proceeds from short term borrowings (net)		-	(3,487.04)
Equity dividend paid		(362.47)	(226.22)
Corporate dividend tax paid		(74.51)	(46.05)
Finance charges paid		(161.27)	(152.53)
<b>Net cash (used in) financing activities</b>		<b>(439.13)</b>	<b>(3,840.36)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>		<b>(142.00)</b>	<b>1,087.41</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		<b>1,373.71</b>	<b>286.30</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)[refer note 12]</b>		<b>1,231.71</b>	<b>1,373.71</b>
<b>Components of cash and cash equivalents</b>			
Balances with banks			
- on current account		94.34	12.51
- on cash credit account		131.33	992.99
Cash on hand		1,006.04	368.21
		<b>1,231.71</b>	<b>1,373.71</b>

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements.

For **S.R. Batliboi & Co. LLP**  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership Number: 094421

Place: New Delhi  
Date: 10<sup>th</sup> May, 2019

For and on behalf of the board of directors of  
**V-Mart Retail Limited**

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
PAN: ADDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Mem. No. A35532

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 1 Corporate Information

V-Mart Retail Limited (the 'Company'), incorporated on July 24, 2002, is a public limited company with its equity shares listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company trades in readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India. The Company is domiciled in India with registered office situated at 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi and corporate office situated at Plot No-862, Udyog Vihar Industrial Area, Phase V, Gurugram, Haryana.

The financial statements of the Company for the year ended March 31, 2019 are authorised for issue on May 10, 2019 in accordance with a resolution of the Board of Directors.

### 2 Significant accounting policies

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the FS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans – plan assets measured at fair value;
- Share based payments;

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (₹ 100,000), except when otherwise indicated.

#### 2.2 Summary of 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

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

##### b. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional



## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

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 statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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:

- 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

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.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosure for valuation method, significant estimates and assumption (note 33)
- Quantitative disclosures of fair value measurement hierarchy (note 44)
- Financial instruments (including those carried at amortized cost) (note 44 and 43)

### d. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customer. The Company collects value added tax (VAT)/goods and service tax (GST) and service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

#### Sale of goods:

Revenue from sale of trading goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements.

#### Loyalty points programme:

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to discount on future purchases. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry. The expenditure of loyalty programme is netted-off to revenue.

#### Interest Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

### e. Taxes

#### Current income tax

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.

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, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are

reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

### h. Depreciation on Property, plant and equipment

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Office equipment	5 years	5 years
Computers		
- Servers and networks	6 years	6 years
- End user devices, such as, desktops, laptops, etc.	3 years	3 years
Vehicles	8 years	8 years
Furniture and fixtures	10 years	10 years
Plant and equipment	6-9 years	15 years

### i. 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs 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.

### j. 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

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

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 commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Other lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### k. Inventories

**Inventories are valued as follows:**

- a) **Packing and accessories:** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.
- b) **Traded goods:** At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and

condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

### l. 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment losses are recognized in the statement of profit and loss.

### m. Provisions

Provision are recognized when the Company has a present obligation (legal or constructive) as a result of 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

### n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Accumulated leave, which are expected to be utilized within the next twelve months are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at that reporting period.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- (a) The date of the plan amendment or curtailment, and
- (b) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in

the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (b) Net interest expense or income

### o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

#### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

### p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

#### Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) 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, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:



## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Investments

Investments in mutual fund are measured at FVTPL.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in

a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the 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.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Derecognition

A financial asset ( or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when :

- (i) The rights to receive cash flows from the assets have expired , or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases,

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure.

- Financial assets measured at amortized cost; e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows "simplified approach" for recognition of impairment loss allowance. For recognition of impairment loss on financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

"ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:"

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms  
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

**Financial assets measured as at amortised cost:**  
ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised 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.

### Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### q. Segment reporting

Identification of segments:

#### Business segment:

The Company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

various cities in India..

### Geographical segment:

The analysis of geographical segments is based on the geographical location of the customers. The Company operates in single geographical segment i.e. India.

### r. Cash and cash equivalents

Cash and cash equivalents 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.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

### s. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

### t. Investments

Investments that are readily realisable and intended to be held for not more than twelve months are classified as current investments. All

other investments are classified as non-current investments. All investments are carried at fair value.

### u. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with the attached condition for such government grant.

### v. Dividend

Dividend is recognised as liability only after it is approved by the shareholders in the general meeting.

### w. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.3 Changes in accounting policies and disclosures

### New and amended standards adopted by the Company

#### (i) Ind AS 115

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

- (ii) Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- (iii) Amendment to Ind AS 21, the Effect of Changes in foreign Exchange Rates in respect of Appendix B, Foreign Currency Transactions and Advances
- (iv) Amendment to Ind AS 12, Income Taxes

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or the future periods.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 3 Property, plant and equipment

Particulars	Plant and machinery	Office Equipment	Leasehold Improvement	Computers	Furniture and fixtures	Vehicles	Total
<b>Cost or valuation</b>							
As at April 1, 2017	5,587.92	336.87	644.00	467.00	5,893.47	227.61	13,156.87
Additions during the year	1,944.01	146.77	135.13	263.14	2,426.47	32.56	4,948.08
Disposals	(15.49)	(0.26)	(31.20)	(0.16)	(7.86)	(36.94)	(91.91)
As at March 31, 2018	7,516.44	483.38	747.93	729.98	8,312.08	223.23	18,013.04
Additions during the year	1,787.73	136.93	418.73	328.17	2,143.84	20.64	4,836.04
Disposals	(193.84)	(27.60)	(3.22)	(63.46)	(118.38)	(41.93)	(448.43)
<b>As at March 31, 2019</b>	<b>9,110.33</b>	<b>592.71</b>	<b>1,163.44</b>	<b>994.69</b>	<b>10,337.54</b>	<b>201.94</b>	<b>22,400.65</b>
<b>Depreciation</b>							
As at April 1, 2017	859.19	77.31	72.86	141.78	530.72	18.62	1,700.48
Depreciation charged for the year	1,033.09	118.69	94.08	159.64	778.94	39.32	2,223.76
Disposals	(2.59)	(0.09)	(4.78)	(0.04)	(1.92)	(24.47)	(33.89)
<b>As at March 31, 2018</b>	<b>1,889.69</b>	<b>195.91</b>	<b>162.16</b>	<b>301.38</b>	<b>1,307.74</b>	<b>33.47</b>	<b>3,890.35</b>
Depreciation charged for the year	1,237.50	102.20	101.71	197.74	989.35	33.40	2,661.90
Disposals	(157.12)	(26.04)	(0.72)	(62.31)	(86.37)	(39.83)	(372.39)
<b>As at March 31, 2019</b>	<b>2,970.07</b>	<b>272.07</b>	<b>263.15</b>	<b>436.81</b>	<b>2,210.72</b>	<b>27.04</b>	<b>6,179.86</b>
<b>Net book value</b>							
As at March 31, 2018	5,626.75	287.47	585.77	428.60	7,004.34	189.76	14,122.69
<b>As at March 31, 2019</b>	<b>6,140.26</b>	<b>320.64</b>	<b>900.29</b>	<b>557.88</b>	<b>8,126.82</b>	<b>174.90</b>	<b>16,220.79</b>

### Capital work-in-progress

	March 31, 2019	March 31, 2018
Capital work in progress	400.98	351.02

Refer note 34 for contractual commitments for acquisition of property, plant and equipments

Refer note 46 for assets under pledge

### 4 Intangible assets

Particulars	Computer software	Total
<b>Cost</b>		
As at April 1, 2017	334.42	334.42
Additions /adjustments during the year	147.29	147.29
As at March 31, 2018	481.71	481.71
Additions /adjustments during the year	77.31	77.31
Disposals/ Write-off	(3.10)	(3.10)
<b>As at March 31, 2019</b>	<b>555.92</b>	<b>555.92</b>
<b>Amortization</b>		
As at April 1, 2017	60.32	60.32
Charge for the year	69.36	69.36
As at March 31, 2018	129.68	129.68
Charge for the year	100.67	100.67
Disposals/ Write-off	(3.10)	(3.10)
<b>As at March 31, 2019</b>	<b>227.25</b>	<b>227.25</b>
<b>Net Block</b>		
As at March 31, 2018	352.03	352.03
<b>As at March 31, 2019</b>	<b>328.67</b>	<b>328.67</b>

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 5. Investments - Non-Current

	Non-Current	
	As at 31 March 2019	As at March 31, 2018
<b>Investment in mutual funds (fully paid-up) - Quoted</b>		
<b>(Measured at fair value through profit or loss)</b>		
SBI Debt Fund Series C-48 (1177 days) - Direct Growth 3,000,000 (March 31, 2018: Nil) units of Rs.10 each	301.81	-
Reliance Fixed Horizon Fund XXXII S4-Regular PL- Growth 5,691,217 (March 31, 2018: 5,691,217) units of Rs.10 each	680.67	634.18
<b>Total</b>	<b>982.48</b>	<b>634.18</b>
<b>Aggregate amount of book value and market value of quoted investments</b>	<b>982.48</b>	<b>634.18</b>

### 6. Investments - Current

	Current	
	As at 31 March 2019	As at March 31, 2018
<b>Investment in mutual funds (fully paid-up) - Quoted</b>		
<b>(Measured at fair value through profit or loss)</b>		
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan 150,346.64 (March 31, 2018 : Nil) units of ₹ 100 each	376.42	-
Aditya Birla Sun Life Liquid Fund - Growth- Regular Plan 281,032.24 (March 31, 2018 : Nil) units of ₹ 100 each	840.31	-
Aditya Birla Sun Life Liquid Fund - Growth- Direct Plan 100,101.67 (March 31, 2018 : Nil) units of ₹ 100 each	300.74	-
HDFC Money Market Fund - Direct Plan-Growth Option 9,603.90 (March 31, 2018 : Nil) units of ₹ 1,000 each	376.41	-
HDFC Liquid Fund- Direct Plan- Growth Option 6,359.84 (March 31, 2018 : Nil) units of ₹ 1,000 each	233.93	-
ICICI Prudential Liquid Fund- Growth 222,289.78 (March 31, 2018: Nil) units of ₹ 100 each	612.23	-
ICICI Prudential Liquid Fund- Direct Plan- Growth 442,495.60 (March 31, 2018: Nil) units of ₹ 100 each	1,223.13	-
ICICI Prudential Saving Fund - Direct Plan Growth Nil (March 31, 2018: 74,027.94) units of ₹ 100 each	-	200
Reliance Liquid Fund - Growth* 0.12 (March 31, 2018: Nil) units of ₹ 1,000 each	-	-
Kotak Liquid Direct Plan Growth 28,810.35 (March 31, 2018: Nil) units of ₹ 1,000 each	1,090.27	-
SBI Magnum Ultra Short Duration Fund-Direct Growth 764.19 (March 31, 2018: 764.19) Units of ₹ 1,000 each	31.85	29.37
<b>Total (I)</b>	<b>5,085.29</b>	<b>229.37</b>

\* since the amount of investment is ₹ 536, hence the amount shown above is rounded to zero.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 6. Investments - Current

	Current	
	As at 31 March 2019	As at March 31, 2018
<b>Investment in bonds (fully paid-up) - Quoted</b>		
<b>(Measured at amortised cost)</b>		
Edelweiss Finvest Private Limited	-	766.92
Nil (March 31, 2018: 750) units		
Infrastructure Leasing & Financial Services Commercial Paper	-	1,276.94
"100,000 (March 31, 2018: 100,000) units		
[At cost less Impairment in value of investment of Rs.979.94 Lakhs (March 31, 2018: Rs. Nil)] - Refer note 28"		
India Infoline Wealth Finance Limited- 90D- Commercial Paper	-	495.90
Nil (March 31, 2018: 100) units		
<b>Total (II)</b>	<b>-</b>	<b>2,539.76</b>
<b>Total (I+II)</b>	<b>5,085.29</b>	<b>2,769.13</b>
<b>Aggregate amount of book value and market value of quoted investments</b>	<b>5,085.29</b>	<b>2,769.13</b>
<b>Aggregate Impairment in value of investments (refer note 28)</b>	<b>979.94</b>	<b>-</b>

### 7. Loans

	Non-Current		Current	
	As at 31 March 2019	As at March 31, 2018	As at 31 March 2019	As at March 31, 2018
<b>Unsecured considered good unless otherwise stated</b>				
<b>(Measured at amortised cost)</b>				
Security deposits	960.17	719.52	-	-
Loan to employees	-	-	5.61	7.73
	<b>960.17</b>	<b>719.52</b>	<b>5.61</b>	<b>7.73</b>

### 8. Other financial assets

	Non-Current		Current	
	As at 31 March 2019	As at March 31, 2018	As at 31 March 2019	As at March 31, 2018
<b>(Measured at amortised cost)</b>				
Margin money deposits*	112.78	126.15	-	-
Interest accrued on margin money deposits	4.87	0.60	-	-
Other receivables	-	-	256.98	111.68
	<b>117.65</b>	<b>126.75</b>	<b>256.98</b>	<b>111.68</b>

\* Margin money deposits of ₹11,278,064 (March 31, 2018 : ₹ 12,615,134) are pledged as bank guarantees issued to various tax authorities, Skill Development Authority (for Deen Dayal Upadhyaya Grameen Kaushalya Yojana) and for cash credit facilities with banks.



## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 9. Deferred tax assets (net)

	As at 31 March 2019	As at March 31, 2018
<b>Tax effect of items constituting deferred tax liabilities</b>		
Measurement of financial assets at fair value through profit or loss	23.40	-
<b>(A)</b>	<b>23.40</b>	<b>-</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Employee benefits	252.44	145.40
Provision for doubtful advances	6.94	-
Difference between accounting base and tax base of property, plant and equipment	911.87	743.49
Fair valuation of interest free security deposits	2.91	13.68
Measurement of financial assets at fair value through profit or loss	-	17.53
Others	32.23	-
<b>(B)</b>	<b>1,206.39</b>	<b>920.10</b>
<b>(B)-(A)</b>	<b>1,182.99</b>	<b>920.10</b>

### Movement in deferred tax assets/(liabilities) for year ended March 31, 2019

Particulars	As at March 31, 2018	Recognized in other comprehensive income	Recognised in statement profit or loss	As at March 31, 2019
<b>Tax effect of items constituting deferred tax liabilities</b>				
Measurement of financial assets at fair value through profit or loss	(17.53)	-	40.93	23.40
<b>Deferred tax liabilities (a)</b>	<b>(17.53)</b>	<b>-</b>	<b>40.93</b>	<b>23.40</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefits	145.40	19.16	87.88	252.44
Provision for doubtful advances	-	-	6.94	6.94
Difference between accounting base and tax base of property, plant and equipment	743.49	-	168.38	911.87
Fair valuation of interest free security deposits	13.68	-	(10.77)	2.91
Others	-	-	32.23	32.23
<b>Deferred tax assets (b)</b>	<b>902.57</b>	<b>19.16</b>	<b>284.66</b>	<b>1,206.39</b>
<b>Net deferred tax assets (a - b)</b>	<b>(920.10)</b>	<b>(19.16)</b>	<b>(243.73)</b>	<b>(1,182.99)</b>

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### Movement in deferred tax assets/(liabilities) for year ended March 31, 2018

Particulars	As at March 31, 2017	Recognized in other comprehensive income	Recognised in statement profit or loss	As at March 31, 2018
<b>Tax effect of items constituting deferred tax liabilities</b>				
Measurement of financial assets at fair value through profit or loss	146.05	-	(146.05)	-
<b>Deferred tax liabilities (a)</b>	<b>146.05</b>	<b>-</b>	<b>(146.05)</b>	<b>-</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefits	225.98	(15.23)	(65.35)	145.40
Provision for doubtful advances	16.74	-	(16.74)	-
Difference between accounting base and tax base of property, plant and equipment	676.73	-	66.76	743.49
Fair valuation of interest free security deposits	12.59	-	1.09	13.68
Measurement of financial assets at fair value through profit or loss	-	-	17.53	17.53
<b>Deferred tax assets (b)</b>	<b>932.04</b>	<b>(15.23)</b>	<b>3.29</b>	<b>920.10</b>
<b>Net deferred tax assets (a - b)</b>	<b>(785.99)</b>	<b>15.23</b>	<b>(149.34)</b>	<b>(920.10)</b>

### 10. Other assets

	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
<b>Unsecured considered good unless otherwise stated</b>				
<b>Capital advances</b>				
Unsecured considered good	9.98	15.22	-	-
(A)	9.98	15.22	-	-
<b>Advances against material and services</b>				
Unsecured considered good	-	-	980.41	397.74
Doubtful	-	-	19.87	-
	-	-	1,000.28	397.74
Less: Impairment Allowance for advances against material and services	-	-	(19.87)	-
(B)	-	-	980.41	397.74
Prepaid lease rent	435.32	275.31	83.21	52.33
Prepaid expenses	66.67	-	234.96	54.64
Advance income tax (net of provisions for tax)	68.00	73.89	-	-
Deposits paid under protest*	252.15	230.16	-	-
Balance with government authority	-	427.42	954.64	800.37
(C)	822.14	1,006.78	1,272.81	907.34
(A)+(B)+(C)	832.12	1,022.00	2,253.22	1,305.08

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

\* Deposit paid under protest includes following

	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Value added tax	120.26	127.89	-	-
Service Tax	37.69	37.69	-	-
Others	94.20	64.58	-	-

### 11. Inventories (valued at lower of cost or net realizable value)\*

	As at 31 March 2019	As at 31 March 2018
Traded goods [including stock-in-transit: ₹ 1,012 Lakhs (March 31, 2018: ₹1,177.24 Lakhs)	32,664.52	30,550.33
Packing and accessories	233.89	160.87
	<b>32,898.41</b>	<b>30,711.20</b>

\*Refer note 45 for details of write-downs of inventory. These were recognized as an expense during the year and included in 'changes in inventories of stock-in-trade in Statement of Profit and Loss.

### 12. Cash and cash equivalents

	Current	
	As at 31 March 2019	As at 31 March 2018
Balances with banks	-	-
- on current account	94.34	12.51
- on cash credit account	131.33	992.99
Cash on hand	1,006.04	368.21
	<b>1,231.71</b>	<b>1,373.71</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at 31 March 2019	As at 31 March 2018
Balances with banks	-	-
- on current account	94.34	12.51
- on cash credit account	131.33	992.99
Cash on hand	1,006.04	368.21
	<b>1,231.71</b>	<b>1,373.71</b>

Refer note 40 for reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

### 13. Other bank balances

	Current	
	As at 31 March 2019	As at 31 March 2018
Earmarked balances with Bank	-	-
- Government grant under skill development project*	426.28	463.35
- unclaimed dividend account	0.60	0.22
	<b>426.88</b>	<b>463.57</b>

\*The Company was awarded skill development projects under the 'Deen Dayal Upadhyaya - Grameen Kaushalya Yojana' ("the Grant") from various state Government for encouraging youth employment. The Company, has received

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

₹ 826.07 Lakhs (March 31, 2018: ₹ 463.53 Lakhs) so far under such scheme. The Company has spent ₹ 406.89 Lakhs (March 31, 2018: ₹ Nil) on the activities as agreed in the terms of such grant and the balance amount is appearing as liability in respect of skill development project note no. 20.

### 14 Equity Share capital

	No. of shares in Lakhs	Amount
<b>Authorised Share Capital</b>		
As at April 1, 2017	200.00	2,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2018	200.00	2,000.00
Increase/(decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>200.00</b>	<b>2,000.00</b>

#### a. Terms / rights attached to equity shares

The Company has only one class of equity shares having a 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

#### b. Issued equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

	No. of shares	Amount
As at April 1, 2017	1,80,68,160	1,806.82
Changes during the year	29,195	2.92
As at March 31, 2018	1,80,97,355	1,809.74
Changes during the year	32,638	3.26
<b>As at March 31, 2019</b>	<b>1,81,29,993</b>	<b>1,813.00</b>

c. No shares was issued as bonus shares, shares issued for consideration other than cash and shares buy back during the five years immediately preceding the reporting date except 6,606,842 bonus shares issued by capitalization of free reserves in the year ended 31 March 2013.

#### d. Details of equity shareholders holding more than 5% shares in the Company as at 31 March 2019

Name of the Shareholders	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding	Nos.	% holding
Conquest Business Services Private Limited*	74,89,798	41.31%	74,89,798	41.39%
Jwalamukhi Investment Holding	15,16,880	8.37%	17,88,102	9.88%
Lalit M Agarwal (HUF)	12,77,275	7.05%	12,77,275	7.06%

\*Conquest Business Services Private Limited ("Conquest"), a Promoter Company, had acquired 74,89,798 [41.31% (March 31, 2018 : 41.39%)] equity shares of the Company from the Promoter/Promoter group of the Company on 27 March 2018. The aforementioned equity shares acquired by Conquest were held with IIFL Wealth Management Limited and were credited into its demat account on April 3, 2018.

#### e. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer note 37

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 15. Other equity

#### (i) Securities premium reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	9,068.06	8,929.49
Add: premium received during the year	277.07	138.57
	<b>9,345.13</b>	<b>9,068.06</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

#### (ii) Amalgamation reserve

	As at 31 March 2019	As at 31 March 2018
Amalgamation reserve	154.76	154.76
	<b>154.76</b>	<b>154.76</b>

Amalgamation reserve pertain to business combinations which materialised prior to transition date to Ind AS.

#### (iii) Other reserves

	As at 31 March 2019	As at 31 March 2018
Retained earnings	29,240.53	23,550.56
Shares option outstanding account	373.62	161.02
	<b>29,614.15</b>	<b>23,711.58</b>
	<b>39,114</b>	<b>32,934</b>

#### Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

#### Share option outstanding account

The reserve is used to recognize the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/ forfeiture of options.

For movements of respective heads, refer to the Statement of Changes in Equity.

### 16. Borrowings

	Non-current portion		Current maturities	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Term loan				
Vehicle loans from banks (secured)	2.60	32.24	29.65	27.29
	2.60	32.24	29.65	27.29
Amount disclosed under the head "other financial liabilities" (refer note 18)	-	-	(29.65)	(27.29)
	-	-	(29.65)	(27.29)
	<b>2.60</b>	<b>32.24</b>	<b>-</b>	<b>-</b>

Vehicle loan secured against hypothecation of vehicle obtained from HDFC Bank, repayable in 36 instalment and carrying an interest rate of 8%. The loan was obtained on March 31, 2017.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 17. Trade payables

	Current	
	As at 31 March 2019	As at 31 March 2018
<b>(Measured at amortised cost)</b>		
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 39 for details of dues to micro and small enterprises)	2,362.61	82.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,463.39	16,595.54
	<b>14,826.00</b>	<b>16,678.20</b>

### 18. Other financial liabilities

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
<b>Financial liabilities carried at amortised cost</b>				
Current maturities of long term debts (refer note 16)	-	-	29.65	27.29
Interest accrued but not due	-	-	0.36	0.36
Book overdraft	-	-	2,160.35	-
Creditors for fixed assets#	-	-	1,411.26	811.71
<b>Others</b>				
Lease related payables	599.51	416.66	96.52	78.94
Employee related payables	-	-	503.62	504.87
Other liabilities	-	-	32.19	105.95
	<b>599.51</b>	<b>416.66</b>	<b>4,233.95</b>	<b>1,529.12</b>

# Includes payables in respect of MSMED parties amounting to ₹ 1069.32 Lakhs (March 31, 2018: Nil) [refer note. 39]

### 19. Provisions

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
<b>Employee benefit obligations</b>				
Provision for gratuity obligation (refer note 36)	510.77	356.85	77.71	28.16
Provision for compensated absences (refer note 36)	-	-	133.93	35.14
	<b>510.77</b>	<b>356.85</b>	<b>211.64</b>	<b>63.30</b>
<b>Current tax liabilities (net)</b>				
Provision for income tax (net of prepaid taxes)^	-	-	971.75	236.90
	-	-	971.75	236.90
	<b>510.77</b>	<b>356.85</b>	<b>1,183.39</b>	<b>300.20</b>

^ The Company carries a tax contingency provision created as a matter of abundant caution of ₹171.19 Lakhs (March 31, 2018: ₹ Nil) in respect of claims made by the Company in its return of income for section 80JJAA and education cess on income tax as allowable expense. The management is confident that it will be eligible for deduction.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 20. Other liabilities

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Contract liabilities	-	-	93.58	87.29
Unclaimed dividend*	-	-	0.60	0.22
Liabilities in respect of skill development project (refer note 13)	-	-	402.00	463.53
Statutory dues payable	-	-	404.51	381.94
	-	-	900.69	932.98

\* Not due for deposit with Investor Education and Protection Fund

### 21. Revenue from operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	1,43,217.07	1,22,097.32
Other operating revenue	157.41	139.87
<b>Revenue from operations (gross)</b>	<b>1,43,374.48</b>	<b>1,22,237.19</b>

### 22. Other income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	-	47.14
Liabilities written back	148.48	26.35
Profit on sale of investments (net)	184.12	110.39
Income on investment designated at FVTPL	66.97	50.64
Miscellaneous income	12.22	31.02
	<b>411.79</b>	<b>265.54</b>

### 23. Finance income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on items at amortised cost		
Bank deposits	9.35	1.25
Interest on fair valuation of security deposits	68.31	47.84
Inter-corporate deposits	-	60.66
Bonds	-	38.82
Others	102.85	-
	<b>180.51</b>	<b>148.57</b>

### 24. Purchase of traded goods

	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of traded goods	99,216.07	86,820.49
	<b>99,216.07</b>	<b>86,820.49</b>

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 25. (Increase) in inventories

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Inventories at the end of the year</b>		
Traded goods (including stock in transit)	32,664.52	30,550.33
Packing material and accessories	233.89	160.87
	<b>32,898.41</b>	<b>30,711.20</b>
<b>Inventories at the beginning of the year</b>		
Traded goods (including stock in transit)	30,550.33	26,701.00
Packing material and accessories	160.87	216.55
	<b>30,711.20</b>	<b>26,917.55</b>
	<b>(2,187.21)</b>	<b>(3,793.65)</b>

### 26. Employee benefits expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	10,369.58	8,026.45
Gratuity Expenses (refer note 36)	174.44	154.95
Employee stock option scheme (refer note 37)	306.53	118.67
Contribution to provident and other funds	757.71	798.49
Staff welfare	964.25	740.49
	<b>12,572.51</b>	<b>9,839.05</b>

### 27. Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	6,717.05	5,210.82
Expense on fair valuation of security deposits	76.63	50.69
Power and fuel	4,223.79	3,370.09
Advertisement and sales promotion	3,393.12	2,619.51
Packing materials and expenses	862.18	691.64
Repairs and maintenance		
- Building	186.87	205.91
- Others	1,188.23	783.56
Commission	173.30	147.86
Security expenses	1,330.56	1,087.78
Communication	120.74	154.35
Travelling and conveyance	461.34	299.98
Credit card and cash collection charges	393.55	390.54
Rates and taxes	49.36	70.64
Vehicle running expenses	143.15	57.84
Legal and professional	574.74	368.83
Printing and stationery	107.80	53.72
Payment to auditors (refer details below "A")	33.93	32.05
Insurance	65.04	52.34
Loss on sale / write-off of fixed assets	69.74	45.56
Provision for doubtful advances	19.87	-
Balances written off	17.25	54.95
Expenses on CSR activities (refer details below "B")	66.48	117.55



## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Donations	0.73	4.70
Commission to independent directors	57.22	77.79
Directors' sitting fees	6.50	6.23
Miscellaneous expenses	141.36	137.81
	<b>20,480.53</b>	<b>16,092.74</b>

### A. Payment to Auditors

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
Audit fee (including limited reviews)	30.00	31.08
Tax audit fee	2.00	-
Reimbursement of expense	1.93	0.97
	<b>33.93</b>	<b>32.05</b>

### A. Details of CSR expenditure

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Gross amount required to be spent by the Company during the year	148.39	107.83
(b) Amount spent during the year ended March 31, 2019		
i) <b>Construction/ acquisition of any assets</b>		
Paid during the year	-	-
Yet to be paid	-	-
ii) <b>on purchase other than (i) above</b>		
Paid during the year	66.48	117.55
Yet to be paid	<b>81.91</b>	-

## 28. Exceptional items

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment in value of investments	979.94	-
	<b>979.94</b>	-

During the year, the Company had made investment in commercial papers of Infrastructure Leasing & Financial Services (IL&FS) amounting to ₹ 979.94 Lakhs, which were due for redemption on September 18, 2018. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there is significant uncertainty on recovery of the entire amount, the management has made a provision of full amount ₹ 979.94 Lakhs as at March 31, 2019. The Company, however, continues to monitor developments on this matter and is committed to take steps including further legal actions that may be necessary to ensure full recoverability.

## 29. Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest		
- cash credit facilities	114.43	122.38
- Others	-	11.66
Other borrowing costs	46.84	18.85
	<b>161.27</b>	<b>152.89</b>

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 30. Depreciation and amortisation expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets	2,661.90	2,223.76
Amortisation of intangible assets	100.67	69.36
	<b>2,762.57</b>	<b>2,293.12</b>

### 31. Tax expense and tax reconciliation

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

#### a) Tax expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax</b>		
Current income tax charge	3,891.02	3,733.11
Adjustments in respect of current income tax of previous year	171.19	(107.52)
	<b>4,062.21</b>	<b>3,625.59</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	(286.29)	11.94
(Decrease)/increase in deferred tax liabilities	23.40	(146.05)
	<b>(262.89)</b>	<b>(134.11)</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>3,799.32</b>	<b>3,491.48</b>
<b>Comprises of :-</b>		
Total tax expense as per Statement of profit and loss	3,818.48	3,476.25
Deferred tax related to items recognised in OCI on remeasurements of defined benefit plans	(19.16)	15.23

#### b) Income tax expense for the period reconciled to the accounting profit

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Profit before tax</b>	<b>9,981.10</b>	<b>11,246.66</b>
Income tax expense calculated at 34.944%	3,522.42	3,892.25
<b>Tax effect of amounts that are not deductible in calculating taxable expense:</b>		
Income not considered in computation of tax expense	-	(16.32)
Permanent differences	354.93	64.61
Deduction claimed on employee benefits	(295.36)	(144.43)
Items taxable at different rate	(8.94)	(163.32)
Others	55.08	(33.79)
<b>Total</b>	<b>3,628.13</b>	<b>3,599.00</b>
Adjustment in respect of current income tax of previous period	171.19	(107.52)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>3,799.32</b>	<b>3,491.48</b>

### 32. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued under ESOP Scheme to employees.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Profit after tax</b>	6,162.62	7,770.41
Nominal value per share (in ₹)	10.00	10.00
Weighted average number of Equity shares for basic EPS	181.23	180.95
Effect of dilution:		
- Issuance of shares under ESOP	0.54	0.64
Weighted average number of Equity shares adjusted for the effect of dilution	181.77	181.59
<b>Earnings per share (in ₹)</b>		
Basic earnings per share	34.01	42.94
Diluted earnings per share	33.90	42.79

### 33 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

##### a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

##### b) Recognition of deferred tax

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilized.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Useful lives of depreciable assets**

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

**(ii) Defined benefit obligation**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

**(iii) Impairment of assets**

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**(iii) Share based payments**

The Company initially measures the cost of equity-settled transactions with employees using a black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability is recognised at the vesting date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

**(iv) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(v) Assessment of potential markdown inventory**

The Company at each reporting date makes an assessment of potential markdown due to aged inventory. In doing so, it estimates the net realisable value of aged inventory based on historic trend of sale of such/ similar aged inventory. Further, it also estimate the provision for shrink based on past trends which it believes is more than or near to actual shrink to be booked as and when stores are counted annually.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 34 Commitments and Contingencies

#### i) Leases

##### Operating lease: Company as lessee

General description of significant leasing arrangements is as follows:

The lease terms for office premises, warehouse and store sites are for an period of nine years to fifteen years and having a lock-in period ranging from one to three years. The lease are further renewable on expiry of total lease term subject to mutual consent of both the parties.

Further, the Company has also obtained some of the assets under operating lease from asset leasing company. Such lease agreement are cancellable by giving a three months notice and does not contain lock-in period.

The Company has paid ₹6,717.05 Lakhs (March 31, 2018: ₹5,210.82) Lakhs during the year towards minimum lease payments.

Future minimum rental payable under the operating lease as at March 31, 2019 are as follows

	As at 31 March 2019	As at 31 March 2018
Within one year	7,169.30	3,129.71
After one year but more than five years	25,976.83	11,078.48
More than five years	34,934.78	4,925.94
Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the year	Nil	Nil
Total future minimum sublease payments expected to be received under non-cancellable subleases	Nil	Nil

Note: Disclosure is given for lease term for which the Company intends to occupy the premises

#### ii) Commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account not provided in books	105.28	13.90
	<b>105.28</b>	<b>13.90</b>

#### iii) Contingent liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax <sup>1</sup>	-	-
Value added tax <sup>2</sup>	455.84	452.18
Service tax <sup>3</sup>	30.33	30.33
Payment of Bonus (Amendment) Act, 2015 <sup>4</sup>	107.61	107.61
Minimum Wages Act, 1948 <sup>5</sup>	63.98	23.97
	<b>647.76</b>	<b>614.09</b>

#### Income Tax <sup>1</sup>

Demand amounting to ₹ 17.38 Lakhs (March 31, 2018 : ₹ 4.81 Lakhs) was raised by the income tax department for AY 13-14 and AY 16-17 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other non deductible expenses. The Company either reduced the refund due to it or has made provision against the such

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

demand. However, the Company has filed an appeal before CIT (A) for assessment year 13-14 and has also filed a rectification application for assessment year 16-17.

### Value added tax <sup>2</sup>

₹ 445.84 Lakhs (March 31, 2018: ₹ 452.18 Lakhs) represents demand relating to the appropriateness of forms/declaration made by the Company under relevant sales tax legislations which were primarily procedural and on interstate movement of goods. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases amounting to ₹ 120.26 (March 31, 2018: ₹127.89) .

### Service tax <sup>3</sup>

Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1 2007 by the Finance Act, 2010, the Retailer Association of India (the Company being a member of such Association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has issued an interim order dated October 14, 2011, directing to deposit 50% of the arrears of service tax due upto September 30, 2011 and the balance, if any, at the time of final disposal of the appeal. The amount of service tax on rent in respect of rented stores from June 1, 2007 till September 30, 2011 amounted to ₹108.26 Lakhs of which ₹77.93 Lakhs has been provided for in the Statement of Profit and Loss till March 31, 2017 and the balance ₹30.33 Lakhs has been disclosed as contingent liability in current and previous year. As per directions of the Hon'ble Supreme Court, the Company, has deposited ₹37.69 Lakhs under protest with the concerned authorities and has disclosed this balance as "Service tax deposit" under other non-current assets.

### Payment of Bonus (Amendment) Act, 2015<sup>4</sup>

The Payment of Bonus (Amendment) Act, 2015 dated December 31, 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by Hon'ble High Courts of Kerala (Ernakulam), Karnataka (Bengaluru), Uttar Pradesh (Allahabad) and Madhya Pradesh (Indore) and pending disposal of such matter, the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognized an additional expense of ₹213.81 Lakhs for the period April 1, 2015 to March 31, 2016 during previous year ended March 31, 2016 and has not recognised the differential amount of bonus of ₹107.61 Lakhs for the period April 1, 2014 to March 31, 2015.

### Minimum Wages Act, 1948<sup>5</sup>

₹63.98 Lakhs (March 31, 2018 : ₹23.97 Lakhs) represents demand under imposed by the labour enforcement officer under The Minimum Wages Act, 1948 mainly on classification of employees into skilled, semi-skilled and un-skilled. The Company has contested the demand and does not anticipate any material liability devolving on the Company.

### Others

Supreme Court has passed judgment on February 28, 2019, on the issue of whether certain allowances should be treated as wages for the purposes of Provident Fund (PF). There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

Further there are various labour, legal metrology, food adulteration and cases under other acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Company.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 35 Related party disclosures

#### (a) Names of related parties and related party relationship

##### Names of related parties where control exists

Conquest Business Services Private Limited	Entity along with promotor holding having control
<b>Key managerial personnel</b>	
Mr. Lalit Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Akash Moondra	Independent Director
Mr. Murli Ramachandran	Independent Director
Mrs. Sonal Matoo	Independent Director
Mr. Govind Shridhar Shrikhande	Additional Independent Director
Mr. Anand Agarwal	Chief financial officer
Mrs. Megha Tondon	Company Secretary
<b>Relative of Key managerial personnel</b>	
Mrs. Sangeeta Agarwal	Wife of Mr. Lalit Agarwal
Mrs. Uma Devi Agarwal	Wife of Mr. Madan Gopal Agarwal and Mother of Mr. Lalit Agarwal
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Mr. Hemant Agarwal	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Agarwal
Mrs. Smiti Agarwal	Daughter -in-law of Mr. Madan Gopal Agarwal
<b>Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*</b>	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit Agarwal is Karta
Madan Gopal Agarwal (HUF)	HUF in which Mr. Madan Gopal Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Mr. Hemant Agarwal is Karta
Wesbok Lifestyle Private Limited	Company owned by Mr. Hemant Agarwal
V-Mart Foundation	Trust in which Mr. Lalit Agarwal and Mrs. Sangeeta Agarwal is trustee

\*Where transactions have occurred.

#### (b) The following transactions were carried out with related parties in the ordinary course of business:

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>Managerial remuneration*</b>						
Mr. Lalit Agarwal	223.56	235.02	-	-	-	-
Mr. Madan Gopal Agarwal	62.76	66.43	-	-	-	-
<b>Post employment benefits - Gratuity</b>						
Mr. Lalit Agarwal	13.08	8.79	-	-	-	-
Mr. Madan Gopal Agarwal	18.69	18.55	-	-	-	-
<b>Independent directors' commission</b>						
Mr. Aakash Moondhra	16.89	29.54	-	-	-	-
Mr. Murli Ramachandran	16.89	24.32	-	-	-	-
Mrs. Sonal Mattoo	16.89	23.84	-	-	-	-
Mr. Govind Sridhar Shrikhande	6.55	-	-	-	-	-

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>Director sitting fees</b>						
Mr. Aakash Moondhra	2.00	2.00	-	-	-	-
Mr. Murlu Ramachandran	2.00	2.00	-	-	-	-
Mrs. Sonal Mattoo	1.50	2.00	-	-	-	-
Mr. Govind Sridhar Shrikhande	1.00	-	-	-	-	-
<b>Salaries, wages and bonus #</b>						
Mr. Anand Agarwal	87.08	66.28	-	-	-	-
Mr. Snehal Shah	-	-	56.29	47.95	-	-
Mrs. Megha Tondon	6.25	4.84	-	-	-	-
<b>ESOP issued</b>						
Mr. Anand Agarwal	37.45	-	-	-	-	-
Mr. Snehal Shah	-	-	7.65	20.82	-	-
<b>Dividend paid</b>						
Mr. Lalit Agarwal	-	27.93	-	-	-	-
Mr. Hemant Agarwal	-	-	4.09	2.56	-	-
Mr. Madan Gopal Agarwal	-	8.58	-	-	-	-
Lalit Agarwal (HUF)	-	-	-	-	25.55	12.77
Hemant Agarwal (HUF)	-	-	-	-	7.51	5.30
Mr. Madan Gopal Agarwal (HUF)	-	-	-	-	-	13.02
Mrs. Sangeeta Agarwal	-	-	-	27.15	-	-
Mrs. Smiti Agarwal	-	-	8.97	5.16	-	-
Mrs. Uma Devi Agarwal	-	-	-	16.94	-	-
Conquest Business Services Pvt. Ltd.	-	-	-	-	149.80	-
<b>Contribution to CSR</b>						
V-Mart Foundation	-	-	-	-	41.80	-
<b>Purchase of traded goods</b>						
Wesbok Lifestyle Private Limited	-	-	-	-	-	276.60

\*Managerial remuneration comprises of the following:-

	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration (excluding post employment benefits)	244.63	184.97
Commission	138.24	153.03
Perquisites	34.23	34.57
	<b>417.10</b>	<b>372.57</b>

# Gross salary as per pay sheet including bonus, contribution to PF and LWF. It does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole. Further, it does not include perquisites on ESOP considered for income tax purposes on the date of exercise of option.



## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### (c) Balance at the end of year

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>Remuneration/salary payable (net of TDS)</b>						
Mr. Lalit Agarwal	56.35	119.74	-	-	-	-
Mr. Madan Gopal Agarwal	18.65	39.72	-	-	-	-
<b>Independent directors' commission payable (net of TDS)</b>						
Mr. Aakash Moondhra	11.39	29.54	-	-	-	-
Mr. Murli Ramachandran	11.39	24.32	-	-	-	-
Mr. Govind Sridhar Shrikhande	5.56	-	-	-	-	-
Mrs. Sonal Mattoo	15.09	23.84	-	-	-	-

### 36 Employee benefits

#### Employee benefits obligation

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Contribution to provided fund	-	-	44.60	53.95
Gratuity	510.77	356.85	77.71	28.16
Compensated absences	-	-	133.93	35.14
	<b>510.77</b>	<b>356.85</b>	<b>256.24</b>	<b>117.25</b>

#### Gratuity an other post-employment benefit plans

The Company has a defined benefit gratuity plan which is not funded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2019	31 March 2018
Change in benefit obligation		
Opening defined benefit obligation	385.01	291.36
Service cost	144.43	113.38
Past service cost	-	19.18
Interest expenses	30.01	22.39
Benefits paid	(25.80)	(17.29)
Actuarial changes arising from changes in demographic assumptions	3.63	-
Actuarial changes arising from changes in financial assumptions	70.96	(6.74)
Experience adjustments	(19.76)	(37.27)
<b>Closing defined Benefit obligation</b>	<b>588.48</b>	<b>385.01</b>

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### Balance sheet - Benefit Asset / (Liability)

	31 March 2019	31 March 2018
Present value of defined benefit obligation	588.48	385.01
Fair value of plan assets	-	-
<b>Plan asset / (liability)</b>	<b>588.48</b>	<b>385.01</b>

### Statement of profit and loss

Net employee benefit expense recognized in employee cost (recognised in statement of profit and loss)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	144.43	113.38
Past service cost	-	19.18
Interest cost on benefit obligation	30.01	22.39
<b>Net benefit expense</b>	<b>174.44</b>	<b>154.95</b>

### Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial changes arising from changes in demographic assumptions	3.63	-
Actuarial changes arising from changes in financial assumptions	70.96	(6.74)
Experience adjustments	(19.76)	(37.27)
	<b>54.83</b>	<b>(44.01)</b>

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

#### Economic assumptions

	31 March 2019	31 March 2018
Discount rate	7.00%	7.80%
Salary escalation rate:	4.75%	4.75%

#### Demographic assumptions

	31 March 2019	31 March 2018
Retirement age	60	60
Withdrawal rate, based on age		
Upto 30 years	-	3%
From 31 to 44 years	-	2%
Above 44 years	-	1%
Withdrawal rate, based on period of service		
up to 5 years	40.00%	-
5 years or more	10.00%	-
Mortality rate	100% of IALM	100% of IALM

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	- / +1%	- / +1%	547.92	331.10	634.98	453.31
Salary growth rate	- / +1%	- / +1%	633.74	452.82	548.30	331.02
Attrition Rate	- / + 0.50%	- / + 0.50%	569.02	404.73	594.18	360.73
Mortality Rate	- / + 0.10%	- / + 0.10%	588.70	385.75	588.25	384.28

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to demographics are insignificant. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected credit unit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Risk exposure

	31 March 2019	31 March 2018
Weighted average duration (based on discounted cashflows)	7 years	17 years

The following are defined benefit payments in future years:

	31 March 2019	31 March 2018
Within one year	77.71	28.16
More than 1 year but less than 5 years	257.55	71.49
5 years and more	803.73	1,867.89
	<b>1,138.99</b>	<b>1,967.54</b>

#### (i) Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

##### Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields falls, the defined benefit obligation will tend to increase.

##### Salary Inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

##### Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward

## Notes to financial statements for the year ended March 31, 2019

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and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above.

### 37 Share Based Payments

#### Employee Stock Options (ESOP)

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated July 2, 2012 and July 10, 2012 respectively ('the V-Mart ESOP Scheme 2012' or the "Scheme"), consequent to which 300,000 equity shares with a nominal value of ₹10 each will be granted upon exercise of as stock options (ESOPs) to eligible employees. The exercise price of these options will be determined by the Remuneration Committee and the options will vest over a period of twelve months to thirty six months of continued employment from the grant date.

#### (a) Below are the details in respect of ESOPs granted till March 31, 2019

Particulars	Grant date	ESOPs granted	Exercise price (in ₹)	Vesting option (in Nos.)			Market value of equity shares on the date of grant (in ₹)
				Completion of twelve months	Completion of twenty four months	Completion of thirty six months	
Grant I	20-Jul-12	1,53,252	150.00	45,975	45,975	61,302	150.00
Grant II	05-Jan-15	22,350	450.00	6,705	6,705	8,940	539.30
Grant III	28-Dec-15	13,645	573.00	4,093	4,093	5,459	586.30
Grant IV	30-Jan-17	76,225	470.00	22,867	22,867	30,491	522.35
Grant V	12-Jul-17	6,395	900.00	1,918	1,919	2,558	1,243.90
Grant VI	09-Nov-17	9,300	1,260.00	2,790	2,790	3,720	1,412.60
Grant VII	24-May-18	18,527	2,047.00	5,558	5,558	7,411	2,274.05
Grant VIII	22-Jul-18	40,764	2,044.00	12,229	12,229	16,306	2,270.95
Grant IX	02-Nov-18	3,426	2,286.00	1,028	1,028	1,370	2,540.25

The vesting of options is subject to the continued employment of the grantee over the vesting period. The options granted can be exercised after vesting at any time before the expiry of eight years from the grant date.

#### (b) The relevant details in respect of V-Mart ESOP Scheme 2012 are summarized below:

	31 March 2019		31 March 2018	
	Number of options	Weighted average price in (₹)	Number of options	Weighted average price in (₹)
Outstanding at the beginning of the year	97,219	635.08	1,21,572	442.15
Granted during the year	62,717	2,058.11	15,695	1,113.32
Exercised during the year	32,638	571.13	29,195	324.60
Forfeited during the year	4,192	1,080.26	10,853	470.00
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,23,106	1,320.27	97,219	635.08
Exercisable at the end of the year	25,629	491.94	28,557	479.53
No. of equity shares of ₹ 10 each fully paid up to be issued on exercise of option	1,23,106	1,320.27	97,219	635.08

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### Weighted average remaining contractual life (in years)

	31 March 2019	31 March 2018
Weighted average remaining contractual life (in years)	6.56	6.68

(c) The fair value of the options was estimated on the date of grant using the Black-Scholes Model with the following significant assumptions

Particulars	Risk free interest rates (in %)	Expected life (in years)	Volatility (in %)	Dividend yield (in %)	Weighted average exercise price (in ₹)	Weighted average fair value of stock option (in ₹)
Grant I	8.42%	4 years	25.00%	0.27%	150.00	50.89
Grant II	8.32%	4 years	41.00%	0.20%	450.00	263.00
Grant III	8.16%	4 years	38.74%	0.20%	573.00	248.00
Grant IV	7.93%	4 years	30.13%	0.24%	470.00	211.00
Grant V	7.80%	4 years	42.48%	0.18%	900.00	673.00
Grant VI	7.64%	4 years	50.76%	0.10%	1,260.00	727.00
Grant VII	7.45%	3 years	40.30%	0.10%	2,047.00	902.00
Grant VIII	7.42%	3 years	41.49%	0.10%	2,044.00	913.00
Grant IX	7.37%	3 years	22.23%	0.10%	2,286.00	792.00

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not also necessary be the actual outcome.

### 38 Segment information

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations comprises of only one segment i.e. Retail sale business of various merchandise products. The Company operates primarily in India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments". The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 39 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises (refer note 17 and 18)	3,431.93	80.49
Interest due on above	-	2.17
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Interest paid to suppliers under MSMED Act	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The 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 the MSMED Act 2006	-	-

### 40 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings	Current borrowings	Equity share capital	Total
Net debt as at March 31, 2017	59.54	23.29	1,806.82	1,889.65
Proceeds from issue of equity share capital	-	-	2.92	2.92
Repayment of current borrowings (net)	-	(23.29)	-	(23.29)
Current maturities of long-term debts	(27.29)	27.29	-	-
<b>Net debt as at March 31, 2018</b>	<b>32.25</b>	<b>27.29</b>	<b>1,809.74</b>	<b>1,869.28</b>
Proceeds from issue of equity share capital	-	-	3.26	3.26
Repayment of current borrowings (net)	-	(27.29)	-	(27.29)
Current maturities of long-term debts	(29.65)	29.65	-	-
<b>Net debt as at March 31, 2019</b>	<b>2.60</b>	<b>29.65</b>	<b>1,813.00</b>	<b>1,845.25</b>

### 41 Disclosure required under Section 186 (4) of the Companies Act, 2013

Particulars of interest bearing inter-company deposits given:

Name of the party	Opening Balance	Loan Given	Loan Repayment	Outstanding balance	Purpose
Karvy Data Management Services Limited					General business purpose
<b>March 31, 2019</b>	-	-	-	-	
March 31, 2018	-	2,000.00	2,000.00	-	

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 42 Financial risk management

#### A. Capital risk management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Company determines the amount of capital required on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores and technology. The Company's funding requirements are met through internal accruals and a combination of both long-term (Vehicle loans only) and short-term borrowings.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

	31 March 2019	31 March 2018
Long term borrowings (including current maturities)	32.25	59.53
Less: Cash and cash equivalents	(1,231.71)	(1,373.71)
<b>Total debt</b>	<b>(1,199.46)</b>	<b>(1,314.18)</b>
Equity share capital	1,813.00	1,809.74
Other equity	39,114.04	32,934.40
<b>Total equity</b>	<b>40,927.04</b>	<b>34,744.14</b>
<b>Gearing ratio</b>	<b>-2.93%</b>	<b>-3.78%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

#### B. Financial risk management

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

##### Market risk :

Market Risk is the risk that changes in market place could affect the future cash flows to the Company. The market risk for the Company arises primarily from interest rate risk and product price risk.

- i) **Interest risk:** The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short term cash credits. The Company mitigates the same through efficient use of working capital limits and regular monitoring of Interest Coverage ratio. The Company is not exposed to significant interest rate risk as at the respective reporting dates.
- ii) **Product price risk:** In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

##### Liquidity risk:

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows.

Particulars	Less than one year	Between one and five years	More than five years	Carrying amounts
<b>As at March 31, 2019</b>				
Borrowings (non current and current)	29.65	2.60	-	32.25
Interest payable	0.36	-	-	0.36
Trade payables and other accruals	19,029.94	323.30	276.21	19,629.45
<b>As at March 31, 2018</b>				
Borrowings (non current and current)	27.29	32.24	-	59.53
Interest payable	0.36	-	-	0.36
Trade payables and other accruals	18,179.67	216.10	200.56	18,596.33

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned

	31 March 2019	31 March 2018
<b>Secured working capital facilities</b>		
Amount used	-	-
Amount unused	1,00,000.00	9,075.88
<b>Total</b>	<b>1,00,000.00</b>	<b>9,075.88</b>
<b>Unsecured working capital facilities</b>		
Amount used	-	-
Amount unused	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

The Company provides for twelve month expected credit losses for the following financial assets

### As at March 31, 2019

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments (refer note 28)	7,047.71	979.94	6,067.77
Loans	965.78	-	965.78
Cash and cash equivalents	1,231.71	-	1,231.71
Margin money deposits	374.63	-	374.63
Other bank balances	426.88	-	426.88
<b>Total financial assets</b>	<b>10,046.71</b>	<b>979.94</b>	<b>9,066.77</b>



## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

As at March 31, 2018

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments	3,403.31	-	3,403.31
Loans	727.25	-	727.25
Cash and cash equivalents	1,373.71	-	1,373.71
Margin money deposits	238.43	-	238.43
Other bank balances	463.57	-	463.57
<b>Total financial assets</b>	<b>6,206.27</b>	<b>-</b>	<b>6,206.27</b>

### Concentration of financial assets

The Company's principal business activities are of retailing in consumer care and food products. All financial assets pertain to the retail business.

### 43 Fair value measurements

Financial instruments by category

	March 31, 2019		March 31, 2018	
	Carrying value	Fair Value	Carrying value	Fair Value
<b>Financial assets</b>				
<b>Fair value through profit and loss</b>				
Investments				
- Mutual Funds	6,067.77	6,067.77	863.55	863.55
<b>Fair value through amortised cost</b>				
Investments				
- Bonds	-	-	2,539.76	2,539.76
Loans	965.78	965.78	727.25	727.25
Cash and cash equivalents	1,231.71	1,231.71	1,373.71	1,373.71
Margin money deposits	374.63	374.63	238.43	238.43
Other bank balances	426.88	426.88	463.57	463.57
<b>Total financial assets</b>	<b>9,066.77</b>	<b>9,066.77</b>	<b>6,206.27</b>	<b>6,206.27</b>
<b>Financial liabilities</b>				
<b>Fair value through amortised cost</b>				
Borrowings	32.25	32.25	59.53	59.53
Trade payables	14,826.00	14,826.00	16,678.20	16,678.20
Interest payable	0.36	0.36	0.36	0.36
Book Overdraft	2,160.35	2,160.35	-	-
Employee related payables	503.62	503.62	504.87	504.87
Capital creditors	1,411.26	1,411.26	811.71	811.71
Other payables	728.22	728.22	601.55	601.55
<b>Total financial liabilities</b>	<b>19,662.06</b>	<b>19,662.06</b>	<b>18,656.22</b>	<b>18,656.22</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### The following methods and assumptions were used to estimate the fair values:

The fair value of quoted investments are based on price quotations as on the reporting date.

The security deposits paid are evaluated by the company based on parameters such as interest rate, risk factors, risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

#### 44 Fair hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
Investments in mutual funds	March 31, 2019	6,067.77	6,067.77	-	-
	March 31, 2018	863.55	863.55	-	-
Investments in Bonds	March 31, 2019	-	-	-	-
	March 31, 2018	2,539.76	-	2,539.76	-
Loans	March 31, 2019	965.78	-	-	965.78
	March 31, 2018	727.25	-	-	727.25

There have been no transfers between Level 1 and Level 2 during the year.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed traded mutual funds that have quoted price. The mutual funds are reported using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

#### Note :

The carrying amount of trade receivables, trade payables, capital creditors, borrowing, employee payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

- 45 The Company on a periodic basis assesses the markdown of its aged and obsolete inventories (including shrink due to various reasons). The exercise has been carried out throughout the year and also at the year end. The estimated markdown including shrink in consumption of stock-in-trade amounts to ₹ 2343.13 Lakhs (March 31, 2018: ₹1,597.38 Lakhs). The management believes that such loss is as per the industry standards and does not require any separate disclosure in financial statements.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 46 Assets pledged as security

The carrying amounts of asset pledged as security for current and non-current borrowings are:

	31 March 2019	31 March 2018
<b>Current</b>		
<b>Financial assets</b>		
Investments	5,085.29	2,769.13
Cash and cash equivalent	1,231.71	1,373.71
Other bank balances	426.88	463.57
Other financial assets	256.98	111.68
<b>Non-financial assets</b>		
Inventories	32,898.41	30,711.20
<b>Total current assets pledged as security</b>	<b>39,899.27</b>	<b>35,429.29</b>
<b>Non-current</b>		
Property, plant and equipment**	16,158.19	-
Capital work in progress**	400.98	-
<b>Financial assets</b>		
Investments	982.48	634.18
Other financial assets	117.65	126.75
<b>Non-financial assets</b>		
Vehicles*	62.60	189.76
<b>Total non-current assets pledged as security</b>	<b>17,721.90</b>	<b>950.69</b>
<b>Total assets pledged as security</b>	<b>57,621.17</b>	<b>36,379.98</b>

#### \*Secured Loan

Vehicle loan secured against hypothecation of vehicle obtained from HDFC Bank, repayable in 36 instalment and carrying an interest rate of 8%. The loan was obtained on March 31, 2017.

\*\*Represent collateral Security

#### Undrawn committed borrowing facilities

The Company has sanctioned working capital limits amounting to ₹ 11,500 Lakhs (March 31, 2018: ₹ 7400 Lakhs) including non fund based limit of ₹ 1,500 Lakhs from SBI, ICICI and HDFC Bank. An amount of ₹ 11,268.50 Lakhs remains undrawn as at March 31, 2019 (March 31, 2018 ; ₹ 7394.32 Lakhs). Further, the limits available is secured by way of:

- i) Pari passu first hypothecation charge with all the working capital lenders on entire current assets including stock and all the present and future book debts
- ii) Pari passu first hypothecation charge with all the working capital lenders on all the present and future fixed assets of the Company excluding vehicle and assets financed by other banks under the finance lease and term loan
- iii) Exclusive charge over personal property of Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal & Mrs. Sangeeta Agarwal and their personal guarantee.
- iv) Exclusive charge over Lien on Mutual Funds of Reliance Fixed Horizon Fund XXXII S4-Regular PL- Growth and SBI Magnum Ultra Short Duration Fund-Direct Growth
- v) Exclusive charge over FDRs of ₹ 67 Lakhs.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 47 Offsetting financial assets and financial liabilities

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>Financial liabilities</b>						
Borrowings						
<b>March 31, 2019</b>	<b>32.25</b>	-	<b>32.25</b>	-	<b>62.60</b>	-
March 31, 2018	59.53	-	59.53	-	189.76	-

#### Collateral against borrowings

The company has pledged financial instruments as collateral against a number of its borrowings. Refer to Note 46 for further information on financial and non-financial collateral pledged as security against borrowings

### 48 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

#### (i) Ind AS 116 Leases

Ind AS 116 was notified by the MCA on 30<sup>th</sup> March 2019. The standard is applicable for the financial year beginning on or after 1 April 2019 to all the companies reporting under Ind AS.

The new standard proposes an overhaul in the accounting for lessees by completely letting go off the previous “dual” finance vs. operating lease model. The guidance in the new standard requires lessees to adopt a single model approach which brings leases on the balance sheet on first day, in the form of a right-of-use asset and a lease liability.

The Company is in the process of making an assessment of the impact of Ind-AS 116 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

#### (ii) Amendments to existing issues IND AS

The MCA has also carried out amendments in following accounting standards. These are:

- Ind AS 12 Income taxes to Appendix C Uncertainty over income tax treatments.
- Ind AS 19 Employee Benefits
- Ind AS 23 Borrowing Costs
- Ind AS 28 Investments in Associates and Joint Ventures
- Ind AS 109 Financial Instruments
- Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Company’s financial statements.

## Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

### 49 Event occurring after balance sheet date

The Board of Directors of the Company, in their meeting held on May 10, 2019, recommended a final dividend of ₹1.70 per fully paid up equity shares of ₹ 10 each, aggregating to ₹ 308.21 Lakhs for the year ended March 31, 2019 (March 31, 2018: ₹ 1.80 per fully paid up equity share of ₹ 10 each, aggregating to ₹325.75 Lakhs), subject to the approval of shareholders at the Annual General Meeting of the Company.

### 50 Previous year financials have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

As per our report of even date

For **S.R. Batliboi & Co. LLP**  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership Number: 094421

**Place:** New Delhi  
**Date:** 10<sup>th</sup> May, 2019

For and on behalf of the board of directors of  
**V-Mart Retail Limited**

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
PAN: ADDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Mem. No. A35532



## V- MART RETAIL LIMITED

(CIN - L51909DL2002PLC163727)

Regd. Office: 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi-110092

Corp. Office: Plot No. 862, UdyogVihar, Industrial Area, Phase - V, Gurugram - 122016 (Haryana)

Tel.:-0124-4640046, Fax No.- 0124-4640046, Website: www.vmart.co.in, Email - info@vmart.co.in

### ATTENDANCE SLIP

Please fill in this attendance slip and hand it over at the entrance of the meeting hall. Joint holders may obtain additional attendance slips.

Sr. No. : SLNO

HOLDER

HOLDER\_ADD

HOLDER\_AD1

HOLDER\_AD2

HOLDER\_AD3

PIN : HOLDER\_PIN -----

I hereby record my presence at the Seventeenth ANNUAL GENERAL MEETING of the Company held on Friday, the 2<sup>nd</sup> day of August, 2019 at 9:30 a.m. at India Islamic Cultural Center, 87-88 Lodhi Road, Near Lodhi Gardens, New Delhi-110003.

\_\_\_\_\_  
Members Folio/DPID-Client ID No.

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Signature of the Member / Proxy

No. of Shares held:

Regd. Folio/\* Client ID: DP ID/ HOLDER\_FOL

\*Applicable for Members holding shares in dematerialized form.

Note: To be signed and handed over at the entrance of the Meeting Venue





## V- MART RETAIL LIMITED

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Tel.:-0124-4640046, Fax No.- 0124-4640046, Website: www.vmart.co.in, Email - info@vmart.co.in

### Form No. MGT - 11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

Name of the Company : V-MART RETAIL LIMITED

Registered Office : 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi-110092

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No./Client ID :

DP ID :

I/We, being a Member(s) of V-Mart Retail Ltd., hereby appoint:

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 2<sup>nd</sup> day of August, 2019 at 9:30 a.m. at India Islamic Cultural Center, 87-88 Lodhi Road, Near Lodhi Gardens, New Delhi-110003 and any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, along with the reports of the Auditors and the Board thereon.		
2.	To declare a dividend at the rate of Rs. 1.70 per equity share for the financial year 2018-19.		
3.	To appoint Mr. Madan Gopal Agarwal (DIN 02249947) as a Director, liable to retire by rotation.		
<b>Special Business</b>			
4.	To appoint Mr. Govind S. Shrikhane (DIN: 00029419) as an Independent Director of the Company		
5.	To re-appoint Mr. Aakash Moondhra (DIN: 02654599) as an Independent Director of the Company		
6.	To approve the revision/variation in the remuneration of Mr. Lalit Agarwal, (DIN: 00900900) Managing Director of the Company		



7	To approve the revision/variation in the remuneration of Mr. Madan Gopal Agarwal, (DIN: 02249947) Whole Time Director of the Company		
8	Increase in Borrowing limits under Section 180 (1)(c) over and above the aggregate, for the time being, of the paid-up capital and free reserves of the Company		
9	To approve the increase in the limits applicable for making investment / extending loans and giving guarantees or providing securities in connection with loans to persons / Bodies Corporates		

Signed on \_\_\_\_ day of \_\_\_\_\_, 2019.

Signature\_\_\_\_\_ Signature of Proxy holder\_\_\_\_\_

Affix a  
Revenue  
Stamp

**NOTE :**

In order to be effective the Proxy should be duly filed, signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a Member of the Company.

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN (Electronic Voting Event Number)</b>	<b>User ID</b>	<b>Password/PIN</b>

**INSTRUCTIONS FOR REMOTE E-VOTING**

Use the following URL for e-voting from KARVY website: <http://evoting.karvy.com>

- Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
- Enter the login credentials [i.e., user id and password mentioned overleaf]. In case of physical folio, User ID will be EVENT number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- After entering the details appropriately, click on LOGIN.
- You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e. V-Mart.
- On the voting page, enter the number of shares as on the cutoff date under "FOR/AGAINST" or alternately you may enter partially any number in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed the total shareholding. You may also choose the option "ABSTAIN" If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.  
Institutional Shareholders (i.e. Members other than individuals, HUF, NRIs etc.) are required to send a scanned copy of the Board Resolution/authority letter to the Scrutinizer via email at [scrutinizer.vmart@gmail.com](mailto:scrutinizer.vmart@gmail.com) with copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 21st June 2018, may obtain the User ID and password in the manner as mentioned below:
  - If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - Member may call Karvy's toll free number 1-800-3454-001.
  - Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
- Once the vote on the Resolution is cast by the Member, he/she shall not be allowed to change it subsequently.  
In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members shall be available at the download section of <http://evoting.karvy.com> or contact KARVY at Tel No.1800 345 4001 (toll free).
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- The Portal will remain open for voting from 9.00 a.m. on 26th June, 2018 to 5:00 p.m. on 28th June 2018 (both days inclusive).
- Kindly note that once you have cast your vote, you cannot modify or vote on poll at AGM. However, you can attend the meeting and participate in discussions, if any.
- The Scrutinizer shall immediately after the conclusion of the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairperson of the Company. The Chairperson or any other person authorised by the Chairperson, shall declare the result of the voting forthwith.  
The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the website of the Company [www.vmart.co.in](http://www.vmart.co.in) and on the website of KARVY <https://evoting.karvy.com> within three days of passing of the Resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, for placing the same in their website.









[www.vmart.co.in](http://www.vmart.co.in)